

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this Prospectus, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (the “FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a prospectus relating to Hipgnosis Songs Fund Limited (the “Company”) in connection with the issue of Issue Shares in the Company and their admission to trading on the Main Market and to listing on the premium listing category of the Official List, has been prepared in accordance with the UK version of the EU Prospectus Regulation (2017/1129) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including, but not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019)) (the “UK Prospectus Regulation”) and the prospectus regulation rules of the Financial Conduct Authority (the “FCA”) (the “Prospectus Regulation Rules”). This Prospectus has been approved by the FCA, as the competent authority under the UK Prospectus Regulation and the FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Accordingly, such approval should not be considered as an endorsement of the issuer, or of the quality of the securities, that are the subject of this Prospectus; investors should make their own assessment as to the suitability of investing in the Issue Shares.

The Issue Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Issue Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. It should be remembered that the price of the Shares and the income from them can go down as well as up.

The attention of potential investors is drawn to the section entitled “Risk Factors” in this Prospectus.

The results of the Initial Issue are expected to be announced on 5 February 2021. The earliest date for applications under the Offer is the date of this Prospectus and the latest time and date for applications under the Offer is 11:00 a.m. on 4 February 2021. Further details of the Initial Issue and the Placing Programmes are set out in Part V (*The Initial Issue and the Placing Programmes*) of this Prospectus.



HIPGNOSIS

HIPGNOSIS SONGS FUND LIMITED

*(an investment company limited by shares incorporated under the laws of Guernsey
with registered number 65158)*

Proposed issuance of up to 1.5 billion Shares, in aggregate, through an Initial Issue of Ordinary Shares at an Initial Issue Price of 121 pence per Ordinary Share and Placing Programmes of new Ordinary Shares and/or C Shares

Investment Adviser
The Family (Music) Limited

Financial Adviser and Sponsor
Nplus1 Singer Advisory LLP

Nplus1 Singer Capital Markets
Limited

Joint Bookrunners
J.P. Morgan Cazenove

RBC Capital Markets

Applications will be made for the new Ordinary Shares and C Shares to be issued in connection with the Initial Issue and the Placing Programmes (the “**Issue Shares**”) to be admitted to trading on the Main Market of the London Stock Exchange (“**Main Market**”) and to listing on the premium listing category of the Official List of the FCA (the “**Official List**”) at the relevant Admission with applications to be made in connection with the Ordinary Shares issued pursuant to the Initial Issue at Initial Admission. It is expected that Initial Admission will become effective and that dealings in the Ordinary Shares which are the subject of the Initial Issue will commence on 10 February 2021.

The Placing Programmes will remain open until 20 January 2022 or such earlier time at which the maximum number of Issue Shares to be issued pursuant to the Placing Programmes has been issued (or such other date as may be agreed between Nplus1 Singer Capital Markets Limited (“**N+1 Singer**”), J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) (“**JPMC**”), RBC Europe Limited (trading as RBC Capital Markets) (“**RBC**” and together with N+1 Singer and JPMC, the “**Joint Bookrunners**”) and the Company (such agreed date to be announced by way of an RIS announcement)).

The Company and the Directors, whose names appear on page 56 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus does not omit anything likely to affect the import of such information.

Capitalised terms contained in this Prospectus shall have the meanings set out in the sections entitled “*Glossary of Terms*” and “*Definitions*” in this Prospectus, save where the context requires otherwise.

This Prospectus does not constitute an offer to sell or issue, or the solicitation of an offer to purchase, subscribe for or otherwise acquire, Issue Shares in any jurisdiction where such an offer or solicitation would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Investment Adviser. The distribution of this Prospectus and the offer of the Issue Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this Prospectus (or any other offering materials or publicity relating to the Issue Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus, nor any other offering materials or publicity relating to the Issue Shares may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus (or any other offering materials or publicity relating to the Issue Shares) comes should inform themselves about and observe any such restrictions.

The Investment Adviser accepts responsibility for the information and opinions contained in: (a) the risk factors under the following headings: “Risks Relating to the Company”; “Risks Relating to the Music Industry”; “Risks Relating to the Investment Policy and Strategy and to the Investment Portfolio and Future Acquisitions of Catalogues”; and “Risks Relating to the Investment Adviser”; (b) section 1 (*Introduction*), section 2 (*Investment Objective and Policy*), section 3 (*The Company’s Portfolio*), section 4 (*Pipeline*), section 5 (*Dividend Policy*), section 6 (*Target Returns to Shareholders*), and section 8 (*Calculation and Publication of Net Asset Values*) of Part I (*Information on the Company*); (c) Part II (*Market Background, Investment Strategy and Approach*); (d) Part III (*Investment Adviser*); (e) the sections entitled “*Conflicts of Interest: Investment Adviser*” and “*Fees and Expenses: Fees payable to the Investment Adviser*” of Part IV (*Directors and Administration*); and (f) Part IX (*Operating and Financial Review*) of this Prospectus and any other information or opinion related to or attributed to it or any Affiliate of the Investment Adviser. To the best of the Investment Adviser’s knowledge, the information and opinions contained in this Prospectus related to or attributed to it or any Affiliate of the Investment Adviser are in accordance with the facts and this Prospectus does not omit anything likely to affect the import of such information or opinions.

The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the “**US Investment Company Act**”) and as such investors are not and will not be entitled to the benefits of the US Investment Company Act. The Issue Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the

United States. In connection with the Initial Issue or any Subsequent Placing, subject to certain exceptions, offers and sales of Issue Shares will be made only (i) outside the United States in reliance on Regulation S under the US Securities Act ("**Regulation S**"); and (ii) in the United States to "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the US Securities Act ("**Rule 144A**") in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the Issue Shares may be relying upon the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A. There has not been and will be no public offering of the Issue Shares in the United States.

Neither the United States Securities and Exchange Commission (the "SEC") nor any securities regulatory authority of any state or other jurisdiction of the United States has approved or disapproved of the Issue Shares or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

In addition, until 40 days after the commencement of the Initial Issue or any Subsequent Placing, an offer, sale or transfer of the Issue Shares within the United States by a dealer (whether or not participating in the Initial Issue or any Subsequent Placing) may violate the registration requirements of the US Securities Act.

The offer and sale of the Issue Shares have not been and will not be registered under the applicable securities laws of Hong Kong, Australia, Canada, Japan or South Africa. The Issue Shares may not be offered or sold within Hong Kong (subject to certain limited exceptions), Australia, Canada, Japan or South Africa or to any national, resident or citizen of Hong Kong, Australia, Canada, Japan or South Africa unless an exemption from any registration requirement is available.

The Issue Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with such restrictions may constitute a violation of applicable securities laws and may subject the holder to the forced transfer provisions set out in the Articles. For further information on restrictions on transfers of the Issue Shares, prospective investors should refer to the sections entitled "*Representations, Warranties and Undertakings*" in Part V (*The Initial Issue and the Placing Programmes*) and "*Memorandum and Articles: Transfer of Shares*" in Part VII (*Additional Information*) of this Prospectus.

The Joint Bookrunners are acting exclusively for the Company and for no one else in connection with Initial Admission, any Subsequent Admission, the Initial Issue, the Placing Programmes and any other arrangements referred to in this Prospectus. The Joint Bookrunners will not be responsible to anyone other than the Company for providing the protections afforded to their clients, nor for providing advice in relation to Initial Admission, any Subsequent Admission, the Initial Issue, the Placing Programmes or any matters referred to herein.

The Joint Bookrunners do not accept any responsibility whatsoever for the contents of this Prospectus. The Joint Bookrunners do not make any representation or warranty, express or implied, for the contents of this Prospectus including its accuracy, completeness or verification or for any other statement made or purported to be made by either of them or on their behalf in connection with the Company, Initial Admission, any Subsequent Admission, the Initial Issue, the Placing Programmes, the contents of this Prospectus, or any transaction or arrangement referred to in this Prospectus or the Issue Shares. Each of the Joint Bookrunners and their respective Affiliates accordingly disclaim to the fullest extent permitted by law all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it or they might otherwise have in respect of this Prospectus or any such statement. Nothing in this paragraph shall serve to limit or exclude any of the responsibilities and liabilities, if any, which may be imposed on the Joint Bookrunners by FSMA or the regulatory regime established thereunder.

Nplus1 Singer Advisory LLP and Nplus1 Singer Capital Markets Limited are authorised and regulated in the United Kingdom by the FCA. JPMC and RBC are authorised in the United Kingdom by the Prudential Regulatory Authority ("**PRA**") and regulated by the FCA and the PRA.

In connection with the Initial Issue and the Placing Programmes, the Joint Bookrunners and their respective Affiliates, acting as investor(s) for its or their own account(s), may subscribe for the Issue Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other

related investments in connection with the Initial Issue or the Placing Programmes or otherwise. Accordingly, references in this Prospectus to the Issue Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, the Joint Bookrunners and any of their respective Affiliates acting as investor(s) for its or their own account(s). Neither the Joint Bookrunners nor any of their respective Affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Company is a closed-ended investment company registered with the Guernsey Financial Services Commission ("**GFSC**") under the Registered Collective Investment Scheme Rules 2018 ("**RCIS Rules**") and the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The GFSC, in granting registration, has not reviewed this document but has relied upon specific warranties provided by Ocorian Administration (Guernsey) Limited, the Company's designated administrator (the "**Fund Administrator**").

The GFSC takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

This Prospectus is dated 21 January 2021.

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SUMMARY

1.	Introduction
a.	Name and ISIN of securities
	Ticker for the Ordinary Shares traded in Sterling: SONG; Ticker for the Ordinary Shares traded in US Dollars: SOND. International Securities Identification Number (ISIN) of the Ordinary Shares: GG00BFYT9H72
b.	Identity and contact details of the issuer
	<p>Name: Hipgnosis Songs Fund Limited incorporated in Guernsey with registered number 65158 (the “Company”, and together with its subsidiary undertakings (as defined in section 531 of the Companies (Guernsey) Law, 2008, as amended), the “Group”)</p> <p>Address: P.O. Box 286, Floor 2, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 4LY</p> <p>Tel: 01481 742742</p> <p>Legal Entity Identifier (LEI): 213800XJIPNDVKXMOC11</p>
c.	Identity and contact details of the competent authority
	<p>Name: Financial Conduct Authority</p> <p>Address: 12 Endeavour Square, London, E20 1JN, United Kingdom</p> <p>Tel: +44 (0) 20 7066 8348</p>
d.	Date of approval of the prospectus
	21 January 2021
e.	Warnings
	This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on a consideration of the prospectus as a whole by the prospective investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
f.	Use of prospectus by financial intermediaries
	<p>The Company consents to the use of this Prospectus by Intermediaries in connection with any subsequent resale or final placement of the Ordinary Shares in the UK in relation to the Offer only by Intermediaries who are appointed by the Company, a list of which will appear on the Company's website.</p> <p>Such consent is given for the offer period which is from the date any Intermediaries are appointed to participate in connection with any subsequent resale or final placement of the Ordinary Shares until the closing of the period for the subsequent resale or final placement of the Ordinary Shares at 11:00 a.m. on 4 February 2021, being the date upon which the Offer closes, unless closed prior to that date.</p> <p>Any intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent and the conditions attached thereto. Any application made by investors to any intermediary is subject to the terms and conditions imposed by each intermediary.</p> <p>Information on the terms and conditions of any subsequent resale or final placement of Ordinary Shares by any intermediary is to be provided at the time of the offer by the intermediary.</p> <p>The Company accepts responsibility for the information in this Prospectus with respect to any subscriber for Ordinary Shares pursuant to any subsequent resale or final placement of Ordinary Shares by Intermediaries appointed by the Company.</p> <p>PrimaryBid Limited has been engaged as an adviser to the Company in relation to the Intermediaries Offer (the “Intermediaries Offer Adviser”) and will be responsible for liaising directly with potential financial intermediaries and processing applications made by intermediaries in relation to the Intermediaries Offer.</p> <p>As at the date of this Prospectus, the following financial intermediaries that are allowed to use this Prospectus are:</p> <ol style="list-style-type: none"> 1. PrimaryBid Limited of 21 Albemarle Street, London W1S 4BS; 2. AJ Bell Securities Limited (trading as AJ Bell Youinvest) of 4 Exchange Quay, Salford Quays, Salford, Manchester, M5 3EE 3. Equiniti Financial Services Ltd (operating through its brand ‘EQi’) of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; and 4. Equiniti Financial Services Ltd (operating through its brand ‘Shareview’) of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. <p>Any new information with respect to intermediaries unknown at the time of approval of this Prospectus will be available on the Company's website at www.hipgnosisongs.com.</p>
2.	Key information on the issuer
a.	Who is the issuer of the securities?
i.	<p>Domicile and legal form, LEI, applicable legislation and country of incorporation</p> <p>The Company is a company limited by shares, registered and incorporated in Guernsey under the Companies (Guernsey) Law, 2008 on 8 June 2018 with registered number 65158 and LEI 213800XJIPNDVKXMOC11. The Company is a closed-ended investment company registered with the Guernsey Financial Services Commission under the Registered Collective Investment Scheme Rules 2018 and the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Subject to approval by HM Revenue and Customs (“HMRC”) of the Company's investment trust company application (which is expected to be received prior to, and be effective from 1 April 2021), the Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the UK Corporation Tax Act 2010 (as amended).</p>
ii.	<p>Principal activities</p> <p>The Company invests in Catalogues of Songs and associated musical intellectual property rights (including, but not limited to, master recordings, rights over future Songs that are acquired by the Company through the payment of Advances to such songwriter and secured against the future Songs, and producer royalties) and seeks to acquire 100 per cent. of a songwriter's copyright interest in each Song, which would comprise their writer's share, their publisher's share and their performance rights. The Company, directly or indirectly via third-party portfolio administrators, enters into licensing agreements, under which the Company receives payments attributable to the copyright interests in the Songs which it owns. Such payments may take the form of royalties, licence fees and/or advance payments. The Company focuses on delivering income growth and capital growth by pursuing efficiencies in the collection of payments and active management of the Songs it owns within its Portfolio.</p>

iii.	<p>Major Shareholders</p> <p>The below table sets out the persons who had notified the Company of an interest which represents 3 per cent. or more of the voting share capital of the Company as at 20 January 2021 (being the latest practicable date prior to the publication of this Prospectus):</p> <table><tr><th>Shareholder</th><th>Number of Ordinary Shares</th><th>% of total issued share capital</th></tr><tr><td>Newton Investment Management</td><td>95,783,296</td><td>9.47</td></tr><tr><td>Aviva Investors.....</td><td>72,780,109</td><td>7.20</td></tr><tr><td>Investec Wealth & Investment (RS)</td><td>67,297,556</td><td>6.65</td></tr><tr><td>Schroder Investment Management.....</td><td>48,100,885</td><td>4.76</td></tr><tr><td>Brewin Dolphin</td><td>44,229,898</td><td>4.37</td></tr><tr><td>CCLA Investment Management.....</td><td>41,518,611</td><td>4.10</td></tr><tr><td>Heartwood Investment Management</td><td>38,631,282</td><td>3.82</td></tr><tr><td>JO Hambro Capital Management.....</td><td>35,575,964</td><td>3.52</td></tr></table> <p>Save as disclosed in this section, the Company is not aware of any person who, as at the latest practicable date, directly or indirectly, has a holding which is notifiable under applicable law or who directly or indirectly, jointly or severally, exercises or could exercise control over the Company. There are no differences between the voting rights enjoyed by the Shareholders described above and those enjoyed by any other holder of Ordinary Shares.</p>	Shareholder	Number of Ordinary Shares	% of total issued share capital	Newton Investment Management	95,783,296	9.47	Aviva Investors.....	72,780,109	7.20	Investec Wealth & Investment (RS)	67,297,556	6.65	Schroder Investment Management.....	48,100,885	4.76	Brewin Dolphin	44,229,898	4.37	CCLA Investment Management.....	41,518,611	4.10	Heartwood Investment Management	38,631,282	3.82	JO Hambro Capital Management.....	35,575,964	3.52																																																																																																							
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iv.	<p>Directors</p> <p>Andrew Sutch (Chairman); Paul Burger; Sylvia Coleman; Simon Holden; Andrew Wilkinson.</p>																																																																																																																																		
v.	<p>Statutory auditors</p> <p>PricewaterhouseCoopers CI LLP of Royal Bank Place, 1 Glatigny Esplanade, St. Peter Port, Guernsey, GY1 4ND.</p>																																																																																																																																		
b.	<p>What is the key financial information regarding the issuer?</p>																																																																																																																																		
i.	<p>Selected historical financial information</p> <p>The tables below set out the Group's selected financial information as at the dates and for the periods indicated. The unaudited consolidated financial information of the Group as at and for the six months ended 30 September 2020 and 30 September 2019 has been extracted without material adjustment from the unaudited consolidated interim financial statements of the Group as at and for the six months ended 30 September 2020 (including the unaudited comparative financial information as at and for the six months ended 30 September 2019), respectively, each being incorporated by reference into this document, except as noted herein.</p> <p>The consolidated financial information for the Group as at and for the year ended 31 March 2020 and as at and for the ten months ended 31 March 2019 has been extracted without material adjustment from the audited consolidated financial statements of the Group as at and for the year ended 31 March 2020 and as at and for the ten months ended 31 March 2019, respectively, each being incorporated by reference into this document, except as noted herein.</p> <p>Summary consolidated statement of comprehensive income information</p> <table><tr><th></th><th colspan="2">Six months ended 30 September</th><th>Year ended 31 March</th><th>Ten months ended 31 March⁽¹⁾</th></tr><tr><th></th><th>2020</th><th>2019</th><th>2020</th><th>2019</th></tr><tr><td></td><td colspan="4">(£ million)</td></tr><tr><td>Income</td><td></td><td></td><td></td><td></td></tr><tr><td>Total revenue.....</td><td>50.0</td><td>22.6</td><td>64.7</td><td>7.2</td></tr><tr><td>Interest income.....</td><td>0.1</td><td>0.6</td><td>1.0</td><td>0.7</td></tr><tr><td>Royalty costs.....</td><td>(5.3)</td><td>—</td><td>(0.1)</td><td>—</td></tr><tr><td>Net operating income</td><td>44.8</td><td>23.2</td><td>65.6</td><td>7.9</td></tr><tr><td>Expenses</td><td></td><td></td><td></td><td></td></tr><tr><td>Advisory fees.....</td><td>(3.6)</td><td>(1.8)</td><td>(4.6)</td><td>(1.6)</td></tr><tr><td>Performance fee.....</td><td>—</td><td>—</td><td>—</td><td>(0.4)</td></tr><tr><td>Amortisation of Catalogues of Songs.....</td><td>(19.0)</td><td>(6.0)</td><td>(18.5)</td><td>(1.5)</td></tr><tr><td>Amortisation of capitalised borrowing costs.....</td><td>(1.0)</td><td>—</td><td>(0.5)</td><td>—</td></tr><tr><td>Administration fees.....</td><td>(0.5)</td><td>(0.3)</td><td>(0.8)</td><td>(0.2)</td></tr><tr><td>Directors' remuneration.....</td><td>(0.2)</td><td>(0.1)</td><td>(0.3)</td><td>(0.1)</td></tr><tr><td>Audit fees</td><td>(0.1)</td><td>(0.1)</td><td>(0.3)</td><td>(0.1)</td></tr><tr><td>Legal and professional fees.....</td><td>(3.3)</td><td>(2.2)</td><td>(2.0)</td><td>(0.8)</td></tr><tr><td>Finance charges for deferred consideration</td><td>(0.5)</td><td>—</td><td>—</td><td>—</td></tr><tr><td>Loan interest.....</td><td>(1.6)</td><td>(0.1)</td><td>(0.4)</td><td>—</td></tr><tr><td>HSG fair value gains⁽²⁾</td><td>1.4</td><td>—</td><td>—</td><td>—</td></tr><tr><td>Other operating expenses⁽³⁾</td><td>(1.4)</td><td>(0.3)</td><td>(1.5)</td><td>(0.3)</td></tr><tr><td>Foreign exchange (losses)/gains.....</td><td>(2.9)</td><td>(0.3)</td><td>(4.1)</td><td>0.1</td></tr><tr><td>Total expenses</td><td>(32.8)</td><td>(10.6)</td><td>(33.0)</td><td>(4.9)</td></tr><tr><td>Operating profit for the period before taxation</td><td>12.0</td><td>12.6</td><td>32.7</td><td>3.0</td></tr><tr><td>Taxation</td><td>(1.7)</td><td>(1.9)</td><td>(7.5)</td><td>(0.6)</td></tr><tr><td>Profit for the period after taxation</td><td>10.3</td><td>10.7</td><td>25.2</td><td>2.4</td></tr></table> <p>(1) For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.</p> <p>(2) As part of the acquisition of HSG, certain assets owned by HSG were revalued to fair value on the date of the acquisition.</p> <p>(3) Other operating expenses includes regulatory fees, listing fees, directors and officers insurance, directors expenses, registrar fees, postage, stationery and printing, public relation fees, travel and accommodation fees, bank charges, aborted deal expenses, disbursements and sundry and HSG-specific expenses (including payroll (salaries), staff expenses, other expenses and depreciation fixed assets).</p>		Six months ended 30 September		Year ended 31 March	Ten months ended 31 March ⁽¹⁾		2020	2019	2020	2019		(£ million)				Income					Total revenue.....	50.0	22.6	64.7	7.2	Interest income.....	0.1	0.6	1.0	0.7	Royalty costs.....	(5.3)	—	(0.1)	—	Net operating income	44.8	23.2	65.6	7.9	Expenses					Advisory fees.....	(3.6)	(1.8)	(4.6)	(1.6)	Performance fee.....	—	—	—	(0.4)	Amortisation of Catalogues of Songs.....	(19.0)	(6.0)	(18.5)	(1.5)	Amortisation of capitalised borrowing costs.....	(1.0)	—	(0.5)	—	Administration fees.....	(0.5)	(0.3)	(0.8)	(0.2)	Directors' remuneration.....	(0.2)	(0.1)	(0.3)	(0.1)	Audit fees	(0.1)	(0.1)	(0.3)	(0.1)	Legal and professional fees.....	(3.3)	(2.2)	(2.0)	(0.8)	Finance charges for deferred consideration	(0.5)	—	—	—	Loan interest.....	(1.6)	(0.1)	(0.4)	—	HSG fair value gains ⁽²⁾	1.4	—	—	—	Other operating expenses ⁽³⁾	(1.4)	(0.3)	(1.5)	(0.3)	Foreign exchange (losses)/gains.....	(2.9)	(0.3)	(4.1)	0.1	Total expenses	(32.8)	(10.6)	(33.0)	(4.9)	Operating profit for the period before taxation	12.0	12.6	32.7	3.0	Taxation	(1.7)	(1.9)	(7.5)	(0.6)	Profit for the period after taxation	10.3	10.7	25.2	2.4
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Summary consolidated statement of financial position information

	As at 30 September	As at 31 March	
	2020	2020	2019
		(£ million)	
Assets			
Catalogues of Songs	1,162.3	659.4	118.5
Other assets	1.2	—	—
Goodwill	0.2	—	—
Trade and other receivables	61.5	42.4	10.8
Cash and cash equivalents	203.7	14.1	108.5
Total assets	1,428.9	715.9	237.8
Liabilities			
C Shares	232.0	—	—
Other payables and accrued expenses	292.1	38.4	39.2
Bank loan	80.7	56.1	—
Total liabilities	604.8	94.5	39.2
Net assets	824.1	621.5	198.6
Equity			
Share capital	822.0	614.2	198.2
Retained earnings	2.1	7.3	0.3
Total equity	824.1	621.5	198.6

Summary consolidated statement of cash flows information

	Six months ended 30 September		Year ended 31 March	Ten months ended 31 March ⁽¹⁾
	2020	2019	2020	2019
	(£ million)			
Cash flows used in operating activities				
Operating profit/(loss) for the period before taxation	12.0	12.6	32.7	3.0
<i>Adjustments for non-cash items:</i>				
Movement in trade and other receivables	(29.4)	(21.5)	(31.8)	(10.8)
Movement in other payables and accrued expenses	260.4	(33.7)	(1.4)	39.2
Movement in equity for share based payments	—	—	0.2	—
Amortisation of Catalogues of Songs and borrowing costs	20.1	6.0	18.9	1.5
Foreign exchange (gains)/losses	2.9	(0.3)	4.1	(0.1)
	265.9	(36.9)	22.7	32.8
Taxation	(1.7)	—	(7.5)	(0.6)
Purchase of Catalogues of Songs	(497.4)	(199.5)	(559.4)	(120.0)
Net cash used in operating activities	(233.2)	(236.4)	(544.2)	(87.8)
Cash flows generated from financing activities				
Proceeds from issue of shares ⁽²⁾	426.4	192.6	423.6	202.2
Issue costs paid	(7.9)	(3.9)	(7.9)	(4.0)
Dividends paid	(15.4)	(8.5)	(18.3)	(2.0)
Interest paid	(1.6)	(0.1)	(0.4)	—
Borrowing costs	(3.4)	—	(4.4)	—
Bank loan	26.9	13.7	60.0	—
Net cash generated from financing activities	425.1	193.8	452.7	196.2
Net movement in cash and cash equivalents	191.9	(42.5)	(91.5)	108.4
Cash and cash equivalents at the start of the period	14.1	108.5	108.5	—
Effect of foreign exchange rate changes on cash and cash equivalents	(2.2)	0.3	(2.9)	0.1
Cash and cash equivalents at the end of the period	203.7	66.2	14.1	108.5

(1) For the period from the incorporation of the Company on 8 June 2018 to the Group's year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

(2) Includes July C Shares and Ordinary Shares.

ii.	Selected pro forma financial information N/A																								
c.	Closed-ended funds																								
i.	<p>The data set out in the table below is as at the date of the latest published net asset value, being 30 September 2020.</p> <table><tr><th>Share Class</th><th>Total Operative NAV</th><th>Total IFRS NAV</th><th>No. of Shares</th><th>Operative NAV per Share</th><th>IFRS NAV per Share</th></tr><tr><td>Ordinary Shares</td><td>£999.4 million</td><td>£818.2 million</td><td>797.3 million</td><td>125.4p</td><td>103.4p</td></tr><tr><td>July C Shares</td><td>£265.7 million</td><td>£238.0 million</td><td>236.4 million</td><td>112.4p</td><td>100.7p</td></tr><tr><td>Total⁽¹⁾</td><td>£1,265.1 million</td><td>£1,056.1 million</td><td>—</td><td>—</td><td>—</td></tr></table> <p>(1) Totals may not match sub-totals due to rounding</p> <p>Since 30 September 2020, the following significant events have taken place:</p> <p>a) on 28 October 2020, the Company announced an interim dividend in respect of the financial period ended 30 September 2020 of 1.3125 pence per Ordinary Share (in line with the Company's target dividend yield of 5.25 pence per annum), which was paid on 30 November 2020 to Ordinary Shareholders on the register as at 6 November 2020;</p> <p>b) on 4 December 2020, the Company converted the 236,400,512 July C Shares into 214,202,503 Ordinary Shares at a conversion ratio of 0.9061 Ordinary Shares for each July C Share;</p> <p>c) on 24 December 2020, UK MidCo entered into the Third Amendment, among other things, to further increase the revolving facility commitments under the Amended and Restated RCF from US\$400 million to US\$600 million, of which a total of US\$483.9 million had been drawn down as at 31 December 2020; and</p> <p>d) on 21 January 2021, the Company announced an interim dividend in respect of the financial period ended 31 December 2020 of 1.3125 pence per Ordinary Share, which will be payable to Ordinary Shareholders on the share register as at 29 January 2021, with an associated ex-dividend date of 28 January 2021 and a payment date of 18 February 2021.</p> <p>As at 20 January 2021 (which is the latest practicable date prior to the date of this Prospectus), the Company's published adjusted Operative NAV per Ordinary Share was 118.31 pence, which is calculated by reference to the last reported Operative NAV per Ordinary Share as at 30 September 2020 (being 125.35 pence), as adjusted for: (i) the decrease in the Operative NAV as at 30 September 2020 of 6.78 pence per Ordinary Share to reflect the strengthening of the GBP to USD exchange rate; (ii) the dividends paid or declared by the Company; and (iii) the unaudited accrued earnings of 2.08 pence per Ordinary Share, in each case for the period between 1 October 2020 and 20 January 2021.</p>	Share Class	Total Operative NAV	Total IFRS NAV	No. of Shares	Operative NAV per Share	IFRS NAV per Share	Ordinary Shares	£999.4 million	£818.2 million	797.3 million	125.4p	103.4p	July C Shares	£265.7 million	£238.0 million	236.4 million	112.4p	100.7p	Total ⁽¹⁾	£1,265.1 million	£1,056.1 million	—	—	—
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ii.	The consolidated statement of comprehensive income for the Group can be found at row b(i) above																								
iii.	The consolidated statement of financial position for the Group can be found at row b(i) above																								
d.	What are the key risks that are specific to the issuer?																								
	<p><i>Key risks relating to the Company</i></p> <ul style="list-style-type: none">• The Company and the other Fund Entities are reliant on the expertise of the Investment Adviser and its key personnel (including the Key Person, who currently is Merck Mercuriadis) to source and advise on potential Catalogues and to implement the Company's investment strategy so as to meet the target dividend yield and target total NAV return.• If individual Songs in the Portfolio are not as commercially successful as expected at the time of acquisition, the value of the Portfolio may be adversely affected.• The Company's target annual dividend yield and target total NAV return are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies; the actual dividend yield and total NAV return may be materially different to those targeted and payments of dividends from capital reduces the amount of cash that can be deployed for investment purposes. <p><i>Key risks relating to the music industry</i></p> <ul style="list-style-type: none">• The streaming industry is vulnerable to market concentration, which may enhance the ability of certain digital service providers ("DSPs") to reduce royalty rates or alter royalty collection practices.• If the US Copyright Royalty Board's decision to increase songwriter royalty rates by 2023 is successfully challenged by certain DSPs, the Company's revenue in future periods may be adversely impacted.• Changes in the distribution policies and royalty splits set by performance rights organisations ("PROs") could affect the future revenues received by the Company.• If DSPs alter current prices for consumers, the profitability of the Songs licensed to such DSPs may be adversely impacted. <p><i>Key risks relating to the Company's investment policy</i></p> <ul style="list-style-type: none">• Catalogues and other Songs are difficult to value and Song valuations are subject to fluctuations.• The value of the Company's investments is subject to foreign currency fluctuations between Sterling and any other currency in which acquisitions of Catalogues are denominated or income is earned by the Company, which may have an adverse effect on the performance of the Company. <p><i>Key risks relating to the Company's investment adviser</i></p> <ul style="list-style-type: none">• The Investment Adviser is dependent on the expertise of the Key Person, the Advisory Board and the music industry relationships of the Advisory Board members to assist it to source attractive investment opportunities and subsequently manage the Company's Portfolio. <p><i>Key risks relating to regulation and taxation</i></p> <ul style="list-style-type: none">• If payments to the Group are subject to withholding tax in any tax jurisdiction, the Company's financial condition and prospects could be materially and adversely affected.• Changes in law or regulations underpinning the Company's regulatory environment, or a failure to comply with any laws or regulations, may adversely affect the businesses, investments and performance of the Company and the Investment Adviser.																								

3.	Key information on the securities
a.	What are the main features of the securities?
i.	<p>Type, class and ISIN of the securities being admitted to trading on a regulated market</p> <p>The ISIN of the Ordinary Shares that will be issued pursuant to the Initial Issue and may be issued under the Placing Programmes is GG00BFYT9H72. The ISIN of any class of C Shares that may be issued under the Placing Programmes is not known at the date of this Prospectus and will be announced by way of RIS announcement at the appropriate time.</p>
ii.	<p>Currency, denomination, par value, number of securities issued and term of the securities</p> <p>The Ordinary Shares are denominated in pounds sterling and will be ordinary shares of no par value in the capital of the Company and will be issued pursuant to the Initial Issue at an issue price of 121 pence per Ordinary Share. The issue price of the C Shares to be issued pursuant to any Subsequent Placing will be 100 pence each. The issue price of the Ordinary Shares which may be issued under a Subsequent Placing made pursuant to the Placing Programmes is not known at the date of this Prospectus.</p> <p>Up to a maximum of 500 million Ordinary Shares will be admitted to trading on the Main Market and to listing on the premium listing category of the Official List pursuant to the Initial Issue. Up to a maximum of 1 billion Ordinary Shares or C Shares can be issued pursuant to the Subsequent Placings made under the Placing Programmes.</p> <p>The Ordinary Shares and the C Shares have an infinite term.</p>
iii.	<p>Rights attached to the securities</p> <p>The Ordinary Shares to be issued pursuant to the Initial Issue and the C Shares or Ordinary Shares to be issued to any Subsequent Placing will, when issued and fully paid, have the following rights attaching to them:</p> <ul style="list-style-type: none"> on a show of hands at a general meeting every member present in person has one vote and every proxy or representative present who has been duly appointed by a member entitled to vote has one vote; and on a poll every member (whether present in person or by proxy or representative) has one vote per Ordinary Share or C Share of the relevant class. For Shareholder resolutions in respect of amendments to the articles or in respect of a winding-up of the Company, each class of Shares will also vote as a separate class. For all other resolutions, the holders of Ordinary Shares and each class of C Shares shall vote as one class; the right to receive dividends on a <i>pari passu</i> basis declared by the Directors in respect of that class of Shareholders, such dividend being payable out of the assets attributable to such class of Shares as the Directors may determine. The dividend and net return targets contained in this Prospectus are in respect of the Company's Ordinary Shares, not any class of C Shares; and if the Company is wound up, the Company's assets attributable to each class of Shares remaining after payment of all creditors are to be divided among the Ordinary Shareholders and the C Shareholders of the relevant class in the proportion to the capital which at the start of the winding-up is paid up on the relevant class of Shares held by them, respectively (subject to the provisions on seniority upon a winding-up or a return of capital prior to Conversion as detailed below). <p><i>Conversion of any class of C Shares to be issued pursuant to a Subsequent Placing</i></p> <p>Pursuant to the Articles and absent any Force Majeure Circumstances, a class of C Shares issued pursuant to a Subsequent Placing will convert to New Ordinary Shares within five months from the Calculation Time, being the next semi-annual NAV Calculation Date (or such other valuation point as may be determined by the Directors in their absolute discretion) immediately following the earlier of: (i) the close of business on the date on which the Board becomes aware or is notified by the Investment Adviser that at least 80 per cent. of the relevant net proceeds of the relevant Subsequent Placing have been invested in accordance with the Company's Investment Objective and Policy; (ii) the date that is 12 months following the relevant Subsequent Admission; or (iii) the close of business on such date as the Board may determine to enable the Company to comply with its obligations in respect of Conversion of that class of C Shares.</p>
iv.	<p>Relative seniority of the securities</p> <p>The C Shares are ordinary shares and will, when issued and fully paid, rank equally in all respects with the existing Ordinary Shares, save in respect of rights to dividends and in respect of a winding-up of the Company. The capital and assets of the Company shall on a winding-up or on a return of capital prior, in each case, to Conversion be applied as follows: (A) first, the Ordinary Share surplus shall be divided amongst the holders of the Shares <i>pro rata</i> according to their holdings of Ordinary Shares; and (B) secondly, the C Share surplus attributable to each class of C Shares shall be divided amongst the holders of the C Shares of such class <i>pro rata</i> according to their holdings of the relevant class of C Shares.</p>
v.	<p>Restrictions on free transferability of the securities</p> <p>Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.</p> <p>Under the Articles, the Board may decline to transfer, convert or register a transfer of any Share in certificated form or uncertificated form (to the extent permitted by the Regulations) which is not fully paid or on which the Company has a lien, provided in the case of a listed or quoted share that this would not prevent dealings in the Shares from taking place on an open and proper basis on the London Stock Exchange. In addition, the Directors may refuse to register a transfer of Shares if:</p> <ol style="list-style-type: none"> it is in respect of more than one class of Shares; it is in favour of more than four joint transferees; in relation to a Share in certificated form, having been delivered for registration to the office or such other place as the Directors may decide, it is not accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; or the transfer is in favour of any Non-Qualified Holder. <p>Under the Articles, a "Non-Qualified Holder" is defined as any person: (i) whose ownership of Shares may cause the Company's assets to be deemed "plan assets" for the purpose of ERISA or purposes of the US Tax Code; (ii) whose ownership of Shares may cause the Company to be required to register as an "investment company" under the US Investment Company Act; (iii) whose ownership of Shares may cause the Company to register under the US Exchange Act, the US Securities Act or any similar legislation; (iv) whose ownership of Shares may cause the Company not being considered a "foreign private issuer" as such term is defined in rule 3b-4(c) under the US Exchange Act; (v) whose ownership of Shares may result in the Company losing or forfeiting or not being able to claim the benefit of any exemption under the United States Commodity Exchange Act or any substantially equivalent successor legislation or the rules of the CFTC or the National Futures Association or analogous legislation or regulation becoming subject to any unduly onerous filing, reporting or registration requirement; (vi) whose ownership of Shares may cause the Company to be a "controlled foreign corporation" for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (which will include any excise tax, penalties or liabilities under ERISA or the US Tax Code including as a result of the Company's failure to comply with FATCA as a result of a Non-Qualified Holder failing to provide information as requested by the Company in accordance with the Articles); or (vii) whose ownership of Shares may cause the Company (including for such purposes, its subsidiaries) to lose the benefit of, or suffer pecuniary disadvantage as a result of not being able to take advantage of, any applicable withholding tax treaty or similar arrangement.</p>

vi.	<p>Dividend policy</p> <p>Since its IPO, the Company has paid, and intends to continue to pay, interim quarterly dividends to Ordinary Shareholders in November, February, May and August of each year. The Directors may, in order to maintain the payment of dividends in accordance with the Company's dividend policy, determine to pay dividends from the Company's share premium account. Dividends will be subject to compliance with the solvency test prescribed by Guernsey law.</p> <p>Whilst not forming part of the Company's Investment Objective and Policy, the Company has a target dividend yield of 5.25 pence per annum per Ordinary Share. The Directors may, in their sole discretion, resolve to pay to holders of any class of C Shares such dividend out of the assets attributable to such class of C Shares as the Directors may determine up to the Conversion Time for such class of C Shares.</p> <p>The Directors will seek to maintain and grow the dividend over the long term and may offer Shareholders the opportunity to receive dividends in the form of scrip dividends.</p> <p>Whilst not forming part of the Company's Investment Objective and Policy, the Board will target a total return on Operative NAV on the Ordinary Shares of 10 per cent. or more per annum on the issue price of the Ordinary Shares at IPO over the medium term (net of fees and expenses).</p> <p>The target dividend yield and target total NAV return are targets only and are not profit forecasts. There can be no guarantee that these targets will be met and they should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not these targets are reasonable or achievable in deciding whether to invest in the Company.</p> <p>Subject to approval by HMRC of the Company's investment trust company application (which is expected to be received prior to, and be effective from 1 April 2021), the Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the UK Corporation Tax Act 2010 (as amended). The Company will, therefore, distribute income such that it does not retain, in respect of any Accounting Period, an amount greater than 15 per cent. of its income (as calculated for UK tax purposes) for that Accounting Period.</p>												
b.	<p>Where will the securities be traded?</p> <p>Applications will be made: (i) to the FCA for the Issue Shares to be admitted to listing on the premium listing category of the Official List; and (ii) to the London Stock Exchange for the Issue Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.</p>												
c.	<p>What are the key risks that are specific to the securities?</p> <p><i>Key risks relating to the Company's Shares</i></p> <ul style="list-style-type: none"> • The existence of a liquid market in the Issue Shares cannot be guaranteed. • The existence of a liquid market in any class of C Shares cannot be guaranteed, and C Shares may suffer greater volatility in discounts and may be more illiquid than Ordinary Shares. • Global capital markets have been experiencing volatility, disruption and instability. Material changes affecting global markets may have a negative effect on the Company's business, financial condition, results of operations and the market price of the Shares and the Company may be exposed to systemic risk as a result of the default of any financial institution. 												
4.	<p>Key information on the admission to trading on a regulated market</p>												
a.	<p>Under which conditions and timetable can I invest in this security?</p>												
i.	<p>General terms and conditions</p> <p>The Initial Placing is conditional on, among other things:</p> <ol style="list-style-type: none"> Initial Admission occurring and becoming effective by 8.00 a.m. (London time) on 10 February 2021 (or such later time and date, not being later than 12 February 2021, as the Company and the Joint Bookrunners may agree); and the Placing Agreement becoming unconditional in respect of the Initial Placing and not having been terminated in accordance with its terms on or before the Initial Admission. <p>If the Initial Issue does not proceed, monies received will be returned without interest at the risk of the applicant.</p> <p>The terms and conditions of the Offer for Subscription are set out in Part XI (<i>Terms and Conditions of the Offer for Subscription</i>) of this Prospectus. An Application Form is set out at the end of this Prospectus. The terms and conditions of the Placing Programme are set out in Part XII (<i>Terms and Conditions of Placings</i>) of this Prospectus.</p> <p>The terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbroker, bank manager, solicitor, accountant or other financial adviser if they are in doubt about the contents of this Prospectus.</p>												
ii.	<p>Expected Timetable</p> <table> <thead> <tr> <th>Event</th><th>Time and Date</th></tr> </thead> <tbody> <tr> <td>Date of publication of the Prospectus</td><td>21 January 2021</td></tr> <tr> <td>Latest time and date for applications under the Offer and the Intermediaries Offer</td><td>11:00 a.m. on 4 February 2021</td></tr> <tr> <td>Latest time and date for applications under Initial Placing</td><td>12:00 p.m. on 5 February 2021</td></tr> <tr> <td>Expected date of Initial Admission of the Ordinary Shares</td><td>8.00 a.m. on 10 February 2021</td></tr> <tr> <td>Shares issued and credited to CREST account</td><td>10 February 2021</td></tr> </tbody> </table>	Event	Time and Date	Date of publication of the Prospectus	21 January 2021	Latest time and date for applications under the Offer and the Intermediaries Offer	11:00 a.m. on 4 February 2021	Latest time and date for applications under Initial Placing	12:00 p.m. on 5 February 2021	Expected date of Initial Admission of the Ordinary Shares	8.00 a.m. on 10 February 2021	Shares issued and credited to CREST account	10 February 2021
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iii.	<p>Details of admission to trading on a regulated market</p> <p>The Ordinary Shares are currently listed on the premium listing category of the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities.</p> <p>Applications will be made: (i) to the FCA for the Issue Shares to be admitted to listing on the premium listing category of the Official List and; (ii) to the London Stock Exchange for the Issue Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Initial Admission will become effective and that dealings on the London Stock Exchange in the Ordinary Shares issued pursuant to the Initial Issue will commence as soon practicable after 10 February 2021.</p>												
iv.	<p>Plan for distribution</p> <p>The Company will notify investors of the number of Ordinary Shares to be issued pursuant to the Initial Issue in respect of which their application has been successful. The results of the Initial Issue will be announced by the Company on or around 5 February 2021, in each case by an RIS announcement.</p> <p>Initial Admission is expected to take place and dealings in Ordinary Shares to be issued pursuant to the Initial Issue are expected to commence on the London Stock Exchange at 8.00 a.m. on 10 February 2021. There will be no conditional dealings in the Ordinary Shares being issued pursuant to the Initial Issue prior to Initial Admission.</p>												

v.	<p>Amount and percentage of immediate dilution resulting from the Initial Issue</p> <p>If 500 million Ordinary Shares were to be issued pursuant to the Initial Issue (being the maximum number of Ordinary Shares that the Directors will be authorised to issue under the Initial Issue) based on the issued share capital at the date of this Prospectus, and assuming that an existing Shareholder did not participate in the Initial Issue, an investor holding 1 per cent. of the Company's issued share capital at the date of this Prospectus would then hold 0.67 per cent. of the Company's issued share capital following Initial Admission.</p> <p>Dilution in connection with Subsequent Placings</p> <p>If 1 billion Issue Shares were to be issued pursuant to Subsequent Placings (being the maximum number of Shares that the Directors will be authorised to issue under the Placing Programmes) and assuming that: (i) 500 million Ordinary Shares had been issued pursuant to the Initial Issue (being the maximum number of Ordinary Shares that can be issued pursuant to the Initial Issue); (ii) no other Ordinary Shares or C Shares had been issued other than the Issue Shares issued under the Placing Programmes; and (iii) the relevant investor did not participate in any Subsequent Placings, an investor holding 1 per cent. of the Company's issued share capital after the Initial Issue would then hold 0.60 per cent. of the Company's issued share capital following completion of all the Subsequent Placings.</p> <p>Further, on Conversion of C Shares, any dilution resulting from the issue of C Shares pursuant to Subsequent Placings may increase or decrease depending on the Conversion Ratio used for such Conversion.</p>
vi.	<p>Estimate of the total expenses of the Initial issue and the Placing Programmes</p> <p>The costs and expenses of the Initial Issue are not expected to exceed 2 per cent. of the Gross Issue Proceeds. By way of illustration, assuming that 200 million Ordinary Shares are issued at the Initial Issue Price pursuant to the Initial Issue, the costs and expenses of, and incidental to, Initial Admission and the Initial Issue payable by the Company are not expected to exceed approximately £4.9 million. The Directors expect that the total costs of the Placing Programmes are not expected to exceed 2 per cent. of the aggregate gross proceeds of the Placing Programmes.</p> <p>Any expenses incurred by a financial intermediary are for its own account. Prospective investors should confirm separately with any financial intermediary whether there are any commissions, fees or expenses that will be applied by such financial intermediary in connection with any application made through that financial intermediary pursuant to the Intermediaries Offer. The terms and conditions of the Intermediaries Offer limit the level of commission that financial intermediaries are able to charge any of their respective clients acquiring Ordinary Shares pursuant to their intermediaries offer.</p>
vii.	<p>Estimated expenses charged to the investor</p> <p>As stated in row a(vi) above, the expenses in connection with the Initial Issue or the Placing Programmes will be deducted from the gross issue proceeds, rather than being charged directly to any investor.</p>
b.	Why is this prospectus being produced?
i.	<p>Reasons for the admission to trading on a regulated market</p> <p>The Company's objective is to provide Shareholders with an attractive and growing level of income, together with the potential for capital growth, from investment in Songs and associated musical intellectual property rights, in accordance with its Investment Policy. The Net Issue Proceeds and the net proceeds of any Subsequent Placing will be invested in accordance with the Investment Policy. The Company will invest in a Portfolio of Songs and associated musical intellectual property rights (including, but not limited to, master recordings, rights over future Songs that are acquired by the Company through the payment of Advances to such songwriter and secured against the future Songs, and producer royalties).</p>
ii.	<p>The use and estimated net amount of the proceeds</p> <p>The Net Issue Proceeds, which are not known as at the date of this Prospectus, will be invested in accordance with the Company's Investment Objective and Policy as detailed above.</p>
iii.	<p>Underwriting</p> <p>The issue of the C Shares or Ordinary Shares will not be underwritten.</p>
iv.	<p>Material conflicts of interest</p> <p>There is no interest, including any conflicting interest, that is material to Initial Admission.</p>

RISK FACTORS

An investment in the Issue Shares carries a number of risks, including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following factors should be considered when deciding whether to make an investment in the Issue Shares. The risks set out below are those which are considered to be the material risks relating to the Company and an investment in the Issue Shares but are not the only risks relating to the Issue Shares or the Company. No guarantee can be given that Shareholders will realise a profit on, or recover the value of, their investment in the Shares. It should be remembered that the price of Issue Shares and the income from them can go down as well as up.

Prospective investors should note that the risks relating to the Company, its Investment Objective and Policy and strategy and the Issue Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Investment Adviser and the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Issue Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described in this "Risk Factors" section of this Prospectus. Additional risks and uncertainties not currently known to the Company or the Directors or that the Company or the Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Issue Shares. Further, as required by the UK Prospectus Regulation, the risks that the Investment Adviser and the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, has been set out first. Given the forward-looking nature of the risks, there can be no guarantee that such risk is, in fact, the most material or the most likely to occur. Prospective investors should, therefore, review and consider each risk.

The Issue Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in Issue Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment.

Potential investors in the Issue Shares should review this Prospectus carefully and in its entirety and consult with their professional advisers prior to making an application to subscribe for Issue Shares.

RISKS RELATING TO THE COMPANY

The Company and the other Fund Entities are reliant on the expertise of the Investment Adviser and its key personnel (including the Key Person, who currently is Merck Mercuriadis) to source and advise on potential Catalogues and to implement the Company's investment strategy so as to meet the target dividend yield and target total NAV return

The Investment Adviser is responsible for sourcing and evaluating potential Catalogues for the Directors to consider, advising the Directors in relation to the acquisition, exploitation and disposal of Catalogues or Songs, and seeking ways to generate additional income from the Portfolio. The Company does not have employees (although some of the Fund Entities may, and The Hipgnosis Songs Group ("HSG") does, employ management and staff, subject to any limitations and restrictions governing the operation of such Fund Entity) and the Directors are appointed on a non-executive basis. Accordingly, the ability of the Company to achieve its Investment Objective and Policy depends on the diligence, skill, judgment and experience of Merck Mercuriadis, the Key Person, as the chief executive of the Investment Adviser, the services and reputation of the Investment Adviser and the investment pipeline generated through the Investment Adviser's business development efforts. The Company also depends on the ability of the Investment Adviser's team to meet the strains of a rapidly growing portfolio of Catalogues. The death, incapacity or loss of service of Merck Mercuriadis at the Investment Adviser, or any failure of the Investment Adviser to develop the Company's business further, or effectively manage the Company's growing Portfolio, could have a material adverse impact on the Company and the investments made.

If Merck Mercuriadis ceases to act as an officer of the Investment Adviser, and the Investment Adviser is unable to appoint a replacement who is reasonably acceptable to the lenders within the

90-day period prescribed by the Amended and Restated RCF (see the risk factor entitled “—*The Company deploys a level of leverage, which can increase losses and, in the case of default under the relevant financing arrangement, could result in the lenders enforcing their security and selling the Fund Entities’ assets, which in either case could adversely impact the value of the Portfolio*” below), it is an event of default under the Amended and Restated RCF such that the administrative agent, if directed by the majority lenders, would be required to demand repayment of all amounts due under the Amended and Restated RCF. If the Company was unable to repay the debt on demand through its cash reserves or through alternative financing arrangements, the administrative agent, if directed by the majority lenders, would be required to exercise its right to enforce the security over, and sell, the Fund Entities’ assets to discharge the debt. A sale of the Fund Entities’ assets under such circumstances may occur at a lower value than the Company considers to be their fair value, which is likely to decrease the Net Asset Values and could have an adverse impact on returns to Shareholders.

In the event of a departure of a key employee of the Investment Adviser, the Company would also depend on the ability of the Investment Adviser to recruit and retain individuals of similar experience and calibre. The Investment Adviser may not be able to recruit a suitable replacement or may be delayed in doing so, which could adversely affect the performance of the Company.

The Company’s strategy is resource and time intensive. The Key Person is not required to devote all of his time to advising the Company and may in future, subject to the restrictions contained in the Investment Advisory Agreement, manage or advise other entities from time to time. If the Investment Adviser is unable to ensure that the appropriate time or resources are allocated to the Company’s investments, the Company may be unable to achieve the Investment Objective.

On the occurrence of a Key Person Event (which may include, among other things, where Merck Mercuriadis ceases to be a member of the Investment Adviser or ceases to devote sufficient time to the affairs of the Investment Adviser), the Company may be entitled to terminate the Investment Advisory Agreement with immediate effect (subject to the Investment Adviser’s right to find an appropriate replacement to be approved by the Board (such approval not to be unreasonably withheld or delayed) within 90 days). If the Company elects not to exercise this right of termination, the precise impact of a Key Person Event on the ability of the Company to achieve its Investment Objective and target total NAV return cannot be determined and would depend among other things on the ability of the Investment Adviser to recruit individuals of similar experience, expertise and calibre. Any inability of the Investment Adviser to do so could have a material adverse effect on the ability of the Company to meet its Investment Objective, the target dividend yield and target total NAV return and may have a material adverse effect on the Net Asset Values and Shareholder returns and result in a substantial loss of a Shareholder’s investment.

If individual Songs in the Portfolio are not as commercially successful as expected at the time of acquisition, the value of the Portfolio may be adversely affected

The continued commercial success of an established Song is dependent upon the public’s response to it (which may not always be predictable), the existence and success of competing entertainment offerings and general economic circumstances. A Song may not prove to continue to be as popular, or as commercially successful, as had been forecast at the time of acquisition. Any decline in the popularity of certain music genres, whether due to an increase in the popularity of other genres of music, the emergence of a similar genre or any other reason, could have an adverse effect on the commercial success of individual Songs or Catalogues in the Company’s Portfolio. To the extent that any future acquisitions increase the degree of concentration in the Company’s investments, as measured by Song genre, vintage and recording artist, the losses which the Company may experience if its Songs are not as popular, or as commercially successful, as expected could increase significantly.

The songwriter and, where relevant, the counterparty selling its copyright interest in the Song have no obligation to enhance the value of the Song or to prolong its commercial success. Certain events outside the Company’s control, such as negative media coverage which damages the reputation of the songwriter or the original performing artist, may have an adverse effect on the Company’s revenue in subsequent periods. Please also see the risk factor entitled “—*The income earned by a Song, and by extension its value, may be substantially reduced where the reputation of any of its songwriters or a recording artist who performs the Song has become tarnished*” below. To the extent that one of the Company’s Catalogues is not as commercially successful as had been

forecast at the time of its acquisition, this may have a material adverse effect on the Company's financial condition, business, prospects and results of operations (including revenues received from such Songs) and, consequently, the Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Company's target annual dividend yield and target total NAV return are based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, the actual dividend yield and total NAV return may be materially different to those targeted and payments of dividends from capital reduces the amount of cash that can be deployed for investment purposes

The Company's target annual dividend yield and target total NAV return set forth in this Prospectus are targets only and are based on financial projections that are themselves based on estimates and assumptions which depend on a variety of factors including, without limitation, availability of investment opportunities, the price and performance of the Company's investments, the ability to earn royalty income, the mix of investments in the Portfolio, the availability of sale and purchase opportunities in respect of Songs and the Catalogues of which they form part, changes in current market conditions, government regulations or other policies, the worldwide economic environment, changes in law and taxation, terrorism, social unrest and civil disturbances, failures in technology or the occurrence of risks described elsewhere in this Prospectus. These factors are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve its targets. Also, estimates and assumptions based on these factors involve a significant element of subjective judgment which may be proved incorrect. The Company's targets are based on current market conditions and economic environment and the assumption that the Company will be able to implement its Investment Objective and Policy and strategy successfully, and are therefore subject to change. Past performance of the Company's investments should not be taken as a guide to their future performance.

The Directors may determine, in order to maintain the payment of dividends in accordance with the Company's dividend policy, to pay dividends from the Company's share premium account. Any payment of dividends from the Company's share premium account will only be made in compliance with the Companies Law, which requires the Company to pass a solvency test before paying such dividend. However, where the Company does pay a dividend from its share premium account, such payment reduces the amount of cash that can be deployed for investment purposes. The resulting lower investment level, or the replenishing of the investment level through the use of borrowing, could result in the actual returns on investments being lower than the targets.

There is no guarantee or assurance that the target dividend yield and target total NAV return can be achieved at or near the level set forth in this Prospectus and the actual rates of return achieved may be materially lower than the targets, or may result in a loss. A failure to achieve the target dividend yield or target total NAV return set forth in this Prospectus may have a material adverse effect on the market price of the Shares.

The Company is reliant upon the provision of services to it by third-party service providers, including in order to carry on its business, and a failure by one or more service providers could materially disrupt the business of the Company or impact detrimentally on its investment performance

The Company has no employees (although some of the Fund Entities may, and HSG does, employ management and, subject to any limitations and restrictions governing the operation of such Fund Entity) and the Directors have all been appointed on a non-executive basis. The Company is heavily reliant upon the performance of third-party service providers for its core operations, including oversight of its subsidiary companies under the terms of the Investment Advisory Agreement. The Investment Adviser, royalty collection agents and portfolio administrators, will be performing services which are key to the successful achievement of the Investment Objective and Policy while the Fund Administrator and Registrar will be performing services which are integral to the successful operation of the Company. Failure by any service provider (and in particular the Investment Adviser, the royalty collection agents, portfolio administrators, the Fund Administrator and Registrar) to carry out its obligations to the Company in accordance with the terms of its appointment with due care and skill or at all, including as a result of any business disruption, phishing scam or cyber security breach, could potentially have a detrimental impact on the operation of the Company and could

affect the Company's ability to meet the Investment Objective and Policy. Third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial and reputational harm for the Company's business, prospects or future marketing activities.

The Fund Entities (other than HSG) have entered into contracts with each of their current service providers, including the Investment Adviser, certain royalty collection agents and external portfolio administrators, the Fund Administrator and the Registrar, and will enter into contracts with other royalty collection agents or external portfolio administrators where appropriate. If the Company needs to replace any third-party service provider, the transition process may take time and increase costs, which may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The six-monthly Operative Net Asset Value figures published by the Company may be materially different from the actual reported results and figures appearing in the Group's IFRS financial statements

Some or all of the Company's investments may be difficult to value. The IFRS NAV figures published in the Group's audited consolidated financial statements reflect the value of the Group's assets less its liabilities, with the value of the Group's Songs initially being recorded at their acquisition cost and then amortised on a straight-line basis over their assumed useful life (typically 20 years), less any impairment. The Song valuations used to calculate the Operative Net Asset Value figures are based on a discounted cash flow model, which incorporates assumptions that are subject to significant judgment by the independent valuer, the Investment Adviser and the Directors. These estimates and assumptions include future Catalogue revenue and cash flow projections, aggregate Catalogue maturity, music industry growth rates by revenue type (e.g. physical sales, downloads, streaming, etc.), the determination of an appropriate discount rate and, for the six months ended 30 September 2020 and beyond, the short and medium term impact of the Covid-19 pandemic (see the risk factor entitled "*—The Covid-19 pandemic is expected to have a material adverse effect on certain income streams, including performance revenues*" below). In cases where these estimates and assumptions (including the discount rate used) are materially different from the Company's actual reported results, the Operative Net Asset Value figures may be adversely impacted.

The six-monthly Operative Net Asset Value figures are likely to vary (in some cases materially) from the IFRS NAV figures (as the figures will be calculated in accordance with different valuation methodologies for Songs). Song valuations, and any Operative Net Asset Value figure derived from them, may vary (in some cases materially) from realised or realisable values. Any adverse deviation from expected figures may adversely affect the market price of the Shares. The Operative Net Asset Value figures issued by the Company should be regarded as indicative only as the actual, realisable Net Asset Value per Share of the relevant class may be materially different. As such, the Shareholders may be unable to realise the value they had expected to receive from their investment.

The Company publishes six-monthly Operative Net Asset Value figures in Sterling, whereas the revenues generated from its assets are received in other currencies (as well as in Sterling). The Company is expected to convert the majority of overseas currency receipts into Sterling by agreeing to currency exchange arrangements with portfolio administrators, or otherwise itself undertaking foreign exchange conversions (see the risk factor entitled "*—The value of the Company's investments is subject to foreign currency fluctuations between Sterling and any other currency in which acquisitions of Catalogues are denominated or income is earned by the Company, which may have an adverse effect on the performance of the Company*" below).

The Company may not successfully integrate its acquisitions, including the operating, financial or control systems of acquired businesses, into the Group

The Company may encounter numerous integration challenges in connection with the acquisitions of HSG and a portfolio of 42 Catalogues from Kobalt Music Copyrights S.à.r.l. (the "**Kobalt Catalogues**"), including challenges which are not currently foreseeable. The process of integrating these acquisitions into the Group under a single corporate overhead structure may take longer than expected. There may be challenges integrating the portfolio administration, payment of Advances

and other operations of HSG into the Company's business. If the Company inherits any restrictive contractual relationships in connection with these acquisitions, the integration process may be further delayed (see the risk factor entitled "*—The Company, when acquiring Songs, may inherit contractual relationships that restrict its operational flexibility*" below).

HSG uses different accounting systems than those used by the Investment Adviser. These systems will need to be integrated with the systems operated by both the Company and the Investment Adviser in order to efficiently produce management accounts and facilitate oversight of the Company's operations. The royalty collection and monitoring systems operated by HSG are spread across different technologies, which increases the risk of inaccuracy from human error. HSG's software may lack certain system controls that are operated by more complex platforms to mitigate the risk of inaccurate accounting and reporting. The integration and review of financial systems and reports may be difficult or take longer than expected. Any significant inconsistencies or errors (or delays in evaluating and rectifying the same) could lead to the interruption of operations of HSG, or a loss of customers or key personnel. As a result, the Company's results of operations and prospects may be adversely affected.

The Company's management and resources may also be diverted away from core business activities due to key personnel being required to assist in the integration process of HSG and the Kobalt Catalogues and oversee the execution of new business activities, such as the payment of Advances and portfolio administration. The integration process could potentially lead to the interruption of operations of the Company or HSG, or a loss of customers or key personnel by each business. In such cases, the Group may experience reputational damage. Any significant delays or difficulties encountered in connection with the integration process could adversely affect the implementation of the Company's strategy, which could have an adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Company will be liable to pay certain expenses regardless of whether it makes any profits

The Company will pay certain expenses, including but not limited to the Investment Adviser's fees, the Fund Administrator's fee and other execution costs (including any abort costs relating to the potential acquisition of a Catalogue or Song), whether or not it makes any profits. If sufficient cash is not earned to meet such expenses, investments may have to be sold by the Company at times when the Company might not otherwise wish to sell them, and the Company may not be able to find suitable purchasers on favourable terms or in a timely manner.

In addition to disposals, the Company may need to borrow money to pay certain expenses. Additional debt may place restrictions on the Company's operational flexibility, which could in turn increase the Company's vulnerability to general adverse economic and industry conditions, including foreign exchange rate fluctuations. See the risk factor entitled "*—The Company deploys a level of leverage, which can increase losses and, in the case of default under the relevant financing arrangement, could result in the lenders enforcing their security and selling the Fund Entities' assets, which in either case could adversely impact the value of the Portfolio*" below. Any significant increase in the Company's level of indebtedness to pay certain expenses may have an adverse effect on the Company's Net Asset Values and/or the market price of the Shares, and on the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Company, when acquiring Songs, may inherit contractual relationships that restrict its operational flexibility

When acquiring Songs, the Company may inherit contractual relationships with certain portfolio administrators, licensees and other third parties. Such arrangements may establish a period of exclusivity with respect to the portfolio administrator or the usage of a Song, which the Investment Adviser may not regard as being as efficient or proactive as its preferred alternatives. As soon as is practicable after the Company acquires a Song or Catalogue, the Company intends for the majority of its Catalogues to be transitioned from the incumbent organisation to HSG or Kobalt Music Services Limited ("**Kobalt**").

Following its acquisition of particular Songs, the Company may not be able to terminate these existing contractual relationships and move the relevant Songs across to one of its preferred portfolio administrators for a period of time. If the Company is unable to renegotiate the terms of

such portfolio administration agreements to terms that are more favourable to the Company, the Company may not be able to realise as much revenue as it had forecast until such time as it can terminate the existing arrangement, which (if such factors are not accurately taken into account when ascertaining the purchase price of such Catalogue) may have an adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders. Additionally, the existing relationship with a portfolio administrator may not be structured in the same way as the Company's relationships with its preferred portfolio administrators, which could have adverse implications from a tax perspective.

There may be circumstances in which a Director has a conflict of interests

There may be circumstances in which a Director has, directly or indirectly, a material interest in a transaction being considered by the Company or a conflict of interest with the Company. Any of the Directors and/or any person connected with them may, from time to time, act as a director or employee of, or invest in, or be otherwise involved with: (i) other investment vehicles that have investment objectives and policies similar to those of the Company; or (ii) entities or other vehicles that are the subject of transactions with the Company, subject, in both cases and at all times, to the provisions governing such conflicts of interest, both in law and in the Articles. Failure to disclose such conflicts could have an adverse impact on the investment decisions made by the Board, which could have an adverse effect on the Company's financial condition and results, and consequently the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Company has a limited operating history and investors have a limited basis on which to evaluate the Company's ability to achieve its Investment Objective and Policy

The Company has a limited operating history. Investors have a limited basis on which to evaluate the Company's ability to achieve its Investment Objective and Policy and provide a satisfactory investment return. The Company may not be able to achieve its Investment Objective and Policy and any failure to do so may adversely affect its business, financial condition, results of operations, Net Asset Values and the market price of the Shares. Past performance of the Company should not be taken as a guide to the Company's future performance.

The Company's returns and operating cash flows will depend on many factors, including the price and performance of its investments, the availability of investment opportunities falling within the Company's Investment Objective and Policy, conditions in the music industry, macroeconomic factors and the Company's ability to successfully operate its business and execute its investment strategy. The Company's investment strategy may not be successful. Any predictions relating to the Company's performance or viability in future periods may not be accurate or reliable.

RISKS RELATING TO THE MUSIC INDUSTRY

The streaming industry is vulnerable to market concentration, which may enhance the ability of certain digital service providers ("DSPs") to reduce royalty rates or alter royalty collection practices

The streaming industry is relatively new and remains vulnerable to certain DSPs, such as Spotify, Apple Music, Amazon Music or other providers, dominating the market in the near future. If the popularity of a small number of DSPs increases, the Company may become more exposed to the performance of those DSPs, or to those DSPs' promotion of Songs owned by the Company relative to other Songs on their platforms (see the risk factor entitled "*—The commercial success of individual Songs depends in part on the playlist curation and other marketing activities that certain DSPs perform*" below). To the extent that a small number of DSPs achieve an oligopoly or near oligopoly over competitors, those DSPs could use their leverage to reduce royalty rates or alter royalty collection practices in a manner which is detrimental to copyright owners, songwriters and publishers.

If one or more dominant DSPs is successful in adversely altering royalty collection practices, or reducing royalty rates, then this may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net

Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Company will be increasingly reliant on consumers streaming music at a consistently high volume. If consumer streaming volumes drop significantly due to changes in consumer sentiment and behaviour or otherwise, this will affect the revenues received from the Portfolio and may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

If the US Copyright Royalty Board's decision to increase songwriter royalty rates by 2023 is successfully challenged by certain DSPs, the Company's revenue in future periods may be adversely impacted

Certain laws and regulations regarding the rates paid for streaming activities to content holders dictate that such rates are set outside of the free market and are instead determined by an empanelled tribunal, namely the Copyright Royalty Board in the United States.

In January 2018, the US Copyright Royalty Board ruled to increase songwriter rates for interactive streaming by 44 per cent. by 2023. However, on 15 August 2019, certain DSPs (including Spotify, Google and Amazon) filed their appeal of this ruling in the US Court of Appeal for the DC Circuit, arguing that the US Copyright Royalty Board made numerous legal errors while adopting a rate structure that was not justified by explanation or evidence and that, in any event, the rates should not have been applied retrospectively to 1 January 2018. If the appeal is successful (or, if unsuccessful in the US Court of Appeal, if the DSPs are able to successfully appeal this decision to a higher court), this could result in the songwriter rates reverting to the lower rates in effect before the ruling, which is likely to result in the Company receiving lower royalty payments than forecast. Any such occurrence, or any other adverse action taken by, or occurring to, that DSP, may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

Changes in the distribution policies and royalty splits set by the performance rights organisations ("PROs") could affect the future revenues received by the Company

Performance rights organisations represent the rights and interests of publishers and songwriters. They collect royalties, create collection policies and set royalty rates for the use of music copyrights. There are over 120 PROs around the world and most of them have agreements and frameworks in place with each other. Should PROs alter the way that they collect royalties, or set lower royalty rates, the Company may receive significantly reduced revenues compared to the level it had forecast at the time of acquiring the relevant Catalogues or Songs.

Membership of the PROs predominantly comprises songwriters and publishers. Historically, the major music publishers represented a significant proportion of the membership of PROs, and therefore controlled a significant percentage of any votes of such PROs. Accordingly, the governance of the PRO is capable of being influenced or directed by the major music publishers and minority stakeholders, such as the Company, may be forced to follow royalty collection practices which do not favour the Company as much as they favour the major music publishers.

Adverse governance changes, or a reduction in royalty rates, or decisions that disproportionately favour major music publishers over the interests of the Company, may be implemented by a relevant PRO in future. Any material adverse change at the PRO level may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares and on the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Covid-19 pandemic may place additional pressure on the ability of PROs to collect and account for royalties in a timely manner (see the risk factor entitled "*—The Covid-19 pandemic is expected to have a material adverse effect on certain income streams, including performance revenues*" below). In the event that Covid-19 causes significant delays in the payment of royalties, the Company's revenues may be adversely impacted.

If DSPs alter current prices for consumers, the profitability of the Songs licensed to such DSPs may be adversely impacted

The Company's future performance is reliant on the ability of DSPs to grow a consistent customer base that continually accesses large volumes of music. The DSPs may implement changes, such as increasing prices, decreasing the selection of music available on a DSP's platform or increasing the size and price of premium content which may, in turn, reduce the size of their customer base and encourage piracy and alternative forms of consumer consumption. Conversely, the DSPs may reduce or waive their prices for some or all consumers, which could impact the amount of royalties that are passed on to the copyright owners. The high cost of music royalty payments and licensing accounting, which account for the majority of the DSPs' costs, has led to friction between songwriters and music publishers, on the one hand, and the DSPs, on the other, in relation to the amount of royalty payments.

In addition, DSPs may reduce the per stream rate paid to publishers, which would adversely impact the royalty rates received by songwriters and owners of associated musical intellectual property rights. Consequently, any change by the DSPs to their current pricing structure or royalty rates could have a material adverse effect on the business of the Company as, in either case, the Company could receive less music royalty revenue than it expects based on the current pricing structure and royalty rates. This may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

If DSPs fail to grow or maintain a consistent customer base for music streaming, the results of operations and prospects of the Company may be adversely affected

The Company is heavily reliant on the continuing presence and popularity of music streaming (or an equivalent technology) in order to maximise access to the consumer market and offset declines in physical music sales. However, the popularity and commercial success of DSPs may not persist and streaming revenues may over time grow at a rate that is insufficient to offset or exceed declines in physical sales. The failure of DSPs to grow or maintain a consistent customer base for music streaming over the longer term could have a material adverse effect on the Company's financial condition, business, prospects, results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or total NAV return to Shareholders.

The Covid-19 pandemic is expected to have a material adverse effect on certain income streams, including performance revenues

In December 2019, a novel coronavirus disease ("**Covid-19**") surfaced in Wuhan, China. The World Health Organisation declared a global emergency on 30 January 2020 and characterised the outbreak as a pandemic on 11 March 2020. Covid-19 has spread globally, causing governments and other parties in various jurisdictions to impose unprecedented restrictions to mitigate the spread of the virus, including quarantines, closures and travel restrictions. In particular, lockdown and social distancing measures have been implemented to prevent gatherings in public spaces.

The impact of the Covid-19 pandemic continues to evolve and, therefore, the full extent of the impact remains unknown. Given the reporting and processing cycles with the major publishers and PROs and the resulting significant time lag between the usage of a Song and the payment of revenue to the copyright owner (see "—Collection of Royalty Income" of Part IX (Operating and Financial Review) of this document), as at the date of this Prospectus it is difficult to assess the impact of the Covid-19 pandemic on the Company's revenues for the fiscal year ending 31 March 2021. The Investment Adviser and the Directors believe that the closure of shops, gyms, clubs, restaurants and other venues which license the Group's Songs, as well as the ban on concerts, festivals and other live performances that involve mass gatherings in public spaces, will likely have an adverse impact on the Group's performance revenues for the financial year ending 31 March 2021 and beyond. The Group's mechanical and other royalties generated from the sale of physical products, such as CDs, sheet music, greetings cards, toys and clothing, are also expected to decline as a result of the closure of retail stores. Moreover, certain publishers, such as Warner Music Group Corp., which receive royalty revenues at an earlier stage in the supply chain than the Group, have reported significant decreases in performance, mechanical and synchronisation revenues as a result of the Covid-19 pandemic.

As a result, with respect to revenue accruals for the quarter ended 31 December 2020, the Group lowered its expectations by up to 25 per cent. This expectation will be reassessed at the fiscal year ending 31 March 2021, when royalty statements for the second half of the financial year ending 31 March 2021 are received. Such forecasts may underestimate the extent to which the Group's revenues may continue to decline in future periods as a result of extended lockdowns or other restrictive measures.

Over the longer term, the Covid-19 pandemic is expected to cause a deep recession in many of the jurisdictions in which the Group's Songs generate revenue. Any significant rises in unemployment levels would likely have an adverse effect on consumer confidence and spending levels. Further macroeconomic effects, including foreign exchange fluctuations, significantly increased corporation tax, or other forms of taxation, and volatility in inflation or interest rates, may exacerbate existing pressures on the Group's financial condition, business, prospects and results of operations.

Additional waves of Covid-19 cases could impact some or all of the jurisdictions in which the Group's Songs generate revenue, and national or local lockdowns, or other restrictive measures, may be significantly extended. Even in the absence of mandatory lockdowns, any significant continuation of social distancing and other protective measures would likely result in more severe impacts on affected economies (with gross domestic product and disposable income suffering further reductions and higher unemployment rates leading to lower levels of consuming spending). In the event that these measures and the related economic impacts cause the Group's revenues to be lower than expected, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders may be adversely affected.

The Company is directly affected by the macroeconomic conditions in the jurisdictions in which its Songs generate revenue, including the United Kingdom and the United States

The Company has experienced in the past, and expects to experience in the future, periods of macroeconomic uncertainty in the jurisdictions in which its Songs generate revenue. Factors affecting macroeconomic conditions include, for example, currency devaluation and exchange rate fluctuations (for example, where revenue is generated in a currency other than Sterling), domestic, transnational, international and worldwide political, military and diplomatic events. Such events may affect the continued availability of Songs, the payment of cross-border or domestic royalties, trends across the music industry and innumerable other factors (such as the continued popularity of DSPs among customers), none of which will be under the control of the Company.

In particular, the United Kingdom voted in favour of withdrawing from the European Union in a referendum on 23 June 2016 and, on 29 March 2017, the UK Government exercised its right under Article 50 of the Treaty on the European Union to notify the European Union of the United Kingdom's intention to withdraw from the European Union. Although the United Kingdom and the European Union agreed a trading arrangement which took effect from 1 January 2021, there remains uncertainty with respect to the United Kingdom's trading relationship with the European Union and the political, economic, legal and social impact of such relationship going forward.

During this period of uncertainty there may be significant volatility and disruption in: (i) the global financial markets generally, which could result in a reduction of the availability of capital and debt; and (ii) the currency markets as the value of Sterling fluctuates against other currencies (see the risk factor below entitled "*—The value of the Company's investments is subject to foreign currency fluctuations between Sterling and any other currency in which acquisitions of Catalogues are denominated or income is earned by the Company, which may have an adverse effect on the performance of the Company*"). Such events may, in turn, contribute to worsening economic conditions, not only in the United Kingdom and Europe, but also in the rest of the world.

The nature of the United Kingdom's future relationship with the European Union may also impact and potentially require changes to the Company's regulatory position. With effect from 1 January 2021, historic EU legislation has largely been implemented into UK law, but it remains unclear as to how UK law will develop over time, including whether the UK will be required to adopt new EU legislation in the future for the purposes of proving equivalence and how UK law will diverge, if at all, from historic EU legislation. Accordingly, the impact on the Group of the United Kingdom's future relationship with the European Union and any resulting changes to the UK's legislative and regulatory framework is unclear.

In addition, the majority of the Company's revenue is currently received from royalty payments generated in the United States. The political and regulatory climate in the United States has been relatively volatile and unpredictable over the past few years. Any political or regulatory moves that negatively impact the music industry (or, in particular, songwriters) in the United States, may have an adverse effect on the revenues received by the Company in respect of the affected Songs.

Should any of these risks materialise, they may have an adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares and, in extreme scenarios, on the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Company's purchase and management of Songs generates income outside of the United Kingdom and the United States, which is subject to additional risks, such as exchange rate fluctuations, unexpected political and regulatory changes and adverse tax systems

The Company's purchase and management of Songs generates income outside of the United Kingdom and the United States. Generating income on an international scale is subject to:

- adverse changes in local economic and political stability in countries in which a Song is generating income, particularly where such situations impact the availability, popularity or payment and collection of royalties in respect of that Song;
- exchange rate fluctuations between Sterling and the currency in which a Song receives income or in respect of which the sellers of Catalogues are located;
- unexpected changes in the regulatory environment, such as changes to a country's intellectual property rights which make it more difficult, more expensive or impossible for the Company to enforce its rights to collect income in respect of Songs played in that jurisdiction;
- the imposition of sanctions and corresponding banking restrictions in respect of any DSPs, portfolio administrators or publishers which are registered in certain sanctioned jurisdictions or in jurisdictions which may be subject to sanctions regulations in the future, such as China;
- tax systems that may have an adverse effect on the Company's operating results or cash flows, and in particular regulations relating to transfer costs and the withholding tax on the repatriation of capital or income from those jurisdictions in which Songs owned by the Company are generating income; and
- tariff barriers, customs duties, export controls and other trade barriers adopted by jurisdictions in which Songs owned by the Company are generating income, such that the income received by the Company from royalties triggered by Songs in that jurisdiction are reduced or stopped entirely. For example, if the governments of key overseas jurisdictions such as India, China and various African countries, were to impose restrictions on the accessibility of DSPs in their respective countries, this would result in Songs no longer generating streaming revenues from the affected DSPs in those countries, reducing overall income received by the Company.

Any of the above may have an adverse effect on the Company's ability to repatriate the relevant income streams (or reduce the amount of income that the Company may receive from the affected Songs), which would in turn have an adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Company's exposure to emerging markets makes it susceptible to risks associated with making investments in emerging markets in general, notably piracy and infrastructural deficiencies, which may include less developed or less rigorously enforced royalty collection practices. This may impact the Company's ability to collect royalties efficiently from jurisdictions in which such deficiencies exist. Furthermore, the Company's ability to enforce its intellectual property rights in emerging markets is subject to the local legal regime and local courts. See the risk factor entitled "*—Intellectual property and other legal protections may not adequately protect the Company's interest in the Songs it owns*" below.

Piracy and poor infrastructure in emerging markets may reduce royalty revenue for the Company which may, in turn, have an adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the

market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The value of a Catalogue or Song could be adversely impacted in the event of intellectual property infringement claims

The Songs purchased by the Company may be, or may become, subject to intellectual property infringement claims. If such a claim does arise, or is threatened, the Company may be forced to spend considerable time and expense defending such claims, which can be expected to affect the performance of the Portfolio. Recent examples of such infringement claims, including the Estate of Randy Wolfe vs. Led Zeppelin case and the Ed Sheeran vs. Edward Townsend and Marvin Gaye case, highlight the possibility and the potential impact of any such claims, with multi-million payouts being awarded in each case.

In order to enable revenues to continue to be generated on a disputed Song, and depending on the contractual relationship the Company has with the relevant portfolio administrator, a portfolio administrator may place the accrued revenues in relation to the disputed Song in a "dispute account" for the duration of the dispute. The accrued revenues will be paid out once the dispute has been settled, in such proportions as determined by the settlement agreement or judgment relating to the dispute. This process is likely to delay the receipt by the Company of any revenues due in respect of that Song and, in the event that the dispute is not settled in favour of the Company, the revenues received by the Company may be less than had been forecast at the time of acquisition of the Song. This may have a material adverse effect on the revenues received in respect of the affected Songs and consequently, an adverse effect on the Company's Net Asset Values and/or the market price of the Shares and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders. Depending on the precise outcome of the judgment, the Company, as the owner of the copyright to Songs played on the DSPs, may also be required to make reconciliatory payments to DSPs for revenues generated by the Songs in respect of historic periods (which may even include periods prior to when the Company acquired the relevant Song). In such cases, the Company may have less cash to deploy for investment purposes and the fair value of the affected Song may decline, which would have a further adverse impact on the Company's Net Asset Values and/or the market price of the Shares.

The music industry is highly innovative and new technology is constantly being introduced

The Company and the other Fund Entities will be heavily reliant on streaming, or an equivalent technology which generates high volumes and rates of royalty revenues for songwriters, continuing to be popular with consumers. Historically, the music industry has been shown to be especially innovative, with new technology causing changes in consumer demand and experience. Innovation which negatively impacts the Company's revenues may, consequently, have an adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Company's investments compete with alternative forms of entertainment, content and leisure activities for the disposable income of consumers

If there is increased competition in forms of entertainment, content and leisure activities which may compete with music, the rates charged for premium music access and its music royalty revenues received as a consequence may decrease, which may have an adverse effect on the Company's Net Asset Values and/or the market price of the Shares. A prolonged or significant downturn in popularity of music relative to other forms of entertainment may have an adverse effect on the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The value of the Portfolio may be adversely affected in the event of piracy and counterfeiting

The reduction in the cost of computer and electronic equipment and associated technologies has facilitated the unauthorised reproduction of music. Increased access to high-speed internet connections and mobile networks has also enabled, and continues to enable, computer users to share such works more easily (and in greater number), without the copyright owner's authorisation and without paying royalties.

The advent of authorised commercial DSPs has rendered the unauthorised or pirated reproduction of music uneconomic, but due to increasing competition in the market, DSPs can perpetuate piracy

by entering into exclusivity or “windowing” arrangements with a recording artist (where the DSP in question has exclusive access to the material before it is expanded to a wider release). DSPs have also steadily limited the functionality and accessible content on their free tier services as they have moved content to their premium service and increased the price of premium access. This behaviour may drive people who ordinarily would pay for music to turn to piracy and may also damage fans’ perception of the recording artist, deterring them from making future purchases.

The Company is dependent on the decisions of public or administrative authorities and their determination to find effective means to fight piracy. Persistent difficulties in passing and applying suitable legislation or in enforcing court rulings, particularly in certain regions of the world where piracy is endemic, constitute a threat to the Company’s business, which depends heavily on the intellectual property rights owned by or licensed to the Company and their enforceability.

If the Company (and, more widely, the music industry) does not succeed in finding ways to protect its businesses against any new methods of piracy and counterfeiting, that may have an adverse effect on the revenues received from such Songs and, consequently, the Company’s Net Asset Values and/or the market price of the Shares and, in cases of widespread or prolonged periods of piracy, on the Company’s ability to deliver the target dividend yield or target total NAV return to Shareholders.

The commercial success of individual Songs depends in part on the playlist curation and other marketing activities that certain DSPs perform

The Songs in the Portfolio are typically available across multiple DSPs. The Songs streamed on these platforms are often from playlists curated by DSPs or generated from algorithms developed by DSPs. If certain DSPs, such as Spotify and Apple Music, fail to include Songs owned by the Company on playlists, change the position of, or remove, such Songs or otherwise give the Company less marketing space on their platforms, this is likely to result in the Company receiving lower royalty payments than forecast. This may have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Company’s Net Asset Values and/or the market price of the Shares, and the Company’s ability to deliver the target dividend yield or target total NAV return to Shareholders.

Copyright only exists for a certain duration and once that duration has come to an end, the copyright in the Song will enter the public domain, following which the Company, as the owner of that copyright, will no longer receive royalties from use of such Songs

The key value in Songs is the intellectual property rights in such Songs and these rights are primarily copyright. Copyright, as further detailed in Part II (*Market Background, Investment Strategy and Approach*) of this Prospectus, only exists for a certain duration and once that duration has come to an end, the copyright in the Song will enter the public domain. At that point, the Song may be used freely, by anyone, without the need to seek permission from the original songwriter. As the entire contents of the original Song are available for uptake once a work enters into the public domain, downstream users of the work may seek to reproduce it or make it available to the public in its entirety. Following the expiration of the copyright in a Song, the Company will not be entitled to receive royalty payments from the use of such Songs, which will reduce the overall revenue received by the Company. This may have an adverse effect on the Company’s Net Asset Values and/or the market price of the Shares and, in extreme cases (i.e. where a particular Song or Catalogue is of significant standing within the Portfolio), on the Company’s ability to deliver the target dividend yield or target total NAV return to Shareholders.

If the internet and mobile networks which support music streaming deteriorate, stagnate, or become ineffective or unreliable, the Company’s streaming revenues may be adversely affected

The Company depends on the availability of reliable and cost-effective internet and mobile networks in the jurisdictions in which consumers stream its Songs. If the internet or mobile networks in any one or more of these jurisdictions were to experience outages, delays or reductions in speed or availability for any reason, including as a result of damage to infrastructure, adverse weather conditions, natural disasters, terrorist attacks, power loss, legal or regulatory changes or market inefficiencies, the ability of DSPs to grow and maintain a consistent customer base in those jurisdictions may be adversely affected. Any resulting decline in the Company’s streaming revenues could have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Company’s Net Asset Values and/or the market price of

the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

Any significant inconsistencies or errors (or delays in evaluating and rectifying the same) in the information provided by DSPs, portfolio administrators and publishers may adversely affect the value of the Company's Songs

The information provided by certain DSPs, portfolio administrators and publishers is not fully transparent and the Company's ability to audit such information may be limited. Any significant inconsistencies or errors (or delays in evaluating and rectifying the same) in the amount of royalties that are due to the Company in respect of a Song could reduce the accuracy of that Song's valuation and artificially inflate or depress the value of that Song. In such cases, there may be a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, or the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

RISKS RELATING TO THE INVESTMENT POLICY AND STRATEGY AND TO THE INVESTMENT PORTFOLIO AND FUTURE ACQUISITIONS OF CATALOGUES

Catalogues and other Songs are difficult to value and Song valuations are subject to fluctuations

The estimated fair value of the Catalogues that have been, or will be acquired, are determined by an independent valuer following discussions with, and are based on information from, the Investment Adviser, and the Company's financial and legal advisers. Songs are difficult to value to a high degree of certainty since the valuation method is inherently retrospective and the music industry is undergoing rapid change, which in turn affects future revenues. This valuation method may be modified in respect of more recently published Songs given that revenues in the early years of a Song's life may be significantly greater than those earned when such Song is more mature. Comparable multipliers are not published for every acquisition in the music industry, which heightens the risk that assessments of the fair value of the Company's Songs are based on assumptions that may not prove to be accurate. Incorrect assumptions based on limited or incomplete information about the commercial terms of recent Catalogue acquisitions in the music industry could negatively affect the fair value of the Company's Portfolio.

The popularity of Songs and recording artists is subjective, and often arbitrary, and there are uncertainties surrounding the future of the music industry generally. The valuation on which: (i) the purchase price of Catalogues or other Songs; and (ii) the calculation of Net Asset Values are based, may prove to be overstated (when viewed retrospectively) and may vary (perhaps materially) from the realisable values of such Catalogues or Songs. This, in turn, may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The value of the Company's investments is subject to foreign currency fluctuations between Sterling and any other currency in which acquisitions of Catalogues are denominated or income is earned by the Company, which may have an adverse effect on the performance of the Company

The Group presents its financial statements and the fair value of its Catalogues in Sterling and aims to pay regular dividends in that currency. However, much of the Group's revenue is received in other currencies, particularly US Dollars. As at 31 March 2020, approximately 84 per cent. of the Group's revenue was denominated in US Dollars and approximately 89 per cent. of the Portfolio was purchased in US Dollars.

As a result, the value of the Company's investments, and the future cash flows associated with such investments, are subject to foreign currency fluctuations between Sterling and US Dollars, as well as between Sterling and any other currency in which acquisitions of Catalogues are denominated or income is earned by the Company. Global events, such as the United Kingdom's withdrawal from the European Union, the election of US President Joe Biden in November 2020 and the Covid-19 pandemic may lead to volatility in the GBP:USD foreign exchange rate, or other applicable foreign exchange rates. Any such volatility in those exchange rates may have an adverse effect on the performance of the Company. Currently, the Company converts the majority of

overseas currency receipts into Sterling by agreeing to currency exchange arrangements with portfolio administrators and/or royalty collection agents, or otherwise undertakes foreign exchange conversions itself following receipt from the relevant portfolio administrator or royalty collection agent.

The Company considers on a regular basis the benefits and costs of hedging foreign currency exposure. To date the Company has not utilised foreign currency hedging arrangements, and such hedging arrangements may be implemented only when suitable hedging contracts are available in a timely manner and on terms acceptable to the Directors. The use of derivatives and other instruments to reduce risk also involves costs, and the use of hedging transactions might result in lower performance than if the Directors had not sought to hedge exposure against foreign currency exchange risk.

The Company may also concentrate its hedging activities with one counterparty or a few counterparties and the Company is subject to the risk that a counterparty may fail to fulfil its obligations under a hedging contract. To the extent that a counterparty fails to fulfil its obligations, the Company could suffer loss. Material or persistent adverse movements in exchange rates may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The market for acquiring Songs is highly competitive

Owners of music copyright face competitive threats both domestically and globally. Other owners of music rights, which predominantly include major music publishers, and other recording artists and songwriters who create music will be in direct competition with the music owned by the Company.

As such, the market in which the Company operates is highly competitive. Such competition may compel the Company to pursue acquisitions at prices that are higher than would otherwise be the case. The Company may also not succeed in acquiring its preferred Catalogues or Songs from time to time due to the seller electing to sell to a different bidder or electing not to sell the relevant Catalogues or Songs at all. This may result in the Company being required to make a less favourable investment, or retaining cash for longer than expected, which may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Investment Adviser and the Directors believe suitable acquisition opportunities exist which would allow the Net Issue Proceeds to be deployed within three months following Initial Admission. Where the Company does not succeed in acquiring the Catalogues it has identified, or is unable to acquire such Catalogues on a timely basis, the Company may be unable to deploy the Net Issue Proceeds within its expected timeframe. Should these scenarios materialise, the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders, could be materially affected. In addition, failure to deploy substantially all of the Net Issue Proceeds within the estimated time frame will delay the Conversion to New Ordinary Shares of the relevant class of C Shares.

The Company deploys a level of leverage, which can increase losses and, in the case of default under the relevant financing arrangement, could result in the lenders enforcing their security and selling the Fund Entities' assets, which in either case could adversely impact the value of the Portfolio

The Company uses leverage to finance the acquisition (directly or indirectly) of Songs or Catalogues in accordance with the Investment Objective and Policy. In addition, the Company may utilise borrowings, which may include a securitisation, for working capital and interest rate hedging purposes, as well as to pay transaction costs and expenses.

Pursuant to its Investment Objective and Policy, the Company may borrow a maximum aggregate amount equivalent to 30 per cent. of Operative Net Asset Value, calculated at the time of drawdown. For these purposes all bank borrowings and other forms of indebtedness incurred by any member of the Group, and any non-equity share capital, will be taken into account.

In August 2019, the Company and the UK MidCo entered into the Original RCF with JPM (as lead arranger and lender), which contained covenants relating to compliance with liquidity levels, and in connection with which security was granted over the Fund Entities' assets. The Original RCF (which was amended in February 2020) was amended and restated in April 2020, by way of the Amended and Restated RCF, and further amended by way of the First Amendment in July 2020, the Second Amendment in September 2020 and the Third Amendment in December 2020 to, *inter alia*, increase the commitments of the lenders and extend the term of the Original RCF.

The use of leverage to finance acquisitions may increase losses. In the case of default under the Amended and Restated RCF, the lenders could enforce their security and sell the Fund Entities' assets to discharge their debts. It is possible that the assets may be sold by the lenders at a lower value than the Company considers to be their fair value, which would decrease the Net Asset Values and could have a material adverse impact on returns to Shareholders.

Following the expiration of the term of any financing arrangement (or if an early repayment event is triggered in accordance with the terms of the relevant financing agreement), and where the Company is unable to agree an extension of such term with the relevant lenders, the Company may be required to repay the outstanding balance of any borrowing. If the Company is unable to repay such outstanding balance through its cash reserves, it may be required to refinance such borrowings with alternative financing agreements. In the event that the Company is unable to refinance such existing debt on acceptable terms, the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders may be adversely impacted.

The effect of the use of leverage is to increase the Company's investment exposure. The result of this is that, in a market that moves adversely, the possible resulting loss to Shareholders' capital would be greater than if leverage was not used. Also, if the income and returns on the Songs acquired with borrowed funds are less than the costs of the leverage, the Net Asset Values will decrease.

Actual royalty payments stemming from a Song may be significantly lower than expected; royalty payments may be difficult to track or capture, or royalty payments made from certain jurisdictions may be made net of withholding tax and, as such, there could be "leakage"

Income received by the Company is dependent on royalty entitlements being collected successfully, including from various DSPs. Any failure to capture all royalty payments, or "leakage", could result in the Company receiving a lower income than expected from the Portfolio. The Company may thus experience reduced royalty payments as compared with those generated historically or the payments forecast at the time of acquiring the Song or any valuations carried out in accordance with the Company's valuation policy. Further, there could be a significant delay between when a royalty is triggered and when it is paid to the Company (such delays could differ between different DSPs and PROs, and could be as a result of a DSP or PRO altering its payment schedule without notice). As a consequence of receiving a lower annual income from such Songs, or not receiving such royalties in a timely manner, such Song's potential value may be adversely affected, which in turn may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The potential returns from the Company's Portfolio of Songs may be lower than projected

A variety of factors, including a lack of attractive investment opportunities, disputes relating to underlying intellectual property rights in relation to the Songs within the Portfolio, piracy, changes in the music industry (including the impact of music streaming, the availability of alternative platforms and DSPs and master rights owners failing to reach satisfactory licensing agreements), exchange rates, government regulations, the non-performance (or underperformance) of Songs within the Portfolio, the creation of new master recordings by the original performing artist which compete directly with certain Songs within the Portfolio, faults or errors with technology used by the Company or its service providers, a decline in the pricing power of the relevant DSPs used by the Company, or the occurrence of risks described elsewhere in this Prospectus could adversely impact the Company's ability to achieve the Investment Objective and deliver the target dividend yield or target total NAV return which may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares.

Some or all revenues earned by the Company may be subject to income or corporate tax liabilities (including withholdings) or VAT which cannot be reclaimed or credited by the Company. This may apply, for instance, as a result of taxation levied in the jurisdictions in which revenues are earned (or are otherwise connected), or as a result of tax authorities taking a different view to that of the Company in respect of the application of relevant tax laws to those investments. Such taxes may reduce the net returns on the Company's investments and consequently diminish the potential value of the Portfolio, which may have an adverse effect on the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The income earned by a Song, and by extension its value, may be substantially reduced where the reputation of any of its songwriters or a recording artist who performs the Song has become tarnished

There may be circumstances involving impropriety in the personal life of the songwriter or a recording artist who successfully performed a Song owned by the Company, or other factors, which could have a material adverse effect on the popularity of that Song, and which could result in radio stations and other media refusing to play the Song for a period or indefinitely. Reputational damage is more likely to result from the impropriety of a recording artist rather than the songwriter, as the recording artist is the public-facing element of the Song and therefore more susceptible to the opinion of consumers and society.

If a recording artist's or songwriter's reputation was damaged, resulting in a decrease in a Song's popularity, and such circumstances endured for a significant period of time, this could impact significantly the revenues the Company receives from the Songs or the Catalogues and may, depending on the relative weighting of the affected Songs or Catalogues within the Portfolio, have a material adverse effect on the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

Certain potential synchronisation fees may not be earned due to a failure to obtain the agreement of any co-songwriter

The Company may from time to time acquire interests in Songs which are co-authored, or acquire interests in Songs jointly with another purchaser. In such cases, the Company may be required to obtain the consent of the co-songwriter or co-owner before the Company is able to pursue certain commercialisation opportunities.

Even in cases where the Company has successfully acquired 100 per cent. of a songwriter's interest, the exploitation of certain commercialisation opportunities for a Song may require the consent of co-songwriters (or of the seller, if the terms of acquisition so provide) even if no other person has an interest in the songwriter's share which the Company has acquired. Should it not prove possible to obtain that consent, for example because of a particular sensitivity of the seller or another writer who may not wish the Song to be associated with a particular product or service, then that commercial opportunity may be lost. Dependent on the number of such occurrences and the amounts of potential synchronisation fees foregone, such situations could result in revenues being lower than forecast which may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

Intellectual property and other legal protections may not adequately protect the Company's interest in the Songs it owns

In many cases, the obligation for a user of a Song to make a royalty payment to the Company, or the Company's ability to realise its investment in a particular Song, will depend on the Company's intellectual property rights in that Song being and remaining appropriately protected including by registration (where necessary), having appropriate arrangements with collection societies and by the assertion of those rights directly against third parties and/or by some other method. The Company intends to enforce its intellectual property rights vigorously in the case of any unauthorised use or infringement of its rights relating to a Song but its success in so doing will be heavily dependent on the legal regime applicable to such claims in the jurisdiction where the unauthorised use or infringement takes place. Legal means can only afford limited protection and may not provide

sufficient or adequate protection against infringement or circumvention by a third party. The fact that an intellectual property right is granted or issued does not guarantee that it will be valid or enforceable. The enforcement of intellectual property rights may also be subject to high costs and significant time delays.

The Company's interest in a Song may be the subject of a legal challenge from third parties. Such a challenge could come, for example, from another songwriter claiming to be the creator of the original work and, therefore, to be the party entitled to copyright protection, from an heir of the songwriter (notwithstanding that the songwriter or their estate may have validly assigned the rights to the Song) or from other third parties. The Company would expect to contest any such allegations vigorously, which may prove costly and time consuming. If any such challenge is successful, the Company's entitlement to past and future royalty payments could be lost or reduced. These factors could impact the revenues the Company receives from its investment in a Song and, therefore, may have a material adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

In certain circumstances, the Company may acquire Songs by acquiring the entity which owns the relevant Song or an interest in that entity and the Company may not be able to realise any value for its holdings in such entities

Where the owner of a Song is a company rather than an individual, as would typically be the case, the Company may, as part of the commercial negotiations, acquire the entity which holds the relevant Song or an interest in that entity, rather than acquiring the Song directly. The value of such holding entities may be influenced by a variety of factors, such as the ongoing costs and administration of such holding entity or any historic creditors, which were not revealed as part of the diligence process, that are entitled to be repaid in full before distributions can be made to its equity holders in the event of an insolvency, liquidation, dissolution, reorganisation or bankruptcy of the holding entity. In such an event the Company may not be able to realise any value for its holdings in such entities.

The Songs acquired by the Company through Advance payments made by HSG or the other Fund Entities may not yield the projected returns, which could affect the value of the Portfolio

Investment in Songs that are yet to be written or proven commercially over a sustained period of time is considered more speculative than investment in proven Songs, and it is harder to accurately forecast revenues that such Songs will generate over time. Such Songs may not be commercially successful or generate sufficient royalties to repay the Advance (together with the projected returns thereon) over the forecasted period or at all. If the future Songs in respect of which the Advance is paid do not perform as forecast, this may have an adverse effect on the revenues generated by the Portfolio and, consequently, the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield over time or target total NAV return to Shareholders.

The Company may have investments for which no liquid market exists due primarily to lack of demand

The Company does not intend to dispose of its Songs but, in the event that this was considered desirable by the Board, then the Company may be subject to liquidity risk, which includes the risk of the Company's failure to realise investments in a timely manner at a reasonable price. The Company may invest in Songs for which no liquid market exists. The market prices for Songs or Catalogues may be volatile and the Company may not be able to realise investments when it desires to do so or to realise what it perceives to be their fair value.

If interest rates were to rise, the Company would be subject to the risk that the target dividend yield would become less attractive to investors relative to other investments

The Company's investments are subject to interest rate risk in as much as the value of higher yielding assets will tend to fall as interest rates rise and vice versa. Interest rates are highly sensitive to factors beyond the Company's control, including, among others, governmental monetary and tax policies and domestic and international economic and political conditions. It may therefore be the case that, as interest rates rise, the Company's costs of borrowing would increase. In the

event of any material increase, it may be more difficult for the Company to generate sufficient cash flows to make scheduled payments on its indebtedness over the longer term, and to refinance borrowings when due. As a result, the Company's ability to deliver the target dividend yield or total Net Asset Values return to Shareholders may be adversely affected.

As interest rates rise, the attractiveness of the Company's Songs and of its Shares may also decrease as the target dividend yield becomes less attractive to investors relative to other investment opportunities. Conversely, as interest rates fall, the attractiveness of such Songs and Shares may increase.

RISKS RELATING TO THE INVESTMENT ADVISER

The Investment Adviser is dependent on the expertise of the Key Person, the Advisory Board and the music industry relationships of the Advisory Board members to assist it to source attractive investment opportunities and subsequently manage the Company's Portfolio

The Investment Adviser places reliance on the expertise of the Key Person, the Advisory Board assembled by the Investment Adviser, and the chair of the Portfolio Committee, Paul Burger, to assist it to source attractive investment opportunities. In addition, a member of the Advisory Board may have an interest in a Catalogue that the Investment Adviser has recommended the Company acquire. Whilst the Investment Adviser is obliged to disclose such interests to the Board under the terms of the Investment Advisory Agreement, the relevant member of the Advisory Board may not have fully disclosed such interest to the Investment Adviser. In such cases, the Board may make investment decisions on the basis of incomplete or misleading information. The occurrence of any of the events described above may have a material adverse effect on the Company's Net Asset Values and/or the market price of the Shares and, in extreme cases, on the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The due diligence process may not reveal all facts that may be relevant in connection with investment opportunities and any mismanagement, fraud or accounting irregularities may materially affect the integrity of the Investment Adviser's due diligence on investment opportunities

When conducting due diligence and making an assessment regarding an investment, the Investment Adviser and the Company's legal and financial advisers will be required to rely on resources available to them, including internal sources of information as well as industry research and information provided by existing and potential sellers of Songs. The due diligence process may at times be required to rely on limited or incomplete information. For example, the historical cash flow information for acquisitions involving newer hit Songs may be limited.

The Investment Adviser selects investment opportunities to be tabled to the Directors for their consideration in part on the basis of information and data relating to potential investments that has been made directly available to the Investment Adviser by the sellers. The Investment Adviser may not be in a position to confirm the completeness, genuineness or accuracy of such information and data. The Investment Adviser is dependent upon the integrity of the management of the sellers as regards such information and of such third parties. The value of the investments made by the Company may be affected by fraud, misrepresentation or omission on the part of the sellers of the Songs or their advisers, by parties related to the sellers or by other parties. Such fraud, misrepresentation or omission may increase the likelihood of an intellectual property rights dispute relating to such Songs or may adversely affect the valuation of the Songs in question or may adversely affect the Company's ability to enforce its contractual rights in relation to the investment.

Investment analysis by the Investment Adviser may be undertaken on an expedited basis in order to make it possible for the Company to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. The Investment Adviser may not have sufficient time to evaluate fully such information even if it is available.

Accordingly, due to a number of factors, the due diligence investigation carried out by the Investment Adviser and the Company's legal and financial advisers with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful to the Directors in evaluating such investment opportunity. Any failure by the Investment Adviser to identify relevant facts through its due diligence process may cause it to recommend inappropriate investments for purchase, or recommend the purchase at a price which is not appropriate, and

therefore lead the Directors to decide to acquire Songs which subsequently fail to perform in line with expectations, which may have a material adverse effect on the Company's Net Asset Values and/or the market price of the Shares and on the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

Operational risks may disrupt the Company's (and any Fund Entity's) business, or that of the Investment Adviser, HSG, the external portfolio administrators and other service providers, which may result in losses or limit the Company's growth

The Company relies heavily on the financial, accounting and other data processing systems of the Investment Adviser, HSG, the external portfolio administrators and service providers, and any other third parties, with whom the Company conducts business. If any of these systems do not operate properly or are disabled, the Company could suffer financial loss or reputational damage. A disaster or a disruption in the infrastructure that supports the management of, or diligence processes relating to, the Songs, or a disruption involving electronic communications or other services used by the Investment Adviser, HSG, the external portfolio administrators and service providers, and any other third parties, with whom the Company conducts business, could have an adverse impact on the ability of the Company to continue to operate its business without interruption. The disaster recovery programmes used by such parties may not be sufficient to mitigate the harm that may result from such disaster or disruption. In addition, insurance and other safeguards might only partially reimburse the Company for its losses, if at all.

Information and technology systems may be vulnerable to technical failures, periods of outage or interruption or cyber security breaches

The information and technology systems used by the Company, the Investment Adviser and each of the third-party services providers with whom the Company contracts may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

Although these parties have implemented various measures to manage risks relating to these types of events, if their information and technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the Company, the Investment Adviser or the relevant service provider may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Company's, the Investment Adviser's or the relevant service provider's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Company's, the Investment Adviser's or the relevant service provider's reputation, subject any such entity and their respective Affiliates to legal claims and otherwise affect their business and financial performance.

Litigation against the Investment Adviser or the Company may disrupt its investment strategy and growth

The Investment Adviser or the Company may be named as parties to litigation or become involved in regulatory inquiries, which could cause substantial reputational damage to the Investment Adviser or the Company or disrupt its investment strategy, business or potential growth and have a material adverse effect on the Company's financial condition, business, prospects and results of operations and on the Company's Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

The Investment Adviser has a limited operating history, and investors have a limited basis on which to evaluate the Investment Adviser's ability to source and manage Catalogues or Songs

Like the Company, the Investment Adviser has a limited operating and financial history and track record, having been established in June 2018. As the Investment Adviser lacks a substantial operating and financial history, investors have a limited basis on which to evaluate the Investment Adviser's ability to source Catalogues at attractive prices, or manage Catalogues or Songs acquired on an ongoing basis in an efficient manner, other than by reference to the experience of the Investment Adviser's Team and its Advisory Board (as disclosed in more detail in Part III (*Investment Adviser*) of this Prospectus) and the Investment Adviser's performance with respect to

acquisitions and ongoing management of the Company's Portfolio. Investors also have a limited ability to evaluate the Investment Adviser's business from an operational and financial perspective.

RISKS RELATING TO REGULATION AND TAXATION

If payments to the Group are subject to withholding tax in any tax jurisdiction, the Company's financial condition and prospects could be materially and adversely affected

The Company intends that payments to the Group will not be subject to withholding tax. However, revenues received by members of the Group may be subject to withholding taxes as a result of adverse developments or changes in law, contrary conclusions by the relevant tax authorities, unanticipated characteristics of Shareholders of the Company, management errors or other causes. The imposition of any unanticipated or withholding taxes could materially reduce the post-tax returns available for distributions on the Shares, and consequently may adversely affect the Company's business, financial condition, results of operations, Net Asset Values and/or the market price of the Shares, and the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

Changes in law or regulations underpinning the Company's regulatory environment, or a failure to comply with any laws or regulations, may adversely affect the businesses, investments and performance of the Company and the Investment Adviser

The Company, as a Guernsey-incorporated closed-ended investment company trading on the Main Market and listed on the premium listing category of the Official List, is subject to laws and regulations in such capacity, including the Listing Rules, the Prospectus Regulation Rules and the UK Prospectus Regulation, the Disclosure Guidance and Transparency Rules, UK MAR, the EU AIFM Directive (in respect of investors located in an EEA Member State) and the UK AIFMD Laws (in respect of investors located in the UK), the EU PRIIPs Regulation (in respect of investors located in an EEA Member State), the UK PRIIPs Laws (in respect of investors located in the UK), the AIC Code, the Rules and the Companies Law. The Company is subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Main Market and to listing on the premium listing category of the Official List. These rules, regulations and laws govern the way that, amongst other things, the Company can be operated (i.e. its governance), how its Shares can be marketed and how it must deal with its Shareholders, together with requiring the Company to make certain reports, filings and notifications (and governing their respective content).

The Company is also subject to intellectual property laws to the extent that they affect its investments in Catalogues of Songs, which include, for example, the rules relating to the rates due to be paid by DSPs which are currently being disputed between the US Copyright Royalty Board and certain DSPs. Following the acquisition of HSG, the Company will be subject to additional laws and regulations in the United States (see the risk factor entitled "*—The Company may not successfully integrate its acquisitions, including the operating, financial or control systems of acquired businesses, into the Group*" above). In addition, subject to approval by HMRC of the Company's investment trust company application (which is expected to be received prior to, and be effective from 1 April 2021), the Company will be subject to, and will be required to comply with, certain legal and regulatory requirements that are applicable to UK investment trusts.

The laws and regulations affecting the Company are evolving, and may be subject to further change following the United Kingdom's withdrawal from the European Union (see the risk factor entitled "*—The Company is directly affected by the macroeconomic conditions in the jurisdictions in which its Songs generate revenue, including the United Kingdom and the United States*" above). Any changes in such laws and regulations may have an adverse effect on the ability of the Company to carry on its business, for example, increasing the costs of the Company complying with such new or modified laws and regulations or in the case of adverse changes in law in royalty collection, by reducing the revenue received by the Company. Any such changes may have an adverse effect on the ability of the Company to pursue its Investment Objective and Policy, and may adversely affect the Company's business, financial condition, prospects, results of operations, in extreme scenarios, may adversely affect the Net Asset Values and/or the market price of the Shares and, consequently, the target dividend yield or target total NAV return to Shareholders may be affected.

Changes in the Group's tax status or tax treatment may adversely affect the Group

Any change in the Group's tax status, or in taxation legislation or practice in any relevant jurisdiction or in the Group's tax treatment, may affect the value of the investments held by the Company or the Company's ability to pursue its Investment Objective and Policy successfully or achieve the Investment Objective and Policy, or may alter the after-tax returns to Shareholders. Further, changes to, and consolidation of, the Group's structure could result in the Company being unable to claim an exemption to UK capital gains tax, due on the sale of a Catalogue, which may have otherwise been available to it. It is noted, however, that it is not the Company's intention to sell Catalogues.

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval of the Company by HMRC as an investment trust under section 1158 of the UK Corporation Tax Act 2010 (as amended) (the "**Corporation Tax Act 2010**") and pursuant to regulations made under section 1159 of the Corporation Tax Act 2010. However, neither the Investment Adviser nor the Directors can provide assurance that this approval will be obtained and subsequently maintained. The UK Investment Trust (Approved Company) (Tax) Regulations 2011 require an up-front application to be made for approval as an investment trust, and such application has been submitted to HMRC before the date of this Prospectus. Once approved, it is expected that the Company will be treated as an investment trust with effect from the start of its next Accounting Period (being 1 April 2021), and will continue to have investment trust status in each subsequent Accounting Period, unless the Company breaches the investment trust conditions so as to be treated as no longer approved by HMRC as an investment trust, pursuant to the regulations. Breach of such conditions could, as a result, lead to the Company being subject to UK tax on its capital gains. Although the Company is incorporated in Guernsey, following approval from HMRC of the Company as an investment trust, the Company intends to be resident for tax purposes in the UK.

Statements in this Prospectus concerning the taxation of Shareholders are based upon current UK, Guernsey and the United States tax law and published practice, any aspect of which law and practice is, in principle, subject to change (potentially with retrospective effect), which change may adversely affect the ability of the Company to pursue the Investment Objective and Policy successfully, and which may adversely affect the taxation of Shareholders. Until such time as the Company's status as an investment trust is approved and effective (which is expected to be received prior to, and be effective from, 1 April 2021), any changes to the UK Offshore Fund Rules, or a change in the status of the Company, such that it would constitute an offshore fund for the purposes of UK taxation (prospective investors should refer to Part VI (*Taxation*) of this Prospectus), could result in adverse tax consequences for UK resident shareholders.

The value of the Company's investments may be subject to jurisdiction-specific insolvency regimes

The value of the Company's investments may be affected by various laws enacted for the protection of creditors. This may occur where an external portfolio administrator becomes insolvent, for example, since the insolvency may adversely affect their ability to make payment on a full or timely basis of amounts owed to the Company. Where a Catalogue is administered by an external portfolio administrator which pays royalties on a semi-annual or quarterly basis, the Company is at risk in respect of any royalties accrued by such portfolio administrator during these periods.

In particular, it should be noted that a number of emerging market jurisdictions operate "debtor-friendly" insolvency regimes which could result in delays in payments where obligations, debtors or assets thereunder are subject to such regimes. This will be taken into account when negotiating the purchase of relevant Songs.

Jurisdiction-specific insolvency regimes may negatively affect the Company's recovery in a restructuring or insolvency, which may have an adverse effect on the Company's Net Asset Values and/or the market price of the Shares and, where significant assets are subject to such unfavourable insolvency regimes, the Company's ability to deliver the target dividend yield or target total NAV return to Shareholders.

Shareholders may be subject to withholding and forced transfers under FATCA and there may also be reporting of Shareholders under other exchange of information arrangements, including the Common Reporting Standard

The governments of the United States and Guernsey have entered into an intergovernmental agreement (the “**US Guernsey IGA**”) related to implementing FATCA which is implemented through Guernsey’s domestic legislation. FATCA imposes certain information reporting requirements on a foreign financial institution (“**FFI**”) or other non-US entity and, in certain cases, US federal withholding tax on certain US source payments and gross proceeds from a sale of assets generating US source payments. The Company is likely to be considered an FFI, and will therefore have to comply with certain registration and reporting requirements in order to not be subject to US withholding tax under FATCA. In addition, the Company may be required to withhold US tax at the rate of 30 per cent. on “withholdable payments” or, after 31 December 2018, certain “foreign passthru payments”, to persons that are not compliant with FATCA or that do not provide the necessary information or documents, to the extent such payments are treated as attributable to certain US source payments.

Guernsey has also implemented the Common Reporting Standard or “**CRS**” regime with effect from 1 January 2016. Accordingly, reporting in respect of periods commencing on or after 1 January 2016 is required in accordance with the CRS (as implemented in Guernsey).

In the event that the Company becomes tax resident in the United Kingdom, the Company will be required to comply with The International Tax Compliance Regulations 2015 (SI2015/878). These regulations transpose into UK law rules and obligations derived from European Union law (Council Directive 2011/16/EU), the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (“**OECD**”) and inter-governmental agreements (including the United Kingdom’s agreement with the United States in respect of FATCA) entered into by the UK which are aimed at increasing transparency and reducing tax evasion.

In connection with such UK regulations, international agreements and obligations, to the extent they apply, the Company may, *inter alia*, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with the UK regulations and relevant international agreements.

The requirements under FATCA, the CRS and similar regimes and any related legislation, intergovernmental agreements and/or regulations may impose additional burdens and costs on the Company or Shareholders. There is no guarantee that the Company will be able to satisfy such obligations and any failure to comply may have an adverse effect on the Company’s business, financial condition, results of operations, Operative NAV and/or the market price of the Shares, and the Company’s ability to deliver the target dividend yield or target total NAV return to Shareholders. In addition, there can be no guarantee that any payments in respect of the Shares will not be subject to withholding tax under FATCA. To the extent that such withholding tax applies, the Company is not required to pay any additional amounts and, accordingly, the Shareholders may receive a lower return than they would otherwise be entitled to.

If the Company suffers, or considers that it might suffer, any pecuniary disadvantage as a result of the Company’s failure to comply with FATCA as a result of a Non-Qualified Holder failing to provide information as requested by the Company in accordance with the Articles, then the Directors have the power under the Articles to force a transfer of that Non-Qualified Holder’s Shares. In such circumstance, the ejected Non-Qualified Holder would no longer be a Shareholder and the transfer price may not be an amount which the Non-Qualified Holder considers to be the fair market value of those Shares.

There is a significant likelihood that the Company will be classified as a passive foreign investment company, or PFIC, for United States federal income tax purposes, which could subject United States investors to material adverse United States federal income tax consequences

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable “look-through rules,” either (i) at least 75 per cent. of its gross income is “passive income” or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or

are held for the production of passive income. For this purpose, passive income generally includes dividends, interest, royalties, rents, annuities, and certain gains, but an exception is provided for certain royalties that are treated as derived from the active conduct of a trade or business. Because the Company's income will consist primarily of royalties, the Company will be a PFIC unless a sufficient portion of its royalty income qualifies for this exception. The Company believes that there is a significant likelihood that it will be treated as a PFIC for its current fiscal year ending 31 March 2021. That status could change in subsequent years, but there can be no assurance that the Company will cease to be a PFIC in the future. The Company's status as a PFIC will cause US Holders (as defined in "*United States*" of Part VI (*Taxation*) of this Prospectus) of Shares to be subject to special adverse US federal income tax rules applicable to PFICs, including taxation of distributions and gains at the highest rate applicable to ordinary income, interest charges on certain taxes treated as deferred, and additional reporting requirements under US federal income tax laws and regulations. The Company does not intend to provide US Holders information that would enable US Holders to make a "qualified electing fund" ("QEF") election, in respect of the Shares. Consequently, it is expected that US Holders will not be able to make a potentially favorable QEF election in the current or any future taxable year. A US Holder can avoid certain of the adverse US federal income tax consequences described above by making a "mark-to-market election" to include any gain on the Shares as ordinary income, provided that the Shares are "marketable stock." While a US Holder may be able to make a mark-to-market election with respect to the Shares, the election cannot be made for any of the Company's subsidiaries that are also PFICs. For more information see the section headed "*United States: Passive Foreign Investment Company Considerations*" of Part VI (*Taxation*) of this Prospectus. Prospective purchasers should consult their tax advisers regarding the Company's PFIC status, the US federal income tax consequences that apply to shareholders in a PFIC and any US federal income tax elections that may be available which may help mitigate these consequences.

The ability of certain persons to hold Shares and make secondary transfers in the future may be restricted as a result of ERISA and other regulatory considerations

Unless otherwise expressly agreed with the Company, each initial purchaser and subsequent transferee of Issue Shares will be required to represent and warrant or will be deemed to represent and warrant that it is not a "benefit plan investor" (as defined in Section 3(42) of ERISA), and that it is not, and is not using assets of, a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the US Tax Code unless its purchase, holding and disposition of Issue Shares does not constitute or result in a non-exempt violation of ERISA, Section 4975 of the US Tax Code or any such substantially similar law. In addition, under the Articles, the Board has the power to refuse to register a transfer of Issue Shares or to require the sale or transfer of Issue Shares in certain circumstances, including any purported acquisition or holding of Shares by a benefit plan investor.

Under the Articles, the Board has the power to require the sale or transfer of Issue Shares, or refuse to register a transfer of Issue Shares, in respect of any Non-Qualified Holder. In addition, the Board may require the sale or transfer of Issue Shares held or beneficially owned by any person who refuses to provide information or documentation to the Company which results in the Company suffering US tax withholding charges. Prospective investors should refer to the sections entitled "*Representations, Warranties and Undertakings*" in Part V (*The Initial Issue and the Placing Programmes*) and "*Memorandum and Articles: Transfer of Shares*" in Part VII (*Additional Information*) of this Prospectus.

The Company may be subject to disclosure rules concerning Non-Mainstream Pooled Investments

The Company intends not to be subject to the rules relating to Non-Mainstream Pooled Investments ("NMPI") by virtue of the fact that the Company would meet the criteria for investment trust status under sections 1158 and 1159 of the Corporation Tax Act 2010 as if it were a UK company. If the Company fails to meet such criteria (whether before or after its approval as an investment trust company by HMRC), and the rules concerning NMPI apply to the Company, then the Company will be restricted from being promoted to certain retail investors, which might adversely affect the liquidity and the market price of the Shares.

The Company will be subject to prevention of the criminal facilitation of tax evasion which may result in the Company requiring additional disclosure from its Shareholders

Two United Kingdom corporate criminal offences for failure to prevent the facilitation of tax evasion created by the Criminal Finances Act 2017 impose criminal liability on a company or a partnership (a “relevant body”) if it fails to prevent the criminal facilitation of tax evasion by a “person associated” with the relevant body. There is a defence to the charge if the relevant body can show that it had in place “reasonable prevention procedures” at the time the facilitation took place. In order to comply with the Criminal Finances Act 2017, the Company and/or the Investment Adviser may require additional information from Shareholders or prospective investors in the Company regarding their tax affairs.

RISKS RELATING TO THE SHARES

The existence of a liquid market in the Issue Shares cannot be guaranteed

The Company will apply for the Issue Shares to be issued pursuant to the Initial Issue and any Issue Shares issued pursuant to the Placing Programmes to be admitted to trading on the Main Market and to be admitted to listing on the premium listing category of the Official List. However, there can be no guarantee that an active secondary market in the Issue Shares will be sustained or that the Issue Shares will trade at prices close to their relevant underlying Operative NAV per Ordinary Share. Further, certain Issue Shares may be subject to lock-up arrangements (such as the Performance Shares), which could further reduce the liquidity of the Shares.

The number of C Shares to be issued pursuant to the Placing Programmes is not yet known and there may be a limited number of holders of any class of C Shares. Limited numbers and/or holders of shares may mean that there is limited liquidity in such class of C Shares which may affect: (i) the ability of a holder of that class of C Shares to realise some or all of their investment; (ii) the price at which a holder of that class of C Shares can effect such realisation; and/or (iii) the price at which such class of C Shares trade in the secondary market. Similar risks are less applicable to any Ordinary Shares issued pursuant to the Initial Issue and the Placing Programmes, by virtue of the fact that, as at the date of this Prospectus, the Company already has 1,011,456,797 Ordinary Shares in issue. Similarly, such risks will be less material for holders of a class of C Shares following Conversion of such class of C Shares into New Ordinary Shares.

The Company has been established as a closed-ended vehicle. Accordingly, Shareholders have no right to have their Shares redeemed or repurchased by the Company at any time. While the Directors retain the right to effect repurchases of Ordinary Shares and to return capital in the manner described in this Prospectus, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to do so. Shareholders wishing to realise their investment in the Company will normally therefore be required to dispose of their Shares through the secondary market. Accordingly, Shareholders’ ability to realise their investment at the relevant Operative NAV per Ordinary Share or at all is dependent on the existence of a liquid market for the class of Shares they hold.

The existence of a liquid market in any class of C Shares cannot be guaranteed, and C Shares may suffer greater volatility in discounts and may be more illiquid than Ordinary Shares

Each class of C Shares will constitute a separate class of Shares, with a separate underlying pool of assets and each class shall be independent of each other. Each class of C Shares will have the same rights and characteristics as any other class of C Shares. Each class of C Shares will have a separate Operative NAV (and IFRS NAV) per C Share (calculated by reference to the assets attributable to that class of C Shares divided by the number of C Shares issued in that class). A liquid market in any class of C Shares may not develop or be sustained and C Shares of any class may not trade at prices close to their respective underlying net asset values. The Directors will not provide an additional source of liquidity through buybacks of any class of C Shares prior to Conversion and, therefore, the Company will not assist the holders of any class of C Shares in limiting discount volatility. Until converted into New Ordinary Shares, the relevant class of C Shares may suffer greater volatility in discounts and may be more illiquid than Ordinary Shares.

Global capital markets have been experiencing volatility, disruption and instability. Material changes affecting global markets may have a negative effect on the Company's business, financial condition, results of operations and the market price of the Shares and the Company may be exposed to systemic risk as a result of the default of any financial institution

Global capital markets have experienced extreme volatility and disruption in recent years. Although the Investment Adviser and the Directors believe that the price of the Company's Shares is not generally correlated to equity markets, as a listed investment fund, the Shares are traded on a global capital market and, therefore, it is impossible for the Company to separate itself entirely from the risk that any extreme global volatility or decline in equity capital markets might adversely affect the share price of the Company's Shares.

The default of any financial institution could lead to defaults by other institutions. Concerns about, or default by, one financial institution could lead to significant liquidity problems, losses or defaults by other institutions, because the credit quality and integrity of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. The risk is sometimes referred to as "systemic risk" and may adversely affect brokers, lending banks and other trading counterparties with whom the Company deals. The Company may, therefore, be exposed to systemic risk when it deals with various third parties, such as lending banks, counterparty banks, administrators and entities which are part of groups of companies which also contain financial institutions.

The pool of assets attributable to any class of C Shares issued pursuant to a Subsequent Placing are separate from, and smaller than, the pool of assets attributed to the Ordinary Shares and, accordingly, may be more concentrated

Any class of C Shares issued pursuant to a Subsequent Placing will remain a separate class of Shares from the Ordinary Shares until Conversion. Each class of C Shares will form a separate underlying pool of assets and liabilities from other classes of C Shares. The investment restrictions set out in the Company's Investment Objective and Policy, however, are measured against the gross assets of the Company as a whole without regard to which class of Shares they are attributable to. Consequently, any class of C Shares issued pursuant to a Subsequent Placing may have a higher concentration in the assets attributable to that class of C Shares than the Ordinary Shares, pending Conversion of the relevant class of C Shares.

This may result in a disproportionately large impact on a class of C Shares as compared to the Ordinary Shares. Such increased concentration could result in greater losses to that class of C Shares if any of the assets attributable to that class of C Shares were to underperform, as compared to the impact that such underperformance would have had on the larger pool of assets attributable to the Ordinary Shares, which may, consequently, impact the Net Asset Values and/or the market price of that class of C Shares.

Shareholders outside the United Kingdom may not be able to participate in future equity offerings

Shareholders in certain jurisdictions, particularly the United States, may not be entitled to participate in future equity offerings unless any relevant Shares are registered under their applicable laws or an exemption from registration is available. The Company cannot, at this point, predict whether it would seek such registrations or whether any such exemption would be available. The Company intends to evaluate, at the time of any equity offering, the costs and potential benefits to the Company of enabling Shareholders in those jurisdictions to participate and any other factors it considers appropriate at the time and then to make a decision as to whether to file such a registration statement or seek to utilise any applicable exemptions. The Company cannot assure investors outside the United Kingdom that they will be able to participate in future equity offerings.

The Company may issue additional securities that dilute the voting rights of existing holders of Shares and intends to seek a renewal of disapplication of pre-emption rights pursuant to the Resolution to be tabled at the EGM and at the AGM of the Company to be held in 2023 (or any earlier AGM as may be required) and at each subsequent AGM of the Company

Subject to the Companies Law and the Articles, the Company may issue additional securities, including Shares, for any purpose. Any additional issuances by the Company, or the related costs of such issue, may cause the market price of the Shares to decline and, save as provided in the following paragraph, if and when such securities are issued at a discount to the Operative Net

Asset Value, may cause the Operative Net Asset Value and/or the market price of the Shares to decline. Subject to all legal requirements, future issuances may consist of Shares or securities having greater rights and preferences than the Shares.

Whilst there are no provisions of Guernsey law which confer rights of pre-emption in respect of the issue of Shares, such rights are conferred pursuant to the Listing Rules. Accordingly, the Articles contain pre-emption rights in relation to the issue of Shares for cash, although such pre-emption rights have been disapplied, by the Company's initial shareholder on 25 June 2018, in respect of up to one billion Ordinary Shares or C Shares. Out of this authority, there is authority remaining for the Directors to allot and issue up to 379,643,659 ordinary shares and/or C shares for cash on a non-pre-emptive basis, such authority expiring on 24 June 2023. Further, the Directors were granted authority by shareholders at the Company's second annual general meeting on 8 September 2020 to allot and issue up to 30,792,594 ordinary shares and/or C shares for cash on a non-pre-emptive basis, such authority to expire on 8 December 2021, or if earlier at the annual general meeting of the Company to be held in 2021. In addition, pursuant to the Resolution to be tabled at the EGM, it is proposed that pre-emption rights be disapplied in respect of a further 1.5 billion Ordinary Shares or C Shares to enable the Company to issue all the Issue Shares comprised in the Initial Issue and the Placing Programmes. The Directors intend to request that authority to allot Shares on a non-pre-emptive basis is obtained from Shareholders at the AGM of the Company to be held in 2023 (or any earlier AGM as may be required in the event that the disapplication of pre-emption rights have been exhausted) and at each subsequent AGM of the Company. It therefore may not be possible for existing Shareholders to participate in future issues of Shares, which may dilute the existing Shareholders' voting interests in the Company.

In implementing any Ordinary Share buy-back, the Company may be required to realise assets when it would not otherwise have done so, which may adversely affect the prices it can obtain for such assets. The Company may not be able to buy back Ordinary Shares where they are trading at a discount

If the Company implements any buy-back of the Ordinary Shares, as described in “—Discount control provisions” of Part I (*Information on the Company*) of this Prospectus, the Directors may be required to realise investments in order to fund the cash requirements of such Ordinary Share buy-back. Non-cash assets may therefore be realised in circumstances in which the Directors' preference would otherwise have been to retain them, or at times when it is not in the Directors' view possible to achieve an optimal price for such assets.

In addition, there can be no guarantee that the Company will buy back Ordinary Shares where they are trading at a discount to their Operative Net Asset Value. The Company will not buy back any class of C Shares in any circumstances.

IMPORTANT INFORMATION

Prospective investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to the date of the relevant Admission of the relevant Issue Shares subscribed for under the Initial Issue or a Subsequent Placing. No person has been authorised to give any information or to make any representation other than those contained in this Prospectus (or any supplementary prospectus published by the Company prior to the date of Initial Admission or the date of any Subsequent Admission) in connection with the Initial Issue or any Subsequent Placing and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, the Investment Adviser, the Joint Bookrunners or any of their respective Affiliates, officers, directors, employees or agents. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation (as amended), neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to its date.

The contents of this Prospectus or any subsequent communications from the Company, the Investment Adviser, the Joint Bookrunners or any of their respective Affiliates, officers, directors, employees or agents are not to be construed as legal, business or tax advice. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the purchase of any Issue Shares.

Apart from the liabilities and responsibilities (if any) which may be imposed on any of the Joint Bookrunners by FSMA or the regulatory regime established thereunder, none of the Joint Bookrunners makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to Initial Admission or the date of any Subsequent Admission) or for any other statement made or purported to be made by either of them or on behalf of either of them in connection with the Company, the Investment Adviser, the Issue Shares, the Initial Issue, the Placing Programmes, Initial Admission or any Subsequent Admission. Each of the Joint Bookrunners and their respective Affiliates accordingly disclaim all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it or they might otherwise have in respect of this Prospectus, any such supplementary prospectus or any such statement.

In connection with the Initial Issue and the Placing Programmes, the Joint Bookrunners and their respective Affiliates acting as investor(s) for its (or their) own account, may acquire Issue Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its (or their) own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Initial Issue and the Placing Programmes or otherwise. Accordingly, references in this Prospectus to the Issue Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by, the Joint Bookrunners and any of their respective Affiliates acting as investor(s) for its (or their) own account(s). Neither the Joint Bookrunners nor any of their respective Affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

An investment in the Issue Shares should constitute part of a diversified investment portfolio. The Issue Shares are only suitable for investors: (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. It should be remembered that the price of the Issue Shares and the income from them can go down as well as up.

The Issue Shares are designed to be held over the long term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. Any investment objective of, and target dividend yield and target total NAV return proposed by, the Company are targets only and should not be treated as an assurance or guarantee of performance.

There can be no guarantee that the Investment Objective and Policy will be achieved or that the proposed target dividend yield and target total NAV return will be achieved or paid.

A prospective investor should be aware that the value of an investment in the Company is subject to market fluctuations and other risks inherent in investing in securities. There is no guarantee that any appreciation in the value of the Issue Shares will occur or that the Investment Objective of, or the target dividend yield and target total NAV return proposed by, the Company will be achieved or paid. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

GENERAL

Prospective investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission or any Subsequent Admission. No broker, dealer or other person has been authorised by the Company, the Board or any Director, the Investment Adviser or any of the Joint Bookrunners to issue any advertisement or to give any information or to make any representation in connection with the Initial Issue other than those contained in this Prospectus or any supplementary prospectus published by the Company prior to Initial Admission or any Subsequent Admission and, if issued, given or made, any such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Board, any Director, the Investment Adviser or any of the Joint Bookrunners.

The distribution of this Prospectus in jurisdictions other than the UK may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (i) the legal requirements within their own countries for the purchase, holding, transfer, conversion, redemption or other disposal of Issue Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer, conversion, redemption or other disposal of Issue Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

The Joint Bookrunners do not accept any responsibility for the contents of this document.

Statements made in this Prospectus are based on the law and practice currently in force in England and Wales and Guernsey and are subject to changes therein.

SELLING RESTRICTIONS

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Issue Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Prospectus and the offering of Issue Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Issue Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for Issue Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.

Save for the United Kingdom and save as explicitly stated elsewhere in this Prospectus, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Issue Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.

Notice to prospective investors in the United Kingdom

No Issue Shares have been offered or will be offered pursuant to the Initial Issue or the Placing Programmes to the public in the United Kingdom prior to the publication of a prospectus in relation to the Issue Shares which has been approved by the FCA, except that offers of Issue Shares to the public may be made at any time with the prior consent of the Joint Bookrunners, under the following exemptions under the UK Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined in Regulation 2(e) of the UK Prospectus Regulation (as amended);
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation (as amended)) in the United Kingdom; or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation (as amended) with the prior consent of the Joint Bookrunners,

provided that no such offer of Issue Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3(l) of the UK Prospectus Regulation (as amended).

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Issue Shares in the United Kingdom means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Issue Shares to be offered so as to enable an investor to decide to purchase or subscribe for Issue Shares.

Notice to prospective investors regarding United States federal securities laws

The Company has not been and will not be registered under the US Investment Company Act and as such investors are not and will not be entitled to the benefits of the US Investment Company Act. The Issue Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. In connection with the Initial Issue and the Placing Programmes, subject to certain exceptions, offers and sales of Issue Shares will be made only (i) outside the United States in reliance on Regulation S; and (ii) in the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the Issue Shares may be relying upon the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A. There has been and will be no public offering of the Issue Shares in the United States.

Unless otherwise expressly agreed with the Company, the Issue Shares may not be acquired by: (i) investors using assets of: (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the Issue Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

The Issue Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with such restrictions may constitute a violation of applicable securities laws and may subject the holder to the forced transfer provisions set out in the Articles. For further information on restrictions on transfers of the Issue Shares, prospective investors should refer to the sections entitled “*Representations, Warranties and Undertakings*” in Part V (*The Initial Issue and the Placing Programmes*) and “*Memorandum and Articles: Transfer of Shares*” in Part VII (*Additional Information*) of this Prospectus.

Notice to prospective investors in the EEA

In relation to each EEA Member State, no Issue Shares have been offered or will be offered pursuant to the Initial Issue or the Placing Programmes to the public in that EEA Member State prior to the publication of a prospectus in relation to the Issue Shares which has been approved by the competent authority in that EEA Member State, or, where appropriate, approved in another EEA Member State and notified to the competent authority in that EEA Member State, all in accordance with the EU Prospectus Regulation, except that offers of Issue Shares to the public may be made at any time with the prior consent of the Joint Bookrunners, under the following exemptions under the EU Prospectus Regulation, if they are effective in that EEA Member State:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such EEA Member State; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation with the prior consent of the Joint Bookrunners,

provided that no such offer of Issue Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3(l) of the EU Prospectus Regulation in a EEA Member State.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Issue Shares in any EEA Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Issue Shares to be offered so as to enable an investor to decide to purchase or subscribe for Issue Shares.

The Company, in its capacity as a self-managed AIF, has made the notifications or applications and received, where relevant, approvals for the marketing of the Issue Shares to “professional investors” (as defined in the EU AIFM Directive) in Belgium, the Republic of Ireland, Sweden and The Netherlands. Notwithstanding any other statement in this Prospectus, this Prospectus should not be made available to any investor domiciled in any EEA Member State other than Belgium, the Republic of Ireland, Sweden or The Netherlands. Prospective investors domiciled in the EEA that have received the Prospectus in any EEA Member States other than Belgium, the Republic of Ireland, Sweden or The Netherlands should not subscribe for Issue Shares (and the Company reserves the right to reject any application so made, without explanation) unless: (i) the Company has confirmed that the Company has made the relevant notification or applications in that EEA Member State and are lawfully able to market Issue Shares into that EEA Member State; or (ii) such investors have received the Prospectus on the basis of an enquiry made at the investor’s own initiative.

The Issue Shares may not be marketed to retail investors (as this term is defined in the EU AIFM Directive as transposed in the relevant EEA Member State) in any EEA Member State unless the Issue Shares have been qualified for marketing to retail investors in that EEA Member State in accordance with applicable local laws. At the date of this Prospectus, the Issue Shares are not eligible to be marketed to retail investors in any EEA Member State. Accordingly, the Issue Shares may not be offered, sold or delivered and neither this document nor any other offering materials relating to such Issue Shares may be distributed or made available to retail investors in any EEA Member State.

Notice to prospective investors in the Bailiwick of Guernsey

The offer referred to in this Prospectus is available, and is and may be made, in or from within the Bailiwick of Guernsey, and this Prospectus is being provided in or from within the Bailiwick of Guernsey only:

- (a) by persons licensed to do so by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the “**POI Law**”); or
- (b) by non-Guernsey bodies who (a) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of certain designated countries or territories which, in the opinion of GFSC, afford adequate protection to investors and (b) meet the criteria specified in section 29(c) of the POI Law; or

- (c) to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 by non-Guernsey bodies who (a) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of certain designated countries or territories which, in the opinion of GFSC, afford adequate protection to investors and (b) meet the criteria specified in section 29(cc) of the POI Law; or
- (d) as otherwise permitted by the GFSC.

The offer referred to in this Prospectus and this Prospectus are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs and must not be relied upon by any person unless made or received in accordance with such paragraphs.

Notice to prospective investors in the Bailiwick of Jersey

The offering of Issue Shares is “valid in the United Kingdom” (within the meaning given to that expression under Article 8(5) of the Control of Borrowing (Jersey) Order 1958 (the “**Jersey COBO**”)) and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom. The Company has no “relevant connection with Jersey” for the purposes of Articles 8(7) and 8(8) of the Jersey COBO. Accordingly, the consent of the Jersey Financial Services Commission under Article 8(2) of the Jersey COBO to the circulation of this Prospectus in Jersey is not required and has not been obtained.

Notice to prospective investors in Canada

The offering of Issue Shares is only available to an investor who is an “accredited investor” within the meaning of *National Instrument 45-106 – Prospectus Exemptions* who is subscribing to Issue Shares as principal for its own account and not for the benefit of any other person.

Securities legislation in certain provinces or territories of Canada may provide an investor with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the investor within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The investor should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Notice to prospective investors in Switzerland

This Prospectus and any accompanying supplement does not constitute an issue prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issue prospectuses under, article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff. of the SIX Swiss Exchange Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

The Issue Shares will not be listed on the SIX Swiss Exchange Ltd. or on any other stock exchange or regulated trading facility in Switzerland.

The Issue Shares will not be distributed in or from Switzerland as defined by the Swiss Federal Act on Collective Investment Schemes (“**CISA**”) and neither this Prospectus nor any other offering materials relating to the Company will be made available from this time through distribution in or from Switzerland. This Prospectus may only be freely circulated and the Issue Shares may only be freely offered, distributed or sold to regulated financial intermediaries, such as banks, securities dealers, fund management companies, asset managers of collective investment schemes and central banks as well as to regulated insurance companies. As such, subscribers for Issue Shares do not benefit from protection under the CISA or supervision by the Swiss Financial Market Supervisory Authority (“**FINMA**”).

Circulating this Prospectus and offering, distributing or selling Issue Shares to other persons or entities including qualified investors as defined in the CISA may trigger, in particular, (i) licensing/prudential supervision requirements for the distributor, (ii) a requirement to appoint a representative and paying agent in Switzerland and (iii) the necessity of a written distribution agreement between the representative in Switzerland and the distributor. Accordingly, legal advice should be sought

before providing this Prospectus to and offering, distributing or selling Issue Shares to any other persons or entities.

Neither this Prospectus (including any accompanying supplement) nor any other offering or marketing material relating to the offering nor the Company or the Issue Shares have been or will be filed with, registered or approved by any Swiss regulatory authority. In particular, the Company has not registered, and will not register itself with FINMA as a foreign collective investment scheme.

This Prospectus does not constitute investment advice. It is personal to each specific offeree and does not constitute an offer to any other person. This Prospectus (and any other offering or marketing material relating to the Issue Shares, the Initial Issue or any Subsequent Placing) may only be used by those persons to whom it has been handed out in connection with the offer described therein and may neither be copied nor be distributed or otherwise made available to other persons, directly or indirectly, without the express consent of the Company.

Notice to prospective investors in Hong Kong

No Issue Shares may be offered or sold in Hong Kong by means of any information contained in this Prospectus or any other document other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Other Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) or which do not constitute an “offer to the public” within the meaning of that Ordinance. No person may issue, or have in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Issue Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Issue Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance or any rules made under that Ordinance.

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. Prospective investors in Hong Kong are advised to exercise caution in relation to this offer. If such prospective investor is in any doubt about any of the contents of this Prospectus, they should obtain independent professional advice.

FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. Forward-looking statements typically can be identified by the use of forward-looking terminology, including, but not limited to, terms such as “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Such forward-looking statements, which include all matters that are not historical facts, appear in a number of places in this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company, the Board or the Investment Adviser concerning, amongst other things, the Company’s target dividend yield and target total NAV return, the Investment Objective and Policy, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it invests and/or operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company and its financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- (a) changes in economic conditions generally and the Company’s ability to achieve its Investment Objective, target dividend yield and target total NAV return on equity for investors;

- (b) the Company's ability to invest the Net Issue Proceeds on a timely basis within the Investment Objective and Policy;
- (c) foreign exchange mismatches with respect to exposed assets;
- (d) changes in interest rates, as well as the success of the Company's investment strategy in relation to such changes and the management of the uninvested proceeds of the Initial Issue;
- (e) impairments in the value of the Company's investments;
- (f) the availability and cost of capital for future investments;
- (g) the departure of key personnel employed by the Investment Adviser;
- (h) the failure of the Investment Adviser to perform its obligations under the Investment Advisory Agreement with the Company or the termination of the Investment Advisory Agreement;
- (i) changes in the competitive landscape for the acquisition or exploitation of Songs and Catalogues;
- (j) changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company; and
- (k) general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the section entitled "*Risk Factors*" of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially from those that the forward-looking statements may give the impression will be achieved, before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. Although the Company undertakes no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Rules, the Listing Rules, the EU AIFM Directive, the UK AIFMD Laws or the Disclosure Guidance and Transparency Rules), whether as a result of new information, future events, conditions or circumstances, any change in the Company's expectations with regard thereto or otherwise, Shareholders are advised to read any communications made directly to them by the Company and/or any additional disclosures in announcements that the Company may make via an RIS announcement.

DATA PROTECTION

Each investor acknowledges that it has been informed that, pursuant to applicable data protection legislation (including the UK GDPR, the EU GDPR and the DP Law) and regulatory requirements in Guernsey, the United Kingdom and/or the EEA, as appropriate ("**DP Legislation**") the Company, the Fund Administrator and/or the Registrar hold their personal data. Personal data will be retained on record for a period exceeding six years after which it is no longer used (subject always to any limitations on retention periods set out in the DP Legislation). The Registrar and the Fund Administrator will process such personal data at all times in compliance with DP Legislation and shall only process such information for the purposes set out in the Company's privacy notice (the "**Purposes**") which is available for consultation on the Company's website www.hipgnosissongs.com (the "**Privacy Notice**").

Where necessary to fulfil the Purposes, the Company will disclose personal data to:

- (a) third parties located either within, or outside of the EEA, for the Registrar and the Fund Administrator to perform their respective functions, or when it is within its legitimate interests, and in particular in connection with the holding of Ordinary Shares and/or C Shares; or
- (b) its Affiliates, the Registrar, the Fund Administrator or the Investment Adviser and their respective associates, some of which are located outside of the EEA.

Any sharing of personal data between parties will be carried out in compliance with DP Legislation and as set out in the Company's Privacy Notice.

In providing the Registrar with personal data, the investor hereby represents and warrants to the Company, the Registrar and the Fund Administrator that: (1) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject

of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice to such relevant data subjects; and (2) where consent is legally competent and/or required under DP Legislation, the investor has obtained the consent of any data subject to the Company, the Fund Administrator and the Registrar and their respective Affiliates and group companies, holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes).

Each investor acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the investor is a natural person he or she (as the case may be) represents and warrants that (as applicable) he or she has read and understood the terms of the Company's Privacy Notice.

Each investor acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the investor is not a natural person it represents and warrants:

- (a) it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the investor may act or whose personal data will be disclosed to the Company and the Fund Administrator as a result of the investor agreeing to subscribe for Ordinary Shares and/or C Shares; and
- (b) the investor has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.

Where the investor acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Initial Placing or the Placing Programmes:

- (a) comply with all applicable data protection legislation;
- (b) take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
- (c) if required, agree with the Company, the Fund Administrator and the Registrar (as applicable), the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
- (d) immediately on demand, fully indemnify the Company, the Fund Administrator and the Registrar (as applicable) and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company, the Fund Administrator and/or the Registrar in connection with any failure by the investor to comply with the provisions set out above.

INTERMEDIARIES

The Company consents to the use of this Prospectus by Intermediaries in connection with any subsequent resale or final placement of the Ordinary Shares in the UK in relation to the Offer only by Intermediaries who are appointed by the Company, a list of which will appear on the Company's website.

Such consent is given for the offer period which is from the date any Intermediaries are appointed to participate in connection with any subsequent resale or final placement of the Ordinary Shares until the closing of the period for the subsequent resale or final placement of the Ordinary Shares at 11:00 a.m. on 4 February 2021, being the date upon which the Offer closes, unless closed prior to that date.

Any intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent and the conditions attached thereto. Any application made by investors to any intermediary is subject to the terms and conditions imposed by each intermediary.

Information on the terms and conditions of any subsequent resale or final placement of Ordinary Shares by any intermediary is to be provided at the time of the offer by the intermediary.

The Company accepts responsibility for the information in this Prospectus with respect to any subscriber for Ordinary Shares pursuant to any subsequent resale or final placement of Ordinary Shares by Intermediaries appointed by the Company.

PrimaryBid Limited has been engaged as an adviser to the Company in relation to the Intermediaries Offer (the “**Intermediaries Offer Adviser**”) and will be responsible for liaising directly with potential financial intermediaries and processing applications made by intermediaries in relation to the Intermediaries Offer.

As at the date of this Prospectus, the following financial intermediaries that are allowed to use this Prospectus are:

1. PrimaryBid Limited of 21 Albemarle Street, London W1S 4BS;
2. AJ Bell Securities Limited (trading as AJ Bell Youinvest) of 4 Exchange Quay, Salford Quays, Salford, Manchester, M5 3EE;
3. Equiniti Financial Services Ltd (operating through its brand ‘EQi’) of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; and
4. Equiniti Financial Services Ltd (operating through its brand ‘Shareview’) of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Any new information with respect to intermediaries unknown at the time of approval of this Prospectus will be available on the Company’s website at www.hipgnosissongs.com.

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; (c) local implementing measures; and/or (d) (where applicable to UK investors or UK firms) the relevant provisions of 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 and C Shares have been subject to a product approval process, which has determined that the Ordinary Shares and C Shares to be issued pursuant to the Initial Issue and the Placing Programmes 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 and C Shares may decline and investors could lose all or part of their investment; the Ordinary Shares and the C Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares and/or C 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 Placing Programme. 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 and/or the C Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Ordinary Shares and the C Shares and determining appropriate distribution channels.

PRIIPs Regulation

In accordance with 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. 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.

NO INCORPORATION OF WEBSITE

The contents of the Company's website at www.hipgnosissongs.com or the contents of any website accessible from hyperlinks on the Company's website or any other website referred to in this Prospectus are not incorporated into, and do not form part of, this Prospectus. Investors should base their decision to invest on the contents of this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission and, where applicable, any Subsequent Admission alone and should consult their professional advisers prior to making an application to acquire Issue Shares.

MARKET AND INDUSTRY DATA

Certain information in this document has been sourced from third parties. Where information in this document has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information.

All information contained in this document which has been sourced from third parties has been accurately reproduced and, as far as the Company or the Investment Adviser is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

All references to market data, industry statistics and forecasts and other information in this document consist of estimates based on data and reports compiled by industry professionals, organisations, analysts, publicly available information or the Company's or the Investment Adviser's own knowledge of their relevant markets.

Market data and statistics are inherently speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that: the markets may be defined differently; the underlying information may be gathered by different methods; and different assumptions may be applied in compiling the data. Accordingly, the market statistics included in this document should be viewed with caution.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Sources of financial information

Unless otherwise indicated, the financial information included in this document has been extracted without material adjustment or derived from the following sources:

- the unaudited consolidated interim financial statements of the Group as at and for the six months ended 30 September 2020 (together with the related notes thereto, the **"2020 Interim Financial Statements"**) included in the Group's 2020 half-year results announcement dated 4 December 2020 (the **"2020 Interim Report"**);
- the audited consolidated financial statements of the Group as at and for the year ended 31 March 2020 (together with the related notes thereto, the **"2020 Annual Financial Statements"**) included in the Group's 2020 annual report made available to shareholders on 3 July 2020 (the **"2020 Annual Report"**), which have been prepared in accordance with International Financial Reporting Standards (**"IFRS"**); and
- the audited consolidated financial statements of the Group as at and for the ten months ended 31 March 2019 (together with the related notes thereto, the **"2019 Annual Financial Statements"**) and, together with the 2020 Annual Financial Statements, the **"Annual Financial**

Statements") included in the Group's 2019 annual report made available to shareholders on 24 June 2019 (the "**2019 Annual Report**"), which have been prepared in accordance with IFRS.

The 2020 Interim Financial Statements and the Annual Financial Statements (collectively, the "**Financial Statements**") are incorporated by reference into this document as set out in Part X (*Historical Financial Information of the Group*) of this document. The 2020 Interim Financial Statements were prepared in accordance with IAS 34 Interim Financial Reporting ("**IAS 34**").

PricewaterhouseCoopers CI LLP reviewed the 2020 Interim Financial Statements and audited the Annual Financial Statements. The 2020 Interim Financial Statements do not include all of the information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Annual Financial Statements. The review and audit reports on the Financial Statements do not contain any qualifications.

For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019. Accordingly, the 2020 Annual Financial Statements and the 2019 Annual Financial Statements are not directly comparable.

The financial information presented in this document was not prepared in accordance with US Generally Accepted Accounting Principles ("**US GAAP**") or audited in accordance with US Generally Accepted Auditing Standards or the standards of the Public Company Accounting Oversight Board. No opinion or any other assurance with regard to any financial information was expressed under such standards and the financial information is not intended to comply with SEC reporting requirements. Compliance with such requirements would require the modification, reformulation or exclusion of certain financial measures. In addition, changes would be required in the presentation of certain other information. In particular, no reconciliation to US GAAP is provided.

The financial information included in this document is not intended to comply with the applicable accounting requirements of the US Securities Act and the related rules and regulations that would apply if the Issue Shares were to be registered in the United States. Compliance with such requirements would require the modification or exclusion of certain information included in this document and the presentation of certain information which is not included in this document.

Non-IFRS measures of the Company's performance

The Investment Adviser and the Directors monitor certain alternative performance measures ("**APMs**"), which are not presented in accordance with or specified under IFRS, to evaluate the Company's business. Such non-IFRS measures are included in this document because they are used by the Investment Adviser and the Directors to assess financial performance and operating cash flows and as a basis for strategic planning and forecasting, as well as the Company's ability to meet its investment objectives. The Investment Adviser and the Directors also believe that these financial measures provide investors, research analysts, brokers and other market participants with relevant supplemental information on the Company's business, results of operations, financial condition and prospects.

The APMs contained in this document have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, the measures presented in accordance with IFRS that are also contained in this document. The APMs presented by the Company may not be comparable to similarly titled measures presented by other businesses, as such businesses may define and calculate the APMs differently than the Company. Accordingly, prospective investors and Shareholders should not place undue reliance on the APMs contained in this document and are advised to review them in conjunction with the Financial Statements incorporated by reference herein.

Alternative performance measures

Operative Net Asset Value

Operative NAV represents the value of the Group's assets less its liabilities, with the value of the Songs determined on a fair value basis by an independent valuer. For further information, please see "—Calculation and Publication of Net Asset Values" of Part I (*Information on the Company*) of this document.

	As at 30 September		As at 31 March	
	2020	2019	2020	2019
	(£ million)			
IFRS NAV	1,056.1	389.4	621.5	198.6
Adjustments for revaluation of Catalogues of Songs to fair value	170.0	25.4	77.0	8.7
Reversal of amortisation	39.0	7.5	20.4	1.5
Operative NAV	1,265.1	422.3	718.9	208.8

Operative Net Asset Value per Ordinary Share

Operative Net Asset Value per Ordinary Share reflects the Group's Operative NAV divided by the number of Ordinary Shares in issue.

	As at 30 September		As at 31 March	
	2020	2019	2020	2019
Number of Ordinary Shares in issue (£ million)...	797.3	389.4	615.9	202.2
IFRS NAV per Ordinary Share (pence).....	103.4	100.0	100.9	98.2
Operative NAV per Ordinary Share (pence) ...	125.4	108.5	116.7	103.3

Operative Net Asset Value per July C Share

Operative Net Asset Value per July C Share reflects the Group's Operative NAV divided by the number of July C Shares in issue.

	As at 30 September		As at 31 March	
	2020	2019	2020	2019
Number of July C Shares in issue (million)	236.4	—	—	—
IFRS NAV per July C Share (pence)	100.7	—	—	—
Operative NAV per July C Share (pence)	112.4	—	—	—

Operative NAV profit before tax represents the Group's operating profit for the period before taxation plus the cost of amortisation of investments.

(1) For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

Earnings per Share (excluding total amortisation) represents the Group's profit for the period after tax, excluding the cost of amortisation of investments, divided by the weighted average number of Ordinary Shares in issue.

(1) For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

Total Operative NAV Return

Total Operative NAV return represents the period to period change in the Group's Operative NAV per Ordinary Share, assuming that any dividends paid to Shareholders were reinvested in the Group.

	Six months ended 30 September		Year ended 31 March	Ten months ended 31 March ⁽¹⁾
	2020	2019	2020	2019
Operative NAV per Ordinary Share (pence)	125.4	108.5	116.7	103.3
Dividends paid (pence)	2.5	2.5	1.3	1.0
Total Operative NAV return (%).....	9.5	7.4	15.5	5.6

(1) For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

Ongoing Charges Ratio

The ongoing charges ratio is used by the Investment Adviser and the Directors to monitor expenses which are likely to recur relative to the size of the Portfolio over time.

The numerator of the ongoing charges ratio is the Group's annualised ongoing charges ("**Annualised Ongoing Charges**"), which reflects: (i) the Group's operational expenses, excluding the cost of amortisation of investments and foreign exchange gains/losses ("**Adjusted Operating Costs**"), less (ii) exceptional costs included within legal and professional fees, aborted deal expenses and interest costs ("**Non Recurring Administrative Expenses**") and (iii) taxation, over a 12 month period.

The denominator of the ongoing charges ratio is the average of the Group's Operative NAV during the relevant period ("**Average Operative NAV**").

	Six months ended 30 September ⁽¹⁾		Year ended 31 March	Ten months ended 31 March ⁽¹⁾⁽²⁾
	2020	2019	2020	2019
(£ million)				
Adjusted operating costs				
Operational expenses	(34.2)	(10.9)	(33.0)	(4.9)
<i>Adjustments for:</i>				
Amortisation of Catalogues of Songs and borrowing costs	20.1	6.0	18.9	1.5
Foreign exchange losses / (gains)	2.9	(0.3)	4.1	(0.1)
Adjusted operating costs	(11.2)	(5.2)	(10.0)	(3.5)
Non recurring administrative expenses				
Exceptional costs within legal and professional fees	2.7	(1.5)	0.8	—
Aborted deal expenses	0.2	—	0.2	—
Interest costs	1.6	—	0.4	—
Non recurring administrative expenses	4.5	(1.5)	1.4	—
Taxation	(1.7)	(1.9)	(7.5)	(0.6)
Annualised ongoing charges	13.4	6.8	8.7	3.5
Average Operative NAV ⁽³⁾	992.0	387.2	570.6	204.2
Ongoing charges ratio (%)	1.4	1.8	1.5	1.7

(1) For the six months ended 30 September 2020 and 2019 and for the ten months ended 31 March 2019, the ongoing charges ratio has been presented on an annualised basis.

(2) For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

(3) Adjusted for the conversion of July C Shares to Ordinary Shares.

EXPECTED ISSUE TIMETABLE¹

Publication of this Prospectus	21 January 2021
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)	11:00 a.m. on 4 February 2021
Time and date for the EGM to disapply pre-emption rights	10:00 a.m. on 5 February 2021
Latest time and date for receipt of placing commitments under the Initial Placing	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 Ordinary Shares issued pursuant to the Initial Issue	10 February 2021
CREST accounts credited	10 February 2021
Where applicable, definitive share certificates despatched by post	Approximately two weeks following Initial Admission

¹ 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 Ordinary Shares of changes by post, email, or by publication via an RIS announcement.

References to times are to London times.

EXPECTED PLACING PROGRAMMES TIMETABLE¹

Publication of Placing Programme Price in respect of each Placing of Ordinary Shares*	As soon as practicable following the closing of each Placing
Subsequent Admission and crediting of CREST accounts in respect of each placing	As soon as practicable following the closing of each Placing
Share certificates in respect of Issue Shares to be issued pursuant to the Placing Programmes dispatched (if applicable)	As soon as practicable following the closing of each Placing
Last date for Issue Shares to be issued pursuant to the Placing Programmes	20 January 2022**

¹ The Board may, subject to prior approval from the Joint Bookrunners, bring forward or postpone the closing time and date for the Placing Programme. In the event that such date is changed, the Company will notify investors who have applied for Issue Shares of changes by post, email, or by publication via an RIS announcement.

* unless otherwise determined by the Company and the Joint Bookrunners, the Placing Programme Price for a Placing of C Shares will be set at 100 pence per C Share and will be announced at the same time as a proposed Placing of C Shares is announced.

** or, if earlier, the date on which all of the Issue Shares available for issue under the Placing Programmes have been issued (or such other date as may be agreed between the Joint Bookrunners and the Company (such agreed date to be announced by way of an RIS announcement)).

References to times are to London times.

ISSUE STATISTICS

Initial Issue Price per Ordinary Share	121 pence
Gross Issue Proceeds*	up to a maximum of £605 million

* Assuming the maximum of 500 million Ordinary Shares are issued pursuant to the Initial Issue at 121 pence per Ordinary Share. The number of Ordinary Shares to be issued pursuant to the Initial Issue, and therefore the Gross Issue Proceeds and Net Issue Proceeds, is not known as at the date of this Prospectus, but will be notified by the Company via an RIS prior to Initial Admission.

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)	213800XJIPNDVKXMO11

PLACING PROGRAMMES STATISTICS

Number of Issue Shares that may be issued under the Placing Programmes	up to a maximum of 1 billion
Placing Programme Price for Placings of Issue Shares	In respect of: (a) Ordinary Shares, at a premium to the latest published Operative NAV per Ordinary Share to be determined by Directors, in their absolute discretion, from time to time; and (b) C Shares, 100 pence per C Share

DIRECTORS, ADVISERS AND OTHER SERVICE PROVIDERS

Directors	Andrew Sutch (Chairman) Paul Burger Sylvia Coleman Simon Holden Andrew Wilkinson
Registered Office	P.O. Box 286, Floor 2, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 4LY
Investment Adviser	The Family (Music) Limited 3rd Floor, 5 Chancery Lane, London WC2A 1LG
Financial adviser and sponsor	Nplus1 Singer Advisory LLP One Bartholomew Lane London EC2N 2AX
Joint Bookrunner and joint broker	Nplus1 Singer Capital Markets Limited One Bartholomew Lane London EC2N 2AX
Joint Bookrunner and joint broker	J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 5JP
Joint Bookrunner and joint broker	RBC Europe Limited 100 Bishopsgate London EC2N 4AA
Fund Administrator and Company Secretary	Ocorian Administration (Guernsey) Limited P.O. Box 286, Floor 2, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 4LY
Receiving Agent	Computershare Investor Services PLC The Pavilions, Bridgwater Road Bristol BS99 6AH
Registrar	Computershare Investor Services (Guernsey) Limited 1 st Floor, Tudor House, Le Bordage St. Peter Port, Guernsey GY1 1DB
Reporting Accountants and Auditors	PricewaterhouseCoopers CI LLP Royal Bank Place, 1 Glategny Esplanade St. Peter Port, Guernsey GY1 4ND
Legal advisers to the Company	Herbert Smith Freehills LLP Exchange House, Primrose Street London EC2A 2EG
Legal advisers to the Company (as to Guernsey law)	Ogier (Guernsey) LLP Redwood House, St Julian's Avenue St. Peter Port, Guernsey GY1 1WA

Legal advisers to the Joint Bookrunners	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
Principal Bankers	Barclays Bank PO Box 41, Le Marchant House St. Peter Port, Guernsey, GY1 3BE
Preferred Portfolio Administrator (outside the US)	Kobalt Music Services Limited The River Building 1 Cousin Lane London EC4R 3TE
Intermediaries Offer Adviser	PrimaryBid Limited 21 Albemarle Street London W1S 4BS

PART I: INFORMATION ON THE COMPANY

1. INTRODUCTION

The Company is a closed-ended investment company registered with the Guernsey Financial Services Commission under the Registered Collective Investment Scheme Rules 2018 and the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Subject to approval by HMRC of the Company's investment trust company application (which is expected to be received prior to, and be effective from, 1 April 2021), the Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010. The Company makes its investments through intermediate and subsidiary companies domiciled in the UK and the United States, all of which are wholly owned by the Company.

The Company offers pure-play exposure to Songs and associated musical intellectual property rights. The Company is self-managed, with strategic investment and risk management decisions being taken by its Board.

As at the date of this Prospectus and in accordance with its Investment Objective and Policy, the Company has acquired and holds 129 Catalogues consisting of 60,836 Songs. The acquisition cost of the Portfolio has been approximately US\$1.75 billion, of which 93 per cent. has been acquired in US Dollars, and which represents a blended acquisition multiple of 15.63x historical annual net publisher share income (including the right-to-income on each acquisition). The Investment Adviser believes that the Company's Catalogues produce protected long term cash flows which are generally not correlated to equity markets. For further details of the Company's portfolio, see "*The Company's Portfolio*" of this Part I (*Information on the Company*). As at 30 September 2020, the Company has an unaudited Operative NAV of £1,265.1 million (with an unaudited Operative NAV per Ordinary Share of 125.4p).

In addition, the Company has declared and paid to its Shareholders dividends of 9.8125 pence per Ordinary Share since IPO. On a cumulative basis since IPO, as at 30 September 2020, the NAV total return on the Ordinary Shares is 37.9 per cent. (including the impact of foreign exchange changes) and the share price total return is 26.6 per cent.

Background to the Company

The Company was founded with the aim of providing the investment community with access to extraordinarily successful hit Songs which were written, performed or recorded by culturally important artists, and to establish Songs as an uncorrelated asset class with attractive risk-adjusted returns. The Fund Entities have appointed The Family (Music) Limited as their Investment Adviser. The Investment Adviser is responsible for sourcing Catalogues or individual Songs and making recommendations to the Board on the Company's acquisition of Catalogues. The Investment Adviser is also responsible for managing the Songs acquired by the Company on an ongoing basis, creating opportunities to increase royalty income and maximise the earning potential of the Company's Songs, and for regularly monitoring royalty collection agents and external portfolio administrators appointed by the Company with a view to pursuing efficiencies in collection of royalties.

The Investment Adviser was founded by Merck Mercuriadis, manager or former manager of globally successful recording artists such as Elton John, Guns N' Roses, Morrissey, Iron Maiden, Nile Rodgers and Beyoncé, and hit songwriters such as Diane Warren, Justin Tranter and The-Dream, and former CEO of The Sanctuary Group plc.

The Company, through its relationship with the Investment Adviser and its Advisory Board and through the industry relationships within the HSG team, has access to a significant network of relationships in the music industry, particularly with songwriters, producers and recording artists. Utilising these relationships, the Investment Adviser has been able to, and seeks to continue to, identify a number of Catalogues from well-known songwriters, recording artists and producers which are well suited to the Company's investment strategy. For further details of the Company's Portfolio, see "*The Company's Portfolio*" of this Part I (*Information on the Company*).

Significant events since the Company's previously published prospectus in September 2019

Following the publication of the Company's prospectus in September 2019, the following significant events affecting the Company have taken place:

- the Company has raised approximately £654 million through share issuances in October 2019, July 2020 and September 2020, bringing the total amount of equity raised to £1.1 billion since IPO. The Company also has access to up to US\$600 million in debt financing (subject to the borrowing limits set out in the Company's Investment Objective and Policy), of which US\$483.9 million had been drawn down as at 31 December 2020;
- since the fiscal year ended 31 March 2020, the Company has acquired 75 Catalogues consisting of 47,545 Songs for an aggregate consideration of approximately £664 million, which includes the acquisition of a portfolio of 42 Catalogues from Kobalt Music Copyrights S.à.r.l., an investment fund owned by family offices and institutional investors and advised by Kobalt Capital Limited (the "**Kobalt Catalogues**"), for a total consideration of US\$322.9 million. The Kobalt Catalogues include approximately 33,000 Songs written by more than 1,500 songwriters, covering a wide range of musical forms from pop to rock to EDM to Hip Hop to Jazz and to Country. The acquisition is central to the Company's strategy of strength through diversification. Between IPO and 31 December 2020, bringing the Company has invested approximately US\$1.75 billion of capital in acquiring Catalogues;
- in September 2020, the Company announced the acquisition of Big Deal Music, LLC (which was rebranded to HSG following acquisition). The acquisition represented a significant step forward in the Company's strategy of delivering income and capital growth by pursuing efficiencies in the collection of payments and Song management. In particular, HSG has a US administration platform to which the Company will transfer the portfolio administration of its Songs' US income at the earliest opportunity. The acquisition also included a Song Management team of 35 employees who will pursue additional synchronisation opportunities for the Company's full Portfolio of Songs in order to maximise income. In connection with this acquisition, the Company issued an additional 17,609,304 Ordinary Shares at an issue price of 120.65 pence each to the sellers of HSG. 6,248,351 Ordinary Shares were subject to a lock up which expired on 1 October 2020 and 10,123,219 Ordinary Shares remain subject to a lock up until 1 April 2021 (subject to customary exceptions which are similar to those which apply to the Lock-Up Period for the Performance Shares as set out in paragraph 1.6 of Part IV (*Directors and Administration*) of this Prospectus);
- the Company has distributed a total of 6.3125 pence to Ordinary Shareholders by way of five interim dividends, paid in November 2019, February 2020, May 2020, July 2020 and November 2020, and has announced an interim dividend in respect of the financial period ended 31 December 2020 of 1.3125 pence per Ordinary Share, which will be payable to Ordinary Shareholders on the share register as at 29 January 2021;
- on 2 April 2020, the Company and the UK MidCo, entered into the Amended and Restated RCF with a syndicate of lenders, to increase the Original RCF from £100 million to £150 million. Following the approval by Shareholders of an increased borrowing limit in June 2020, the Company announced that UK MidCo had entered into the First Amendment in July 2020 to increase the revolving credit facility commitments under the Amended and Restated RCF from £150 million to US\$400 million. On 24 December 2020, UK MidCo entered into the Third Amendment to, among other things, further increase the revolving facility commitments under the Amended and Restated RCF from US\$400 million to US\$600 million, of which a total of US\$483.9 million had been drawn down as at 31 December 2020;
- on 10 February 2020, the Company converted 231,000,000 C Shares into 226,287,600 Ordinary Shares at a conversion ratio of 0.9796 Ordinary Shares for each C Share. On 4 December 2020, the Company converted the 236,400,512 July C Shares into 214,202,503 Ordinary Shares at a conversion ratio of 0.9061 Ordinary Shares for each July C Share; and
- with effect from 23 March 2020, Hipgnosis was added as a constituent of the FTSE 250 Index.

Initial Issue and the Placing Programmes

Pursuant to the Initial Issue, the Company is seeking to raise Gross Issue Proceeds up to a maximum of £605 million through the issue of up to a maximum of 500 million Ordinary Shares at an issue price of 121 pence each.

Though no binding agreements have been entered into as at the date of this Prospectus, the Investment Adviser is undertaking due diligence on, or is in advanced discussions for the Company, subject to Board approval, to acquire a number of Pipeline Catalogues. As at the date of this Prospectus, the Pipeline Catalogues had a combined purchase price of over £1 billion.

Applications will be made to the London Stock Exchange and to the FCA for all of the Ordinary Shares issued pursuant to the Initial Issue to be admitted to trading on the Main Market and to listing on the premium listing category of the Official List (the “**Initial Admission**”). It is expected that Initial Admission will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 10 February 2021.

Applications will be made to the London Stock Exchange and to the FCA at such times as the Company may determine in its sole discretion, for the Issue Shares issued pursuant to the Placing Programmes to be admitted to trading on the Main Market and to listing on the premium listing category of the Official List (each, a “**Subsequent Admission**”). It is expected that each Subsequent Admission will become effective and dealings in the Issue Shares admitted to trading at such Subsequent Admission will commence on such dates as the Company may determine, in its sole discretion following consultation with the Joint Bookrunners (each such date being a “**Subsequent Admission Date**”), being no later than the Final Closing Date.

2. INVESTMENT OBJECTIVE AND POLICY

Investment Objective

The Company’s objective is to provide Shareholders with an attractive and growing level of income, together with the potential for capital growth, from investment in Songs and associated musical intellectual property rights, in accordance with its Investment Policy.

Investment Policy

The Company’s investment policy is to diversify risk through investment in a Portfolio of Songs and associated musical intellectual property rights (including, but not limited to, master recordings, rights over future Songs that are acquired by the Group through the payment of Advances to such songwriter and secured against the future Songs, and producer royalties). The Company seeks to acquire 100 per cent. of a songwriter’s copyright interest in each Song, which would comprise their writer’s share, their publisher’s share and their performance rights. In appropriate cases, however, the Company may not acquire all three elements of the songwriter’s interest. The Company acquires interests in Songs which are sole authored or co-authored. The Company may also acquire interests in Songs jointly with another purchaser. Each Song is considered by the Company to be a separate asset.

The Company, directly or indirectly via portfolio administrators, enters into licensing agreements, under which the Company receives payments attributable to the copyright interests in the Songs which it owns. Such payments may take the form of royalties, licence fees and/or advance payments, including:

- mechanical royalties – when a copy of a Song is made, whether physical (e.g. CDs, DVDs, vinyl) or digital (e.g. permanent downloads, streaming, webcast);
- performance royalties – when a Song is performed live or broadcast on TV or Radio, or when a song is streamed online; and
- synchronisation fees – when a Song is used in another form of media or moving picture (e.g. movie, TV show, video game, advertisement).

The Company also receives royalties and fees payable in respect of master recordings. Master recordings are the copyright in the master recording of a musical composition or Song. Master recordings earn synchronisation royalties and generate income from sales of both physical records and digital downloads as well as from DSPs.

The Company focuses on delivering income growth and capital growth by pursuing efficiencies in the collection of payments and active management of the Songs it owns.

The Company may acquire Songs for consideration consisting of cash, Shares or a combination of cash and Shares, and payment of part of the consideration may be on deferred terms. The Company may acquire Songs or Catalogues directly, or indirectly by acquiring the entity through which such Songs or Catalogues are held.

Whilst the Company does not intend to sell the Songs it owns, it may make disposals of Songs where it considers such a disposal to be in the best interests of Shareholders.

Investment restrictions

The Company invests its assets and manages the Songs it acquires with the objective of constructing a high quality and diversified Portfolio of Songs. The Company acquires Catalogues from a number of different songwriters, which includes Songs diversified across music genres and sung by numerous recording artists. The Company is subject to the following investment restrictions:

- (a) the Company holds interests in a minimum of 300 Songs;
- (b) the Advances made to songwriters in connection with the acquisition of rights over future Songs will not represent more than 5 per cent. of the Company's Gross Assets, calculated at the date of the relevant Advance;
- (c) the value of any single Song does not, and will not, represent more than 10 per cent. of the Company's Gross Assets, calculated at the date of the acquisition of such Song (and re-calculated in the aggregate upon the acquisition of any additional interest in a Song). In the event this limit is breached at any point after the relevant investment has been made or added to (for example due to a change in valuation of any Song), there is no requirement to sell any Song, in whole or in part; and
- (d) the Company does not, and will not, invest in closed-ended investment companies or other investment funds.

Cash management

The Company's uninvested capital may be invested in cash, cash equivalents, near cash instruments and money market instruments.

Hedging and derivatives

The Company may utilise derivatives for efficient portfolio management. In particular, the Directors may engage in full or partial foreign currency hedging and interest rate hedging. The Company does not, and will not, enter into such arrangements for investment purposes.

Leverage

The Company may incur indebtedness of up to a maximum of 30 per cent. of its Operative Net Asset Value, calculated at the time of drawdown. For these purposes all bank borrowings and other forms of indebtedness incurred by any member of the Group (as defined below), and any non-equity share capital, will be taken into account. "Group" means the Company and its subsidiaries (as defined in section 531 of the Companies (Guernsey) Law, 2008, as amended).

Amendments to and compliance with the Investment Objective and Policy

Any material change to the Company's Investment Objective and Policy will be made only with the prior approval of the FCA and the Shareholders by ordinary resolution.

In the event of a material breach of any of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company through an announcement made via an RIS announcement.

3. THE COMPANY'S PORTFOLIO

As at the date of this Prospectus and in accordance with its Investment Objective and Policy, the Company has acquired and holds 129 Catalogues consisting of 60,836 Songs. The acquisition cost of the Portfolio has been approximately US\$1.75 billion, (of which 93 per cent. has been acquired in US Dollars, and which represents a blended acquisition multiple of 15.63x historical annual net publisher share income (including the right-to-income on each acquisition). As at the date of this Prospectus, the Portfolio contained 3,164 Songs that have held Number 1 positions in the global charts, 11,746 Songs that have held Top 10 positions in the global charts and 145 Grammy award-winning Songs. This provides not only significant diversification with a multitude of revenue streams, but also provides significant opportunities to extract value through the Investment Adviser's Song management capabilities. As at the date of this Prospectus, the fair value of the Portfolio is approximately £1.6 billion (with the 12 Catalogues acquired since 30 September 2020 included at acquisition cost).

In September 2020, the Company acquired the Kobalt Catalogues for a total consideration of US\$322.9 million. The consideration represents a blended acquisition multiple of 18.3x historic annual net publisher share income when factoring in the right-to-income. In 2019, the Kobalt Catalogues generated net publisher share income of US\$18 million, representing a year-on-year increase of 6 per cent.

The fair value of the Catalogues owned by the Group as at 30 September 2020 has increased by approximately 15.5 per cent. since acquisition at a 8.5 per cent. discount rate (6.6 per cent. at a 9 per cent. discount rate).

The Portfolio contains what the Investment Adviser and the Directors consider to be some of the most successful and culturally important Songs of alltime, which include 10 of the 30 most streamed Songs of all time on Spotify as at 19 January 2021, set forth in the table below.

Figure 1: Songs owned by the Company which are included in the 30 most streamed Songs of all time on Spotify as at 19 January 2021

Position	Song	Artist	Catalogue
1	Shape of You	Ed Sheeran	Johnny McDaid
5	Closer	The Chainsmokers featuring Halsey	The Chainsmokers
16	Havana	Camila Cabello featuring Young Thug	Starrah
17	Photograph	Ed Sheeran	Johnny McDaid, Jeff Bhasker and Emile Haynie
19	Love Yourself	Justin Bieber	Benny Blanco
22	New Rules	Dua Lipa	Ian Kirkpatrick and Caroline Ailin
23	Something Just Like This	The Chainsmokers and Coldplay	The Chainsmokers
25	Despacito (Remix)	Luis Fonsi featuring Justin Bieber and Daddy Yankee	Poo Bear
27	Sorry	Justin Bieber	Skrillex (Kobalt Fund I)
29	Don't Let Me Down	The Chainsmokers featuring Daya	The Chainsmokers and Scott Harris

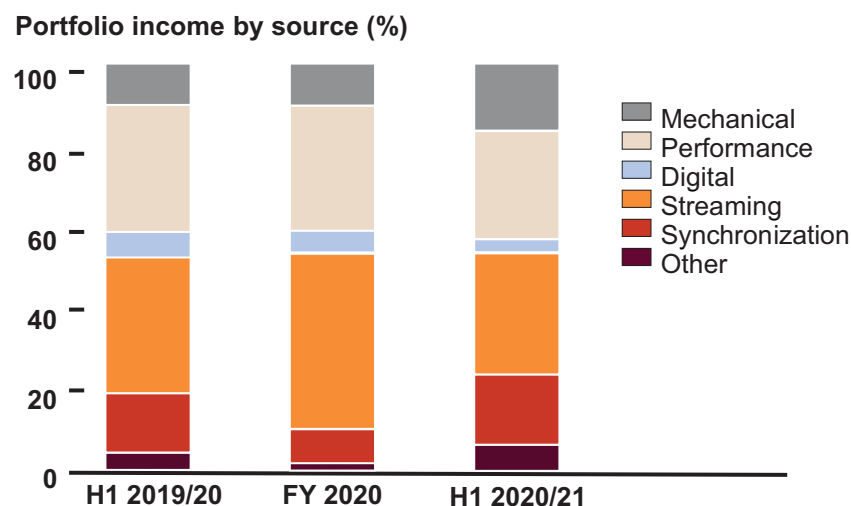
Source: Spotify, as at 19 January 2021

The Portfolio includes Songs which have been performed by globally successful artists including 10,000 Maniacs, 10cc, 2Pac, 50 Cent, 8 Mile, A\$AP Rocky, AC/DC, Adele, Al Green, Alan Jackson, Alicia Keys, Amy Winehouse, Andrea Bocelli, Anitta, Anthony Hamilton, Ariana Grande, AudioSlave, Avicii, B-52s, Backstreet Boys, Barbra Streisand, Barry Manilow, Bebe Rexha, Beyoncé, Biffy Clyro, Big & Rich, Birdy, Blind Faith, Blink 182, Blondie, Bon Jovi, Booker T & The MG's, Boyz II Men, Britney Spears, Bruce Springsteen, Bruno Mars, Bryan Adams, Camila Cabello, Celine Dion, Charli XCX, Cher, Chic, Chris Brown, Christina Perri, Clipse, Damian Marley, Dave Matthews Band, David Gray, David Guetta, Demi Lovato, Destiny's Child, Diana Ross, Dierks Bentley, Diplo, Dire Straits, Dua Lipa, Duran Duran, Dusty Springfield, Ed Sheeran, Ellie Goulding, Eminem, Enrique Iglesias, Eric Prydz, Eurythmics, Fantasia, Fleetwood Mac, Flo-Rida, Florida Georgia Line, fun., George Benson, George Thorogood, Gladys Knight, Halsey, Harry Styles, Iggy Azalea, Imagine Dragons, James Morrison, Jason Aldean, Jason Derulo, Jay Z, Jennifer Hudson, Jennifer Lopez, Jess Glynne, Jimmy Buffett, John Newman, Josh Groban, Journey, Juicy J, Justin Bieber, Justin Timberlake, Katy Perry, Keith Urban, Kelly Clarkson, Kelly Rowland, Khalid, Killswitch Engage, Kylie Minogue, Lady Gaga, Lana Del Rey, Lauv, LeAnn Rimes, Lindsey Buckingham, Little Mix, LunchMoney Lewis, Lorde, M.I.A., Madonna, Marc Anthony, Maren Morris, Mariah Carey, Mark Ronson, Maroon 5, Mary J Blige, Massive Attack, Matchbox Twenty, Matt & Kim, Meatloaf, Meek Mill, Meghan Trainor, Metallica, MF Doom, Michael Bolton, Michael Bublé, Michael Jackson, Mick Jagger, Miguel, Miley Cyrus, Moses Sumney, Mötley Crüe, Natalie Merchant, Nelly, Neil Young, New Kids On The Block, Nicki Minaj, No Doubt, Olafur Arnalds, One Direction, P!nk, Paloma Faith, Panic! At The Disco, Papa Roach, Patti Smith, Paul Anka, Paul McCartney, Pearl Jam, Perfume Genius, Pitbull, Puff Daddy, Pusha T, Rage Against The Machine, Red Hot Chili Peppers, Rick James, Rick Ross, Ricky Martin, Rihanna, Rita Ora, Robbie Williams, Rod Stewart, Rudimental, RZA, Santana, Sawyer Brown, Seal, Selena Gomez, Shakira, Shawn Mendes, Sia, Sigala, Sigma, Simple Minds, Sinead O' Connor, Sister Sledge, Skrillex, Sky Ferreira, Soundgarden, Spencer Davis Group, Spice Girls, Steve Aoki, Steve Winwood, Stevie Nicks, Stormzy, Sugarhill Gang, Sum 41, Super Furry Animals, Swedish House Mafia, SZA, T.I., Taio Cruz, Take That, Taylor Swift, Teenage Fanclub, The Chainsmokers, The Editors, The Outfield, The Pretenders, The Wombats, Third Day, Tiesto, Tim McGraw, Timbaland, Tina Arena, Tinie Tempah, TLC, Toby Keith, Tom Jones, Tom Petty & The Heartbreakers, Tom Walker, Toto, T-Pain, Tracey Chapman, Traffic, Trey Songz, Trivium, Troye Sivan, Ty Dolla \$ign, U2, Usher, Waka Flocka Flame, Weezer, Westlife, Whitney Houston, Wu-Tang Clan, Young The Giant, Zara Larsson and Zedd.

The Portfolio consists of Catalogues which generate a high proportion of income from streaming. The Investment Adviser and the Directors believe that this puts the Portfolio in a position to benefit significantly over time because recorded music and Song publishing revenues have the potential to grow dramatically through the continual uptake of paid streaming.

Figure 2 below sets forth a breakdown of income generated from the Songs (excluding post-2016 releases) in the Company's Portfolio (as at 30 September 2020) by income source.

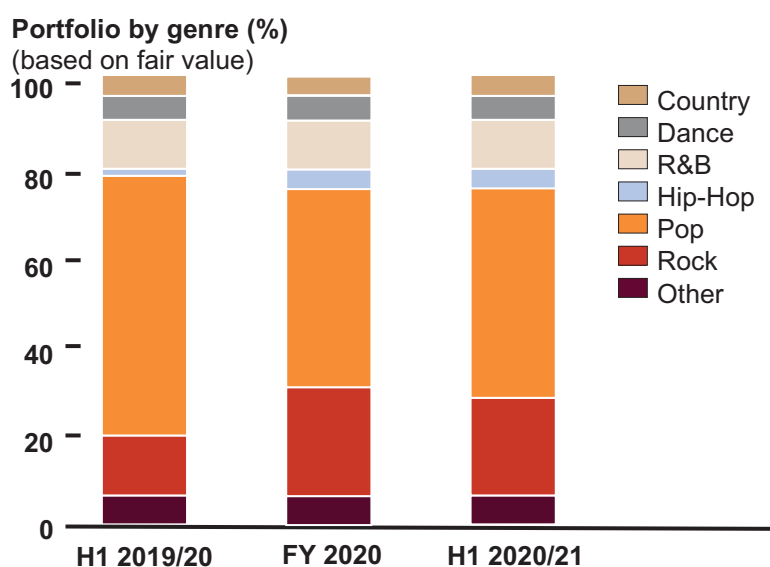
Figure 2: Portfolio as at 30 September 2020 income split by source



Source: The Family (Music) Limited, 30 September 2020. The information contained in this figure relates to the income from such Songs received during a period before the Company's ownership of those Songs.

Figure 3 below segments the Portfolio (as at 30 September 2020) across mainstream music genres based on fair value.

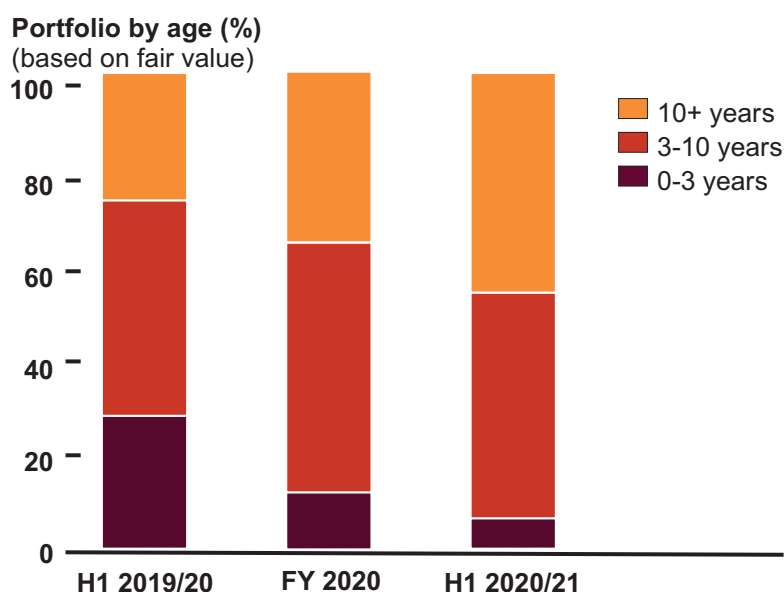
Figure 3: Portfolio as at 30 September 2020 split by genre



Source: The Family (Music) Limited, 30 September 2020

Figure 4 below segments the Portfolio (as at 30 September 2020) by vintage based on fair value (0 – 3 years, 3 – 10 years and 10+ years).

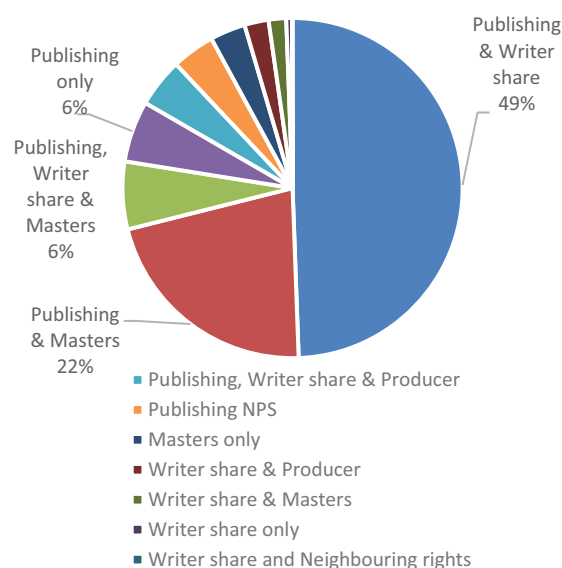
Figure 4: Portfolio as at 30 September 2020 split by age



Source: The Family (Music) Limited, 30 September 2020

Figure 5 below segments the Portfolio (as at 30 September 2020) by the type of copyright interest acquired by the Company.

Figure 5: Portfolio as at 30 September 2020 split by copyright interest acquired



Source: The Family (Music) Limited, 30 September 2020. The information contained in this figure relates to the proportion of each type of copyright interest acquired by the Company, as measured by the fair value of the underlying Catalogue.

The Catalogues acquired by the Company since 30 September 2020, being the Sacha Skarbek, Tricky Stewart, Eric Stewart, Caroline Ailin, Bob Rock, Lindsey Buckingham, Joel Little, Jimmy Iovine, Nelly, Neil Young, Shakira and Brian Kennedy Catalogues, are not expected to have significantly affected the composition of the Portfolio by source of income, genre, age or copyright interest acquired as set forth above in Figure 2 to Figure 5.

Figure 6 below sets forth a summary of all the Catalogues owned by the Company as at 20 January 2021 (being the latest practicable date prior to the publication of this Prospectus).

Figure 6: The Company's Portfolio of Catalogues as at 20 January 2021

Catalogue	Acquisition Date ¹	Interest Ownership	Total Songs	Key Songs in the Catalogue
Terius Nash (The-Dream)	13 July 2018	75%	302	'Umbrella' by Rihanna, 'Single Ladies (Put A Ring On It)' by Beyoncé, 'Baby' by Justin Bieber feat. Ludacris
Jason Boyd (Poo Bear)	21 November 2018	100%	214	'What Do you Mean?' by Justin Bieber, 'I Don't Care' by Ed Sheeran feat. Justin Bieber, 'Despacito' by Luis Fonsi feat. Justin Bieber and Daddy Yankee
Bernard Edwards	28 November 2018	37.5%	290	'Le Freak' by Chic, 'Good Times' by Chic, 'Upside Down' by Diana Ross
TMS	17 December 2018	100%	121	'Higher' by Sigma, 'Wings' by Little Mix, 'Read All About It (Part 3)' by Emile Sandé
Tricky Stewart	17 December 2018	100%	121	'Single Ladies (Put A Ring On It)' by Beyoncé, 'Dance For You' by Beyoncé, 'Umbrella' by Rihanna
Giorgio Tuinfort	21 December 2018	100%	182	'Scared To Be Lonely' by Martin Garrix and Dua Lipa, 'Titanium' by David Guetta feat. Sia, 'Right Now' by Akon
Itaal Shur	30 January 2019	100%	209	'Smooth' by Santana feat. Rob Thomas, 'Ascension' by Maxwell, 'Más Y Más' by Draco Rosa feat. Ricky Martin
Rico Love	26 February 2019	100%	245	'Just A Dream' by Nelly, 'Sweet Dreams' by Beyoncé, 'Promise' by Remeo Santos feat. Usher
Sean Garrett	21 March 2019	100%	588	'Yeah!' by Usher, 'Upgrade U' by Beyoncé feat. Jay Z, 'Buttons' by Pussycat Dolls
Johnta Austin	21 March 2019	100%	249	'We Belong Together' by Mariah Carey, 'Be Without You' by Mary J Blige, 'With You' by Chris Brown
Ari Levine	31 March 2019	100%	76	'When I Was Your Man' by Bruno Mars, 'Just The Way You Are' by Bruno Mars, 'Locked Out Of Heaven' by Bruno Mars
Sam Hollander	31 March 2019	100%	499	'High Hopes' by Panic! At The Disco, 'Emperors New Clothes' by Panic! At The Disco, 'Someone To You' by Banners
Teddy Geiger	9 April 2019	100%	6	'Stitches' by Shawn Mendes, 'Treat You Better' by Shawn Mendes, 'Mercy' by Shawn Mendes
Starrah	23 April 2019	100%	73	'Havana' by Camila Cabello, 'Needed Me' by Rihanna, 'Fake Love' by Drake
David A. Stewart	10 May 2019	100%	1,068	'Sweet Dreams (Are Made Of This)' by Eurythmics, 'There Must Be An Angel' by Eurythmics, 'Love Is A Stranger' by Eurythmics
Jamie Scott	21 May 2019	100%	144	'Cold Water' by Major Lazer feat. Justin Bieber and MØ, 'Skin' by Rag'n'Bone Man, 'These Days' by Rudimental feat. Jess Glynne, Macklemore and Dan Caplen
Al Jackson Jr.	30 May 2019	100%	185	'Let's Stay Together' by Al Green, 'Time is Tight' by Booker T & The M.G.'s, 'Green Onions' by Booker T & The M.G.'s
Michael Knox	10 June 2019	100%	110	'Girl Like You' by Jason Aldean, 'The Only Way I Know' by Jason Aldean feat. Luke Bryan and Eric Church, 'Don't You Wanna Stay' by Kelly Clarkson
Lyric Catalogue	12 June 2019	100%	571	'Waterfall' by TLC, 'The Way You Move' by Big Boi, 'Don't Let Go' by En Vogue
Brian Kennedy	12 June 2019	100%	101	'Forever' by Chris Brown, 'Don't Wake Me Up' by Chris Brown, 'Disturbia' by Rihanna
Jon Bellion	12 June 2019	100%	180	'All Time Low' by Jon Bellion, 'Liar' by Camila Cabello, 'Memories' by Maroon 5
Neal Schon	21 June 2019	100%	357	'Anyway You Want It' by Journey, 'Faithfully' by Journey, 'Don't Stop Believin' by Journey
Eric Bellinger	1 July 2019	100%	242	'G.O.A.T' by Eric Bellinger, 'New Flame' by Chris Brown feat. Usher and Rick Ross, 'Right Here' by Justin Bieber feat. Drake
Jason Ingram	1 July 2019	100%	462	'Great Are You Lord' by All Songs and Daughters, 'Open Up The Heavens' by Meredith Andrews, 'Here's My Heart' by Passion
Andy Marvel	26 July 2019	100%	740	'With You' by Jessica Simpson, 'Marry Me' by Jason Derulo, 'Shy Guy' by Diana King

Catalogue	Acquisition Date ¹	Interest Ownership	Total Songs	Key Songs in the Catalogue
Benny Blanco	7 August 2019	100%	93	'Love Yourself' by Justin Bieber, 'Castle On The Hill' by Ed Sheeran, 'Cold Water' by Major Lazer feat. Justin Bieber and MØ
The Chainsmokers	20 August 2019	100%	42	'Don't Let Me Down' by The Chainsmokers feat. Daya, 'Closer' by The Chainsmokers feat. Halsey, 'Paris' by The Chainsmokers
Timbaland	9 October 2019	100%	108	'Promiscuous' by Nelly Furtado feat. Timbaland, 'SexyBack' by Justin Timberlake feat. Timbaland, 'Give It To Me' by Timbaland feat. Nelly Furtado and Justin Timberlake
10cc	17 October 2019	100%	29	'I'm Not In Love' by 10cc, 'Dreadlock Holiday' by 10cc, 'The Things We Do For Love' by 10cc
Journey	17 October 2019	100%	103	'Anyway You Want It' by Journey, 'Faithfully' by Journey, 'Don't Stop Believin' by Journey
Jaron Boyer	5 November 2019	100%	109	'Somewhere On A Beach' by Dierks Bentley, 'Girls Like You' by Jason Aldean, 'Flatliner' by Cole Swindell feat. Dierks Bentley
John Newman	7 November 2019	100%	47	'Cheating' by John Newman, 'Feel The Love' by Rudimental feat. John Newman, 'Fire' by Jessie J
Arthouse	15 November 2019	100%	44	'Trumpets' by Jason Derulo, 'The Monster' by Eminem feat. Rihanna, 'All Time Low' by Jon Bellion
Fraser T Smith	25 November 2019	100%	298	'Set Fire To The Rain' by Adele, 'Blinded By Your Grace, Pt. 2' by Stormzy, 'Broken Strings' by James Morrison
Ammar Malik	5 November 2019	100%	90	'Moves Like Jagger' by Maroon 5, 'Rockabye' by Clean Bandit, 'Payphone' by Maroon 5 feat. Wiz Khalifa
Ed Drewett	9 December 2019	100%	109	'Black Magic' by Little Mix, 'Jai Ho! (You Are My Destiny)' by A.R. Rahman and The Pussycat Dolls, 'Best Song Ever' by One Direction
Kaiser Chiefs	9 December 2019	100%	48	'Ruby, Ruby, Ruby' by Kaiser Chiefs, 'Employment' by Kaiser Chiefs, 'Souvenir' by Kaiser Chiefs
Jeff Bhasker	10 December 2019	100%	436	'Uptown Funk' by Mark Ronson feat. Bruno Mars, 'Just Give Me A Reason' by P!nk, 'Kiss It Better' by Rihanna
Jack Antonoff	10 December 2019	99%	188	'We Are Young' by fun. feat. Janelle Monae, 'Some Nights' by fun., 'I Don't Wanna Live Forever' by ZAYN and Taylor Swift
Emile Haynie	10 December 2019	100%	122	'Blue Jeans' by Lana Del Rey, 'River' by Eminem, 'Runaway' by Kanye West feat. Pusha T
Brendan O'Brien	10 December 2019	100%	1,855	'Under The Bridge' by Red Hot Chili Peppers, 'Tire Me' by Rage Against The Machine, 'Superunknown' by Soundgarden
Savan Kotecha	18 December 2019	100%	49	'How Do You Sleep' by Sam Smith, 'No Tears Left To Cry' by Ariana Grande, 'Close To Me' by Ellie Goulding
Johnny McDaid	11 December 2019	100%	164	'Shape Of You' by Ed Sheeran, 'Galway Girl' by Ed Sheeran, 'What About Us' by P!nk
Tom DeLonge	23 December 2019	100%	157	'All The Small Things' by Blink-182, 'I Miss You' by Blink-182, 'First Date' by Blink-182
Journey	10 January 2020	65%	389	'Anyway You Want It' by Journey, 'Faithfully' by Journey, 'Don't Stop Believin' by Journey
Rebel One	10 January 2019	100%	157	'Don't Let Me Down' by The Chainsmokers, 'Treat You Better' by Shawn Mendes, 'Scared To Be Lonely' by Martin Garrix and Dua Lipa
Scott Harris	10 January 2019	100%	129	'Treat You Better' by Shawn Mendes, 'There's Nothing Holdin' Me Back' by Shawn Mendes, 'In My Blood' by Shawn Mendes
Brian Higgins	23 January 2020	100%	362	'Believe' by Cher, 'Sound Of The Underground' by Girls Aloud, 'Love Machine' by Girls Aloud
Greg Wells	10 February 2020	100%	11	'This Is Me' by The Greatest Showman: Original Motion Picture Soundtrack, 'Rewrite The Stars' by The Greatest Showman: Original Motion Picture Soundtrack, 'From Now On' by The Greatest Showman: Original Motion Picture Soundtrack

Catalogue	Acquisition Date ¹	Interest Ownership	Total Songs	Key Songs in the Catalogue
Jonathan Cain	28 February 2020	100%	216	'Working Class Man' by Jimmy Barnes, 'Don't Stop Believin' by Journey, 'Faithfully' by Journey
Johnny Cofer	28 February 2020	100%	85	'La La La' by Naughty Boy, 'Lost In Your Love' by Redlight, 'Freedom' by Beyoncé
Richie Sambora	4 March 2020	100%	186	'You Give Love A Bad Name' by Bon Jovi, 'Livin' On A Prayer' by Bon Jovi, 'I'll Be There For You' by Bon Jovi
Mark Ronson	31 March 2020	85%	315	'Uptown Funk' by Mark Ronson feat. Bruno Mars, 'Shallow' by Lady Gaga and Bradley Cooper, 'Back to Black' by Amy Winehouse
RedOne	16 July 2020	100%	334	'Just Dance' by Lady Gaga, 'Poker Face' by Lady Gaga, 'Starships' by Nicki Minaj
Rodney Jerkins	16 July 2020	100%	982	'The Boy Is Mine' by Brandy, 'It's Not Right But It's Okay' by Whitney Houston, 'Say My Name' by Destiny's Child
Barry Manilow	16 July 2020	100%	917	'Mandy' by Barry Manilow, 'Can't Smile Without You' by Barry Manilow, 'Copacabana (At The Copa)' by Barry Manilow
Eliot Kennedy	16 July 2020	100%	217	'Say You'll Be There' by Spice Girls, 'Everything Changes' by Take That, 'Never Gonna Break My Heart' by Aretha Franklin
NO ID	24 July 2020	100%	273	'Run This Town' by Jay-Z feat. Kanye West and Rihanna, 'Find Your Love' by Drake, 'My Last' by Big Sean
Pusha T	24 July 2020	100%	238	'Grinding' by Clipse, 'Good Goodbye' by Pusha T, 'Trouble On My Mind' by Pusha T
Closer (Joe King & Isaac Slade)	27 July 2020	100%	2	'Closer' by The Chainsmokers feat. Halsey
Ian Kirkpatrick	29 July 2020	100%	137	'Don't Start Now' by Dua Lipa, 'Back To You' by Selena Gomez, 'New Rules' by Dua Lipa
Blondie	30 July 2020	100%	197	'One Way Or Another' by Blondie, 'Call Me' by Blondie, 'Heart Of Glass' by Blondie
Chris Cornell	10 August 2020	100%	241	'Black Hole Sun' by Soundgarden, 'Spoonman' by Audioslave, 'You Know My Name (James Bond Theme)' by Chris Cornell
Robert Diggs (RZA)	12 August 2020	50%	814	'All I Need' by Method Man, 'Gravel Pit' by Wu-Tang Clan, 'Protect Ya Neck' by Wu-Tang Clan
Ivor Raymonde	13 August 2020	100%	505	'Wearing A Smile' by Johnny Duncan, 'Talk About You' by Mika, 'I Only Want To Be With You' by Dusty Springfield
Nikki Sixx	3 September 2020	100%	305	'Kick Start My Heart' by Mötley Crüe, 'Home Sweet Home' by Mötley Crüe, 'Girls, Girls, Girls' by Mötley Crüe
Big Deal Music	10 September 2020	100%	4,400	'Stitches' by Shawn Mendes, 'Story Of My Life' by One Direction, 'High Hopes' by Panic! At The Disco
Chrissie Hynde	10 September 2020	100%	162	'Brass Pocket' by The Pretenders, 'Back On The Chain Gang' by The Pretenders, 'I'll Stand By You' by The Pretenders
Steve Robson	17 September 2020	100%	1,034	'Dance With Me Tonight' by Olly Murs, 'Troublemaker' by Olly Murs, '18' by One Direction
Rick James	18 September 2020	50%	97	'Super Freak' by Rick James, 'Give It To Me Baby' by Rick James, 'All Night Long' by Rick James
Kevin Godley	23 September 2020	100%	358	'Rubber Bullets' by 10cc, 'I'm Mandy Fly Me' by 10cc, 'Donna' by 10cc
Scott Cutler	24 September 2020	100%	111	'Torn' by Natalie Imbruglia, 'Listen' by Beyoncé, 'Piano In The Dark' by Brenda Russell
Nate Ruess	30 September 2020	100%	59	'We Are Young' by fun., 'Some Nights' by fun., 'Just Give Me a Reason' by P!nk feat. Nate Ruess
L.A. Reid	30 September 2020	100%	162	'End Of The Road' by Boyz II Men, 'I'm Your Baby Tonight' by Whitney Houston, 'Queen Of The Night' by Whitney Houston

Catalogue	Acquisition Date ¹	Interest Ownership	Total Songs	Key Songs in the Catalogue
Kobalt Fund I (42 Catalogues including Lindsey Buckingham, Steve Winwood, B-52s, Walter Afanasieff, Enrique Iglesias, 50 Cent, Bonnie McKee, George Benson, Skrillex, Savan Kotecha, Nelly and Netwerk)	30 September 2020	100%	33,000 ⁽³⁾	'Go Your Own Way' and 'The Chain' by Fleetwood Mac, 'Higher Love' by Steve Winwood, 'Gimme Some Lovin'' by The Spencer Davis Group, 'Can't Find My Way Home' by Blind Faith, 'All I Want For Christmas Is You' by Mariah Carey, 'Never Give Up on a Good Thing' by George Benson, 'Halo' by Beyoncé, 'Love Shack' by the B-52s, 'In Da Club' by 50 Cent, 'Hero' by Enrique Iglesias, 'Sorry' by Justin Bieber, 'Roar' and 'Teenage Dream' by Katy Perry, 'Hot In Herre' by Nelly and 'Let It Go' by Demi Lovato from Disney's Frozen Soundtrack
Sacha Skarbek	20 November 2020	100%	303	'You're Beautiful', 'Wisemen' and 'Goodbye My Lover' by James Blunt, 'Wrecking Ball' by Miley Cyrus, 'Dynamite' by Taio Cruz, 'Cold Shoulder' by Adele
Tricky Stewart	27 November 2020	100%	95	'Baby' by Justin Bieber, 'Me Against The Music' by Britney Spears and Madonna, 'Touch My Body' by Mariah Carey
Eric Stewart	2 December 2020	100%	255	'I'm Not In Love', 'Dreadlock Holiday' and 'The Things We Do For Love' by 10cc, 'Hip Hop Holiday' by 3 The Hard Way
Bob Rock	4 December 2020	100%	43	'Haven't Met You Yet' and 'Everything' by Michael Bublé, 'Nothing Else Matters' and 'Enter Sandman' by Metallica
Caroline Ailin	10 December 2020	100%	2	'New Rules' by Dua Lipa
Nelly	15 December 2020	100%	240	'Hot in Herre' and 'Ride Wit Me', 'Dilemma' and 'Country Grammar' by Nelly, 'Just a Dream' by Akon
Lindsey Buckingham	24 December 2020	100%	161	'Go Your Own Way', 'The Chain' and 'Never Look Back Again' by Fleetwood Mac, 'The Holiday' by Lindsey Buckingham
Joel Little	24 December 2020	100%	178	'Whatever it Takes', by Imagine Dragons, 'Royals', by Lorde, 'Young, Dumb and Broke' by Khalid, 'You Need to Calm Down' by Taylor Swift
Jimmy Iovine	24 December 2020	100%	259	'Damn The Torpedoes', 'Hard Promises' and 'Long After Dark' by Tom Petty, 'Bella Donna', 'The Wild Heart' and 'Rock a Little' by Stevie Nicks, 'Under A Blood Red Sky' and 'Rattle & Hum' by U2, 'Making Movies' by Dire Straits, 'Easter' by Patti Smith, 'Once Upon A Time' by Simple Minds, 'Matters Of The Heart' by Tracey Chapman, 'Two Out of Three Ain't Bad' by Meatloaf
Neil Young	24 December 2020	50%	1,180	'Heart of Gold', 'Old Man', 'Rockin' in the Free World' and 'Ohio' by Neil Young
Shakira	24 December 2020	100%	145	'Whenever, Wherever', 'Me Enamore', 'Chantaje' and 'Waka Waka, This Time for Africa' by Shakira
Brian Kennedy	24 December 2020	100%	139	'Disturbia' by Rihanna, 'Mr Know it All' by Kelly Clarkson, and 'Don't Wake Me Up' and 'Forever' by Chris Brown
Total			60,836	

(1) The acquisition date refers to the date on which payment was made to the seller of the relevant Catalogue, save in the case of the Kobalt Catalogues, where the acquisition date refers to the effective date of acquisition as stipulated in the relevant acquisition agreement.

(2) Estimate based on information obtained during the acquisition of the Catalogues of Kobalt Fund I.

Source: The Family (Music) Limited, January 2021

In addition, as at 30 September 2020, HSG had made Advances to songwriters totalling US\$18.9 million, which are expected to be recouped from the future royalty income generated by the Songs written by the songwriters over time.

4. PIPELINE

The Investment Adviser has identified Catalogues from well-known songwriters, recording artists and producers which are well suited to the Company's investment strategy, and in respect of which the Investment Adviser is either undertaking due diligence or in advanced discussions for the Company to acquire, subject to Board approval (the "**Pipeline Catalogues**"). No binding agreements have been entered into in respect of the Pipeline Catalogues. Although the Investment Adviser has agreed a period of exclusivity with each counterparty (ranging from a period of 30 to 120 days), the Company may not be able to acquire these Pipeline Catalogues. As at the date of this Prospectus, the Pipeline Catalogues have an aggregate purchase price of over £1 billion.

The Investment Adviser and the Directors believe suitable acquisition opportunities exist which would allow the Net Issue Proceeds to be deployed within three months following Initial Admission.

5. DIVIDEND POLICY

Since its IPO, the Company has paid, and intends to continue to pay, interim quarterly dividends to Ordinary Shareholders in November, February, May and August of each year. The Directors may, in order to maintain the payment of dividends in accordance with the Company's dividend policy, determine to pay dividends from the Company's share premium account. Dividends will be subject to compliance with the solvency test prescribed by Guernsey law.

Whilst not forming part of the Company's Investment Objective and Policy, the Company has a target dividend yield of 5.25 pence per annum per Ordinary Share.

The Directors may, in their sole discretion, resolve to pay to holders of any class of C Shares such dividend out of the assets attributable to such class of C Shares as the Directors may determine up to the Conversion Time for such class of C Shares.

The Directors will seek to maintain and grow the dividend over the long term and may offer Shareholders the opportunity to receive dividends in the form of scrip dividends.

Subject to approval by HMRC of the Company's investment trust company application (which is expected to be received prior to, and be effective from, 1 April 2021), the Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010. The Company intends, therefore, to distribute income such that it does not retain, in respect of any Accounting Period, an amount greater than 15 per cent. of its income (as calculated for UK tax purposes) for that Accounting Period.

6. TARGET RETURNS TO SHAREHOLDERS

Whilst not forming part of the Company's Investment Objective and Policy, the Board will target a total return on Operative NAV (the "**target total NAV return**") on the Ordinary Shares of 10 per cent. or more per annum on the issue price of the Ordinary Shares at IPO over the medium term (net of fees and expenses).

The target dividend yield and target total NAV return are targets only and are not profit forecasts. There can be no guarantee that these targets will be met and they should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not these targets are reasonable or achievable in deciding whether to invest in the Company.

The actual return generated by the Company in pursuing the Investment Objective and Policy depends on a wide range of factors including, but not limited to: finding new opportunities to increase revenues; general conditions in the music industry, including recent technological developments; regulation in the music industry; the terms of the acquisitions made by the Company; availability of investment opportunities; valuations of Songs and Catalogues; the level of income from the licensing of Songs; general economic and market conditions, including currency exchange rates; and the risks highlighted in the section entitled "*Risk Factors*" of this Prospectus. Accordingly, investors should not place any reliance on the target dividend yield or the target total NAV return in deciding whether to invest in the Issue Shares.

7. REPORTS AND ACCOUNTS

The audited consolidated financial statements of the Group are prepared in Sterling under IFRS on a consolidated basis and will be sent to Shareholders within four months of the year end to which they relate. The Company's annual report and consolidated financial statements are prepared to 31 March each year. Unaudited half yearly reports, made up to 30 September in each year, will be sent to Shareholders within three months of that date.

The audited consolidated financial statements and unaudited half yearly reports will also be available at the registered office of the Fund Administrator and the Company and on the Company's website, www.hipgnosissongs.com.

The Company held its first annual general meeting ("AGM") on 10 September 2019 and its second AGM on 8 September 2020.

8. CALCULATION AND PUBLICATION OF NET ASSET VALUES

Since its IPO, the Company has published, and intends to continue to publish, its Net Asset Values, as calculated in accordance with the process described below, on a semi-annual basis. The Operative Net Asset Value will be calculated in Sterling and published by an RIS announcement and also published on the website of the Company at www.hipgnosissongs.com. The Company has published, and intends to continue to publish, an IFRS NAV calculated in accordance with IFRS with the Company's annual and half-yearly reports and consolidated financial statements. Over the course of the calendar year ending 31 December 2021, the Company intends to publish a regular factsheet and/or quarterly reports and consolidated financial statements on its website, in addition to annual and half-yearly reports. The Operative NAV and IFRS NAV will be included in the annual financial and interim financial statements, which will be subject to audit and an interim review, respectively.

Valuation methodologies

Operative Net Asset Value

The Investment Adviser and the Directors believe that the most meaningful NAV for investors is one which is calculated so as to reflect a fair market value for the Company's Catalogues or Songs, but otherwise in accordance with IFRS. In determining this Operative Net Asset Value, the Board appoints an independent third-party valuer to value each Catalogue or Song owned by the Company on a semi-annual basis. In preparing its valuation the Company's independent valuer takes into account, where possible, a minimum of three years of historical revenues (normalised) earned by each Catalogue or Song, recent acquisition/bid prices for market transactions for comparable Catalogues, duration of the copyrights, quality of the Songs, forecast industry growth rates and other relevant factors as may be agreed between the Board and the Company's independent valuer from time to time.

IFRS Net Asset Value

Under IFRS, the Group consolidates all of its subsidiaries and the value of the gross assets of the Group are calculated by reference to their acquisition cost for the purchase of Catalogues and Songs and then amortised on a straight-line basis over their assumed useful life (typically 20 years), less any impairment. This accounting treatment is required under IFRS for intangible assets. The Company calculates the IFRS NAV by reference to the value of its gross assets from which all liabilities are deducted (including accrued but unpaid fees) in accordance with the accounting policies adopted by the Board.

For a detailed analysis of why the Company chooses to report against its Operative NAV (as compared to the IFRS NAV), see "*—Net Asset Value*" of Part IX (*Operating and Financial Review*) of this Prospectus.

Net Asset Values per Share

The Net Asset Values per Ordinary Share is the Net Asset Values (whether Operative NAV or IFRS NAV) attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue at the relevant time. The Net Asset Value per C Share of a class is the Net Asset Values (whether Operative NAV or IFRS NAV) attributable to the C Shares of that class divided by the number of C Shares of that class in issue at the relevant time.

Suspension of the calculation of Net Asset Values

The Directors may at any time, but are not obliged to, temporarily suspend the calculation of the Net Asset Values if:

- (a) there are political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Board, and disposal or valuation of investments of the Company or other transactions in the ordinary course of the Company's business are not reasonably practicable without material detriment to the interests of Shareholders;
- (b) there is a breakdown of the means of communication normally employed in determining the calculation of the Net Asset Values; or
- (c) it is not reasonably practicable to determine the Net Asset Values on an accurate, fair and timely basis.

Any suspension in the calculation of the Net Asset Values will be notified through an RIS as soon as practicable after such suspension occurs.

In the event that the calculation of the Net Asset Values is suspended as described above, trading in the Shares on the Main Market may also be suspended.

9. DISCOUNT CONTROL PROVISIONS

Continuation resolutions

The Directors will propose an ordinary resolution that the Company continues its business as a closed-ended investment company (a "**Continuation Resolution**") at the first AGM of the Company following the fifth anniversary of its IPO. If the Continuation Resolution is passed, the Directors will put a further Continuation Resolution to Shareholders at the AGM of the Company every five years thereafter.

If a Continuation Resolution is not passed, the Directors are required to put forward proposals for the reconstruction, reorganisation or winding-up of the Company to the Shareholders for their approval within six months following the date on which the relevant Continuation Resolution is not passed. These proposals may or may not involve winding-up the Company or liquidating all or part of the Company's then existing portfolio of investments and, accordingly, failure to pass a Continuation Resolution will not necessarily result in the winding-up of the Company or liquidation of all or some of its investments.

Share purchases and buy-backs

The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in the interest of Shareholders as a whole and as a means of correcting any imbalance between supply and demand for the Ordinary Shares.

The Directors were granted general authority to purchase in the market up to 14.99 per cent. of the number of Ordinary Shares in issue at its second AGM on 8 September 2020, with such authority expiring at the conclusion of the Company's next AGM. The Directors intend to seek annual renewal of this authority from the Shareholders at the Company's subsequent AGMs.

The timing, price and volume of any buy-back of Ordinary Shares will be at the absolute discretion of the Directors and is subject to the Company having sufficient working capital for its requirements and surplus cash resources available. Ordinary Shares acquired pursuant to this authority are subject to compliance with the solvency test and any other relevant provisions of the Companies Law.

In the event that the Board decides to repurchase Ordinary Shares, purchases will only be made through the market for cash at prices not exceeding the last reported Operative Net Asset Value per Ordinary Share at the relevant time and such purchases will only be made in accordance with: (a) the Listing Rules, which currently provide that the maximum price to be paid per Share must not be more than the higher of: (i) five per cent. above the average of the mid-market values of the relevant Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of: (1) the price of the last independent trade; and (2) the highest current independent bid for a Share on the trading venues where the market purchases by the Company pursuant to the authority conferred by that resolution will be

carried out; and (b) the Companies Law, which provides among other things that any such purchase is subject to the Company passing the solvency test contained in the Companies Law at the relevant time.

The Directors will not buy back any C Shares in issue prior to Conversion. Therefore, the Company will not assist any class of C Shares in limiting discount volatility or provide an additional source of liquidity.

Shareholders and prospective Shareholders should note that the purchase of Ordinary Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

Ordinary Shares purchased by the Company may be cancelled or held in treasury (or a combination of both). Ordinary Shares may be reissued from treasury but not at a price per share which would be less than the last reported Operative Net Asset Value per Ordinary Share at the relevant time.

Treasury Shares

The Company is permitted to hold Shares acquired by way of market purchase in treasury, rather than being obliged to cancel them. Such Shares may be subsequently cancelled or sold for cash. Holding Shares in treasury would give the Company the ability to sell Shares from treasury quickly and in a cost-efficient manner, and would provide the Company with additional flexibility in the management of its capital base. However, the issue of Shares from treasury will be subject to the Articles and the provisions relating to rights of pre-emption contained therein, further details of which are referred to below in “—Further Issues of Shares” of this Part I (*Information on the Company*) of this Prospectus. As at the date of this Prospectus, the Company does not hold any Shares in treasury.

10. FURTHER ISSUES OF SHARES

Following the Initial Issue, the Directors will have authority to allot further Ordinary Shares and/or C Shares pursuant to the Placing Programmes. Further issues of Shares will only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include the Company's performance, the discount/premium at which the Ordinary Shares trade to the prevailing Operative Net Asset Value per Ordinary Share, perceived investor demand and investment opportunities. The minimum price at which further Ordinary Shares will be issued will be set at a premium to the latest published Operative NAV per Ordinary Share at the relevant time.

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the issue of Shares, but such rights are provided for in the Listing Rules. Accordingly, the Articles contain pre-emption rights in relation to the issue of Shares for cash, although such pre-emption rights have been disapplied, by the Company's initial shareholder on 25 June 2018, in respect of up to one billion Ordinary Shares or C Shares. Out of this authority, there is authority remaining for the Directors to allot and issue up to 379,643,659 ordinary shares and/or C shares for cash on a non-pre-emptive basis, such authority expiring on 24 June 2023. Further, the Directors were granted authority by shareholders at the Company's second annual general meeting on 8 September 2020 to allot and issue up to 30,792,594 ordinary shares and/or C shares for cash on a non-pre-emptive basis, such authority to expire on 8 December 2021, or if earlier at the annual general meeting of the Company to be held in 2021. In addition, the Company will publish a shareholder circular on or around the date of this Prospectus containing a resolution (the “**Resolution**”) to be tabled at an extraordinary general meeting of the Company on or around 5 February 2021 (the “**EGM**”) proposing that pre-emption rights be disapplied in respect of a further 1.5 billion Ordinary Shares or C Shares to enable the Company to issue all the Issue Shares comprised in the Initial Issue and the Placing Programmes.

The Directors believe that the Resolution should cover issuances of Issue Shares pursuant to both the Initial Issue and the Placing Programmes because it is considered desirable to preserve this general authority for use in connection with issuances of Shares that are made: (i) outside the Initial Issue and the Placing Programmes and/or; (ii) after the expiration of the Placing Programmes. Preserving the Company's general authority to allot Shares on a

non-pre-emptive basis enables the Company to raise equity at such times where the Company does not have a live prospectus in place, but where cash needs to be raised quickly and efficiently (for example, to fund an acquisition opportunity). As such, Ordinary Shares issued pursuant to the Initial Issue are expected to be issued pursuant to the authority granted by the Resolution, provided that it is passed by Shareholders at the EGM.

If the Resolution is not passed by the requisite majority of Shareholders at the EGM, the Issue Shares to be issued pursuant to the Initial Issue will be issued pursuant to the Board's current authority to issue Shares on a non-pre-emptive basis. Accordingly, by virtue of the quantum of the Company's general authority to allot Shares on a non-pre-emptive basis, the maximum number of Issue Shares which could be issued pursuant to the Initial Issue would need to be capped at 400 million should the Resolution not be passed at the EGM. In addition, any issuances of Issue Shares pursuant to the Placing Programmes will be conditional upon the Shareholders resolving to disapply pre-emption rights in respect of such issuance at a subsequent general meeting of the Company.

The Directors also intend to request that authority to allot Ordinary Shares or C Shares on a non-pre-emptive basis is obtained from Shareholders at the AGM of the Company to be held in 2023 (or any earlier AGM or extraordinary general meeting as may be required in the event that the disapplication of pre-emption rights have been exhausted) and at each subsequent AGM of the Company.

As set out in Part V (*The Initial Issue and the Placing Programmes*) of this Prospectus, following Initial Admission, pursuant to the Placing Programmes, the Directors may, at their sole and absolute discretion, decide to carry out one or more Placings after Initial Admission and no later than Final Closing Date, should the Board determine that market conditions are appropriate. The Board expects that any Placings pursuant to the Placing Programmes will only be carried out after at least 80 per cent. of the Company's Gross Issue Proceeds following the Initial Issue (or 80 per cent. of the gross proceeds of a Subsequent Placing) has been invested or committed in accordance with the Investment Objective and Policy. The maximum number of Shares that may be issued under the Placing Programmes is 1 billion.

The actual number of new Shares to be issued under the Placings will be determined by the Company (in consultation with the Joint Bookrunners) after taking into account demand for the new Shares. The Placing Programmes are intended to be flexible and may have a number of Interim Closing Dates in order to provide the Company with the ability to issue and allot new Shares over a period of time.

C Shares

The Articles contain provisions that permit the Directors, subject to Companies Law, to issue one or more classes of C Shares (also known as convertible shares) from time to time. C Shares convert into Ordinary Shares only when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's Investment Policy or, if earlier, within a specified timeframe (prior to which the assets of the Company attributable to such C Shares are segregated from the assets of the Company attributable to the other classes of Shares). The issue of C Shares would therefore permit the Board to raise further capital for the Company in circumstances where the issue of further Ordinary Shares would have the potential to exert "cash drag" on the performance of the Ordinary Shares already in issue pending the deployment of such issue proceeds.

Any class of C Shares to be issued pursuant to a Subsequent Placing will carry the right to vote in accordance with the Articles. For Shareholder resolutions in respect of amendments to the Articles or in respect of a winding up of the Company, each class of Shares will vote as a separate class. For all other resolutions, the holders of Ordinary Shares and each class of C Shares shall vote as one class.

Performance Shares

To the extent permissible by applicable law and the Articles, where the Company has sufficient authority to allot Ordinary Shares and the Ordinary Shares are trading at a premium to Operative NAV, the Company's obligation to pay the Performance Fee will be satisfied by issuing new Ordinary Shares to the Investment Adviser in such aggregate value, calculated by reference to the Operative Net Asset Value per Ordinary Share at the relevant time, as is

equal to the Performance Fee due (“**Performance Shares**”). For more information on the terms and conditions of the issue of Performance Shares, prospective investors should refer to the paragraph entitled “—*Fees and Expenses*” in Part IV (*Directors and Administration*) of this Prospectus.

Acquisitions

The Company may make investments in line with its Investment Policy for consideration consisting of cash, Shares or a combination of cash and Shares and part of the consideration may be on deferred terms.

11. DISCLOSURE OBLIGATIONS

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) (“**DTR 5**”) of the Financial Conduct Authority Handbook apply to the Company on the basis that the Company is a “non-UK issuer”, as such term is defined in DTR 5. As such, a person is required to notify the Company of the percentage of voting rights it holds as a holder of Shares and/or C Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Shares and/or C Shares (or financial instruments), the percentage of voting rights held by them reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a non-UK issuer, 5, 10, 15, 20, 25, 30, 50 and 75 per cent. The Directors have, however, determined that, pursuant to the Articles, DTR 5 should be deemed to apply to the Company as though the Company were a UK “issuer” as such term is defined by DTR 5. As such, the relevant percentage thresholds that apply to the Company are 3, 4, 5, 6, 7, 8, 9, 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent., notwithstanding that in the absence of those provisions of the Articles such thresholds would not apply to the Company.

12. NON-MAINSTREAM POOLED INVESTMENTS AND MIFID II

The Company confirms that it conducts its affairs and intends to continue to conduct its affairs, so that the Shares are “excluded securities” under the FCA’s Conduct of Business Sourcebook. This is on the basis that the Company, which (as at the date of this Prospectus) is resident for tax purposes outside the EEA, would qualify for approval as an investment trust by the Commissioners for HMRC under sections 1158 and 1159 of the Corporation Tax Act 2010 if resident and listed in the United Kingdom. Further, the Company has applied to HMRC for approval as an investment trust company which, if granted, is expected to become effective from 1 April 2021. The Shares will not, therefore, be non-mainstream pooled investments. Accordingly, promotion of the Ordinary Shares is not, and the promotion of C Shares will not, be subject to the FCA’s restriction on promotion of non-mainstream pooled investments.

The Company conducts its affairs so that the Ordinary Shares and C Shares can be recommended by financial advisers to retail investors in accordance with the rules on distribution of financial instruments under EU MiFID II and the UK MiFID Laws. The Directors consider that the requirements of Article 57 of the EU MiFID II delegated regulation of 25 April 2016 (and the equivalent provision of the UK MiFID Laws) are met in relation to the Ordinary Shares (and will be met in relation to the C Shares) and that, accordingly, the Ordinary Shares and C Shares should be considered “non-complex” for the purposes of EU MiFID II and the UK MiFID Laws.

13. ELIGIBILITY FOR INVESTMENT BY UCITS OR NURS

The Company has been advised that the Ordinary Shares are, and the C Shares should be, “transferable securities” and, therefore, should be eligible for investment by UCITS or NURS on the basis that: (i) the Company is a self-managed, closed-ended investment company incorporated in Guernsey which is subject to the corporate governance mechanisms of Guernsey company law; and (ii) the Ordinary Shares are, and the C Shares will be, admitted to trading on the Main Market and admitted to listing on the premium listing category of the Official List. The manager of a UCITS or NURS should, however, satisfy itself that the Shares

are eligible for investment by that UCITS or NURS, including the factors relating to that UCITS or NURS itself, specified in the Collective Investment Scheme Sourcebook of the FCA Handbook.

PART II: MARKET BACKGROUND, INVESTMENT STRATEGY AND APPROACH

This Part II (*Market Background, Investment Strategy and Approach*) of this Prospectus contains the Investment Adviser's current assessment of a complex and evolving market by reference to which the Company has adopted its Investment Objective and Policy. It also sets out the investment strategy and approach which the Investment Adviser and the Board will follow when implementing the Investment Objective and Policy.

1. MARKET BACKGROUND

1.1 Introduction

Intellectual property is the framework which underpins the economics of the music industry and copyright is the currency of that framework. The economic value of music flows from the copyright associated with original works, their performance and dissemination and the royalties which accrue from these events. These rights shape and underpin the multiple commercial deals that take place within the music industry every day. The rights associated with copyright ownership are defined within national copyright laws which are, in large part, shaped by international treaties. Copyright law establishes the rights conferred on songwriters of original works, and those who perform them, as well as those who support their widespread dissemination (i.e. record companies and broadcasters).

Copyright protection arises once a musical work has been created. A musical work constitutes musical notes (with lyrics, where relevant) written down, arranged or recorded. The exploitation of musical notes, lyrics or works triggers the payment of royalties. Unlike other forms of intellectual property, music royalties have a strong linkage to individuals. There is no formal obligation to register a work with a national authority, although in some countries, such as the United States, registering a work with the US Copyright Office enables the copyright owner to claim a higher level of damages against someone who is found to have infringed that copyright and to recover legal costs. The Company intends to continue to register the material musical works it owns or acquires in order to protect its copyright ownership to the extent legally permissible and where the Investment Adviser and the Board considers it to be commercially prudent to do so.

Royalty payment obligations are based on the value of music sales. Royalties will accrue to a songwriter, as owner of the copyright in the Song, or a subsequent owner of the copyright (e.g. the Company), when that Song is played, published or used (as further detailed below). Royalties have historically been regarded as investable assets due to their protected cash flows and the fact that those returns are generally not correlated to equity or fixed income markets. These income streams are protected by copyright law. For example, in the UK and as at the date of this Prospectus, copyright in written, dramatic and musical work endures for 70 years after the death of the last co-songwriter, and copyright in a sound and music recording endures for 70 years from first production. Under IFRS, Songs are amortised over their "useful life", which is analysed on a Catalogue by Catalogue basis at the time of acquisition and at the accounting period end. Typically, the Company would determine that the "useful life" for a Song is 20 years, which is significantly shorter than the duration of any copyright acquired in such Songs. The appeal of royalties as an investment has increased significantly as the majority of all hit Songs are now co-written by someone other than the recording artist. As such, it might be argued that there exists currently an "era of the song" rather than it being an "era of the artist". With the rise in televised talent shows, increase in cover bands and cover versions of Songs and increased usage of music in everyday lives, ownership of the copyright to a proven Song can result in steady royalty payments.

An investor typically pays a fixed amount to the songwriter (or a subsequent owner of the copyright) to acquire the copyright in Songs. This entitles the investor to receive the corresponding royalty payments for the duration of the copyright.

Global recorded music revenues peaked historically in 1999 at US\$29 billion after which there was a 15 year decline, with a corresponding decline in royalty income for songwriters, which occurred as a result of value destruction led by piracy.

In recent years, technological advances have driven significant evolutionary changes in the global music industry. Due mainly to a rapid transition from an era of piracy and illegal downloading to one of chargeable streaming and cloud-based services, the downward revenue

trend has been reversed so as to position the industry at a tipping point where revenues are rising and could by 2027 once again have reached their 1999 peak levels (in nominal terms) (source: Goldman Sachs (Equity Research)).

In 2019, according to IFPI, total revenues for the global recorded music market grew by 8.2 per cent. to US\$20.2 billion. Streaming revenue grew by 22.9 per cent. to US\$11.4 billion, accounting for more than half of global recorded music revenue. Physical revenue continued to decline in 2019 (by 5.3 per cent.), albeit at a slower rate than 2018. Over the course of 2020, Song-related revenues across music publishing are expected to grow by 3.5 per cent. (source: Goldman Sachs (Equity Research)).

The DSPs have recently experienced significant increases in paid streaming subscribers. Worldwide, across all DSPs, there were 400 million music subscribers as at April 2020, which represents an increase of 30 per cent. on the total number of subscribers as at April 2019 (source: MiDiA Research). The number of net, new worldwide subscribers as at Q1 2020 was 93 million, compared to the 77 million net, new subscribers as at Q1 2019 (source: MiDiA Research). Spotify confirmed 144 million paid subscribers worldwide as at Q3 2020, which is an increase of 27 per cent. from 113 million paid subscribers as at Q3 2019 (source: The Verge, Business Insider). Apple Music is estimated to have approximately 70 million paid subscribers as at April 2020, as compared with approximately 50 million as at April 2019 (source: Music Business Worldwide). Looking ahead, the Investment Adviser and the Directors believe that there will be over one billion paid streaming subscribers by 2030 (source: Goldman Sachs, 2019).

In 2020, there were 139 billion audio streams from users in the United Kingdom, which represented an increase of 21.9 per cent. from 2019. The overall consumption of recorded music in the United Kingdom grew by 8.2 per cent. in 2020, when compared to 2019, with 155.4 million albums or their equivalent either streamed or purchased by users in the United Kingdom (Source: Music Week).

All of the major music publishing houses are reporting strong growth in revenues due to this growth in streaming. In 2019, Universal, Sony, and Warner generated a combined US\$8.4 billion in revenues from streaming – an increase of approximately 21 per cent. compared to 2018. Across all income types, the 'Big Three' earned a combined US\$14.9 billion in revenues in 2019, which was an increase of approximately 11 per cent. compared to 2018 (sources: Billboard, Rolling Stone).

This streaming growth is now having a material impact on the valuation of such major publishing houses, with the Chinese media giant Tencent Holdings Limited reportedly exercising its option to increase its stake in Universal Music Group by a further 10 per cent. based on an EV for the music firm of €30 billion (US\$37 billion), which will take its total holding in Universal Music Group to 20 per cent. (source: Music Business Worldwide). In addition, the June 2020 initial public offering of Warner Music Group Corp. valued it at approximately US\$12.5 billion with an EV/EBITDA multiple of approximately 20.2x (source: Rolling Stone). In this context, it should be noted that the major publishing houses typically do not purchase Catalogues of Songs from sellers in the market and thus tend to deploy less capital than businesses more similar to the Company, which focusses on acquiring Songs and associated musical intellectual property rights. As a result, although the Investment Adviser and the Directors believe that streaming growth has had and will continue to have a material impact on the Company's prospects, the resulting impact on valuation multiples may be even more significant for the major publishing houses.

In addition to streaming growth, the pace and quality of synchronisation licenses so far appears to be unaffected by the Covid-19 pandemic according to the Investment Adviser, and the Investment Adviser believes that recent increases in the demand for synchronisation licenses from television streaming services should offset any decrease in synchronisation fees from films. The Investment Adviser and the Directors believe that this increased uptake in demand by HBO, Netflix, Hulu and other streaming services will likely continue over the longer term.

The Company intends to continue to increase the size of its Portfolio and the Investment Adviser and the Directors believe that attractive investment opportunities continue to be available. Although there are high barriers to entry in relation to the acquisition of Catalogues

and Song management, the Investment Adviser believes that the market experience, reputation and relationships of the Investment Adviser's Team and its Advisory Board has enabled it, and should continue to enable it, to overcome those barriers. The Investment Adviser and the Directors also believe that the combination of its expertise, the in-house capabilities of the Group since the acquisition of HSG, and the expertise of the portfolio administrators the Company works (and intends to work) with, have resulted in the Company being well-positioned to manage the Songs it owns successfully, increasing royalty collection, improving the speed and accuracy of collection of royalty income, and improving synch placement of the Songs.

1.2 Recent factors influencing the market for royalties

Music revenues are on an upward trend

After a 15 year decline in music revenues influenced by piracy and illegal downloading, global revenues from recorded music have steadily increased since 2014 (source: IFPI). In 2019, the global value of music publishing, including songwriters and composers, increased to US\$20.2 billion, from US\$18.7 billion in 2018 (source: IFPI). The Investment Adviser believes, based on industry forecasts, that by 2027 revenues will once again reach the previous peak of 1999 (in nominal terms).

Growth driven by streaming revenues

Music streaming has driven the recent growth in recorded music revenues as the music industry continues to embrace the technology which caused it great damage in the first decade of this Century. The global uptake of broadband and mobile technology, the global penetration of new technology and the proliferation of social networking sites have made music more accessible than ever before. The establishment and rapid growth of DSPs such as Spotify, Apple Music, Tidal, Deezer, YouTube Music, Pandora and Amazon Music, coupled with innovation in mobile technology, has transformed the way in which music can be accessed. See also "*—Technological Developments in the Music Industry*" of Part IX (*Operating and Financial Review*) of this document.

DSPs allow listeners to play the music of their choice without the need to download it first. The DSPs pay royalties to the copyright owners of the Songs played via the premium and free service on the DSPs' platforms. In recent years, DSPs, portfolio administrators and publishers have improved their transparency and have allowed copyright owners greater visibility as to the royalties that should be received in respect of any given Song.

In addition, the payouts to songwriters or copyright owners have increased. In January 2018, the US Copyright Royalty Board ruled to increase songwriter rates for interactive streaming by 44 per cent. by 2023, though, as set out further in the risk factor entitled "*—If the US Copyright Royalty Board's decision to increase songwriter royalty rates by 2023 is successfully challenged by certain DSPs, the Company's revenue in future periods may be adversely impacted*", this decision is subject to appeal from certain DSPs. While a risk remains that certain DSPs will enter into exclusivity or windowing arrangements with major recording artists (where the DSP in question has exclusive access to the material before it is expanded to a wider release), thereby reducing competition in the market and increasing the demand for piracy, large music labels often prohibit recording artists from entering into such arrangements.

In 2019, global streaming revenues grew by approximately 20 per cent. and now constitute approximately 80 per cent. of global revenues (source: RIAA). In the first half of 2020, the Covid-19 pandemic increased demand for music streaming, with streaming revenues representing 85 per cent. of total music revenues in the United States (source: RIAA). In contrast, revenues from physical products and digital downloads constituted approximately 7 per cent. and 6 per cent., respectively, of global recorded music revenues (source: RIAA).

The Investment Adviser believes that further advances in technology aimed at simplifying streaming and increasing ease of use can reasonably be expected to drive growth in streaming revenues, as seen in emerging platforms TikTok, Peloton and Triller. Advances in technology, including voice recognition devices, have also provided access to particular categories of customers and opened up potentially attractive new markets. For example, older

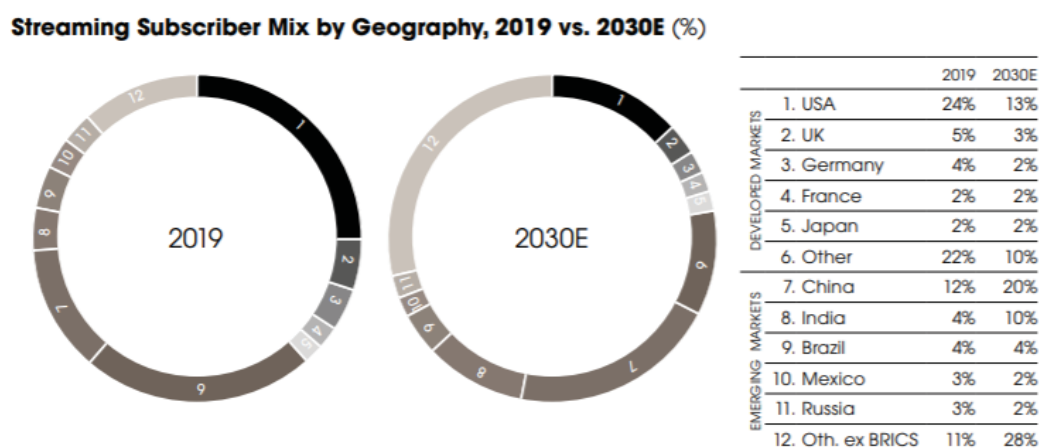
users of the internet (known as “silver-surfers”), have proved to be a lucrative source of additional income. They increasingly consume music online whereas they may not have visited high-street stores to buy physical music records or CDs.

The Investment Adviser and the Directors believe that as the Song is no longer restricted by formats used by the record industry, this provides opportunities for new partnerships to monetise the use of music. The delivery of a direct-to-consumer personalised service, such as “build-your-own playlists” or “favourites”, is contributing significantly to the increased streaming revenues through repeat plays of favourite Songs, which indicates that this is a marketplace that can be monetised further over time.

Geographical expansion

The global growth of streaming has resulted in an increase in the monetisation of Songs in jurisdictions that were traditionally difficult to recover accurate (or any) royalties, due to a range of factors including high piracy rates or poor revenue collection methods. The Investment Adviser believes that recent payment solutions, business models and an increased recognition of intellectual property rights have set the stage for growth in such emerging markets. An increased uptake in legal streaming, as compared to consuming music through pirate platforms, has enabled DSPs such as Apple and Spotify, as well as local services, to deliver revenues from markets that, historically, the Company has overlooked in making its projections. Figure 7, below, supports the Investment Adviser’s and the Directors’ belief that the increased uptake in streaming in emerging markets is set to continue (particularly in India and China), and will have a profound impact on revenues generated by Songs across the globe.

Figure 7: Streaming Subscriber mix by geography: 2019 vs 2030 (estimate) by percentage



Source: IFPI Global Music Report 2020, Goldman Sachs Global Investment Research

The Covid-19 pandemic

The Covid-19 pandemic has significantly affected the music industry with reductions in public performance and live income being experienced globally as lockdowns impact the leisure and live entertainment industry. Yet despite these negative impacts, the music industry has continued to grow, including earnings relating to music publishing and songwriters. For 2020, Song-related revenues across music publishing are expected to have grown by approximately 3.5 per cent. (source: Goldman Sachs (Equity Research)).

The Investment Adviser and the Directors believe that increases in demand for streaming as a result of the Covid-19 pandemic could replace and exceed the revenues lost from other income sources as consumers seek in-home alternatives to out-of-home entertainment. For example in the first half of 2020, US music revenues grew 5.6 per cent. This growth was principally driven by streaming, which increased by 12 per cent. for the same period (source: RIAA). Similar growth has been reported in Europe; in the first half of 2020, music

revenues grew by 2.1 per cent., 4.0 per cent. and 4.8 per cent., respectively, in Italy (source: Federazione Industria Musicale Italiana), Spain (source: Productores de Música de España) and Germany (source: Bundesverband Musikindustrie).

Streaming growth in 2020 was in turn driven by established DSPs, such as Spotify and Apple Music, and emerging social platforms that incorporate music, such as TikTok, Triller and Peleton. Spotify, in particular, reported a year-on-year increase of 14 per cent. in total revenue to €1.97 billion (US\$2.29 billion) for the third quarter of 2020, with total monthly active users rising by 29 per cent. year-on-year to 320 million (source: Spotify). The Investment Adviser and the Directors believe that payments from end-users to emerging social media platforms could start resulting in royalty payments to the Company in 2021 and beyond.

The Covid-19 pandemic has not only affected how people consume music, but what music they consume. The Investment Adviser and the Directors believe that the lockdowns and other restrictive measures imposed in response to the Covid-19 pandemic have significantly changed music consumption. In particular, there has been an increase in demand on streaming platforms for vintage Songs aged over three years which evoke nostalgia among listeners (source: Billboard and Nielsen Music). The Investment Adviser and the Directors believe that older Catalogues will continue to represent a significant proportion of streaming growth in future periods.

The Investment Adviser intends to continue to pursue Song acquisition opportunities that increase the Company's exposure to streaming growth and limit the Company's exposure to live and public performance revenues. For the year ended 31 March 2020, live income and public performance income represented approximately 3 per cent. and 12 per cent., respectively, of the Company's royalty income.

The Investment Adviser and the Directors believe that this investment strategy of building a Portfolio with a core of extraordinarily successful proven hit Songs, which have a high exposure to streaming and low exposure to live music, leaves the Company well-positioned in the Covid-19 and post Covid-19 world. See "*—The Covid-19 Pandemic*" of Part IX (*Operating and Financial Review*) of this document.

Decreasing volatility of royalty revenues

The increased consumption of music through paid streaming has reduced the volatility of royalty revenues across the music industry. As a result of this trend, the risk premium applied to Song royalties has decreased in recent periods. As at the six months ended 30 September 2020, the discount rate used by the independent valuer to calculate the fair value of the Company's Portfolio decreased from 9 per cent. to 8.5 per cent. The Investment Adviser and the Directors believe that the value of music as an asset class to increase in future periods as paid streaming continues to grow and the volatility of royalty revenues continues to decrease.

New growth opportunities

The Investment Adviser believes that there remains a number of growth opportunities to capitalise on royalty income, which are not factored into forecast revenues used in valuing the Catalogues:

- (a) emerging markets: as the use of mobile technology continues to grow in these markets there will be significant opportunities to monetise musical royalty payments;
- (b) technology is improving the tracking, transparency and collection of royalties which improves returns;
- (c) increased synchronisation opportunities due to the continued expansion of music usage in social media and virtual reality experiences; and
- (d) the increased integration of DSPs into emerging technologies, as for example Spotify is integrated into Android Wear and Samsung Gear Fit watches.

1.3 Music royalties, licence fees and advance payments

Royalty payments and licence fees

Royalty payments, whether negotiated individually or as part of industry-wide arrangements, are effectively licence fees for a permitted use of material which is subject to copyright.

As the owner of the copyright in a Song, a songwriter is entitled to a publishing royalty payment each time that Song is played, published or otherwise used. A songwriter's publishing royalty, the “**writer's share**”, is distinct from the royalty payable to the publisher of that Song, the “**publisher's share**”. Until such time as a songwriter enters into a publishing arrangement with a publishing company both the writer's share and the publisher's share will be paid to the songwriter. When administration or co-publishing arrangements come to an end, the entire publisher's share will revert to the songwriter. Figure 8, set out below, provides details of the different types of royalty payment that the Company can expect to receive.

Figure 8: Music royalties and licence fees for song exploitation

Type of licence and associated royalty	Background	Explanation and How it works	Rates
Mechanical licences and royalties	Originally, a recording was reproduced mechanically using mechanical piano rolls. The licence to reproduce the song on a sound recording is accordingly called a mechanical licence. This remains a major source of income for owners of copyright, and is triggered when a copy of a Song is made, whether physical (e.g. CDs, DVDs) or digital (e.g. permanent downloads, streaming, webcast);	If a record company wishes to record or reproduce a performance of a Song, it must obtain permission from the songwriter, the publisher or the person who administers the Song. The record company will then pay a licence fee to the owner of the rights in the song. The fee for this is the mechanical royalty.	<p>This is either fixed by negotiation between representatives of the record and publishing companies in the country concerned or set by law or legal tribunal.</p> <p>In the UK, the current licence fee on physical CDs is 8.5 per cent. of the dealer price of the CD.</p> <p>In the UK, the mechanical royalty rate for digital downloads or streaming is 8 per cent. of gross revenues of the relevant DSP.</p> <p>In the US, the minimum statutory rate for mechanical royalties (both physical and permanent digital downloads) is set at 9.1 cents per composition or 1.75 cents per minute (for songs over 5 minutes).</p> <p>However, in the US, the royalties due when a Song is streamed are calculated by reference to an agreed proportion of the gross revenues earned by the relevant DSP. The Song copyright owners' proportion of the gross revenues is split between mechanical and performance royalties. Each element of the revenues is divided by the total number of plays across all Songs through the relevant DSP, with the Song copyright owner being paid a royalty per play of each Song.</p> <p>In January 2018, the US Copyright Royalty Board ruled to increase songwriter rates for interactive streaming by 44% by 2023, though it is noted that certain DSPs are challenging this increase.</p>
Synchronisation licences and fees	This licence is called a synchronisation licence because it gives the right to synchronise music with visual images (e.g. TV and video games). Synchronisation fees have become much more important as a source of revenues with the rise in advertising agencies using music creatively to enhance advertising.	An advertising agency, film/TV production company or other end customer will pay a synchronisation fee to the publisher or the owner of the copyright (depending on the arrangement).	In some countries, there is a fixed rate for synchronisation licences although in most cases, this is agreed on a case-by-case basis.

Type of licence and associated royalty	Background	Explanation and How it works	Rates
Performance licences and royalties	This is the right to publicly perform or broadcast a song. This includes live concerts, playing music in shops, in restaurants, on the radio, on TV, and in clubs or bars.	<p>Songwriters will register with PRS or another PRO, recording their proportionate entitlement to the royalties which are due in respect of such performances.</p> <p>Performance rights royalties largely come from licences taken out by broadcasters, shops, restaurants, clubs and bars etc. In the UK, these are known as "blanket licences" issued by PRS or another PRO.</p> <p>As noted above, because the streaming of a Song is treated as a public performance of that Song (as well as making of a copy of that Song), DSPs are required to pay the performance royalties due in respect of such Songs, which are paid through the relevant local PRO.</p>	<p>The share of the royalty due to the songwriter members of PRS is paid out four times per year after the PRS (or other PROs) has deducted its administration fee. PRS will pay each songwriter based on the proportions recorded in PRS's systems.</p> <p>The PRS rules require that at least six-twelfths (i.e. 50 per cent.) of the performing income is paid to the songwriter (or owner of the copyright in the Song) directly.</p> <p>In the case of streaming through DSPs, the Song copyright owners' portion of the gross revenues is divided broadly equally between mechanical and performance royalties.</p>
Print rights	Although not as significant today, there is also the right to issue licences for a song to be reproduced in printed form as sheet music.		
Grand Rights	This is the right to use songs in theatrical stage productions and musicals.		These deals may be based on a flat fee income and/or share of box office (and also may include income from spin-offs, e.g. cast albums).

Source: *The Family (Music) Limited, August 2019*

In the United States, the rates for interactive streams and limited downloads are determined by a number of factors, including: service offering type, licensee type, service revenues, recorded content expense, and applicable performance royalty expense. Against the background of the statutory royalty rates the DSPs, such as Spotify and Apple Music, have agreed medium term gross revenues sharing arrangements with the sound recording owners and the copyright owner of the relevant Songs (either directly with the songwriter/publisher or indirectly through the relevant PRO) under which the record companies and the songwriters and publishers receive specified proportions of each DSP's gross revenues. The Song copyright owners' portion of the gross revenues is then divided broadly equally between mechanical and performance royalties, with each element of the royalty revenues being divided by the total number of plays across all Songs through the relevant DSP so as to generate a royalty per play, which is then paid proportionately to the relevant Song copyright owners of each Song played.

For all countries that are signatories to the Berne Convention, an original work is protected for a minimum of 50 years after the songwriter's death, but in other jurisdictions that figure can be 70 years or more. In the United Kingdom, the United States and Australia, copyright in most works (for example, written and musical) in a Song lasts for 70 years after the death of the songwriter or last living co-songwriter. Unpublished works may also attract different copyright rules. In the United States, the copyright duration rules are more complicated for works created before 1978 or in respect of certain works. In addition, whilst the copyright duration in the United Kingdom for sound and music recordings is 70 years from first publication, copyright duration in sound and music recordings is more variable across other jurisdictions. The Investment Adviser and the Directors believe that the intellectual property rights pertaining to the Catalogues within the Group's Portfolio, as at 31 December 2020, had an average life of 101 years.

Songs which perform well in the United States and the United Kingdom generally perform well internationally and generate royalties all over the world. The songwriter may grant a licence for their work to be translated into different languages in return for a fee. Further, a combination of technology adoption and improved legal and regulatory environments for enforcement of

intellectual property rights worldwide may be expected to lead to an increase in royalty revenues earned from other countries, including those which are currently emerging markets (for further details, see “—*New Growth Opportunities*” above).

Opportunities to grow revenue

Synchronisation usage and other technological advances

A songwriter may be able to realise further revenues from their Songs by licensing them for use in visual media such as films, advertisements, TV shows and video games. This is known as synchronisation, a phrase which dates back to the early days of the “talkie” films, when music was first synchronised with film. There is a growth in revenues from synchronisation primarily from the growth of DSPs, multimedia sales of films and TV shows through multimedia streaming platforms and the continued growth in popularity of video games. Publishers are also entitled to participate in any synchronisation fee, and any split will depend on the ratio negotiated between the songwriter and the publisher. The Company will, however, seek to acquire both the writer’s share and publisher’s share of the rights to the synchronisation fee and therefore, the synchronisation fee would not have to be split.

Music is often used to enhance advertising. Over the past few years, the John Lewis’ Christmas advert has provided many examples of successful synchs, with the advert becoming known for its chosen background song. This is often a cover of a popular, older song. The YouTube clip of John Lewis’ 2016 “Buster” advert has received over 1 billion views, each of which generated a royalty payment for the songwriter and the publisher. The “Buster” advert included a cover of Randy Crawford’s 1980s hit “One Day I’ll Fly Away”, demonstrating the potential to drive revenues from old Songs. Previous covers include: (i) Keane’s 2004 hit “Somewhere Only We Know”, which was covered by Lily Allen and used in John Lewis’ 2013 advert; and (ii) the lesser known John Lennon song, “Real Love”, covered by Tom Odell and used in John Lewis’ 2014 advert. The 2014 advert is a good example of using a lesser-known Song from an established songwriter to generate revenues by way of granting a licence to a popular modern recording artist to cover the Song, and then using it in a popular advertisement. In 2018, John Lewis opted to use “Your Song”, performed by Elton John. Whilst breaking the mould of covering famous old songs, this advert still generated over 13 million hits on YouTube for a song that was originally released in 1970, proving that the advert can be used to rekindle, or at least maintain, popularity of old songs.

Notable synchronisation deals were delivered across the Portfolio in the prior financial year ending 31 March 2019, particularly from The-Dream Catalogue which included the Beyoncé Song “XO” which was licensed to Louis Vuitton. The Bernard Edwards Catalogue is one of the Company’s most synchronised Catalogues and has earned synchronisation revenues of more than US\$750,000 of received statements in the calendar year ending 31 December 2020, with the Company’s share of such revenues being 37.5 per cent. Recent synchronisation examples include the synch placement of ‘We Are Young’ by fun., from both the Nate Ruess and Jack Antonoff Catalogues, in the ‘Boss Baby 2’ film trailer and the synch placement of ‘One Way or Another’ by Blondie, from the Debbie Harry and Chris Stein Catalogue, in the M&S Christmas TV advertising campaign.

Synchronisation can also benefit emerging recording artists where management of their Songs through active synch placement can generate significant income even in the early stages of a career. An example of this is the Tom Odell cover of John Lennon’s song in the John Lewis advert, referred to above.

The Investment Adviser uses its extensive network of relationships with broadcasting networks, TV studios and advertising agencies to enhance synchronisation opportunities for the Company to increase its income. Having a diversified Portfolio of Songs, which is focused around culturally important Songs with lasting appeal, enables the Company to capitalise on multiple synch opportunities.

Typically songwriters will be protective over the use of their Songs. Accordingly, even if they want to sell they will be very selective in the potential buyer. They will want to know the buyer understands their values and will treat their songs with respect. This plays to the strengths of the Investment Adviser in being able to secure opportunities to invest in “off market” Catalogues for the Company, due to its strong industry relationships and experience.

Cover versions and sampling

It is estimated that there are in excess of 2,200 recorded versions of the Beatles' Song, "Yesterday", with royalties being payable in respect of each to the songwriters, Sir Paul McCartney and John Lennon, pursuant to the copyright law that protects songwriters. Popular contemporary recording artists frequently cover older songs. For example, Leonard Cohen's song "Hallelujah", which was covered in 1994 by Jeff Buckley and, more recently, benefited from a synch placement in the film "Shrek", has now been covered over 300 times and finally entered the American Billboard Hot 100 in 2016, 32 years after it was written.

Where a mainstream recording artist samples or interpolates part of a Song, it is common for that recording artist to obtain prior authorisation from the songwriters or publishers of that Song. Parties typically negotiate a payment for the use of such a sample, either by way of a one-off payment or a share of the future royalties. However, payments are not necessarily agreed before a Song is sampled or interpolated. On occasion payments are agreed at a later date by way of settlement, particularly where a sample has been used without the songwriter's prior permission. For example, Vanilla Ice sampled the bassline of the 1981 Song "Under Pressure" by Queen and David Bowie in his hit Song, "Ice Ice Baby". Vanilla Ice, whose real name is Rob Van Winkle, claimed in a 2006 interview that he subsequently paid Freddie Mercury and David Bowie an undisclosed sum and added their names to the credits of the Song.

Payments to the Company by portfolio administrators

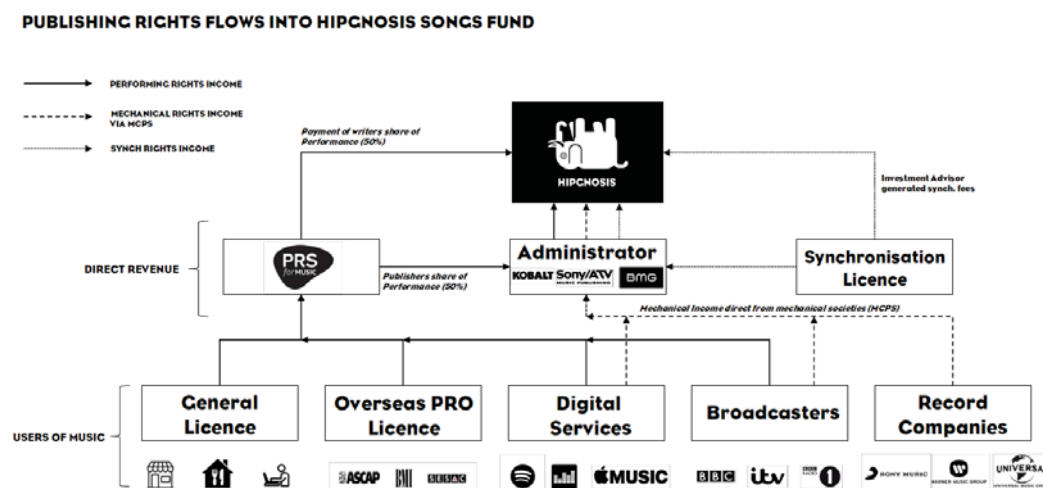
In the music industry, a portfolio administrator may wish to make an offer to certain songwriters or copyright owners, such as the Company, to administer a particular Song or Catalogue and, as part of that bid, will often offer to make certain payments. In such circumstances, the portfolio administrator will offset the future royalties received in respect of such Song or Catalogue against the value of that payment. The payment is not normally refundable, provided that the Company fulfils its part of the contract, so if the Song or Catalogue fails to generate revenues above the value of the payment, the Company will not be obliged to repay the advance payment. Any royalties received above the amount of the advance payment will still be paid to the Company, after deduction of the portfolio administrator's fees. As such, the Investment Adviser and the Directors view these payments as upside-only, providing the Company with cash up-front, whilst ensuring that the Company will also benefit from any success that its Songs or Catalogues have over and above the value of the payment.

1.4 Capturing Royalties

Overview

Figure 9 below sets out an overview of the various revenue streams that the Company expects to receive by way of mechanical royalties, performance royalties and synchronisation fees. It is expected that, following the acquisition of each Song, the Company will step into the songwriter's position with regard to the collection of their share of the royalties and payments (which could comprise their writer's share, their publisher's share and/or their performance rights) due in respect of each Song.

Figure 9: Flow of payments due to the Company



Source: The Family (Music) Limited, March 2019

Following the acquisition of a Song, a Fund Entity will enter into a licence or other form of contractual relationship with various counterparties in relation to the revenue streams in respect of each Song.

Performance Rights Organisations

Performance Rights Organisations represent the rights and interests of songwriters and publishers. They collect royalties, create collection policies and set royalty rates for the use of music copyrights in the relevant jurisdiction. There are over 120 such rights organisations around the world and most of them have agreements and frameworks in place with each other.

A songwriter will, typically, sign up to only one PRO depending on the location of the songwriter or other personal circumstances or preferences. When a songwriter has contracted with a PRO, all of the songwriter's work goes through that PRO, which will collect, through their arrangements with other PROs, all performance royalties due from the territories covered by those other PROs for onward payment to the songwriter or to the owner of the copyright.

The performance rights organisation in the United Kingdom is PRS for Music, comprising PRS and MCPS. PRS collects and pays performance royalties to its members when Songs are broadcast on TV or radio, performed or played in public (whether live or through a recording) or streamed or downloaded. MCPS collects and pays mechanical royalties to its members when Songs are copied as physical products (such as CDs or DVDs), streamed or downloaded, or used as a synch placement in film, TV or radio. In the United States, performance royalties are collected by a number of PROs, principally ASCAP or BMI, depending on where the songwriter or publisher registers the copyright to the Song.

The PRO will pay the writer's share of the performance royalties directly to the songwriter, or in this instance directly to the Company. The writer's share is typically 50 per cent. of the gross performance royalty as well as a percentage of the remainder, being the publisher's share of the performance royalty.

The Company is a member of PRS, and has registered with BMI and ASCAP.

Royalties due to the songwriter

Mechanical royalties

Mechanical royalties are due when a physical copy of a Song is made, such as a CD or vinyl record, or a permanent digital download is created. Mechanical royalties are also derived from music streaming (see "*Royalties derived from streaming*" below). The amount and terms on

which royalties are paid varies depending on the type of mechanical royalty. Certain mechanical royalties, known as broadcast mechanical royalties, are paid on a fixed point value basis.

The amounts due to the songwriter will depend on the country in which the royalty is triggered. In the United Kingdom, MCPS represents its members in respect of their mechanical rights and is responsible for collecting the royalty due whenever a piece of music is reproduced as a physical or digital product. The licensing of MCPS rights is handled by PRS for Music. In the United States, there is a set mechanical royalty rate of 9.1 cents per Song for a physical sale or digital download.

Performance royalties

Performance royalties are due when a Song is performed live or broadcast on TV, radio or the internet. Performance royalties are also derived from music streaming (see “—*Royalties derived from streaming*” below). Like broadcast mechanical royalties, performance royalties are paid out on a fixed point value basis. Public performance royalties are calculated and distributed on a census basis and sample basis. This value is based on the outlet and the duration of the performance. In the UK, PRS for Music represents members in respect of their performing rights, seeking payment whenever a piece of music is performed or played in any public space or outside of the home.

Synchronisation fees

Synchronisation fees are fees due when a Song is used in another form of visual media (for instance, when music is used in a television or radio advertisement or as the soundtrack of a video game, or at a corporate event). Synchronisation fees are negotiated directly between the copyright owner (or their publisher) and the licensee. With respect to the Company, such negotiations will usually be undertaken by the Investment Adviser acting on behalf of the Company. The Company will also grant Kobalt and other relevant portfolio administrators permission on a non-exclusive basis to negotiate synchronisation opportunities and fees. Typically, synchronisation fees are paid directly by the licensee without involvement of a rights society.

Royalties derived from streaming

DSPs pay both performance royalties and mechanical royalties every time a Song is streamed. This is because the streaming of a Song is treated as both: (i) a public performance of that Song (similar to the airing of a Song on the radio); and (ii) the making of a copy of that Song (similar to Songs being included in a CD). Accordingly, DSPs are required to pay the performance royalties due, through the relevant local PRO, and the mechanical royalties due, through the relevant portfolio administrator or PRO. For mechanical royalties, the process is similar in most countries worldwide: the DSP (such as iTunes, Spotify or Amazon) will pay the mechanical royalty due to the relevant portfolio administrator or PRO for each Catalogue or Song.

The major DSPs, including Spotify, Apple Music, Amazon Music and YouTube, are likely to be licensed on behalf of the Company on a collective basis by PRS and MCPS (in the UK) with the relevant licences covering the utilisation of the Company’s Songs by the DSPs across Europe. Smaller DSPs are licensed on behalf of the Company by PRS and MCPS on a local basis. PRS will deduct an administration fee from the Company’s share of the relevant royalty. This fee is then split between PRS for Music and MCPS depending on the type of service. For on-demand DSPs (such as Spotify), each of MCPS and PRS for Music receive 50 per cent. of the fee. This licence fee is then paid to the relevant songwriter or publisher, less any administration fee that is retained by PRS for Music (which can range from 2 to 20 per cent., depending on the scope of PRS’s role in collecting the royalties). In the United States, BMI and ASCAP collect royalties on a similar basis to PRS and MCPS.

Royalties derived from master recordings

Master recordings earn synchronisation royalties in the same manner as publishing and generate income from the sale of both physical records and digital downloads, as well as from DSPs.

Timing for collection and payment of royalties

Payment of mechanical royalties

For physical copies of music, mechanical royalties are triggered every time a copy of a Song is made, such as through the manufacturing of a CD. In order to copy the Song in this manner, the manufacturer must possess the relevant licence. The payment obligation is typically triggered upon the manufacture of the product, and is calculated by reference to the volume of the product which is to be distributed to the retailer.

For downloads and digital streaming, the mechanical royalty becomes due when a copy of the master is made from the DSP's server and is transmitted to the purchaser as a permanent download or by way of streaming.

Once the portfolio administrator has been paid the mechanical royalty by the relevant broadcaster, DSP or record company, it will accrue such royalties for each Song in the proportions set out against each songwriter on the relevant portfolio administrator's system. The frequency with which the portfolio administrator will pay the songwriter or copyright owner will vary between portfolio administrators. Some portfolio administrators will accrue mechanical royalties on a six-monthly basis and will typically account to the songwriter or copyright owner within three months following the expiration of such period. Other portfolio administrators, such as Kobalt, offer a more frequent accrual and payment service. In addition, Kobalt will allow songwriters and copyright owners access to its platform so as to track the mechanical royalties due on a Song in real time.

The Company has appointed HSG and Kobalt as portfolio administrators and a number of royalty collection agents to manage the collection of mechanical royalties (and in certain circumstances, performance royalties) across different jurisdictions. In the UK, the Company will register with MCPS with respect to the collection of mechanical royalties. The Company has entered into a master portfolio administration agreement with Kobalt, further details of which are set out in the section entitled "*Material Contracts: Kobalt Agreements*" of Part VII (*Additional Information*) of this Prospectus.

Payment of performance royalties

Performance royalties are paid to a PRO from the underlying end-user, whether that is a radio station, TV station, concert hall or a DSP. The frequency of such payments from the end-user will depend on the relationship with the PRO and varies between end-users. In many circumstances, royalty payments are accrued by the end-user on a quarterly basis and paid to the PRO the following quarter. However, it is not uncommon for PROs to be paid on a less frequent basis. Certain end-users, such as broadcasters, would pay royalties to PRS across a negotiated, blanket licence, for a fixed term (which is typically for a 12-month period), rather than accruing royalty payments on a quarterly basis. The amount received from PRS, for example, for the duration of such a licence is then paid to the songwriter or publisher applying the relevant fixed point values, and are reconciled following the end of the licence term.

Once a PRO has received a performance royalty from the broadcaster or overseas PRO, it will account for the writer's share of that performance royalty in the proportions set out against each songwriter or copyright owner for each Song on the PRO's system. Each PRO will accrue the performance royalties due to a songwriter, aggregated across all Songs on that PRO's system, and pay those performance royalties to the relevant party on a regular basis. The frequency of the payments depends on the accrual policy of the relevant PRO as set out in Figure 10 below. PRS, for example, accrues performance royalties four times a year, and pays the writer's share four times a year.

Figure 10: The 2021 payment schedules for PRS, BMI and ASCAP

	PRS	BMI****	ASCAP*****
Period	January – March 2021	January – March 2021	January – March 2021
Payment Dates	TV: July 2021 Radio*: July 2021 Online: October 2021	September 2021	September**/October 2021
Period	April – June 2021	April – June 2021	April – June 2021
Payment Dates	TV: October 2021 Radio*: October 2021 Online: December 2021	January 2022	December 2021**/ January 2022
Period	July – September 2021	July – September 2021	July – September 2021
Payment Dates	TV: Dec. 2021/April 2022*** Radio*: December 2021 Online: April 2022	March 2022	March**/April 2022
Period	October – December. 2021	October – December 2021	October – December 2021
Payment Dates	TV: April 2022 Radio*: April 2022 Online: July 2022	June 2022	June**/July 2022

Source: The Family (Music) Limited, compiled from publicly available data

* Includes all performances on the radio, cinema, live (except concerts), background music and music channels.

** Denotes the payment date for the publishing rights whereas all other payment dates are in relation to the payment to the songwriters or the owners of the copyright.

*** Performances in September 2021 will be paid in April 2022.

**** The payment schedule for BMI is an estimate based on historic data and may be impacted by the Covid-19 pandemic. In addition, this schedule does not apply to classical concerts and pay-per-view performances, which are paid once per year. Finally, BMI reserves the right, in its discretion, to make special distributions outside of this payment schedule.

*****As a result of the Covid-19 pandemic, ASCAP transitioned to a more flexible distribution scheme for 2020 and 2021. Distribution dates are therefore estimates only (based on historic payment dates and publicly available information), and are subject to change.

Payment of synchronisation fees

Given that synchronisation fees are paid in accordance with the terms of each individual licence agreement entered into between the copyright owner or publisher and the end-user, the timing and frequency of such payments vary between synchronisation deals. Such arrangements could require the end-user to pay the agreed licence fee up-front, on airing of the production, or before the programme/film is produced (or in the case of a video game, before the product is manufactured), depending on the type of product, profile of the recording artist and licence that is granted. Synch licences are granted for a set term. The terms of renewal of a synch licence are typically agreed at the time of granting the original synch licence. The Investment Adviser, in accordance with the terms of such licence, monitors payments made by the end-user to ensure that they are made on time.

Up-front payments by portfolio administrators

As described in “—Payments to the Company by portfolio administrators” of this Part II (Market Background, Investment Strategy and Approach) of this Prospectus, occasionally up-front payments are paid by portfolio administrators to the songwriter (or the holder of such copyright in a Song), and the Company may take advantage of such arrangements. In such circumstances, the portfolio administrator would offset any royalties or payments it receives from the DSPs, record companies or broadcasters against such up-front payments over the duration of the administration contract. Accordingly, the delays which the copyright owner would experience before receiving royalty payments as described above would be mitigated. To the extent that the offsetting payments ultimately prove to be less than the up-front amount, any excess is not recoverable by the portfolio administrator and any excess in royalty payments above the up-front amount will be paid to the benefit of the copyright owner.

2. INVESTMENT STRATEGY AND APPROACH

2.1 Investment Strategy

Acquisition of Songs or Catalogues

The Investment Adviser is responsible for identifying Catalogues for potential investment by the Company, in accordance with the Company's Investment Objective and Policy and subject to approval by the Board. Pursuant to the Investment Advisory Agreement, the Investment Adviser is also responsible for the ongoing management of Songs acquired by the Company with a view to increasing royalty income and collection as well as developing strategies to maximise the earning potential of a Song including through improved synch placement and usage, and regular supervision of portfolio administrators and royalty collection agents, subject to the oversight of the Directors.

The Investment Adviser continues to believe that a combination of its expertise in selecting and managing Songs (in cooperation with portfolio administrators) should enable attractive returns to be realised from the Songs that the Company acquires. The Investment Adviser believes that its relationships are key to sourcing Catalogues and synch opportunities. The Investment Adviser and the Directors believe that the Company has a competitive advantage over most of the major publishers because the Company is advised by the Investment Adviser and its Advisory Board, a carefully assembled panel of leading music industry figures, from recording artists to songwriters, producers to managers, and lawyers to consultants, who the Company and the Investment Adviser believe are well-placed to advise on any given Song's potential market, reach and popularity. The Investment Adviser's Team also believes that it has a relatively low ratio of Songs to each individual in the team managing the Songs, thereby, in the opinion of the Investment Adviser, allowing the Investment Adviser to target synchronisation opportunities more effectively, generating enhanced returns. While the retention of key members of the Investment Adviser's Team cannot be guaranteed, the Investment Adviser has endeavoured to ensure that the principal members of its Team are suitably incentivised.

The Company may acquire Songs or Catalogues for consideration consisting of cash, Shares or a combination of cash and Shares and part of the consideration may be on deferred terms. The deferred consideration would typically be: (i) conditional upon the Song or Catalogue achieving certain specified milestones; or (ii) related to the fair market value of the Song or Catalogue. Such a strategy would seek to reduce the Company's exposure to Catalogues that do not perform as well as forecasted, by reducing the amount the Company pays up front.

Compiling a diversified and balanced Portfolio of Songs

To take advantage of the structural growth drivers outlined above, the Company continues to identify Catalogues of culturally important proven hit Songs which the Investment Adviser and the Directors believe offer significant value opportunities both from market growth and Song management.

The Portfolio mostly comprises seasoned, classic Songs (often referred to as 'evergreen'), which are Songs released more than three years ago. These Songs accounted for approximately 95 per cent. of the Portfolio (based on fair value) as at 30 September 2020, and produce income that is expected to grow progressively in line with the continued adoption of streaming, and has the potential for further growth through being actively managed by the Investment Adviser.

In addition, with streaming growth being the backbone of the Company's investment thesis, the Investment Adviser will also seek to source some Catalogues that include newer hit Songs which have demonstrated extraordinary, recent success. As at 30 September 2020, approximately 5 per cent. of the Portfolio (based on fair value) was derived from Songs that were released less than three years ago. The Investment Adviser therefore seeks to identify newer Songs from this group in order to provide the Company with high exposure to streaming.

The Company's Portfolio comprises Catalogues, and the Investment Adviser is seeking to continue to identify Catalogues, which include Songs with the following characteristics:

- high profile Songs performed by artists well known to society;

- o proven hit Songs with a track record of success and of producing predictable and reliable income;
- o culturally influential and therefore likely to be continuously played over time and/or are considered, by the Investment Adviser, to have an enduring appeal that attracts them to be covered by new recording artists;
- under-exploited and for which the Investment Adviser has identified potential synch or cover opportunities; and
- offering upside from improving the administration of collection of the royalty income and through negotiating competitive fees with the relevant external portfolio administrator.

As further disclosed in “—*Background to the Company*” of Part I (*Information on the Company*) of this Prospectus, the Investment Adviser believes that its extensive experience across a broad spectrum of music genres, together with its relationships with songwriters and recording artists in the music industry, means it is well-positioned to continue to source opportunities for the Company to invest in a diverse range of attractive Catalogues and then assist the Company in maximising earnings from them.

Acquisition of rights over Songs through payment of Advances by the Group

As permitted by the Company’s Investment Policy, the Company may acquire rights over future (unwritten) Songs that are acquired by HSG through the payment by HSG of Advances to songwriters, with such advanced amounts (in aggregate) being capped at 5 per cent. of the Company’s gross assets, calculated at the time of investment. The non-refundable Advance to a songwriter is consideration for them writing Songs, and is recoupable from the future royalties generated by those Songs, which will include the writer’s share of those royalties but may also include the performer’s share of such royalties and the master recording rights. As at 31 December 2020, HSG maintained an active roster of over 160 songwriters.

All the Advance payments result in the acquisition of rights over future (unwritten) Songs, and the Company expects Advances to take one of four potential forms, which are outlined below:

- (a) **New Signings:** HSG establishes a new contractual relationship with a songwriter. Highly regarded songwriters’ range in experience from new and upcoming developmental writers to established writers (being writers with a previous history of creating successful compositions).
- (b) **Options:** As part of the new signing process, HSG secures additional contractual terms in the form of an option, which HSG would only exercise if, in HSG’s view, the additional term would result in favourable economic results for HSG.
- (c) **Extensions:** HSG continues its relationship with the relevant songwriter through a short-term extension to the current term of the relevant agreement.
- (d) **Renewals:** HSG continues its relationship with the relevant songwriter through a long-term extension or renewal of the current term of the relevant agreement.

The Investment Adviser and the Directors consider Advances to be a cost-effective way to generate royalties in the future from Songs written by highly regarded songwriters. HSG shall be responsible for sourcing and advising on Advances, together with determining the appropriate structure and terms of such Advance, with the Investment Adviser reviewing and, within limits and controls set by the Board from time to time, approving any Advances in the ordinary course of HSG’s business. Details of the investment process relevant to the payment of Advances is set out in the paragraph entitled “—*Investment Process: Advances*” in this Part II (*Market Background, Investment Strategy and Approach*).

Financing the acquisition of Songs

The Board intends to grow the Company’s current Portfolio through the deployment of the Net Issue Proceeds and the net proceeds of any Subsequent Placing, together with any available leverage, provided that opportunities arise to acquire suitable, attractive Catalogues that meet the criteria set out within the Investment Objective and Policy. The Investment Adviser will endeavour to source such suitable Catalogues in accordance with the Company’s investment

strategy. In order to acquire such Catalogues, the Company may seek to raise additional capital through the Placing Programmes or, following the Final Closing Date, through subsequent issues of Shares.

The Company intends to make prudent use of leverage to finance the acquisition (directly or indirectly) of Songs or Catalogues in accordance with the Investment Objective and Policy to enhance equity returns. The Company may also utilise borrowings for working capital and interest rate hedging purposes, as well as to pay transaction costs and expenses. The level of leverage will be determined by the Directors, in consultation with the Investment Adviser, and is subject to an absolute maximum which, calculated at the time of drawdown, will be no more than 30 per cent. of the Company's Operative Net Asset Value.

Further details of the Company's leverage arrangements as at the date of this Prospectus are outlined "*—Liquidity and Capital Resources*" of Part IX (*Operating and Financial Review*) of this Prospectus.

Song management provides upside potential

The Investment Adviser follows a diligent approach to sourcing potential Catalogues for acquisition by the Company, which includes careful assessment of the underlying Songs and an assessment of the opportunity for Song management. Once a Catalogue has been acquired by the Company, the Investment Adviser pro-actively manages the Songs on an ongoing basis in order to maximise the earning potential and income growth, including through improved synch placement and usage, and through pursuing efficiencies in revenue collection.

Driving income growth through pursuing efficiencies in revenue collection

Registration audit

On acquisition of a Catalogue the Investment Adviser performs a deep dive exercise into the detailed ownership of all Songs within the Catalogue to ascertain ownership rights, income sources and key Songs, in order to determine an optimal strategy for revenue growth. As part of this exercise, the Investment Adviser seeks to identify any issues relating to the registration of Songs, or the collection of a Song's income, and remedial actions are taken. Where Songs are identified which have not been correctly registered, the Song's earnings are not recorded in the pre-acquisition income and therefore are not reflected in the acquisition multiple and purchase price paid. For example, the Investment Adviser has identified, and is seeking to address, registration issues with a number of significant Songs that the Company has acquired (including situations where rights in a Song were not properly registered or where Songs owned by the Company had been sampled and were not collecting royalties that the Investment Adviser believes should be paid to the Company).

As part of its registration audit, the Investment Adviser compiles deal timetables on each Catalogue, which (if relevant) will include making provision for any rights of reversion back to songwriters. The Investment Adviser uses this timetable to take advantage of reversion rights to gain full control of Catalogues, improve synchronisation commission terms and move administration contracts to the Company's preferred portfolio administrators as soon as possible. In the period from the Company's IPO to the date of this Prospectus, the Investment Adviser has moved 23 Catalogues to the Company's preferred portfolio administrators, which the Investment Adviser and the Directors believe should generate further income growth for the Company.

Efficiencies from improved portfolio administration agreements

In September 2020, the Company acquired Big Deal Music, LLC, which was subsequently rebranded to The Hipgnosis Songs Group (referred to herein as "**HSG**"), and appointed Kenny MacPherson, the former CEO of Big Deal Music, as the CEO of HSG. In addition to acquiring HSG's Catalogue of approximately 4,400 Songs and over 4,500 historical copyrights, this acquisition represented a significant step in the Group's strategy of driving income growth through pursuing efficiencies in the collection of payments and Song management. HSG is poised to generate greater efficiencies in revenue collection as it employs approximately 35 total staff, including five senior music executives, in the United States who specialise in portfolio administration and Song management, and will work with the Company on revenue

collection for the Songs in the world's biggest record market, the US, which is also the Company's largest market. As at 31 December 2020, HSG had over 350 portfolio administration accounts, 290 of which are on auto renewal.

The Company intends to move the portfolio administration of the Company's Catalogues US income to HSG at the earliest practicable opportunity. The Investment Adviser and the Directors expect this to enhance returns for shareholders as it is anticipated that HSG can provide US administration cheaper than a third-party administrator, generating administration cost savings of approximately 1.0 to 1.5 per cent. of royalty income administered. In addition the Group's in-house US administration is expected, over time, to have the following benefits:

- (i) greater control of, and reduced, third-party administration costs;
- (ii) faster collection of royalty income;
- (iii) creation of a direct relationship with DSPs (such as Spotify, Apple Music, Tencent etc.) to allow the Group to leverage its Portfolio to obtain greater exposure, better rates, increased support and further integration into the ecosystem of streaming partners; and
- (iv) receiving credit for the Portfolio's market share in royalty settlements (for example, Peloton and Facebook) and black box income, as compared to the Group's current share of settlements, which is bundled into the relevant third-party administrator's market share.

This move into US portfolio administration, and the importance of the Company being able to have a greater influence over the operations of DSPs through HSG's participation, does not diminish the importance of Kobalt. Kobalt will continue to be the Company's preferred external portfolio administrator outside of the United States with portfolio administration contracts intended to be transferred to Kobalt in these jurisdictions as early as possible following acquisition of a Catalogue.

Kobalt has been operating as a specialist music royalty collection and portfolio administration service since 2000. Its technology bears the administrative burden of managing a large number of payments in the highly fragmented PRO market outside of the United States, which transforms such costs from expensive, fixed administrative costs to variable costs, calculated by reference to sales. Kobalt's focus is on minimising leakage, no matter how small, and it uses technology to capture when a payment is due, increasing efficiencies and reducing the risk that payment triggers will be missed, which is a particular problem with manual collection methods. The revenues Kobalt provides to the copyright owner are "at source" (i.e. without deductions for multiple layers of commission), which minimises the potential for multiple layers of international sub-distributors, with each charging commission. In broad terms, Kobalt's systems enable it to pursue small sums, whereas the approach adopted among the traditional portfolio administrators and major music publishers is, typically, only to actively pursue larger sums. Through its innovative use of technology, the Investment Adviser and the Directors believe that Kobalt collects royalty payments more often and more reliably, irrespective of amounts.

Kobalt provides the Company and the Investment Adviser with a mobile application which allows weekly tracking of a Song's usage, enabling the Investment Adviser to monitor, quickly, accurately and more regularly, the projected revenues that a Song should achieve. This provides increased transparency and certainty for songwriters or copyright owners, compared to traditional methods, whereby the songwriter would be presented with a statement every six months (or, on occasions, every three months), which would then be reviewed to ensure all royalty payments were accurately captured. The traditional method is less robust and it can be disproportionately costly to review such statements.

The Company has also agreed with Kobalt that a rolling advance, that will constantly keep it ahead in respect to payments, will be paid, rather than the six month standard payment in arrear process deployed among other external portfolio administrators in the industry.

The Investment Adviser believes that, through its active monitoring of payment, yields previously achieved from the Songs should be increased compared with the present levels. The Investment Adviser and the Directors believe that Kobalt's technology-based approach to royalty collection allows quicker and more efficient royalty collection. For these reasons, Kobalt

is the Company's preferred external portfolio administrator (outside of the United States) and the Investment Adviser will attempt, at the earliest opportunity following acquisition of a Catalogue or Song, to move relevant Songs onto the Kobalt platform.

As stated in its Investment Objective and Policy, the Company pursues growth through efficiencies in the collection of payments and, therefore, the Investment Adviser seeks to enter into short term portfolio administration agreements to give the Company flexibility to alter such portfolio administration arrangements to best suit the interests of the Portfolio and take advantage of the latest collection methodologies and technologies. In addition, a combination of certain other external portfolio administrators improving their collection methodology and transparency, and an increase of the Company's bargaining position, has led to circumstances where it is desirable, in the Board's and the Investment Adviser's opinion, for some Catalogues to remain, at least in the short to medium term, with the incumbent portfolio administrator. For these reasons, the Company may, to the extent commercially possible, attempt to renegotiate the terms of any such existing arrangements with the incumbent portfolio administrator, or use other portfolio administrators in the future.

Early adoption of technological advancements to increase collections

The Investment Adviser monitors technological advances that will support the Company's strategy of income growth. For example, the Investment Adviser is currently uploading the Company's Songs to DISCO, an online music library that is accessible by potential synchronisation customers, which will improve the storage, organisation, filing and distribution services for the Company's Songs. DISCO will provide a range of functionalities which are focused on maximising synchronisation and audio visual usage.

In addition, the Investment Adviser is exploring technology solutions which would enable it to exploit, identify and locate lost revenues from plays on YouTube videos. YouTube is the largest global streaming platform, however Songs included in fan upload activity and from unofficial channels below a certain threshold of views (or unless otherwise automatically tagged by YouTube) will only generate royalties to the artist and songwriter if they are tagged manually. The Investment Adviser considers that this process is highly inefficient and, as a result, it is estimated that only 10 per cent. of a Song's use from fan uploads or on unofficial channels results in royalty payments being made. The Investment Adviser is, therefore, exploring new technology offerings which would identify and tag previously untagged songs in videos on the platform.

Improving synch placement and usage of Songs to grow income

Synchronisation

Kobalt and certain other third-party portfolio administrators provide the Company with synch opportunities, on a non-exclusive basis, through which the relevant portfolio administrator will license one or more Songs to end users (such as TV companies, broadcasters or producers), and will account to the Company for the synchronisation fees (less any commissions retained by the relevant portfolio administrator for arranging such opportunities).

The Company, through HSG's dedicated and experienced "Song manager" team of 35 employees, and the Investment Adviser actively promote the Company's Songs for synchronisation usage. The Investment Adviser and the Directors believe that the Company's ratio of approximately 600 Songs per Song manager, as at 31 December 2020, was significantly lower than the industry average for major music publishers, which the Investment Adviser and the Directors believe is approximately 20,000 Songs per Song Manager. The Investment Adviser and the Directors believe this low ratio helps to create a competitive advantage for the Company.

As a result of managing relatively fewer Songs, each Song manager within the Company and Investment Adviser will be able to focus on each Song in order to extract more revenues from it, and invest more time into key relationships with recording artists, songwriters, producers, studios, platforms and potential businesses who may wish to use a particular Song for an upcoming commercial, film, TV show (whether this be through conventional, terrestrial DSP means or via online video streaming services, such as YouTube). The Investment Adviser believes that this increased focus, and tailored marketing on a more granular level, does, and

will continue to, generate more interest for the Songs. This is part of a strategy for increasing long term value by tailoring the Catalogue to fit the new requirements of popular culture and media, including social and virtual reality platforms.

The Investment Adviser seeks to exploit all variations of potential synchronisation opportunities, from placing Songs in commercials, popular TV shows and films to encouraging popular recording artists to cover older Songs within a Catalogue. The Investment Adviser seeks to source Catalogues for the Company which it believes contain Songs which have been overlooked, or Songs that do not have strong, historic revenue figures but for which the Investment Adviser sees potential fresh revenue streams through synchronisation opportunities. The Investment Adviser seeks to leverage its expertise and deep relationships, and to utilise the innovative technology and business relationships of portfolio administrators, in order to pursue these synchronisation opportunities.

Examples of synchronisations agreed in Q3 2020 include:

- (i) 'We Are Young' by fun., within both the Nate Reuss and Jack Antonoff Catalogues, was placed in the 'Boss Baby 2' film trailer;
- (ii) 'One Way or Another' by Blondie, within the Debbie Harry and Chris Stein Catalogue, was placed in the M&S Christmas TV advertising campaign; and
- (iii) 'Don't Stop Believin'', within the Neil Schon, Jonathan Cain, and Journey Catalogues, was placed in Toyota Hilux's Australian TV advert.

Digital audit

The Investment Adviser undertakes a full digital audit of each Catalogue to ensure that the Company's Songs have maximum exposure on all of the key digital and social media platforms including each of the DSPs. Identifying opportunities to increase exposure of a Song on these platforms can generate significant new usage and introduce the Company's hit Songs to new audiences. For example, the Investment Adviser identified that Blondie's TikTok account was unverified and therefore not creating royalty payments for the Company. Since the Investment Adviser has acted to verify the account, Blondie has been named an 'Artist of the Week' during October 2020 and Miley Cyrus' TikTok cover of Blondie's 'Heart of Glass' has been streamed over 40 million times.

Maximising use of DSPs globally

The Investment Adviser has relationships with all key DSPs, digital partners and synch and creative networks including YouTube, Spotify, Apple, Deezer, Amazon, Tencent/QQ and TikTok. Through direct contact with these platforms, the Investment Adviser is able to identify opportunities for its Songs to increase their exposure on the platform. Examples of this include the Investment Adviser placing Blink-182's 'What's My Age Again?' in TikTok's *#BackToTheMusic* campaign in the UK for 90s week, and Nile Rodger's launching of the Hipgnosis TikTok profile. The Investment Adviser believes that it has a higher level of engagement with TikTok and other fast growing digital platforms than most other publishers, and is in a number of discussions for additional opportunities to increase the Company's Songs' use on these platforms.

Promoting Songs to increase usage and introduce new audiences

The Investment Adviser seeks to use key events and sales milestones in a Song's life to create a focused strategy for activity and promotion of each Song to increase its use. An example of an artist (albeit not one that is connected with the Company or its Portfolio) using promotional activity surrounding a celebratory event is the 25th anniversary of Oasis' iconic second album, '(What's The Story) Morning Glory?' in October 2020. The 25th celebration campaign led to direct sales of the re-released album, together with an increase in sale and digital streams of other Songs and albums by Oasis.

The Portfolio is focused around Songs with high cultural importance and therefore have a significant personal significance to their fans. Accordingly, the Investment Adviser maintains a time line of birthday celebrations of its Song and their album's release dates around which it plans promotional activity. Examples of key birthdays in the Portfolio in the next 12 months include:

- (i) 40 Year Celebration – Journey’s ‘Escape’, released in July 1981 and included the hit Songs ‘Don’t Stop Believin’’, ‘Stone In Love’, ‘Still They Ride’ and ‘Open Arms’;
- (ii) 40 Year Celebration – Pretenders’ ‘Pretenders II’, released in August 1981 and included the hit Songs ‘Message Of Love’, ‘The Adultress’, ‘Talk Of The Town’ and ‘I Go To Sleep’;
- (iii) 40 Year Celebration – Eurythmics’ ‘In The Garden’, released in October 1981 and included the hit Songs ‘Never Gonna Cry Again’ and ‘English Summer’; and
- (iv) 40 Year Celebration – Mötley Crüe’s ‘Too Fast For Love’, released in November 1981 and included the hit Songs ‘Live Wire’, ‘Take Me To The Top’ and ‘On With The Show’.

The Investment Adviser, and its Advisory Board, due to their existing position and relationships, are able to create new opportunities to place and promote the Company’s Songs. Examples of this include the collaboration amongst the Investment Adviser, Apple Music and Nile Rodgers to create Deep Hidden Meaning, the only radio show completely focused on songwriters. Each of the first four episodes profiles numerous songwriters including Poo Bear, Rodney Jerkins, David A. Stewart, Jack Antonoff, Timbaland, RZA and others. The Investment Adviser expects that this radio show will continue to highlight more exceptional songwriters from the Company’s Portfolio in the future. The Investment Adviser believes that the Company is one of the only investment companies which invest in Songs that is strategically using its cultural position in the music industry to promote the Songs it owns.

2.2 Investment Process

Sourcing Catalogues/Songs

The Company has acquired, and will seek to continue to acquire, Catalogues which include what the Investment Adviser considers to be proven Songs; namely Songs with a sufficient proven track record of producing royalty income to enable them to be viewed as being evergreen, or Songs that the Investment Adviser believes will continue to deliver strong royalty income for several years after being written such that they will be viewed as evergreen in the future. The Company has acquired, and will continue to seek to acquire, these Catalogues from well-known songwriters who have a track record of writing hit Songs and/or Songs that impact cultural behaviour. To deliver future growth for Shareholders, the Investment Adviser also seeks to identify proven Songs whose revenues have declined due to neglect, but have the potential to be a strong future earner through active management, synch placement or being covered by another recording artist.

The Investment Adviser leverages its extensive network of relationships with songwriters and recording artists to source attractively priced Catalogues. As songwriters may be protective over their legacy, some are selective about the purchasers to whom they would be willing to sell, seeking comfort that their Song will be used in line with their tastes and beliefs; acknowledgement and trust of the industry is therefore important. The Investment Adviser believes that, through its relationships, the composition of its Advisory Board and through Mr Mercuriadis’ reputation in the music industry, songwriters have been, and will continue to be, more likely to trust the Investment Adviser to protect their legacy compared to some of the major music publishers.

Once a potential Catalogue is identified by the Investment Adviser or a member of the Advisory Board, the opportunity and potential acquisition price is discussed with Mr Mercuriadis and, where relevant, other members of the Advisory Board. If approved by Mr Mercuriadis, an initial notification is made to the Board that the Investment Adviser has identified a potential Catalogue that it believes falls within the scope of the Company’s investment strategy, and that the Investment Adviser will proceed with due diligence and further negotiations, subject to the final decision to acquire such Catalogue being made by the Board in accordance with “—*Approval of acquisitions by the Board of Directors*” below.

As the Song’s intellectual property is, in most cases, held by multiple parties, the Investment Adviser seeks to determine how best to reach, and work with, these different owners. With a view to minimising such complexities, generally speaking, the Investment Adviser seeks to acquire, and predominantly succeeds in acquiring, 100 per cent. of a particular songwriter’s

copyright interest in each Song, which would comprise their writer's share, their publisher's share and their performance rights, so as to be entitled to receive all royalties attributable to that interest.

During the early negotiation stages, the Investment Adviser will typically submit an offer letter to the selling songwriter, which will set out the key parameters of the proposed acquisition including the terms of any period of exclusivity. An offer letter will expressly state that the offer is made subject to the Investment Adviser undertaking its due diligence on the Catalogue.

Diligent Approach to acquiring Catalogues

The Investment Adviser undertakes or procures full legal and financial due diligence prior to recommending the acquisition of a Catalogue, focusing on: (i) the nature and extent of the intellectual property rights to be acquired ("IPR"); (ii) whether Songs within a Catalogue are co-written and the nature of such co-authorship; (iii) restrictions on the sale or exploitation of the IPR; (iv) whether there are any actual, potential or threatened lawsuits or claims against the IPR; (v) the terms of any publishing arrangement and portfolio administration agreement in place with respect to the Catalogue; and (vi) financial diligence including reviewing or auditing the historic revenues of the Catalogue over the past three years (as a minimum) and identifying whether there are unrecouped advances. As part of the diligence process, the Investment Adviser will identify, and inform the Board of, any issues relating to the duration of any copyright in a Catalogue when sourcing and recommending an investment in that Catalogue.

To the extent that the Investment Adviser is not satisfied that any aspect of the IPR is compatible with the Investment Adviser's intended marketing strategy for each Song, or that there is any indication of a potential or threatened IPR claim (including a claim for infringement of copyright), the Investment Adviser would generally not proceed with recommending the Catalogue to the Board. In particular, the Investment Adviser is looking to acquire Songs without any restrictions on the ability of the Company, as the owner of the IPR, to sell, license or assign their interest in the Song. Where a Song or Catalogue is co-authored, the Investment Adviser also carries out due diligence into the co-songwriter relationship to ensure that there is no obvious risk that such co-authorship will act as a barrier to the Investment Adviser being able to exploit the Song in its preferred manner.

The Investment Adviser seeks to understand all material aspects of the IPR position relating to the Songs it is considering recommending for purchase, so that it is buying only the commercial risk related to an asset, i.e. the risk that a particular Song will perform in accordance with its projected income and the risk that there is a suitable market for the Investment Adviser to exploit the Song in its preferred manner. Consequently, the Investment Adviser seeks to arrive at a position pre-acquisition where it is confident, based on the information available to it at the time of acquisition, that there are unlikely to be factors which would result in a material loss of capital for the Company, for example, due to a costly and potentially damaging IPR claim for either breach of usage restrictions or infringement of another recording artist's or songwriter's copyright. While such claims are rare in the music industry, the Investment Adviser seeks to reduce the Company's exposure to this risk by recommending Songs that are proven and, as such, have had a high profile for an extended period of time. To further mitigate the potential impact of any IPR claims, the Company seeks to be indemnified by the songwriter or the owner of the associated music intellectual property rights from whom it acquires Songs for any compensation and/or legal costs incurred as a result of a claim. Any potential IPR infringement against any of the Company's Songs will be pursued vigorously by the Company.

The Company appoints an independent valuer to provide an independent valuation report on the acquisition being recommended by the Investment Adviser.

Approval of acquisitions by the Board of Directors

Following completion of its due diligence, the Investment Adviser, in accordance with the Investment Advisory Agreement, presents its recommendation of the acquisition to the Board. The Investment Adviser provides a report to the Board, which contains: (i) a summary of its legal and financial due diligence findings; (ii) the financial history of the Catalogue; (iii) the Company's independent valuer's report; (iv) the Investment Adviser strategy for managing the

Songs in the Catalogue and potential exploitation opportunities; (v) details of any structuring arrangements that the Investment Adviser considers necessary; (vi) details of any conflicts of interest of the Investment Adviser or its Advisory Board in relation to the acquisition; (vii) details on the financial consideration structure; and (viii) any other information that the Investment Adviser considers relevant to the Board in deciding whether to acquire the particular Catalogue. The Board also obtains any additional independent advice as may be required when it is considering making an investment in Songs by acquiring an interest in a company in which the Songs are held. The Company generally expects to make its investments in such a way as to ensure, to the extent practicable, that taxation is minimised on the returns from those investments.

Whilst the Company does not intend to sell the Songs it acquires, the Company may, from time to time, dispose of one or multiple Songs where it considers such disposal to be in the best interests of Shareholders. Where a disposal is proposed by the Investment Adviser, any such disposals of Songs will only be made with the prior approval of the Board and a similar report to that prepared for acquisitions will be prepared by the Investment Adviser and provided to the Board prior to the Board taking any decision to dispose of a Song.

Typical terms of an agreement to acquire a Catalogue

Whilst the terms of each acquisition agreement may vary from one to the other (in particular, to deal with specific factors related to individual Catalogues that are discovered as part of the due diligence process), the key terms of each acquisition agreement typically cover the following points:

- (i) an exact description of what is being acquired (this will be by way of a list of all of the Songs which comprise the Catalogue) and, for each Song that is being acquired, an identification of what percentage of the Song the seller owns;
- (ii) a series of warranties, representations and indemnities given by the seller (including as regards ownership of the Songs, there being no encumbrances and no infringement of copyright or claims, and no grant of rights to other third parties other than as expressly stated);
- (iii) an indication of any agreements which will continue to bind the Catalogues (or particular Songs) after the sale (for example, a portfolio administration agreement). Where such agreements exist, they will be appended to the Catalogue acquisition agreements;
- (iv) the actual effective date of the acquisition (i.e. the point at which the relevant Fund Entity will step into the place of the seller and the date from which the relevant Fund Entity will be entitled to receive royalties from each Song) (the **"Effective Date of Acquisition"**);
- (v) mechanics of payment (whether this will occur, as is more typical, on signing or whether there will be any element of deferred payment (including the conditions attaching to such deferred payment mechanisms) or escrow arrangements);
- (vi) clarification of the timings of receipts of royalty payments due to the Company in respect of the relevant Catalogue;
- (vii) obligations on the seller to issue an irrevocable direction to multiple parties that the relevant Fund Entity now owns the Catalogue/Songs and therefore all income is payable to the relevant Fund Entity. This will include letters to PROs or collection agencies, together with letters of copyright assignment;
- (viii) the grant by the seller to the Company to use the names, likenesses and biographical material of the songwriters for all purposes related to exploitation of the Songs;
- (ix) confidentiality provisions related to the financial terms of the acquisition agreement, which may include the acquisition price;
- (x) a restriction on the seller issuing any media statements. The relevant Fund Entity would be the only party with the right to issue media statements and regulatory statements related to the transaction;

- (xi) the grant by the seller to the relevant Fund Entity of a power of attorney to execute all further documents that may be desirable in the relevant Fund Entity's view to evidence or give effect to the Company's rights and interests; and
- (xii) a provision that if for any reason the seller shall receive any monies that belong to the Company (whether such payments were triggered before or after the Effective Date of Acquisition), then the seller shall hold same in trust for the Company and pay the same over to the Company within three days.

Investment Monitoring

The Investment Adviser, in conjunction with each portfolio administrator, continually monitors the income and performance of the Songs in the Portfolio. The Investment Adviser also reviews all royalty statements and chases the relevant royalty collection agent or portfolio administrator for delayed payments. Further details of how Song management can result in increased revenues are set out in the paragraph entitled "*Song management provides upside potential*" of this Part II (*Market Background, Investment Strategy and Approach*).

The Investment Adviser continually endeavours to source new opportunities to increase the revenue potential for a Song. When opportunities are identified, the Investment Adviser is responsible for negotiation and agreement of the commercial terms. Where the Investment Adviser is able to negotiate a favourable fee or payment structure with an incumbent external portfolio administrator, and where the Investment Adviser is satisfied with the services provided by that portfolio administrator, it may recommend to the Board to retain such portfolio administrator, at least in the short to medium term, rather than transferring the Catalogue to Kobalt outside the US or administering the portfolio in the US through HSG.

The financial team within the Investment Adviser reviews royalty statements for any inconsistencies between payments due and payments made, including analysing the payments due across all types of royalties and from all sources (e.g. TV, radio, streaming) to ensure that the receipts are consistent with the Investment Adviser's expectations. The team is also responsible for the regular review of the performance of Company's portfolio administrators.

The Investment Adviser updates the Board on its progress on a quarterly basis with additional updates where significant events have occurred.

Investment Process: Advances

As permitted by the Company's Investment Policy, the Company may acquire rights over future (unwritten) Songs that are acquired by a Fund Entity through the payment of Advances to songwriters, with such advanced amounts (in aggregate) being capped at 5 per cent. of the Company's gross assets, calculated at the time of investment. The non-refundable advance payment to a songwriter is consideration for them writing Songs and is recoupable from the future royalties generated by those Songs. The Investment Adviser and the Directors consider this to be a cost-effective way to generate future royalties from Songs written by highly regarded songwriters.

The investment approach applicable to the sourcing, approval and monitoring of Advances differs to the Company's investment process for acquiring Catalogues in the conventional manner outlined above. The Company has delegated authority to HSG and the Investment Adviser to make Advances within prescribed parameters which are monitored regularly. Within these parameters, the Investment Adviser has the authority to approve Advances proposed by HSG up to US\$2 million and subject at all times to the aggregate cap referred to in the paragraph above. In addition, the Company will agree an annual operating budget with HSG and the Investment Adviser to cover the payment of Advances and all other operational costs of HSG, including salaries paid to its employees.

HSG will work closely with the Investment Adviser when making an Advance, with HSG taking the lead on sourcing opportunities to make an Advance, undertaking appropriate diligence and the contractual negotiations. HSG will be required to provide detailed reports to the Investment Adviser on any proposed Advance, which will be made available to the Board on request or if it is required for approval. The Investment Adviser will report to the Board on at least a

quarterly basis the details of any conflicts of interest that the Investment Adviser, any member of the Advisory Board or HSG has, or may reasonably foresee having in relation to the proposed Advance.

Once an Advance is made, the Investment Adviser and HSG will work closely with respect to ongoing monitoring and management of such rights to the Songs that are acquired, including working together to source and manage synchronisation opportunities, active monitoring of portfolio administrations (where applicable) and other service providers, ensuring that reports relating to such Advance (and acquired Songs) are in line with the Company's accounting policies and other ancillary services necessary to enable the Investment Adviser to comply with its obligations under the Investment Advisory Agreement.

The ongoing performance of HSG is subject to the ongoing monitoring and advice of the Investment Adviser, who will report to the Board thereon. The ongoing supervision and oversight of HSG will, at all times, reside with the Board, subject to any permissions, limitations and restrictions outlined above, as reviewed from time to time. The Company (and the Investment Adviser) will also be responsible for monitoring any financial systems, reports and controls put in place by HSG, such as payment controls, procurement costs and expenses incurred by HSG, on an ongoing basis (and the Company may implement a third-party audit of such functions).

PART III: INVESTMENT ADVISER

1. THE INVESTMENT ADVISER

The Family (Music) Limited has been appointed by the Company to act as the Investment Adviser to the Company. The Investment Adviser was incorporated in England and Wales on 20 June 2018 under the UK Companies Act 2006 with registered number 11425132. Its registered office is at 3rd Floor, 5 Chancery Lane, London, England, WC2A 1LG (though this is expected to be moved to United House, 9 Pembridge Road, London, W11 3JY shortly after publication of this Prospectus) and its majority owner is Merck Mercuriadis. The LEI number of The Family (Music) Limited is 984500EFS288D528B617. Pursuant to the Investment Advisory Agreement, the Investment Adviser will source Songs and provide recommendations to the Board on acquisition and disposal strategies, manage and monitor royalty and/or fee income due to the Company from its copyrights and royalty collection agents, and develop strategies to maximise the earning potential of the Songs in the Portfolio through improved synch placement and coverage of Songs. The Investment Adviser will also advise on the payments of Advances, portfolio administration and asset management elements of HSG.

The Investment Adviser is not currently authorised or regulated by the FCA.

2. MR MERCURIADIS' HISTORY AND TRACK RECORD

Mr Mercuriadis is the founder and CEO of the Investment Adviser. Mr Mercuriadis founded Hipgnosis Songs Fund Limited in 2018 to offer investors a pure-play exposure to music royalties and their associated intellectual property rights. Mr Mercuriadis, as Investment Adviser, has helped the Company to grow to manage over £1 billion of assets acquiring over 120 Catalogues of proven hit Songs from some of the most influential songwriters of the last 70 years.

Mr Mercuriadis also has an established artist management business which includes a Song publisher and record label based in London and Los Angeles.

Formerly CEO of the Sanctuary Group plc ("**Sanctuary**"), he is the manager or former manager of globally successful recording artists such as Elton John, Guns N' Roses, Morrissey, Iron Maiden, Nile Rodgers and Beyoncé and hit songwriters such as Diane Warren, Justin Tranter and The-Dream.

Mr Mercuriadis, as founder of his artist management business and through his time at Sanctuary, has extensive experience of managing recording artists and songwriters, which includes promoting, managing and marketing to maximise the profitability of their Catalogues, and the Songs they contain. During his time at Sanctuary, Mr Mercuriadis worked on what the Investment Adviser believes is still the highest paying synch placement of all time with Cadillac and Led Zeppelin, which set new industry standards for synch payments.

3. THE INVESTMENT ADVISER'S TEAM

The Investment Adviser's management team and the Advisory Board have long-standing experience in the music industry and several of the individuals are notable figures. Collectively, the members of the Investment Adviser and its Advisory Board have over 300 years of combined experience in the management of music rights. It is through extensive relationships and industry knowledge that the Investment Adviser has been able to source the Company's Portfolio and Pipeline Catalogues. The Investment Adviser believes that it is well-placed to continue to source attractive Catalogues for the Company to acquire in the future.

In addition to this, the Investment Adviser is responsible for the active ongoing management of the Songs acquired by the Company. Mr Mercuriadis has assembled a team to act as the Company's Song managers with experience and strong relationships in the media community. In addition, they have brought the technical skills required to support the Company in its day to day activity.

The Song managers are responsible for:

- (a) growing the synch, mechanical and performance income for each Song;

- (b) tracking and monitoring the Company's income to ensure that it is receiving what it is due i.e. reviewing the statements from royalty collection agents and portfolio administrators, showing every income stream globally for every Song that the Company owns; and
- (c) supervising and managing the Company's relationships with all of its royalty collection agents.

The Investment Adviser's business strategy is to have each Song manager focus on a comparatively small number of Songs, which will allow for the attention to detail required to add significant value to every acquisition and enhance Shareholder returns.

In 2020, the Investment Adviser has made four notable appointments in expanding its Song management reach and expertise, by hiring Ted Cockle, Amy Thomson, Nick Jarjour and Tony Barnes who have joined as President, Chief Catalogue Officer, Global Head of Song Management and Executive Vice President of Digital and Innovation, respectively.

Merck Mercuriadis (Chief Executive Officer)

Mr Mercuriadis founded Hipgnosis Songs Fund Limited in 2018 to offer investors a pure-play exposure to music royalties and their associated intellectual property rights. Mr Mercuriadis, as Investment Adviser, has grown the Company to own over £1 billion of assets acquiring over 120 Catalogues of proven hit Songs from some of the most influential songwriters of the last 70 years. Mr Mercuriadis also has an established artist management business which includes a Song publisher and record label based in London and Los Angeles.

Mr Mercuriadis served as a director and CEO of Sanctuary, a major independent artist management company and record label (1986 – 2007, being first employed in 1986, becoming a director in 1998 and CEO in 2005). During this time he was responsible for overseeing the management, development and recording work of a number of globally successful and notable recording artists.

Mr Mercuriadis is the manager or former manager of globally successful recording artists including Nile Rodgers, Guns N' Roses, Iron Maiden, Elton John, Morrissey, Pet Shop Boys, Beyoncé, Macy Gray, Mary J. Blige, Joss Stone and Jane's Addiction, and hit songwriters such as Diane Warren, Justin Tranter and The-Dream.

Chris Helm (Chief Financial Officer)

Mr Helm is responsible for the provision of various services relating to the analysis and financial performance of Catalogues. Mr Helm was most recently employed to consult for PRS for Music. His mandate was to deliver a programme to improve and optimise the royalty payment process. Throughout his career, Mr Helm has also been directly involved with deal modelling and negotiations for recording artist and songwriter contracts, and various high profile Catalogue acquisitions.

Mr Helm was formerly UK Finance Director at EMI Music Publishing and has worked as a senior finance professional at both Universal Music Group and Sony Records. In total, his experience in the financial management of music publishing rights spans 16 years.

Bjorn Lindvall (Chief Operations Officer)

Mr Lindvall is an experienced banker and entrepreneur having started his career at Credit Suisse, Morgan Stanley and in Real Estate Private Equity prior to running his own firms. He has a wide network of relationships amongst investors, entrepreneurs and family offices.

Mr Lindvall has extensive capital markets and corporate finance experience which has been broadened with detailed operational experience as a principal having run his own corporate finance firm and a medium size facilities management company with over 500 staff.

Amy Thomson (Chief Catalogue Officer)

Ms Thomson has managed artists such as Swedish House Mafia and DJ Snake and worked on marketing campaigns with Kanye West. She was the founder and CEO of ATM Artists, an independent management company.

Ted Cockle (President)

Mr Cockle was formerly President of Virgin EMI, which achieved success as the UK's number one label for seven years since the company was acquired by Universal Music Group. Prior to Virgin EMI, he worked for 10 years at Sony Music before arriving at Universal to become co-President of Island Records.

Mr Cockle has managed the recorded music for artists such as Queen, Elton John, Taylor Swift and Katy Perry.

Nick Jarjour (Global Head of Song Management)

Mr Jarjour is the manager of several songwriters and producers, such as Starrah. He began his music career at 16 for what was to become the youngest partnership at Maverick Management, a division of Maverick Entertainment.

Tony Barnes (Executive Vice President of Digital and Innovation)

Mr Barnes is a highly experienced, successful senior executive with 15 years in the music industry. He led the digital marketing, content and creative teams at the UK's number one record label over the past eight years and served as Chairman of the BRITs 2020 Digital Committee.

Mr Barnes has a proven record for developing industry-leading strategic partnerships, award-winning campaigns and innovative digital strategies to help build audiences and break new music and artists.

Kenny MacPherson (Chief Executive Officer, HSG US)

Mr MacPherson is the founder and President of Big Deal Music has over 30 years of experience in music publishing, signing artists such as Radiohead, OutKast and Savage Garden over the course of his career.

Prior to forming Big Deal Music, Mr MacPherson served as President and Senior Executive of Chrysalis Music for 11 years and worked at Warner Chappell Music.

The Advisory Board

The Investment Adviser is supported by an experienced team who comprise the Advisory Board. The Advisory Board is a carefully selected group of some of the most successful entrepreneurs, executives, legal advisers, producers, investment bankers and songwriters in both the music and business communities, with a remit to provide expert advice as well as checks and balances on both the creative and financial aspects of all acquisitions, and the subsequent management of the Company's Songs. The Investment Adviser has appointed the members of the Advisory Board to provide it with advice from time to time. Save for Mr Helm, Mr Jarjour and Mr Lindvall, no members of the Advisory Board are directors, officers, employees or consultants of the Investment Adviser. It is envisaged that the Advisory Board will be fluid and will expand over time, with additional experts being added or substituted as and when required. As at the date of this Prospectus, the Advisory Board comprises the following members:

Nile Rodgers

Mr Rodgers is a Rock and Roll Hall of Fame and Songwriters Hall of Fame Inductee, and the chairman of the Songwriters Hall of Fame. Mr Rodgers is a Grammy award-winning songwriter, producer and musician and is the founder of the band Chic. Mr Rodgers is also a co-writer and producer of iconic hits for David Bowie, Madonna, Duran Duran and Daft Punk.

The-Dream (Terius Nash)

The-Dream is a Grammy award-winning songwriter, producer and musician. He has written and produced iconic hits for Beyoncé, Jay Z, Kanye West, Rihanna, Mariah Carey, Britney Spears and Justin Bieber.

Giorgio Tuinfort

Mr Tuinfort is a Grammy award-winning songwriter and is considered to be one of the most important pop writers of the last 10 years. He is the partner of choice for David Guetta and Akon and has written Number 1 Songs for Sia, Gwen Stefani and Ariana Grande.

Starrah (Brittany Talia Hazzard)

Starrah is considered to be amongst the most important young songwriters of recent times, having written 14 hit Songs which include the Number 1 hits “Havana” by Camila Cabello and “Girls Like You” by Maroon 5.

David A. Stewart

Mr Stewart is considered to be one of the most successful songwriters, artists and producers of all time. His work with Eurythmics, Tom Petty & The Heartbreakers, Shakespears Sister, No Doubt, Mick Jagger, Bob Dylan and Eric Clapton amongst many others is considered to be definitive of its era.

William (Bill) Leibowitz

Mr Leibowitz is an attorney, and is the founding partner of Roberts, Leibowitz and Hafitz PLLC. He is the former Chief Operating Officer and General Counsel for Sanctuary, and continued in this capacity after Sanctuary was acquired by the Universal Music Group until Mr Leibowitz returned to private practice. Mr Leibowitz specialises in intellectual property law and during his legal career of 35 years he has represented many renowned recording artists and major international intellectual property companies. Mr Leibowitz has been retained by the Company to provide legal services in connection with Song acquisitions as well as ongoing royalty/licensing issues and other legal services.

Ian Montone

Mr Montone is an attorney and is also the founder of Monotone Management and Third Man Records. Mr Montone is the manager of Jack White of The White Stripes, Vampire Weekend, The Shins and Danger Mouse.

Rodney Jerkins

Mr Jerkins is a Grammy award-winning record producer, musician and songwriter. Throughout his career, which has spanned several decades, he has worked with some of the biggest names in music including Beyoncé, Lady Gaga, Jennifer Lopez, Sam Smith and Brandy. He was one of the main writers on the Spice Girls’ final album ‘Forever’ and co-wrote the iconic Destiny’s Child hit ‘Say My Name’.

Chris Helm

Mr Helm is the Chief Financial Officer of the Investment Adviser, as outlined in his biography on page 102 above.

Nick Jarjour

Mr Jarjour is the Global Head of Song Management at the Investment Adviser, as outlined in his biography on page 102 above.

Bjorn Lindvall

Mr Lindvall is the Chief Operations Officer of the Investment Adviser, as outlined in his biography on page 103 above.

PART IV: DIRECTORS AND ADMINISTRATION

Directors

The Board is comprised of five Directors who are responsible for managing the business affairs, investment management and risk management of the Company on a self-managed basis and have overall responsibility for the Company's activities, including the review of investment activity and performance and the overall control and supervision of the Company's service providers. The Directors may delegate certain functions to other parties such as the Investment Adviser, HSG, the Fund Administrator and the Registrar. The Directors will receive advice from the Investment Adviser on the acquisition, management and disposal of Songs pursuant to the Investment Advisory Agreement. The Investment Adviser will provide recommendations to the Directors who will then assess that advice and make the key investment decisions themselves regarding the acquisition, management and disposal of Songs on behalf of the Company.

The Directors are all non-executive and all are independent of the Investment Adviser. Details of each of the Directors are set out below.

The address of the Directors is the registered office of the Company. The Directors of the Company are as follows:

Directors' biographies

Andrew Sutch (Chairman), aged 68 years.

Mr Sutch is a corporate lawyer and a consultant to Stephenson Harwood LLP. He was a partner of that firm for over 30 years and its senior partner for 10 years. He has extensive experience in advising investment funds and investment managers. He is chairman of JPMorgan Claverhouse Investment Trust Plc and European Opportunities Trust Plc, and a council member of the Royal Academy of Dramatic Art.

Paul Burger, aged 65 years.

Mr Burger's career spans more than 40 years working with music artists of very diverse backgrounds in a variety of locations. Having previously served as President, Europe, Middle East, and Africa for Sony Music Europe, being his last corporate posting after having worked for 27 years in senior management positions within Sony Music (including chairman and chief executive officer of Sony Music UK & Ireland; president Sony Music Canada; VP Marketing Sony Music Europe), Paul founded Soho Artists in 2003, a boutique artist management company focused largely on new and developing talent. In addition to artist management, Soho Artists runs a consultancy arm for artists, labels and entertainment companies.

From 2012-2018 Paul served as chair of the board of trustees of England's BRIT School for Performing Arts & Technology, a state-funded school sponsored by the British music industry focussed on providing training for careers in the creative industries, and he continues to serve as a trustee of the school. Some of the school's famous graduates include Adele, Jessie J, Rizzle Kicks, Leona Lewis, Rex Orange County, and Katie Melua. Furthermore, Paul is also a past board member of the Music Managers Forum (UK), is a long-time director of The Brit Trust Ltd where he chairs their finance committee, and continues to serve as a trustee of the University of Pennsylvania Foundation (UK) Ltd.

Simon Holden, aged 44 years.

Mr Holden, a Guernsey resident, brings board experience from both private equity and portfolio company operations roles at Candover Investments and then Terra Firma Capital Partners. Since 2015, Simon has become an independent director to listed alternative investment companies (the Company, HICL Infrastructure plc, Triam Investors 1 Limited and Chrysalis Investments Limited), private equity funds and trading company boards including pro-bono roles to the States of Guernsey overseeing infrastructure critical to the Island including the airport, harbours and two maritime fuel supply vessels.

Mr Holden is a Chartered Director (CDir) accredited by the UK Institute of Directors, graduated from the University of Cambridge with an MEng and MA in Manufacturing Engineering and is an active member of UK and Guernsey fund management interest groups.

Andrew Wilkinson, aged 69 years.

Mr Wilkinson is a chartered accountant who qualified at Peat Marwick Mitchell and then worked with merchant bankers Leopold Joseph. Mr Wilkinson was a founder of the Promo Group, which managed the business affairs of the Rolling Stones. In 1981, he became a partner of Prince Rupert Loewenstein, providing business management services to artists including the Rolling Stones and Pink Floyd.

Mr Wilkinson was founder and chief executive of Kingstreet Tours Limited, a company that was in the forefront of concert tour production for over 30 years and delivered worldwide concert tours for artists including the Rolling Stones, Pink Floyd, Elton John, Phil Collins, Kylie Minogue, Robbie Williams, Shakira and others. Additionally, Mr Wilkinson is co-founder and CEO of Music Plus Sport Ltd. and its subsidiary Live at the Races Ltd. which specialise in delivering large-scale concerts at sporting events. Mr Wilkinson is a member of the fundraising committee and former treasurer of Nordoff Robbins, a charity that uses music therapy in the treatment and care of autistic children.

Sylvia Coleman, aged 63 years.

Ms Coleman began her career as a lawyer with Stephenson Harwood and has since spent most of her career in the music industry serving, across 25 years, as Senior Vice President of Legal and Business Affairs at EMI Music and prior to that, Sony Music, where she was responsible for overseeing the company's international and European legal and business affairs. Most recently, she co-founded BPureSounds, a boutique IP rights development company which launched in 2019.

Additionally Sylvia was a Non-Executive Director of FTSE 250 bwin.party digital entertainment plc until its acquisition by GVC Holdings plc. She also served as a long-standing Chairman of Chickenshed Theatre Company, a not for profit music and theatre company for young people celebrating diversity and inclusion and was on the Board of Reprieve, a charitable human rights organisation. She also co-founded Ceroc Enterprises, a dance company franchising a contemporary dance phenomenon across the UK.

Takeover Code

The Takeover Code applies to the Company.

Corporate governance

The Company is committed to complying with the corporate governance obligations which apply to Guernsey registered companies admitted to trading on the Main Market and to listing on the premium listing category of the Official List.

UK Corporate Governance Code

The Company has committed to comply with the UK Corporate Governance Code. In addition, the Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and consolidated financial statements based on the code to which it is subject, or with which it complies; and (ii) describe its internal control and risk management arrangements.

The Board reports against the principles and recommendations of the AIC Code of Corporate Governance (the "**AIC Code**"), which is produced by the Association of Investment Companies ("**AIC**"). The AIC Code addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code (which incorporates the UK Corporate Governance Code) provides better information to Shareholders. The Company complies with the recommendations of the AIC Code, the relevant provisions of the UK Corporate Governance Code (except as set out below) and associated disclosure requirements of the Listing Rules.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Code, the Board considers that these provisions are not relevant to the Company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company (save for the limited number of employees of its subsidiary, HSG, who carry out portfolio administration and Song management functions) has no executive directors, employees or internal operations. The Company will, therefore, not report further in respect of these provisions.

Guernsey Code

The GFSC's "Finance Sector Code of Corporate Governance", as amended in February 2016 (the "**GFSC Code**") applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes. The GFSC has stated in the GFSC Code that companies which report against the UK Corporate Governance Code or the AIC Code are deemed to meet the requirements of the GFSC Code.

Directors' Share dealings

The Directors have adopted a share dealing code that is compliant with UK MAR and, to the extent relevant, the EU Market Abuse Regulation. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors and PDMRs.

Committees

Audit and Risk Management Committee

The Company's Audit and Risk Management Committee meets formally at least twice a year. The principal duties of the Audit and Risk Management Committee are to:

- (i) examine the effectiveness of the Company's accounting and internal control systems;
- (ii) review and approve the interim and annual financial statements of the Company;
- (iii) monitor and review the Company's risk management systems;
- (iv) consider and make recommendations in relation to the appointment of external auditor;
- (v) discuss and agree with the external auditor the nature and scope of the audit;
- (vi) keep under review the scope, results and cost-effectiveness of the audit and the independence and objectivity of the auditor;
- (vii) review the external auditor's letter of engagement and management letter; and
- (viii) analyse the key procedures adopted by the Company's service providers.

Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. Mr Wilkinson acts as chairman of the Audit and Risk Management Committee, and all of the other Board members attend each meeting.

Portfolio Committee

The principal duties of the Portfolio Committee are to:

- (i) make the final decision as to the acquisition of any Song or Catalogue;
- (ii) determine, in collaboration with the Company's legal, tax or corporate finance advisers, the most appropriate means for acquiring the Songs or Catalogues in the event that such Songs or Catalogues are not directly transferable, but are available in an intermediated form (such as a special purpose company, or similar) including determine any adjustments to the price if necessary or appropriate;
- (iii) make enquiries, at any stage, of the Investment Adviser with regards to the pipeline opportunities identified by the Investment Adviser from time to time;
- (iv) oversee the operation of HSG;
- (v) make the final decision as to the disposal of any Song or Catalogue;
- (vi) determine, in collaboration with its legal, tax or corporate finance advisers, the most appropriate means for disposal of the Songs or Catalogues in the event that such Songs or

Catalogues are not directly transferable, but are held in an intermediated form (such as a special purpose company, or similar); and

- (vii) on a quarterly basis, receive and consider investment performance reports prepared by the Investment Adviser.

The Portfolio Committee meets formally at least four times each year and at such other times as requested on reasonable prior notice from the Investment Adviser. The quorum for any meeting of the Portfolio Committee is at least two members. Committee members are appointed by the Board from amongst the Directors who are independent of the Investment Adviser. Mr Burger serves as chairman of the Portfolio Committee.

Asset Management Committee

The principal duties of the Asset Management Committee are to consider the ongoing management and revenue maximisation of the Songs acquired by the Company, which will include performing the following functions:

- (i) make any final decision required to be made as to the allocation of assets that might arise under the arrangements with portfolio administrators;
- (ii) make any final decision required to be made as to whether or not to enter into or terminate any contract with an external portfolio administrator or other royalty collection agent;
- (iii) oversee portfolio administration functions and other ongoing management functions of HSG;
- (iv) review and, if considered appropriate, approve any updates to the strategies to maximise revenue collection from the Songs or Catalogues; and
- (v) make any final decision required to be made as to whether or not to pursue any recommended revenue maximisation opportunity which exceeds £500,000 in revenues, provided that such decisions will be made in a timely manner and the Asset Management Committee shall use all reasonable endeavours to effect such decisions within the timetables proposed by the Investment Adviser.

The Asset Management Committee meets on an ad hoc basis as so requested on reasonable prior notice from the Investment Adviser. The quorum for any meeting of the Asset Management Committee is at least two members. Committee members are appointed by the Board from amongst the Directors who are independent of the Investment Adviser. Mr Sutch acts as chairman of the Asset Management Committee. Mr Sutch does not receive additional remuneration in respect of his role as chairman of the Asset Management Committee.

Senior Independent Director

The Company has appointed Paul Burger as Senior Independent Director. The Senior Independent Director will provide a sounding board for the Chairman and serve as an intermediary for the other directors and Shareholders.

Other Committees

The Board has also established a nomination committee, a remuneration committee and a management engagement committee. The nomination and remuneration committees will be responsible for the appointment and remuneration of Directors, respectively. The management engagement committee will be responsible for reviewing the actions and judgments of those parties undertaking management, advisory and administration services to the Company in relation to the interim and annual financial statements and the Company's compliance with the AIC Code, the Listing Rules, the Disclosure Guidance and Transparency Rules, UK MAR (and, to the extent applicable, the EU Market Abuse Regulation) and the AIC Code. In addition, the management engagement committee will review the terms of the Investment Advisory Agreement and the performance of the Investment Adviser, the Fund Administrator, the Registrar and other major service providers such as Kobalt.

Management of the Company

Responsibility for management

The Board is responsible for the determination of the Company's Investment Objective and Policy and has overall responsibility for its activities. The Company has, however, entered into an Investment Advisory Agreement with the Investment Adviser under which the Investment Adviser will advise the Company on the terms summarised in the section entitled "*Material Contracts: Investment Advisory Agreement*" of Part VII (*Additional Information*) of this Prospectus.

As the Company is a self-managed AIF under the EU AIFM Directive and the UK AIFMD Laws and there are no employees of the Company (save for the limited number of employees of its subsidiary, HSG, who carry out portfolio administration and Song management functions), the Board performs certain management functions, which include the overseeing of the Company's Investment Objective and Policy and investment strategy, the supervision of any delegated responsibilities to third-party service providers (such as the Investment Adviser, the Fund Administrator and the Registrar) or the management teams of any subsidiaries of the Company (such as HSG), and any necessary risk management and portfolio management functions.

To execute such management functions, the Board:

- (i) holds at least quarterly meetings, as part of the performance of its investment management function, to: (a) review the Company's management accounts; (b) review the Investment Adviser's reports; (c) record the Board's conclusions; and (d) review the factsheets and/or quarterly reports of the Company. In advance of such meetings (or committee meetings, as applicable), the Board or committee are entitled to receive regular (at least quarterly) reports from the Fund Administrator and reports from the Investment Adviser in respect of the Company's performance. In addition, at each quarterly meeting, the Board will determine regular, ordinary course of business matters such as consideration, and declaration, of quarterly interim dividends;
- (ii) holds six-monthly board meetings, among other matters, to review the Company's Net Asset Values;
- (iii) holds ad hoc meetings with the Investment Adviser and, as appropriate, the Advisory Board to review any potential Catalogues which the Investment Adviser is proposing that the Company acquire or dispose of, and to review due diligence reports prepared by the Investment Adviser and third-party advisers in relation to potential acquisitions;
- (iv) leads the risk management functions and remains responsible for the risk management functions;
- (v) institutes a formal process in place for generating records of its performance of its risk, portfolio and investment management functions;
- (vi) institutes a process in place for assessing (and recording this assessment) the relevant expertise of the Board prior to the appointment of each Director (including in the event of future replacement of a Director);
- (vii) reviews conflicts of interests pertaining to the Board itself and existing between the Company and its service providers, including the Investment Adviser;
- (viii) (acting through its Audit and Risk Management Committee) prepares, in conjunction with the Company's relevant service providers and advisers, annual and interim reports and accounts; and
- (ix) institutes a process in place for assessing (and recording this assessment) each instance of delegation of an investment management function by the Board.

Fund Administrator and company secretary

Pursuant to the Administration Agreements: (i) Ocorian Administration (Guernsey) Limited has been appointed as Fund Administrator of the Company; and (ii) Ocorian Administration (UK) Limited has been appointed as administrator to the UK SubCo (further details of which are set out in the section entitled "*Material Contracts: Administration Agreements*" of Part VII (*Additional Information*) of this Prospectus). The Fund Administrator or Ocorian Administration (UK) Limited (as applicable) are responsible for the day to day administration of the Company, the UK SubCo, the UK MidCo and

any subsidiary which accedes to the relevant Administration Agreement (including but not limited to the calculation and publication of the semi-annual Operative NAV and the IFRS NAV) and general secretarial functions required by the Companies Law (including but not limited to maintenance of the Company's accounting and statutory records). For the purposes of the RCIS Rules, the Fund Administrator is the designated manager of the Company.

Investors should note that it is not possible for the Fund Administrator or Ocorian Administration (UK) Limited to provide any investment advice to investors.

Auditor

PricewaterhouseCoopers CI LLP, whose registered address is at Royal Bank Place, 1 Glatigny Esplanade, St. Peter Port, Guernsey GY1 4ND, has been the independent auditor of the Group since its incorporation in 2018. The auditor's responsibility is to audit and express an opinion on the consolidated financial statements of the Group in accordance with applicable law and auditing standards.

Registrar

Computershare Investor Services (Guernsey) Limited (a company incorporated in Guernsey on 3 September 2009 with registered number 50855) has been appointed as registrar to the Company pursuant to the Registrar Agreement (further details of which are set out in the section entitled "*Material Contracts: Registrar Agreement*" of Part VII (*Additional Information*) of this Prospectus). In such capacity, the Registrar is responsible for the transfer and settlement of Shares held in certificated and uncertificated form. The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

Conflicts of interest

Directors

The Articles provide that, subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, disclose that fact to the Directors. The Articles further provide that a Director may not vote on a resolution of the Board or a committee thereof concerning a contract, arrangement, transaction or proposal in which he or she has an interest which (together with any interest of any person connected with him) is, to his or her knowledge, a material interest.

Investment Adviser

The Investment Adviser shall not provide services similar to the services under the Investment Advisory Agreement to any person, association, body corporate, fund or third party other than the Company (and its Affiliates) with an investment objective and policy similar to that of the Company without the prior written consent of the Board provided that where 85 per cent. of the Net Issue Proceeds (together with 85 per cent. of any net capital proceeds raised through any subsequent issue of Shares or C Shares) are invested at the time when the Investment Adviser seeks the Board's consent, such consent shall not be unreasonably withheld or delayed by the Board.

The Investment Adviser shall offer to the Company any opportunity to acquire a Song or Catalogue which meets the Investment Objective and Policy and investment strategy of the Company and would be consistent with the Company's current target total NAV return in priority to itself and any third party (including any member of the Investment Adviser's group of companies or its Affiliates) in the following manner:

- (a) the Investment Adviser will provide the Board with all relevant information on the relevant Song or Catalogue, including the proposed acquisition terms, in accordance with the provisions of the Investment Advisory Agreement;
- (b) the Board will have 15 days to decide whether or not to acquire the Song or Catalogue;
- (c) if the Board decides not to acquire the Song or Catalogue, the Investment Adviser may offer a third party the opportunity to acquire the relevant Song or Catalogue on terms (including, for the avoidance of doubt, price) no more favourable than the terms provided to the Board under paragraph (a) above; and

- (d) if the opportunity to acquire the Song or Catalogue subsequently becomes available on terms more favourable than the terms offered to the Company under paragraph (a) above the Investment Adviser shall be required to comply again with the provisions of paragraphs (a) to (c) above before being permitted to offer the Song or Catalogue to a third party, save that the Board will have 10 days to decide whether or not to acquire the Song or Catalogue on the amended terms.

The Investment Adviser has undertaken to take all reasonable steps to avoid conflicts of interest. Under the terms of the Investment Advisory Agreement, the Investment Adviser has agreed to put in place procedures to ensure decisions are made on an arms-length basis and that all potential conflicts of interest between the Investment Adviser (or any member of its Advisory Board) and the Company are fully disclosed to the Board. Under the terms of the Investment Advisory Agreement, the Investment Adviser is obliged to provide the Board with details of any conflicts of interest of the Investment Adviser or any member of its Advisory Board in relation to each potential acquisition or disposal. In addition, each member of the Advisory Board is required, pursuant to their arrangement with the Investment Adviser, to notify the Investment Adviser of any interest they have in a Catalogue or Song which the Investment Adviser proposes to recommend to the Board. Further, in order to mitigate any risk that the Investment Adviser's (or any member of its Advisory Board's) interest in a Catalogue or Song will result in the Board approving the acquisition of a Catalogue or Song at an inflated price (or the disposal of a Catalogue or Song at a lower value than the Company considers to be its fair value), the Catalogues and Songs will be valued by the Company's independent valuer, and the Company's independent valuer's report will be provided to the Board prior to the Board deciding whether to acquire (or dispose of) a Catalogue or Song.

Any transaction fees, commissions, topping fees, break-up fees, closing fees, consulting fees or other similar fees which the Investment Adviser receives or is offered by a third party in connection with the acquisition, management or disposal of any Songs, whether organised into Catalogues or not, shall be held for the benefit of the Fund Entities and will be offset against the Advisory Fee.

As a principal of a recording artist management company, Hipgnosis Songs Limited, Mr Mercuriadis undertakes other activities in the music industry and this may result in an actual conflict or a potential conflict of interest involving the Company and/or Hipgnosis Songs Limited. Where an actual or potential conflict arises the Investment Adviser will at the time put in place appropriate provisions to ensure the interests of the Shareholders and the Company are protected to the maximum extent possible.

FEES AND EXPENSES

Initial expenses related to the Initial Issue

The maximum size of the Initial Issue is £605 million through the issue of up to a maximum of 500 million Ordinary Shares at an Initial Issue Price of 121 pence per Ordinary Share. The costs and expenses of the Initial Issue are not expected to exceed 2 per cent. of the Gross Issue Proceeds. By way of illustration, assuming that 200 million Ordinary Shares are issued at the Initial Issue Price pursuant to the Initial Issue, the costs and expenses of, and incidental to, Initial Admission and the Initial Issue payable by the Company are not expected to exceed approximately £4.9 million. In such scenario, the Net Issue Proceeds would be expected to be approximately £237.1 million, which is expected to be accretive to the latest published, adjusted Operative NAV per Ordinary Share, as at 31 December 2020, of 118.31 pence.

These expenses include commissions payable to the Joint Bookrunners and will be paid on or around the date of Initial Admission by the Company from the Gross Issue Proceeds. Costs and expenses of the Initial Issue will be deducted from the gross issue proceeds, rather than being charged directly to any investor.

Expenses relating to the Placing Programmes

The total costs of the Placing Programmes are not expected to exceed 2 per cent. of the aggregate gross proceeds of the Placing Programmes. With respect to the Ordinary Share Placing Programme, the Directors anticipate that these costs will be substantially recouped through the premium to the latest published Operative NAV per Ordinary Share at which such Ordinary Shares are trading at the relevant time resulting from the relevant issue price. The total costs of the C Share Placing Programme will be borne out of the Gross Placing Programme Proceeds of such

C Share Placing Programme and are not expected to exceed 2 per cent. of the aggregate gross proceeds of the C Share Placing Programme.

Ongoing Annual Expenses

Fees payable to the Investment Adviser

The Investment Adviser is entitled to an advisory fee (payable in cash) and a performance fee (usually payable predominantly in Ordinary Shares subject to an 18 month lock up arrangement). The aggregate amount for both the advisory fee and the performance fee in respect of any Accounting Period will not exceed 5 per cent. of the lower of: (i) Operative Net Asset Value; or (ii) Ordinary Share Closing Market Capitalisation at the end of that Accounting Period.

Advisory Fee

- 1.1 The Investment Adviser is entitled to receive an advisory fee calculated at the rate of:
 - 1.1.1 1 per cent. per annum of the Average Market Capitalisation up to, and including, £250 million;
 - 1.1.2 0.90 per cent. per annum of the Average Market Capitalisation in excess of £250 million and up to and including £500 million; and
 - 1.1.3 0.80 per cent. per annum of the Average Market Capitalisation in excess of £500 million (the “**Advisory Fee**”).
- 1.2 The Advisory Fee shall be payable monthly in advance, by way of fixed monthly invoices which are calculated by reference to the Average Market Capitalisation, and shall be adjusted at the end of each Accounting Period based on the Average Market Capitalisation at the end of each month during the relevant Accounting Period. The Advisory Fee shall be payable (and any such adjustments shall be made) on a *pro rata* basis in respect of any period for which such fee is payable that is less than a complete month or Accounting Period (as the case may be). The Advisory Fee will be shared by the Fund Entities in such proportions as may be agreed between them from time to time.

Performance Fee

- 1.3 The Investment Adviser (or, where the Investment Adviser so directs, any member of the Investment Adviser’s Team) is entitled to receive a performance fee, in respect of each Accounting Period, a fee equal to 10 per cent. of the Ordinary Share Excess Total Return relating to that Accounting Period (the “**Performance Fee**”), provided that the Performance Fee is capped such that the sum of the Advisory Fee and the Performance Fee paid in respect of that Accounting Period is no more than 5 per cent. of the lower of: (i) Operative Net Asset Value; or (ii) the Ordinary Share Closing Market Capitalisation at the end of that Accounting Period.
- 1.4 The amount of any Performance Fee payable to the Investment Adviser shall be paid in the form of a combination of cash and Ordinary Shares issued by the Company to the Investment Adviser (or any member(s) of the Investment Adviser’s Team in such proportions as the Investment Adviser directs) or purchased from the secondary market (the “**Performance Shares**”) in accordance with the provisions below:
 - 1.4.1 the Company shall pay an amount equal to all taxes and charges payable by the Investment Adviser (or such members of the Investment Adviser’s Team as the Investment Adviser directs) with respect to the Performance Fee in cash; and
 - 1.4.2 subject to paragraph 1.4.3, with respect to the remaining portion of the Performance Fee (the “**Performance Share Amount**”):
 - (A) if the Average Trading Price is equal to or higher than the last reported Operative NAV per Ordinary Share (as adjusted to exclude any dividend which is included in such quotations if the Ordinary Shares delivered are ex that dividend), the Company will issue to the Investment Adviser (or such members of the Investment Adviser’s Team as the Investment Adviser directs) in payment of the Performance Share Amount such number of new Ordinary Shares credited as fully paid as is equal to Performance Share Amount divided by Average Trading Price (rounded to the nearest whole Ordinary Share);

- (B) if the Average Trading Price is lower than the last reported Operative NAV per Ordinary Share (as adjusted to exclude any dividend which is included in such quotations if the Ordinary Shares delivered are ex that dividend), the Company shall satisfy its obligation to pay the Performance Share Amount by the application of an amount equal to the Performance Share Amount to the purchase of Ordinary Shares for cash in the secondary market at a price no greater than the last reported Operative NAV per Ordinary Share (subject to the adjustments referred to above). In making, or directing a broker or other agent of the Company to make any such purchases, the Company shall act as the agent of the Investment Adviser (or such members of the Investment Adviser's Team as the Investment Adviser directs) and not as principal. If it is not possible to apply all of the Performance Share Amount to the acquisition of Ordinary Shares in the secondary market at or below the last reported Operative NAV per Ordinary Share (subject to the adjustments referred to above) within two months following the Payment Due Date, then the Investment Adviser may (on behalf of itself and any members of the Investment Adviser's Team as the case may be) elect to extend that period for up to an additional four months or require that the Company issue such number of new Ordinary Shares as is equal to the remainder of the Performance Share Amount divided by the last reported Operative NAV per Ordinary Share (subject to the adjustments referred to above and rounded down to the nearest whole Ordinary Share). Any balance of the Performance Share Amount remaining unpaid at the end of such extended period will be paid by the Company issuing a number of new Ordinary Shares (rounded down to the nearest whole number) with an aggregate value equal to such balance on the bases of the then last reported Operative NAV per Ordinary Share (subject to the adjustments referred to above).

1.4.3 The Performance Share Amount shall be payable by the Company in cash to the extent necessary if:

- (A) the Company is limited or prohibited from issuing or acquiring Ordinary Shares by any Applicable Requirement;
- (B) to the extent that the acquisition of the Performance Shares would require the Investment Adviser or any member of the Investment Adviser's Team (individually or as a group) to make a mandatory bid under Rule 9 of the Takeover Code; or
- (C) where applicable, the Company does not have authority to issue the relevant Ordinary Shares on a non pre-emptive basis.

1.5 The Investment Adviser shall neither offer, sell, contract to sell, pledge, mortgage, charge, assign, grant options over, or otherwise dispose of, directly or indirectly, any Performance Shares nor mandate a third party to do so on its behalf, or announce the intention to do so (together, a "**Disposal**") for a period of 18 months immediately following the relevant Payment Due Date in relation to such Performance Shares (the "**Lock-up Period**"). To the extent that the Performance Shares are issued to any members of the Investment Adviser's Team, the Investment Adviser shall procure that such persons are bound by similar restrictions on Disposal for the Lock-Up Period (and each Fund Entity has third-party rights to enable any of them to enforce such restrictions on Disposal).

1.6 The restriction in paragraph 1.5 shall not apply where the Investment Adviser has:

1.6.1 received the prior written consent of the Company (on behalf of itself and the other Fund Entities) provided that such consent shall not be unreasonably withheld or delayed where the proposed Disposal is made by a person ("**that person**") to:

- (A) a member of that person's family (meaning that person's wife, husband, parents or adult child, grandchild or siblings); or
- (B) any other person or persons acting in the capacity of trustee or trustees of a trust created by, or including as principal beneficiary, that person and/or members of that person's family (as described in paragraph 1.6.1(A)); or

- (C) any transfer to or by the personal representatives of that person upon their death,

provided that unless waived by the Company (in its sole discretion), the transferee in each case is bound by similar restrictions on Disposal for the remainder of the Lock-Up Period as set out in paragraph 1.5 (and each Fund Entity has third-party rights to enable any of them to enforce such restrictions on Disposal);

- 1.6.2 accepted a general offer for the issued share capital of the Company made in accordance with the Takeover Code (a **"General Offer"**);
- 1.6.3 sold the Performance Shares to an offeror or potential offeror during an offer period (within the meaning of the Takeover Code);
- 1.6.4 made any Disposal pursuant to an offer by the Company to purchase its own Ordinary Shares where such an offer is made on identical terms to all holders of Ordinary Shares in the Company;
- 1.6.5 made any Disposal through the implementation of any scheme of arrangement by the Company or other procedure to effect an amalgamation to give effect to a General Offer;
- 1.6.6 sold or transferred the Performance Shares pursuant to an order made by a court with competent jurisdiction or where required by applicable law or regulation; or
- 1.6.7 made a Disposal pursuant to any decision or ruling by an administrator, administrative receiver or liquidator appointed to the Investment Adviser in connection with a winding-up or liquidation of the Investment Adviser.

Definitions

"Average Market Capitalisation" means, in relation to each month during the relevant Accounting Period where the Advisory Fee is payable, ("A" multiplied by "B") plus ("C" multiplied by "D"), where:

"A" is the average of the middle market quotations of the Ordinary Shares for the five day period ending on the last Business Day of the relevant month in that Accounting Period (adjusted as appropriate to exclude any dividend where the Ordinary Shares are quoted ex such dividend at any time during that five day period);

"B" is weighted average of the number of Ordinary Shares in issue (excluding any Shares held in treasury) at the end of each day during the relevant month in that Accounting Period;;

"C" is the average of the middle market quotations of a class of C Shares in issue for the five day period ending on the last Business Day of the relevant month in that Accounting Period (adjusted as appropriate to exclude any dividend where the C Shares of that class are quoted ex such dividend at any time during that five day period); and

"D" is weighted average of the number of that class of C Shares in issue (excluding any Shares held in treasury) at the end of each day during the relevant month in that Accounting Period."

"Average Trading Price" means the average of the middle market quotations of the Ordinary Shares (as adjusted to exclude any dividend which is included in such quotations if the Ordinary Shares delivered are ex that dividend) for the five day period ending on the Business Day immediately preceding the Payment Due Date;

"Investment Adviser's Team" means any Affiliates of the Investment Adviser and any directors, officers, employees, partners or members of the Advisory Board of the Investment Adviser or its Affiliates from time to time;

"Ordinary Share Closing Market Capitalisation" means, in relation to each Accounting Period, "J" multiplied by "K", where:

"J" is the Ordinary Share Performance Price; and

"K" is the weighted average of the number of Ordinary Shares in issue (excluding any Shares held in treasury) at the end of each day during the Accounting Period;

“Ordinary Share Excess Total Return” means, in relation to each Accounting Period, the amount by which the Ordinary Share Closing Market Capitalisation exceeds “L” multiplied by “M”, where:

“L” is the higher of: (i) the Ordinary Share Performance Hurdle and (ii) Ordinary Share High Watermark; and

“M” is the weighted average of the number of Ordinary Shares in issue (excluding any Shares held in treasury) at the end of each day during that Accounting Period;

“Ordinary Share High Watermark” means the Ordinary Share Performance Price in respect of the last Accounting Period in respect of which a Performance Fee was payable by the Company;

“Ordinary Share Performance Hurdle” means an increase in the issue price of the Ordinary Shares as at IPO equal to 10 per cent. per annum (calculated from the Company’s IPO and compounded annually) subject to adjustments from time to time to take into account any consolidation or sub-division of Ordinary Shares or any other reconstruction, amalgamation or adjustment relating to the share capital of the Company (or any share, stock or security derived therefrom or convertible therein);

“Ordinary Share Performance Price” means, in relation to each Accounting Period, the average of the middle market quotations of the Ordinary Shares for the one month period ending on the last Business Day of that Accounting Period (which shall be adjusted as appropriate: (i) to include any dividend declared but not paid where the Ordinary Shares are quoted ex such dividend at any time during that month; (ii) to exclude any dividend paid in respect of the Ordinary Shares during that month; and (iii) for the OSPP Adjustments); and

“OSPP Adjustments” means adjustments to the Ordinary Share Performance Price to (i) include the gross amount of any dividends and/or distributions paid in respect of an Ordinary Share since the Company’s IPO; and (ii) take account of C Shares as were agreed between the Company and the Investment Adviser, acting reasonably and in good faith, at the time of issuance of such C Shares.

“Payment Due Date” means the date of invoice from the Investment Adviser in respect of the Performance Fee;

Further details of the Investment Advisory Agreement are set out in the section entitled *“Material Contracts: Investment Advisory Agreement”* of Part VII (Additional Information) of this Prospectus.

Other fees and expenses

The Company incurs ongoing annual fees and expenses other than the Advisory Fee or any Performance Fee. The expenses incurred by the Company (other than the Advisory Fee, any Performance Fee and the costs incurred pursuant to the Company’s equity capital raisings, and excluding any amortisation of Catalogues carried out under IFRS and any foreign exchange gains/losses arising on investments) were approximately: (i) in respect of the financial year ended 31 March 2020, 1.4 per cent. of the Company’s Operative NAV as at 31 March 2020, being £718.9 million; and (ii) in respect of the six month period ended 30 September 2020, 0.6 per cent. of the Company’s Operative NAV as at 30 September 2020, being £1,265.1 million.

These fees and expenses include the following:

(i) **Registrar**

Under the terms of the Registrar Agreement, the Registrar is entitled to a fixed fee of £7,500 per annum in respect of the Ordinary Shares and £5,500 per annum in respect of the C Shares (if applicable), together with additional ad hoc fees in respect of additional out of scope services provided by the Registrar. The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

(ii) **Fund Administrator**

Pursuant to the Administration Agreements, the Fund Administrator and Ocorian Administration (UK) Limited are entitled to an aggregate annual fee of approximately £465,000 together with additional ad hoc fees in respect of certain additional services, such fees being payable monthly in arrear and subject to periodic review. Additional fees may be

charged in respect of any subsidiary that accedes to the terms of the relevant Administration Agreement from time to time or in respect of acquisitions of additional Catalogues. As at the date of this Prospectus, all Fund Entities incorporated in the UK have acceded to the terms of the UK Administration Agreement.

(iii) **Directors**

The Directors are remunerated for their services at a fee of £75,000 per annum (£85,000 for the Chairman). The chairman of the Audit and Risk Management Committee receives an additional £6,500 per annum for his services in this role. Mr Sutch does not receive additional remuneration for his role as chairman of the Asset Management Committee. Mr Burger receives an additional £6,500 per annum for his role as chairman of the Portfolio Committee. Each Director will be paid an additional one-off fee of £15,000 in consideration for the additional services that they have provided in connection with the publication of this Prospectus. The Directors intend to apply this additional fee to: (i) the purchase of Ordinary Shares to be issued pursuant to the Initial Issue; (ii) the purchase of Ordinary Shares or C Shares issued pursuant to a Subsequent Placing; or (iii) acquire Ordinary Shares in the market during the 12 months following the publication of this Prospectus. Further information in relation to the remuneration of the Directors is set out in Part VII (*Additional Information*) of this Prospectus.

(iv) **Other operational expenses**

All other ongoing operational expenses of the Company (excluding fees paid to service providers as detailed above) are borne by the Company including, without limitation, the incidental costs of making its investments and the implementation of the Investment Objective and Policy; a retainer for legal services in connection with Song acquisitions as well as ongoing royalty/licensing issues and other legal services (pursuant to the agreement summarised out in the section entitled "*Material Contracts: WRL Engagement Letter*" of Part VII (*Additional Information*) of this Prospectus); travel, accommodation and printing costs; the cost of directors' and officers' liability insurance and website maintenance; audit and legal fees; and annual FCA and LSE fees. All reasonably and properly incurred out of pocket expenses of the Investment Adviser (including travel expenses as specified in the Investment Advisory Agreement) and all other third-party services providers relating to the Company are and will be borne by the Company. The Company's income from its investments is intended to provide sufficient cash to support its ongoing operational and other incidental expenses.

PART V: THE INITIAL ISSUE AND THE PLACING PROGRAMMES

INTRODUCTION

The number of Ordinary Shares that can be issued pursuant to the Initial Issue shall not exceed 500 million provided that, if the Resolution is not passed by the requisite majority of Shareholders at the EGM, the maximum number of Ordinary Shares which can be issued pursuant to the Initial Issue will be capped at 400 million. The actual number of Ordinary Shares to be issued pursuant to the Initial Issue is not known as at the date of this Prospectus and will be determined by the Company and the Joint Bookrunners after taking into account the demand for Ordinary Shares and prevailing market conditions.

The number of Ordinary Shares issued pursuant to the Initial Issue will, once determined, be notified by the Company by an RIS announcement and on its website, on or around 5 February 2021. The Initial Issue is not being underwritten.

Following completion of the Initial Issue, pursuant to the Placing Programmes the Directors may, at their sole and absolute discretion, decide to carry out one or more Placings after Initial Admission and no later than the Final Closing Date, should the Board determine that market conditions are appropriate. The Board expects that any Placings of a class of C Shares pursuant to the C Share Placing Programme will only be carried out after at least 80 per cent. of the Company's Gross Issue Proceeds following the Initial Issue (or 80 per cent. of the gross proceeds of a Subsequent Placing) has been invested or committed in accordance with the Investment Objective and Policy. The maximum number of Shares that may be issued under the Placing Programmes is 1 billion. If the Resolution is not passed by the requisite majority of Shareholders at the EGM, any issuances of Issue Shares pursuant to the Placing Programmes will be conditional upon the Shareholders resolving to disapply pre-emption rights in respect of such issuance at a subsequent general meeting of the Company.

The Shares are only suitable for investors: (i) who understand the potential risk of capital loss; (ii) for whom an investment in the Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment portfolio. It should be remembered that the price of the Shares and the returns from them can go down as well as up and that investors may not receive, on a sale, redemption or cancellation of Shares, the amount that they invested.

THE INITIAL ISSUE

Initial Placing

The Joint Bookrunners have agreed, pursuant to the Placing Agreement, to use their reasonable endeavours to procure Placees to subscribe for Shares pursuant to the Initial Issue and the Placing Programmes. Details of the Placing Agreement are set out in the section entitled "*Material Contracts: Placing Agreement*" of Part VII (*Additional Information*) of this Prospectus.

The terms and conditions which shall apply to any subscription for Ordinary Shares pursuant to the Initial Placing are contained in Part XII (*Terms and Conditions of Placings*) of this Prospectus.

The results of the Initial Placing are expected to be announced on 5 February 2021.

The Initial Placing is conditional on among other things:

- (i) Initial Admission occurring and becoming effective by 8.00 a.m. (London time) on 10 February 2021 (or such later time and date, not being later than 12 February 2021, as the Company and the Joint Bookrunners may agree); and
- (ii) the Placing Agreement becoming unconditional in respect of the Initial Placing and not having been terminated in accordance with its terms on or before the Initial Admission.

The Initial Placing is not being underwritten and there will be no minimum subscription for Ordinary Shares that are made available under the Initial Issue.

Offer for Subscription

The Company is also offering the Ordinary Shares to investors in the United Kingdom pursuant to the Offer.

The Terms and Conditions of the Offer for Subscription are set out in Part XI (*Terms and Conditions of the Offer for Subscription*) of this Prospectus and notes on how to complete the Application Form and the Application Form are set out in Appendix I and Appendix II, respectively, to this Prospectus. The Terms and Conditions of the Offer for Subscription should be read carefully before an application is made. Application Forms must be posted to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or (where payment is made by electronic means) by email to OFSPaymentQueries@computershare.co.uk, in each case so as to arrive by no later than 11:00 a.m. on 4 February 2021. Unless extended, the Offer will be closed at that time.

Applications under the Offer must be for Ordinary Shares with a minimum number of 1,000 Ordinary Shares at the Initial Issue Price and thereafter in multiples of 100 Ordinary Shares, or such lesser amount as the Company may determine (at its discretion).

Application Forms accompanied by a cheque or banker's draft in Sterling made payable to "CIS PLC RE: HIPGNOSIS SONGS OFS ACCEPTANCE ACCOUNT" and crossed "A/C Payee Only" for the appropriate sum should be returned to the Receiving Agent by no later than 11:00 a.m. on 4 February 2021. If the Offer is extended, the revised timetable will be notified to any investors who have returned Application Forms.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11:00 a.m. on 4 February 2021. Please contact Computershare Investor Services PLC by email at OFSPaymentQueries@computershare.co.uk (quoting HIP OFS) and Computershare will then provide applicants with a unique reference number which must be used when sending payment.

Applicants choosing to settle via CREST, that is DVP, will need to match their instructions to Computershare Investor Services PLC's participant account RA64 by no later than 1:00 p.m. on 9 February 2021, allowing for the delivery and acceptance of Ordinary Shares to be made against payment of the Initial Issue Price per Ordinary Share, following the CREST matching criteria set out in the Application Form. Applications may be rejected in whole or in part at the sole discretion of the Company.

Intermediaries Offer

In connection with the Offer, the Company may appoint Intermediaries to market the Ordinary Shares to potential retail investors in the United Kingdom.

Each Intermediary will, on appointment, agree to terms and conditions which will regulate, among other things, the conduct of the Intermediaries in relation to the offering of Ordinary Shares on market standard terms and provide for the payment of commission to any such Intermediaries that elect to receive commission from the Company.

Each Intermediary will submit an Intermediaries Offer Application Form in its own name, as nominee, for the aggregate number of Ordinary Shares procured by it via subscriptions from underlying retail investors.

Each applicant who applies for Ordinary Shares via an Intermediary must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Ordinary Shares available to satisfy an application in full (due to scaling back of subscriptions or otherwise), the relevant Intermediary will be obliged to refund the applicant as required and such refunds may be made, at the discretion of the relevant Intermediary, without interest. The Company and the Joint Bookrunners accept no responsibility with respect to the obligation of any Intermediary to refund monies in such circumstances.

The publication of this Prospectus and any actions taken by the Company and/or the Joint Bookrunners, any Intermediary or other persons in connection with the Offer for Subscription should not be taken as any representation or assurance as to the basis on which the number of Ordinary Shares to be offered under the Offer for Subscription or allocations between applications in the Offer for Subscription (from any Intermediary or otherwise) will be determined and any such actions or statements are hereby disclaimed by the Company and the Joint Bookrunners.

Pricing

All the Ordinary Shares issued pursuant to the Initial Issue will be issued at the Initial Issue Price of 121 pence per Ordinary Share.

Size of Initial Issue, scaling back and allocation

The number of Ordinary Shares that can be issued pursuant to the Initial Issue shall not exceed 500 million provided that, if the Resolution is not passed by the requisite majority of Shareholders at the EGM, the maximum number of Ordinary Shares which can be issued pursuant to the Initial Issue will be capped at 400 million.

The Directors have discretion (following consultation with the Joint Bookrunners) to determine the basis of allocation within the Initial Issue, including any required scaling back of orders from investors.

The Company will notify investors of the number of Ordinary Shares to be issued pursuant to the Initial Issue in respect of which their application has been successful. The results of the Initial Issue will be announced by the Company on or around 5 February 2021 by way of an RIS announcement.

Dilution in connection with the Initial Issue

If 500 million Ordinary Shares were to be issued pursuant to the Initial Issue (being the maximum number of Ordinary Shares that the Directors will be authorised to issue under the Initial Issue) based on the issued share capital at the date of this Prospectus, assuming that an existing Shareholder did not participate in the Initial Issue, an investor holding 1 per cent. of the Company's issued share capital at the date of this Prospectus would then hold 0.67 per cent. of the Company's issued share capital following Initial Admission.

Initial Admission and dealings

Initial Admission is expected to take place and dealings in Ordinary Shares to be issued pursuant to the Initial Issue are expected to commence on the London Stock Exchange at 8.00 a.m. on 10 February 2021. There will be no conditional dealings in the Ordinary Shares being issued pursuant to the Initial Issue prior to Initial Admission.

The Company does not guarantee that at any particular time a market in the Ordinary Shares will exist, nor does it guarantee the price at which a market will be made in the Ordinary Shares. Accordingly, the dealing price of the Ordinary Shares may not necessarily reflect changes in the Operative NAV per Ordinary Share.

Where applicable, definitive share certificates in respect of the Ordinary Shares issued pursuant to the Initial Issue are expected to be despatched, by post at the risk of the recipients, to the relevant holders, not later than the week commencing 1 March 2021. The Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the Register. No temporary documents of title will be issued.

Use of proceeds

The Company's objective is to provide Shareholders with an attractive and growing level of income, together with the potential for capital growth, from investment in Songs and associated musical intellectual property rights. The Net Issue Proceeds and the net proceeds of any Subsequent Placing will be invested in accordance with the Investment Objective and Policy. The Company invests, and will continue to invest, in a Portfolio of Songs and associated musical intellectual property rights (master recordings, rights over future Songs that are acquired by the Company through the payment of Advances to such songwriter and secured against the future Songs, and producer royalties) and will seek to acquire 100 per cent. of a songwriter's copyright interest in each Song, which would comprise their writer's share, their publisher's share and their performance rights. Any announcement made by the Company in connection with the acquisition of a Catalogue contains, and will continue to contain, details of the copyright interests in such Catalogue that the Company has acquired.

THE PLACING PROGRAMMES

Pursuant to the Placing Programmes, the Directors may, at their sole and absolute discretion, decide to carry out one or more Placings after Initial Admission and no later than the Final Closing Date, should the Board determine that market conditions are appropriate. The Placing Programmes

are flexible and may have a number of closing dates (each, an “**Interim Closing Date**”). The Board expects that any Placings of a class of C Shares pursuant to the C Share Placing Programme and any Placings of Ordinary Shares pursuant to the Ordinary Share Placing Programme will only be carried out after at least 80 per cent. of the Company’s Gross Issue Proceeds following the Initial Issue (or 80 per cent. of the gross proceeds of a Subsequent Placing) has been invested or committed in accordance with the Investment Objective and Policy.

The maximum number of Shares that may be issued under the Placing Programmes is 1 billion. If the Resolution is not passed by the requisite majority of Shareholders at the EGM, any issuances of Issue Shares pursuant to the Placing Programmes will be conditional upon the Shareholders resolving to disapply pre-emption rights in respect of such issuance at a subsequent general meeting of the Company.

Each Placing under the Placing Programmes will be conditional on, among other things:

- (a) the relevant Admission occurring and becoming effective by 8.00 a.m. (London time) on such date as the Company specifies, not being later than the Final Closing Date;
- (b) the Placing Programme Price being determined by the Directors;
- (c) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules;
- (d) the Placing Agreement not having been terminated in accordance with its terms before the relevant Admission; and
- (e) the Joint Bookrunners confirming to the Placees their allocation of Shares pursuant to such Placing.

The Joint Bookrunners have also agreed, pursuant to the Placing Agreement, to use their reasonable endeavours to procure Placees to subscribe for new Shares pursuant to the Placing Programmes. Details of the Placing Agreement are set out in the section entitled “*Material Contracts: Placing Agreement*” of Part VII (*Additional Information*) of this Prospectus.

The actual number of new Shares to be issued under the Placing Programmes will be determined by the Company (in consultation with the Joint Bookrunners) after taking into account demand for the new Shares.

The Placing Programmes will not be underwritten and there will be no minimum subscription for Shares that are made available under the Placing Programmes save for any minimum market capitalisation requirements, and any minimum amount necessary in order to satisfy any shares in public hands test, set by the Listing Rules, and save for the Company not becoming a “close company” (as defined in section 439 of the Corporation Tax Act 2010). The actual number of Ordinary Shares issued pursuant to the Initial Issue and Issue Shares to be issued pursuant to the Placing Programmes is not known. The number of Ordinary Shares issued pursuant to the Initial Issue and available Issue Shares to be issued pursuant to the Placing Programmes should not be taken as an indication of the number of Shares finally to be issued pursuant to the Initial Issue or the Placing Programmes, respectively.

The minimum price at which new Ordinary Shares will be issued pursuant to a Placing under the Ordinary Share Placing Programme will be set at a premium to the latest published Operative NAV per Ordinary Share at the relevant time, with a view to covering the costs and expenses of the Placing (including, without limitation, any placing commissions). The Placing Programme Price for an the Ordinary Shares issued under the Ordinary Share Placing Programme shall be disclosed by way of an RIS announcement at the relevant time.

No fractions of Shares will be issued pursuant to the Initial Issue or the Placing Programmes. If a fractional entitlement to a Share arises on an application, the number of Shares issued will be rounded down to the nearest whole number. Any rounding will be retained for the benefit of the Company.

Further details about any Placings (including the issue price for any such Placing or the maximum size of such Placing) will be notified by the Company by an RIS announcement and on the Company’s website prior to each Subsequent Admission Date.

The terms and conditions applicable to any subscription for new Shares pursuant to the Placing Programmes are contained in Part XII (*Terms and Conditions of Placings*) of this Prospectus.

C Shares

The Board intends to issue C Shares pursuant to the C Share Placing Programme (rather than Ordinary Shares pursuant to the Ordinary Share Placing Programme), in circumstances where there is substantial investor demand for Shares in the Company but the issue of further Ordinary Shares would have the potential to exert “cash drag” on the performance of the Ordinary Shares already in issue pending the deployment of such issue proceeds. The Directors are authorised to issue such classes of C Shares as they may determine in accordance with the provisions of the Articles and with C Shares of each such class being convertible into New Ordinary Shares as the Directors may determine at the time of issue of the relevant C Shares.

The Company will issue a maximum of four classes of C Shares pursuant to the C Share Placing Programme. Subsequent Placings of C Shares will have security identification numbers issued in consecutive order, namely class 1 to class 4 (such that the first class of C Shares to be issued after the Initial Issue will be identified as “C1 Shares”, the second class will be “C2 Shares” and so on). The announcement of each allotment and issue will contain details of the relevant security identification numbers for the class of C Share being issued. The Company may, at its discretion, issue additional classes of C Shares prior to the Conversion of any previously issued classes of C Shares.

Each class of C Shares will form a distinct and separate class of Shares from other classes of C Shares. Each class of C Shares will have the same rights and characteristics as any other class of C Shares. A new class of C Shares may be issued prior to the Conversion of any existing class(es) of C Shares in a number of circumstances including where the existing cash attributable to Ordinary Shares and any existing class(es) of C Shares is considered to be potentially insufficient to fund the acquisition of one or more pipeline Catalogues (which may or may not ultimately materialise). Further details of the rights attaching to the C Shares and the mechanism for converting them into Ordinary Shares are set out in the section entitled “*Memorandum and Articles: Terms of the Shares*” of Part VII (*Additional Information*) of this Prospectus.

Commercial terms of Subsequent Placings of C Shares

The issue price of any C Shares issued pursuant to the C Share Placing Programme will be 100 pence per C Share.

As set out above in this section entitled “The Placing Programmes”, the maximum number of Shares that may be issued under the Placing Programmes is 1 billion. The result of this is that each Subsequent Placing of C Shares may be for up to 1 billion C Shares, less any number of Shares (whether C Shares or Ordinary Shares) issued pursuant to a previous Subsequent Placing, such that if 250 million “C1 Shares” (and no Ordinary Shares) were issued pursuant to the first Subsequent Placing, the maximum number of “C2 Shares” that could be issued pursuant to the following Subsequent Placing (assuming no Ordinary Shares had been issued between such Subsequent Placings) would be 750 million. Save for this cap, there are no fixed or target numbers of Shares that can be issued pursuant to a Subsequent Placing, though the Directors would expect (but make no assurances) for there to be a number of smaller Subsequent Placings, rather than one Subsequent Placing of 1 billion Shares.

Pursuant to the Articles and absent any Force Majeure Circumstances, a class of C Shares issued pursuant to a Subsequent Placing will convert to New Ordinary Shares within five months from the Calculation Time, being the next semi-annual NAV Calculation Date (or such other valuation point as may be determined by the Directors in their absolute discretion) immediately following the earlier of: (i) the close of business on the date on which the Board becomes aware or is notified by the Investment Adviser that at least 80 per cent. of the relevant net proceeds of the relevant Subsequent Placing have been invested in accordance with the Company’s Investment Objective and Policy; (ii) the date that is 12 months following the relevant Subsequent Admission; or (iii) the close of business on such date as the Board may determine to enable the Company to comply with its obligations in respect of Conversion of that class of C Shares. Specific details of the Conversion process (such as the relevant back-stop for Conversion) will be set out in the RIS announcement relating to a Subsequent Placing of a new class of C Shares.

On the relevant Calculation Time, the net assets attributable to the Ordinary Shares then in issue, the net assets attributable to the relevant class of C Shares issued pursuant to the relevant Subsequent Placing and the resultant Conversion Ratio applicable to that class of C Shares will be calculated.

Holders of a class of C Shares will receive such number of New Ordinary Shares as results from applying the Conversion Ratio to their holdings in that class of C Shares on the relevant Conversion Time, with fractions of New Ordinary Shares being dealt with by the Directors in such manner as they see fit.

Following the relevant Calculation Time, the Directors shall procure that the relevant Conversion Ratio and the number of New Ordinary Shares due to each holder of the relevant class of C Shares is calculated and that the Company's independent valuer prepares the fair valuations of the assets attributable to the Company's Ordinary Shares and the relevant class of C Shares in accordance with the Company's latest published valuation methodology.

Pursuant to the Articles, the Directors may determine that the holders of any class of C Shares to be issued pursuant to a Subsequent Placing will be entitled to participate in any dividends of the Company in relation to assets attributable to that class of C Shares. Such amount will depend on, *inter alia*, the revenues received from Catalogues attributable to that class of C Shares, which is not known at the time of this Prospectus. C Shareholders will be informed of any dividends declared by the Company in respect of the relevant class of C Shares to be issued pursuant to the Subsequent Placing by way of an RIS announcement.

The Directors may determine, as part of the terms of issuance of any class of C Shares, that no dividend or other distribution shall be made or paid by the Company on such class of C Shares between the Calculation Time and the Conversion Time (both dates inclusive) provided that any dividend announced prior to the relevant Calculation Time shall be taken into account as an adjustment in the calculation of the relevant Conversion Ratio and no dividend shall be declared with a record date falling between the relevant Calculation Time and the relevant Conversion Time (both dates inclusive). Any terms relating to the timing of declaration or payment of dividends on a class of C Shares will be announced in the relevant RIS announcement. As part of this determination, the Directors shall consider the size of any Subsequent Placing, the expected date of Conversion and other factors including the proximity of the next semi-annual NAV Calculation Date.

Alternatively, the Company may, as part of the terms of issuance of a new class of C Shares, retain the right to declare and pay a dividend or other distribution in respect of the any new class of C Shares between the Calculation Time and the Conversion Time for the relevant class of C Shares (both dates inclusive). The Directors may also make adjustments (and may reserve the right to do so as part of the terms of issuance of such new class of C Shares) to the Conversion Ratio to reflect any dividends or other distributions declared, in respect of the Ordinary Shares and / or the relevant class of C Shares, between the Calculation Time and the Conversion Time (both dates inclusive). If a dividend is declared in respect of the Ordinary Shares with a record date falling between the relevant Calculation Time and the relevant Conversion Time (both dates inclusive), any New Ordinary Shares arising on Conversion of the relevant class of C Shares will not rank for such dividend.

Authority to allot and issue Shares on a non-pre-emptive basis

By way of a written special resolution dated 25 June 2018, the Board was granted the authority to allot and issue up to 1 billion Shares on a non-pre-emptive basis, such authority being expressed to expire immediately prior to the AGM of the Company to be held in 2023 (or, if earlier, five years from the date of the passing of such resolution). Out of this authority, there is authority remaining for the Directors to allot and issue up to 379,643,659 ordinary shares and/or C shares for cash on a non-pre-emptive basis, such authority expiring on 24 June 2023. Further, the Directors were granted authority by shareholders at the Company's second annual general meeting on 8 September 2020 to allot and issue up to 30,792,594 ordinary shares and/or C shares for cash on a non-pre-emptive basis, such authority to expire on 8 December 2021, or if earlier at the annual general meeting of the Company to be held in 2021.

The maximum number of Ordinary Shares that can be issued pursuant to the Initial Issue is 500 million. The maximum number of Shares that can be issued pursuant to the Placing Programmes is 1 billion. Accordingly, the maximum number of Shares that can be issued pursuant

to the Initial Issue and the Placing Programmes is 1.5 billion, which exceeds the current authority of the Board to allot Shares.

Accordingly, the Company will publish a shareholder circular on or around the date of this Prospectus containing details of the Resolution to be tabled at the EGM, proposing that pre-emption rights be disapplied in respect of a further 1.5 billion Ordinary Shares or C Shares to enable the Company to issue all the Issue Shares pursuant to the Initial Issue and the Placing Programmes. The Company's ability to issue the entire 1.5 billion Shares pursuant to the Initial Issue and Placing Programmes is, therefore, dependent on the Resolution being passed at the EGM or the Board otherwise renewing such authority during the Placing Programmes. If the Resolution is not passed by the requisite majority of Shareholders at the EGM, any issuances of Issue Shares pursuant to the Placing Programmes will be conditional upon the Shareholders resolving to disapply pre-emption rights in respect of such issuance at a subsequent general meeting of the Company.

Dilution in connection with Subsequent Placings

If 1 billion Issue Shares were to be issued pursuant to Subsequent Placings (being the maximum number of Shares that the Directors will be authorised to issue under the Placing Programmes) and assuming that: (i) 500 million Ordinary Shares had been issued pursuant to the Initial Issue (being the maximum number of Ordinary Shares that can be issued pursuant to the Initial Issue); (ii) no other Ordinary Shares or C Shares had been issued other than the Issue Shares issued under the Placing Programmes; and (iii) the relevant investor did not participate in any Subsequent Placings, an investor holding 1 per cent. of the Company's issued share capital after the Initial Issue would then hold 0.60 per cent. of the Company's issued share capital following completion of all the Subsequent Placings.

Further, on Conversion of C Shares, any dilution resulting from the issue of C Shares may increase or decrease depending on the Conversion Ratio used for such Conversion.

ALLOCATION OF INVESTMENT OPPORTUNITIES

The Company expects that opportunities to invest in Catalogues or Songs (including funding any unfunded commitments under existing Catalogues or Songs) will be allocated as between the Ordinary Shares and any class of C Shares as follows:

- (a) no investible cash attributable to a class of C Shares will be utilised to invest in a Catalogue or Song unless the investible cash attributable to the Ordinary Shares has been fully invested in specific Catalogues or Songs or has otherwise been utilised; and
- (b) no investible cash attributable to a new class of C Shares issued under any Subsequent Placing will be utilised to invest in a Catalogue or Song unless the investible cash attributable to all previously issued classes of C Shares has been fully invested in specific Catalogues or Songs or has otherwise been utilised.

For the avoidance of doubt, the Company will not have regard to the concentration in the portfolio attributable to a specific class of C Shares prior to its Conversion. The investment limits set out in the Company's Investment Objective and Policy will apply to the Company's gross assets as a whole. Therefore, a class of C Shares may, prior to Conversion, have a lower number of Songs or a greater exposure to any one Song within their respective portfolios than the investment limits set out in the Company's Investment Objective and Policy.

THE CONVERSION PROCESS

Any person acquiring New Ordinary Shares upon Conversion will be deemed to have agreed, represented and warranted to each of the Company, the Investment Adviser, the Registrar and the Joint Bookrunners to all of the statements that the subscriber for the relevant C Shares is deemed to have agreed, represented and warranted to each of the aforementioned persons at the time of subscription as set out in this Prospectus.

The Directors may, in their absolute discretion, decline to convert any C Shares into New Ordinary Shares with respect to any person who has not established to the satisfaction of the Directors that such person is not a Non-Qualified Holder and any such C Shares shall be subject to the forced transfer and other provisions relating to Non-Qualified Holders set out in the Articles and this Prospectus.

On Conversion, such number of C Shares of the relevant class as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of New Ordinary Shares into which those C Shares are converted equals the number of C Shares in issue on the Calculation Time multiplied by the Conversion Ratio and rounded down to the nearest whole Ordinary Share, shall automatically convert into an equal number of New Ordinary Shares.

The New Ordinary Shares arising on Conversion shall be divided amongst the former holders of the relevant class C Shares *pro rata* according to their respective former holdings of that class of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Ordinary Shares arising upon Conversion, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).

Each issued C Share of a class which does not convert into a New Ordinary Share in accordance with this paragraph shall, immediately upon Conversion, be redeemed by the Company for an aggregate consideration of £0.01 for all of the C Shares of that class to be so redeemed and the notice referred to in this paragraph shall be deemed to constitute notice to each holder of C Shares of that class (and any person or persons having the right to acquire or acquiring C Shares of that class on or after the Calculation Time) that such C Shares shall be so redeemed. The Company shall not be obliged to account to any holder of C Shares for the redemption monies in respect of such shares.

Upon request following Conversion, the Company shall issue to each former holder of C Shares a new certificate in respect of the New Ordinary Shares in certificated form which have arisen upon Conversion.

RANKING OF C SHARES UPON CONVERSION

The New Ordinary Shares arising upon Conversion shall rank *pari passu* with all other Ordinary Shares for dividends and other distributions declared, made or paid by reference to a record date falling after the relevant Calculation Time and will entitle the newly converted holders thereof to participate in any future share buybacks on the same terms and subject to the same conditions as holders of the Ordinary Shares. For further details on the Company's policies around share buybacks and discount control management, please refer to "*Discount Control Provisions*" of Part I (*Information on the Company*) of this Prospectus.

GENERAL

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, the Company (and their agents) may require evidence in connection with any application for Shares, including further identification of the applicant(s), before any Shares are issued.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to Initial Admission or any Subsequent Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The Directors (in consultation with the Joint Bookrunners) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Ordinary Shares under the Initial Issue.

Should the Initial Issue be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant.

Definitive certificates in respect of Ordinary Shares in certificated form will be despatched by post in the week commencing 1 March 2021.

Clearing and settlement

In the case of any Placing, payment for the Shares should be made in accordance with settlement instructions to be provided to Placees by (or on behalf of) the Company or the Joint Bookrunners. In the case of the Offer, payment for the Ordinary Shares should be made in accordance with the Terms and Conditions of the Offer in Part XI (*Terms and Conditions of the Offer for Subscription*) of

this Prospectus and in the Application Form. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Prospective investors will be able to elect to settle payment for the Ordinary Shares (in respect of the Initial Issue) or the Ordinary Shares or any class of C Shares (in respect of a Subsequent Placing under the Placing Programmes) in Sterling or US Dollars. The Initial Issue Price or the Placing Programme Price (as applicable) will be announced in Sterling at the time of launch of the Initial Issue or Subsequent Placing (as applicable). The relevant US Dollar equivalent amount and the relevant Sterling/US Dollar exchange rate used to convert the Initial Issue Price or the Placing Programme Price (as applicable), will be announced through an RIS as soon as practicable prior to the relevant Admission.

The Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST. In the case of any Shares to be issued in uncertificated form pursuant to the Initial Issue or the Placing Programmes, these will be transferred to successful applications through the CREST system.

CREST

CREST is a paperless settlement procedure operated by Euroclear enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares under the CREST system. The Company has applied for the Ordinary Shares issued pursuant to the Initial Issue to be admitted to CREST with effect from Initial Admission and it is expected that the Ordinary Shares will be admitted to CREST with effect from that time. Accordingly, settlement of transactions in Ordinary Shares following Initial Admission may take place within the CREST system if any Shareholder so wishes. The Company will similarly apply for any new Shares that may be issued pursuant to the Placing Programmes to be admitted to CREST with effect from the relevant Subsequent Admission and it is expected that such new Shares will be admitted to CREST with effect from that time. Accordingly, settlement of transactions in new Shares following the relevant Subsequent Admission may take place within the CREST system if any Shareholder so wishes.

It is expected that the Company will arrange for Euroclear to be instructed on 10 February 2021 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to the Ordinary Shares issued pursuant to the Initial Issue. Similarly, where new Shares are issued pursuant to the Placing Programmes, the Company will arrange for Euroclear to be instructed from time to time to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to the new Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the Register.

The transfer of Shares out of the CREST system at any time following Initial Admission should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for new Shares may elect to receive such new Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST. If a Shareholder or transferee requests Shares to be issued in certificated form and is holding such Shares outside CREST, a share certificate will be despatched either to them or their nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares. Shareholders holding definitive certificates may elect at a later date to hold such Shares through CREST or in uncertificated form provided they surrender their definitive certificates.

ISAs and SSAS/SIPPs

General

Shares issued by the Company should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2020 to 2021).

Selling shares within an ISA to reinvest would not count towards the Shareholder's annual limit and for "flexible" ISAs (which does not include junior ISAs). Shareholders are entitled to withdraw and replace funds in their stocks and shares ISA, in the same tax year, without using up their annual subscription limit.

The Board have been advised that the Shares should be eligible for inclusion in SIPP or SSAS, subject to the discretion of the trustees of the SIPP or the SSAS, as the case may be.

Individuals wishing to invest in Shares through an ISA, SSAS or SIPP should contact their professional advisers regarding their eligibility.

Offer

Ordinary Shares allotted under the Offer will be eligible for inclusion in an ISA, subject to the applicable subscription limits to new investments into an ISA, as set out above, being complied with.

Placing

Shares allotted under the Initial Placing and/or the Placing Programmes are not eligible for inclusion in an ISA.

Secondary market purchases

Shares acquired by an account manager by purchase in the secondary market, subject to applicable subscription limits, as set out above, will be eligible for inclusion in an ISA.

Dealings

Applications will be made to the London Stock Exchange and the FCA for the Ordinary Shares issued pursuant to the Initial Issue and the Issue Shares to be issued pursuant to the Placing Programmes to be admitted to trading on the Main Market and to listing on the premium listing category of the Official List.

It is expected that Initial Admission will become effective and that unconditional dealing in the Ordinary Shares will commence at 8.00 a.m. on 10 February 2021.

The ISIN of the Ordinary Shares is GG00BFYT9H72, the SEDOL in respect of the Ordinary Shares traded in Sterling is BFYT9H7 and the SEDOL in respect of the Ordinary Shares traded in US Dollars is BLH8YF6.

Each class of C Shares will have separate ISINs, SEDOLs and ticker symbols issued. The announcement of any Subsequent Placing of a class of C Shares made pursuant to the C Share Placing Programme will contain details of the relevant ISIN, SEDOL and ticker symbol for such class of C Shares being issued.

The Company does not guarantee that at any particular time any market maker(s) will be willing to make a market in the Shares, nor does it guarantee the price at which a market will be made in the Shares. Accordingly, the dealing price of any class of Issue Shares may not necessarily reflect changes in their respective Operative Net Asset Value.

Purchase and transfer restrictions

The Company has elected to impose the restrictions described below on the Initial Issue, the Placing Programmes and on the future trading of the Shares so that the Company will not be required to register the offer and sale of the Shares under the US Securities Act, and in order to address certain ERISA, US Tax Code and other considerations. These restrictions will remain in effect until the Company determines in its sole discretion to remove them, and may adversely affect the ability of holders of the Shares to trade such securities. The Company and its agents will not be obligated to recognise any resale or other transfer of the Shares made other than in compliance with the restrictions described below.

Representations, Warranties and Undertakings

Any person within the United States that wishes to subscribe for Shares in the Initial Issue and/or the Placing Programmes must return a duly executed US investor letter in form and substance acceptable to the Company and the Joint Bookrunners containing relevant representations,

warranties, undertakings, agreements and acknowledgements, including regarding its status as a QIB. Any person that participates in the Initial Issue and/or the Placing Programmes that does not deliver such a duly executed US investor letter will, unless otherwise expressly agreed with the Company and the Joint Bookrunners, be deemed to have represented, warranted, undertaken, agreed and acknowledged as follows as of the date it subscribes for or otherwise acquires such Shares (including as a result of any conversion of C Shares) or any beneficial interest therein:

- (a) it is located outside the United States and is acquiring the Shares in an “offshore transaction” in compliance with Regulation S;
- (b) if it is acquiring the Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make (and it does make) the representations, warranties, undertakings, agreements and acknowledgements herein on behalf of each such account;
- (c) the Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States;
- (d) the Company has not been and will not be registered under the US Investment Company Act and as such investors are not and will not be entitled to the benefits of the US Investment Company Act;
- (e) it is not acquiring the Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the US Securities Act) or any directed selling efforts (as that term is defined in Regulation S) and that its purchase of the Shares is not part of a plan or scheme to evade the registration requirements of the US Securities Act;
- (f) it is acquiring the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for any distribution, sale or other transfer of the Shares in any manner that would violate the US Securities Act or any other applicable laws;
- (g) no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code. In addition, if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law; and
- (h) the representations, warranties, undertakings, agreements and acknowledgements contained herein are irrevocable and it acknowledges that the Company, the Investment Adviser, the Joint Bookrunners and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of, and compliance with, such representations, warranties, undertakings, agreements and acknowledgments. If any of the representations, warranties, undertakings, agreements or acknowledgments contained herein are no longer accurate or have not been complied with, it will immediately notify the Company.

PART VI: TAXATION

1. GENERAL

The information below, which relates only to Guernsey, the UK and the US, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident in Guernsey or the United Kingdom for taxation purposes or US Holders (as defined in the section entitled “*United States*” below) and who hold Shares as an investment. It is based on current Guernsey, UK and US tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). It is not intended to be, nor should it be construed to be, legal or tax advice. Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

If you are in any doubt about your tax position, you should consult your professional adviser.

2. UNITED KINGDOM

2.1 The Company

The Directors have been advised that following certain changes to the United Kingdom tax rules regarding “alternative investment funds” implemented by the Finance Act 2014 and contained in section 363A of the Taxation (International and other Provisions) Act 2010 the Company should not, as at the date of this Prospectus, be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, for the time being, the Company will only be subject to UK income tax or corporation tax on any UK source income and to the extent it carries on a trade in the UK (whether or not through a branch, agency or permanent establishment situated therein).

However, the Directors have applied to HMRC for approval of the Company as an investment trust company (which, if granted, is expected to take effect from 1 April 2021), and the Directors have been advised that the Company should meet the eligibility criteria for investment trust status. On the assumption that the Company is approved as an investment trust, the Directors intend at all times to conduct the affairs of the Company so as to enable it to satisfy the conditions necessary for it to be eligible as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 (as amended). However, neither the Investment Adviser nor the Directors can provide assurance that this eligibility will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a “close company” for UK tax purposes. The Directors consider that, as at the date of this Prospectus, the Company is not a close company.

In respect of each Accounting Period for which the Company is approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its chargeable gains. The Company will, however, (subject to what follows) be liable to UK corporation tax on its income in the normal way. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available.

The Company should, in practice, be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non UK companies) fall within one of the “exempt classes” in Part 9A of the Corporation Tax Act 2009.

2.2 Shareholders

UK Offshore Fund Rules

For such time as the Company is tax resident in Guernsey, if the Company meets the definition of an “offshore fund” for the purpose of UK taxation, then in order for a UK Shareholder to be taxed under the regime for tax on chargeable gains (rather than on an income basis) on a disposal of Shares, the Company must apply to HMRC to be treated as

a reporting fund and maintain reporting fund status throughout the period in which the UK Shareholder holds the Shares.

The Directors are of the opinion that, under current law, the Company should not be an “offshore fund” for the purposes of UK taxation, and legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 (other than section 363A referred to above), should not apply.

Accordingly, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident in the UK, or who carry on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to UK tax on chargeable gains realised on the disposal of their Shares.

Following the Company’s conversion to an investment trust company, which (if approved by HMRC) is expected to take effect from 1 April 2021 (and for such time as the Company maintains this status), the Company will be treated as being resident in the UK for tax purposes. In this regard, the “offshore fund” rules contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 shall no longer require consideration.

Tax on Chargeable Gains

A disposal of Shares (including a disposal on a winding-up of the Company) by a Shareholder who is resident in the United Kingdom for tax purposes, or who is not so resident but carries on a trade in the UK through a branch agency or permanent establishment in connection with which their investment in the Company is used, held or acquired, may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the Shareholder’s circumstances and subject to any available exemption or relief.

UK-resident individual Shareholders have an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,300 for the tax year 2020-2021. For such individual Shareholders, capital gains tax will be chargeable on a disposal of Shares at the applicable rate (currently 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher or additional rate taxpayers)).

Generally, an individual Shareholder who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of Shares during that period may be liable on their return to the UK to UK taxation on any chargeable gain realised (subject to any available exemption or relief). Special rules apply to Shareholders who are subject to tax on a “split-year” basis, who should seek specific professional advice if they are in any doubt about their position.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax at the rate of corporation tax applicable to that Shareholder (currently at a rate of 19 per cent.) on chargeable gains arising on a disposal of their Shares.

Shareholders who are neither resident in the UK, nor temporarily non-resident for the purposes of the anti-avoidance legislation referred to above, and who do not carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, should not be subject to United Kingdom taxation on chargeable gains on a disposal of their Shares.

Dividends

For the tax year 2020-2021, UK resident individuals are entitled to a nil rate of income tax on the first £2,000 of dividend income in a tax year (the “**Nil Rate Amount**”). Any dividend income received by a UK resident individual Shareholder in excess of the Nil Rate Amount will be subject to income tax at a rate of 7.5 per cent. to the extent that it is within the basic rate band, 32.5 per cent. to the extent that it is within the higher rate band and 38.1 per cent. to the extent that it is within the additional rate band.

Dividend income that is within the Nil Rate Amount counts towards an individual’s basic or higher rate limits – and will therefore affect the level of savings allowance to which they are

entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

If the Company is approved by HMRC as an investment trust, and an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an Accounting Period, then the corresponding dividends paid by the Company will be taxed as interest income on UK resident individual shareholders. To the extent the Shareholder is within the basic rate band, interest received in excess of the tax-free savings income of £1,000 will be taxed at 20 per cent. To the extent the Shareholder is within the higher rate band, interest received in excess of the tax-free savings income for higher rate tax-payers of £500, will be taxed at 40 per cent. To the extent the Shareholder is within the additional rate band, interest received will be taxed at 45 per cent. The tax-free savings income is not available for additional rate taxpayers.

A corporate Shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company, unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is anticipated that dividends paid on the Shares to UK tax resident corporate Shareholders (other than those which are a "small company" for the purposes of Part 9A) would generally (subject to anti-avoidance rules) fall within one of those exempt classes, however, such Shareholders are advised to consult their independent professional tax advisers to determine whether such dividends will be subject to UK corporation tax. If the dividends do not fall within any of the exempt classes, the dividends will be subject to tax currently at a rate of 19 per cent.

If the Company is approved by HMRC as an investment trust and, an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an Accounting Period then the corresponding dividends paid by the Company will be generally taxed according to loan relationship rules on UK Corporate shareholders and subject to corporation tax at a current rate of 19 per cent.

Stamp duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT will arise on the issue of Shares. No UK stamp duty will be payable on a transfer of Shares, provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed in the UK and no matters or actions relating to the transfer are performed in the UK.

Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the UK, any agreement to transfer the Shares will not be subject to UK SDRT.

ISAs and SSAS/SIPPs

Investors resident in the United Kingdom who are considering acquiring Shares are recommended to consult their own tax and/or investment adviser in relation to the eligibility of the Shares for ISAs and SSAS/SIPPs.

Shares issued by the Company should be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2020 to 2021).

The Shares should be eligible for inclusion in a SSAS or SIPP, subject to the discretion of the trustees of the SSAS or SIPP, as the case may be.

Other UK Tax Considerations

The attention of individuals resident in the UK for taxation purposes is drawn to Chapter 2, Part 13 of the Income Tax Act 2007, which may render them liable to income tax in respect of the undistributed income of the Company.

The UK “controlled foreign company” provisions subject UK resident companies to tax on the profits of companies not so resident in which they have a controlling interest, subject to certain “gateway” provisions and exemptions. UK corporate Shareholders are advised to consult their own professional tax advisers as to the implications of these provisions.

The attention of persons resident in the UK for taxation purposes is drawn to the provisions of section 13 Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of chargeable gains made by a non-UK resident company can be attributed to UK resident participators to whom more than one quarter of any gain made by the company would be attributable. This applies if the non-UK resident company would be a close company were the company to be resident in the United Kingdom for taxation purposes.

3. GUERNSEY

3.1 The Company

The Company has been granted an exemption from income tax in Guernsey under The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended (the “**Exempt Ordinance**”). Under the provisions of the Exempt Ordinance, exemption is granted annually by the Director of the Revenue Service, provided the Company continues to comply with the requirements of the Exempt Ordinance and upon payment of an annual fee which is currently fixed at £1,200. For so long as it remains desirable to do so, it is the intention of the Directors to apply annually for exemption from income tax in Guernsey and to continue to conduct the affairs of the Company to ensure that it qualifies for such exemption.

Stamp duty

Guernsey does not currently impose stamp duty or capital duty on the issue or transfer of Shares.

Tax on Conversion of C Shares into new Ordinary Shares

On the assumption that the C shares will convert into Ordinary shares on a like-for-like basis (i.e. there is no loss or gain as a result of the relevant Conversion) within the same Guernsey-resident company, and that there is no ‘distribution’ as a result of such Conversion, then no adverse tax implications are expected to arise from a Guernsey Income Tax perspective as a result of such Conversion. Shareholders should note that, as at the date of this Prospectus, Guernsey does not levy capital gains tax, nor does it have a stamp duty (or equivalent) regime.

3.2 Shareholders

Guernsey resident shareholders will be liable to income tax at the rate of twenty (20) per cent. on the receipt of income as discussed in more detail below.

Guernsey resident-only shareholders (i.e. resident for more than ninety (90) days in a calendar year or thirty five (35) days or more in the current year and three hundred and sixty five (365) days over the preceding four (4) years) are liable to tax in Guernsey only on Guernsey sourced income. Alternatively, such individuals can elect to pay the standard charge (£30,000 in 2019).

Principally resident shareholders in Guernsey (i.e. resident for one hundred and eighty two (182) days in a calendar year) are liable to income tax on their worldwide income. This means that all assessable income will be subject to Income Tax at a rate of twenty (20) per cent. In Guernsey, it is possible for individuals to cap their income tax exposure in Guernsey.

For individuals with Guernsey and non-Guernsey source income there are two choices available:

1. cap their tax liability on their worldwide income to £260,000, or;
2. cap their non-Guernsey source income tax liability to £130,000 and pay twenty (20) per cent. on their Guernsey source income.

New residents to Guernsey who purchase open market property of a certain value can benefit from a lower tax cap of £50,000 for four years.

Non-Guernsey resident shareholders are not subject to any income tax in Guernsey in respect of, or, in connection with the acquisition, holding or disposal of any shares owned by them. Any Shareholders who are resident in Guernsey will be subject to Guernsey income tax on any dividends paid to such persons but will not suffer any deduction of tax by the Company from any such dividends payable where the Company is granted tax exempt status. Exempt companies may pay actual distributions to a Guernsey resident individual on a gross basis. The Company will be required to make a return to the Director of Revenue Service providing details of distributions to Shareholders resident in Guernsey.

3.3 **Anti-Avoidance**

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a tax liability. The Director of the Revenue Service has discretion to make such adjustments to a tax liability to counteract the effects of the avoidance, reduction or deferral of such tax liability.

3.4 **Economic Substance**

In December 2017, Jersey and Guernsey, in common with a number of other jurisdictions, were requested by the EU Code of Conduct Group on Business Taxation (“**COCG**”) to give reassurances to EU member states on the issue of lack of a substance requirement for companies tax resident in their territories, and to discuss with the COCG what further steps could better ensure businesses have sufficient economic substance. Legislation was introduced (taking effect from 1 January 2019) imposing substance requirements on certain Guernsey resident entities generating income in Guernsey.

The rules relating to economic substance were updated with effect from 1 October 2020 to include those Guernsey entities which are self-managed collective investment schemes, even where such entities qualify for exempt status under the Exempt Ordinance. The Company will be subject to the economic substance legislation as long as it remains a Guernsey tax resident.

The Company is taking steps to mitigate such recently increased scope of the economic substance rules, which include applying to HMRC for investment trust company status and, subject to approval of that application, moving its tax residency to the United Kingdom. Guernsey’s economic substance rules will not apply to the Company after it becomes tax resident in the United Kingdom and the Company will cease to be a Guernsey tax exempt vehicle under the Exempt Ordinance.

3.5 **Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard**

The governments of the United States and Guernsey have entered into the US Guernsey IGA related to implementing FATCA which is implemented through Guernsey’s domestic legislation.

Guernsey has also implemented the Common Reporting Standard or “CRS” regime with effect from 1 January 2016. Accordingly, reporting in respect of periods commencing on or after 1 January 2016 is required in accordance with the CRS (as implemented in Guernsey).

Under the CRS and legislation enacted in Guernsey to implement the CRS certain disclosure requirements are imposed in respect of certain investors who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Where applicable, information to be disclosed will include certain information about investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The CRS will be implemented through Guernsey’s domestic legislation in accordance with guidance issued by the OECD as supplemented by guidance notes in Guernsey.

Under the CRS, disclosure of information will be made to the Director of Income Tax in Guernsey for transmission to the tax authorities in other participating jurisdictions.

In subscribing for or acquiring Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA,

the Common Reporting Standard and other similar regimes and any related legislation, intergovernmental agreements and/or regulations.

Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the Common Reporting Standard and similar regimes concerning the automatic exchange of information any other related legislation, intergovernmental agreements and/or regulations.

It is further recommended that Shareholders who are entities consider themselves whether they have any obligations to notify their respective investors, shareholders or account-holders about the information that the Company requests, and the potential disclosures that the Company will be obliged to make in connection with those persons in complying with its obligations under FATCA.

4. UNITED STATES

The following is a summary of certain material US federal income tax consequences of the acquisition, ownership and disposition of the Shares by a US Holder (as defined below). This summary deals only with initial purchasers of the Shares that are US Holders and that will hold the Shares as capital assets (generally, property held for investment). The discussion does not address all material tax consequences of the ownership or disposition of Shares, and does not address federal estate, gift, or other non-income tax consequences or state, local, foreign or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly, indirectly or constructively) 10 per cent. or more of the stock of the Company (by vote or value), nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the US federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, net investment income tax considerations, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Shares as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes, certain US expatriates or former citizens or long-term residents of the US).

As used herein, the term “US Holder” means a beneficial owner of the Shares that is, for US federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any State thereof, or the District of Columbia, (iii) an estate the income of which is subject to US federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner in an entity treated as a partnership for US federal income tax purposes that holds the Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities treated as partnerships for US federal income tax purposes should consult their tax advisers concerning the US federal income tax consequences to their partners of the acquisition, ownership and disposition of the Shares by the partnership.

There is a significant likelihood that the Company is currently a PFIC for US federal income tax purposes, although the Company’s status as a PFIC could change in future years. The US tax rules governing PFICs will subject US Holders of Shares to adverse US federal income tax consequences. See “—*Passive Foreign Investment Company Considerations*” below.

This summary is based on the tax laws of the United States, including the US Tax Code, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF

STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

4.1 Dividends

General. Subject to the PFIC rules discussed below, which are significant, distributions paid by the Company out of current or accumulated earnings and profits (as determined for US federal income tax purposes) will generally be taxable to a US Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations or the preferential tax rate applicable to qualified dividend income.

Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's basis in the Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. US Holders should therefore assume that any distribution by the Company with respect to the Shares will constitute ordinary dividend income. US Holders should consult their own tax advisers with respect to the appropriate US federal income tax treatment of any distribution received from the Company.

Foreign Currency Dividends. Dividends paid in pounds sterling will be included in income in a US Dollar amount calculated by reference to the exchange rate in effect on the day the dividends are actually or constructively received by the US Holder, regardless of whether the pounds sterling are converted into US Dollars at that time. The US Holder will take a tax basis in the foreign currency equal to their US Dollar equivalent on such date. If dividends received in pounds sterling are converted into US Dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. The conversion of the foreign currency into US Dollars at a later date will give rise to foreign currency exchange gain or loss equal to the difference between their US Dollar equivalent at such later time and their tax basis. Any foreign currency gain or loss a US Holder recognizes on a subsequent conversion of foreign currency into US Dollars will be US source ordinary income or loss.

4.2 Sale or other Disposition

Subject to the PFIC rules discussed below, which are significant, upon a sale or other disposition of the Shares, a US Holder generally will recognise capital gain or loss for US federal income tax purposes equal to the difference, if any, between the US Dollar value of the amount realised on the sale or other disposition and the US Holder's adjusted tax basis in the Shares (determined in US Dollars). This capital gain or loss will be long-term capital gain or loss if the US Holder's holding period in the Shares exceeds one year. Any such gain or loss will generally be US source for foreign tax credit limitation purposes. The deductibility of capital losses is subject to significant limitations.

A US Holder's initial tax basis in a Share will generally be its US Dollar cost. The US Dollar cost of a Share purchased with foreign currency will generally be the US Dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of the Shares traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis US Holder (or an accrual basis US Holder that so elects). Such an election by an accrual basis US Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

The amount realised on a sale or other disposition of the Shares for an amount in foreign currency will be the US Dollar value of this amount on the date of sale or disposition. On the settlement date, the US Holder will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US Dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of the Shares traded on an established securities market that are sold by a cash basis US Holder (or an accrual basis US Holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time. If an accrual basis US Holder makes the election described above, it must be applied

consistently from year to year and cannot be revoked without the consent of the IRS. See “—*Passive Foreign Investment Company Considerations*” below for a discussion of more adverse rules that will apply to a sale or other disposition of the Shares that were held during periods then the Company was a PFIC for US federal income tax purposes.

4.3 **Disposition of Foreign Currency**

Foreign currency received on the sale or other disposition of a Share will have a tax basis equal to its US Dollar value on the settlement date. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase the Shares or upon exchange for US Dollars) will be US source ordinary income or loss.

4.4 **Passive Foreign Investment Company Considerations**

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable “look-through rules,” either (i) at least 75 per cent. of its gross income is “passive income” or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For this purpose, passive income generally includes dividends, interest, royalties, rents, annuities, and certain gains, but royalty income from a Song will be treated as active income if the Company satisfies either of the following two tests: (1) the Company, through its own employees, develops or acquires and adds substantial value to the Song, and is regularly engaged in activities of this type; or (2) the Company, through its own employees, performs marketing functions with respect to the Song, and maintains and operates an organization outside the United States that is regularly engaged in the business of marketing its Songs and is substantial in relation to the amount of royalties derived from licensing activities.

The Company believes that there is a significant likelihood that it will be treated as a PFIC for its current fiscal year ending 31 March 2021. It is possible that in future years the nature and extent of the Company’s marketing activities may entitle the Company to treat as active a sufficient amount of its royalty income to cause the Company to cease to be a PFIC, but there can be no assurance that this will happen. US Holders should therefore be aware that the Company may continue to be a PFIC in future years.

If the Company is a PFIC in any year during which a US Holder owns Shares, and the US Holder has not made a mark to market or qualified electing fund election (each as described below), the US Holder will generally be subject to special rules (regardless of whether the Company continues to be a PFIC) with respect to (i) any “excess distribution” (generally, any distributions received by the US Holder on the Shares in a taxable year, other than the taxable year in which the US Holder’s holding period in the Shares begins, that are greater than 125 per cent. of the average annual distributions received by the US Holder in the three preceding taxable years or, if shorter, the US Holder’s holding period for the Shares) and (ii) any gain realised on the sale or other disposition of Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the US Holder’s holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. A US Holder that is not a corporation must treat any such interest paid as “personal interest,” which is not deductible. These rules effectively prevent a US Holder from treating gain on the Shares as capital gain. For these purposes, gifts, exchanges pursuant to a corporate reorganization and use of the Shares as security for a loan may be treated as a disposition.

If the Company is a PFIC, a US Holder of Shares will generally be subject to similar rules with respect to distributions to the Company by, and dispositions by the Company of the stock of, any direct or indirect subsidiaries of the Company that are also PFICs (a “**Lower-tier PFIC**”).

If the Company were a PFIC in any year during a US Holder’s holding period for the Shares, the Company would ordinarily continue to be treated as a PFIC for each subsequent year

during which the US Holder owned the Shares. However, if the Company ceases to be a PFIC, a US Holder that has not made a QEF election or a mark-to-market election may make an election (a “**deemed sale election**”) to be treated for US federal income tax purposes as having sold its Shares on the last day of the last taxable year of the Company during which it was a PFIC. A US Holder that makes a deemed sale election will cease to be treated as owning stock in a PFIC. However, gain recognised by a US Holder as a result of making the deemed sale election will be subject to the rules described above.

US Holders can avoid some of the adverse tax consequences of PFIC classification discussed above by making a mark-to-market election with respect to the Shares, provided that the Shares are “marketable”. Shares will be marketable if they are regularly traded on certain US stock exchanges, or on a foreign stock exchange if (i) the foreign exchange is regulated or supervised by a governmental authority of the country in which the exchange is located; (ii) the foreign exchange has trading volume, listing, financial disclosure, surveillance and other requirements designed to prevent fraudulent and manipulative acts and practices, remove impediments to, and perfect the mechanism of, a free and open, fair and orderly, market, and to protect investors; (iii) the laws of the country in which the exchange is located and the rules of the exchange ensure that these requirements are actually enforced; and (iv) the rules of the exchange ensure active trading of listed stocks. For these purposes, the Shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter, except that, in the case of the year in which the offering takes place, any calendar quarters prior to the quarter in which the offering takes place are ignored and the requirement for the quarter in which the offering takes place is that the ordinary shares trade for one-sixth of the days remaining in such quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. The Company believes the London Stock Exchange is a qualified exchange. However, the Company can make no assurance that there will be sufficient trading activity for the Shares to be treated as “regularly traded”. Accordingly, US Holders should consult their own tax advisers as to whether their Shares would qualify for the mark-to-market election.

A US Holder that makes a mark-to-market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the Shares at the close of the taxable year over the US Holder’s adjusted basis in the Shares. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the US Holder’s adjusted basis in the Shares over the fair market value of the Shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of the Shares will be treated as ordinary income, and any losses incurred on a sale or other disposition of the Shares will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years. Once made, the election cannot be revoked without the consent of the IRS unless the Shares cease to be marketable. If the Company is a PFIC for any year in which the US Holder owns the Shares but before a mark-to-market election is made, the interest charge rules described above will apply to any mark-to-market gain recognised in the year the election is made. If a US Holder makes a mark-to-market election with respect to the Shares and the Company ceases to be classified as a PFIC, the US Holder will not be required to take into account the gain or loss described above during any period that the Company is not classified as a PFIC.

Because a mark-to-market election cannot be made for Lower-tier PFICs, a US Holder may continue to be subject to the general PFIC rules described above with respect to such US Holder’s indirect interest in any investments held by the Company that are treated as an equity interest in a PFIC for US federal income tax purposes.

In some cases, a shareholder of a PFIC can avoid the interest charge and the other adverse PFIC consequences described above by making a QEF election to be taxed currently on its share of the PFIC’s undistributed income. In order for a US Holder to be able to make a QEF election, the Company would be required to provide the US Holder with certain information. However, the Company has no current plans to provide to US Holders the required information. Therefore, prospective investors should assume that a QEF election will not be available.

A US Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Company is classified as a PFIC may be required to file IRS Form 8621. The failure to file such form when required could result in substantial penalties.

4.5 Backup Withholding and Information Reporting

Dividends and other proceeds with respect to the Shares that are paid in the United States or by a US paying agent or other US intermediary will be reported to the IRS and to the US Holder as may be required under applicable regulations. Backup withholding (currently at 24 per cent.) may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules from a payment to a US Holder will be allowed as a credit or refund against the US Holder's US federal income tax, provided that the required information is timely furnished to the IRS and the appropriate claim is timely filed. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption or refund.

4.6 Transfer Reporting Requirements

A US Holder who purchases the Shares may be required to file Form 926 (or similar form) with the IRS in certain circumstances. A US Holder who fails to file any such required form could be required to pay a penalty equal to 10 per cent. of the gross amount paid for the Shares (subject to a maximum penalty of US\$100,000, except in cases of intentional disregard). US Holders should consult their tax advisers with respect to this or any other reporting requirement that may apply to an acquisition of the Shares.

PART VII: ADDITIONAL INFORMATION

1. INCORPORATION AND ADMINISTRATION

- 1.1 The Company is a closed-ended investment company limited by shares, registered and incorporated in Guernsey under the Companies Law on 8 June 2018 with registered number 65158. The Company is registered with the Guernsey Financial Services Commission under the Registered Collective Investment Scheme Rules 2018 and the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The registered office and principal operating establishment and place of business of the Company is P.O. Box 286, Floor 2, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 4LY. The telephone number of the Company is 01481 742742. The statutory records of the Company will be kept at this address. The Company operates under the Companies Law and ordinances and regulations made thereunder and has no employees, although some of the Fund Entities may, and HSG does, employ management and staff, subject to any limitations and restrictions governing the operation of such Fund Entity. The Company has an unlimited life.
- 1.2 PricewaterhouseCoopers CI LLP has been the only auditor of the Company since its incorporation. PricewaterhouseCoopers CI LLP is a member of the Institute of Chartered Accountants of England & Wales.
- 1.3 The Company's accounting period ends on 31 March of each year. The Company's latest consolidated financial statements as at and for the year ended 31 March 2020 were published on 3 July 2020 and the Company's latest unaudited financial statements as at and for the six months ended 30 September 2020 were published on 4 December 2020. As at 20 January 2021 (which is the latest practicable date prior to the date of this Prospectus), the Company's published adjusted Operative NAV per Ordinary Share was 118.31 pence, which is calculated by reference to the last reported Operative NAV per Ordinary Share as at 30 September 2020 (being 125.35 pence), as adjusted for: (i) the decrease in the Operative NAV as at 30 September 2020 of 6.78 pence per Ordinary Share to reflect the strengthening of the GBP to USD exchange rate; (ii) the dividends paid or declared by the Company; and (iii) the unaudited accrued earnings of 2.08 pence per Ordinary Share, in each case for the period between 1 October 2020 and 20 January 2021.
- 1.4 As at 30 September 2020 (being the date of the latest published financial information of the Company, which contained the unaudited Net Asset Values as at 30 September 2020), the unaudited Operative NAV of the Company was £1,265.1 million (with an unaudited Operative NAV per Ordinary Share of 125.4p) and the unaudited IFRS NAV of the Company was £1,056.1 million (with an unaudited IFRS NAV per Ordinary Share of 103.4p). During the period from 1 October 2020 to the date of this Prospectus, the Company has: (i) on 4 December 2020, converted 236,400,512 C Shares into 214,202,503 Ordinary Shares at a conversion ratio of 0.9061 Ordinary Shares for each C Share; (ii) paid one interim dividend of 1.3125 pence per Ordinary Share; and (iii) announced an interim dividend of 1.3125 pence per Ordinary Share, which will be payable to Ordinary Shareholders on the register as at 29 January 2021. For further details, see "*—Introduction*" of Part I (*Information on the Company*) of this Prospectus.
- 1.5 Subject to approval by HMRC of the Company's investment trust company application (which is expected to be received prior to, and be effective from, 1 April 2021), the Company intends to conduct its affairs so as to qualify, at all times, as an investment trust for the purposes of section 1158 of the Corporation Tax Act 2010. However, neither the Investment Adviser nor the Directors can provide assurance that this eligibility will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a "close company" for UK tax purposes. The Directors consider that, as at the date of this Prospectus, the Company is not a close company.
- 1.6 In summary, the conditions that must be met for a company to be approved as an investment trust for an Accounting Period are that, in relation to that Accounting Period:
 1. all, or substantially all, of the business of the company is to invest its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the company the benefit of the results of the management of its funds;

2. the shares making up the company's ordinary share capital (or, if there are such shares of more than one class, those of each class), which, for these purposes, shall include the Ordinary Shares and any class of C Shares, are admitted to trading on a regulated market;
3. the company is not a venture capital trust or a real estate investment trust;
4. the company is not a close company (as defined in section 439 of the Corporation Tax Act 2010); and
5. subject to particular rules that may apply where the company has accumulated revenue losses brought forward from previous accounting periods or the amount the company would otherwise be required to distribute is below the *de minimis* amount (currently £30,000 per 12 month accounting period), the company does not retain an amount which is greater than the higher of: (i) 15 per cent. of its income for the accounting period; and (ii) any amount of income that the company is required to retain in respect of the accounting period by virtue of a restriction imposed by law.

2. SHARE CAPITAL

- 2.1 The share capital of the Company consists of an unlimited number of: (i) ordinary shares of no par value which upon issue the Directors may classify as Ordinary Shares; and (ii) C Shares, in each case, denominated in such currencies as the Directors may determine. As at the date of this Prospectus, the Company has an issued share capital of 1,011,456,797 Ordinary Shares. A maximum of 500 million Ordinary Shares will be issued pursuant to the Initial Issue and a maximum of 1 billion Ordinary Shares and/or C Shares will be issued pursuant to the Placing Programmes. All holders of the same class of Shares shall have the same voting rights in respect of the share capital of the Company. As at the date of this Prospectus, there are no C Shares in issue.
- 2.2 The Directors have absolute authority to allot the Shares under the Articles. Where any Shares are to be issued pursuant to the Initial Issue or otherwise under the Placing Programmes, the Directors will resolve to allot the relevant Shares shortly prior to Initial Admission or the relevant Subsequent Admission.
- 2.3 By way of a written special resolution dated 25 June 2018, the Board was granted the authority to allot and issue up to 1 billion Shares on a non-pre-emptive basis, such authority being expressed to expire immediately prior to the AGM of the Company to be held in 2023 (or, if earlier, five years from the date of the passing of such resolution). Out of this authority, there is authority remaining for the Directors to allot and issue up to 379,643,659 ordinary shares and/or C shares for cash on a non-pre-emptive basis, such authority expiring on 24 June 2023. Further, the Directors were granted authority by shareholders at the Company's second annual general meeting on 8 September 2020 to allot and issue up to 30,792,594 ordinary shares and/or C shares for cash on a non-pre-emptive basis, such authority to expire on 8 December 2021, or if earlier at the annual general meeting of the Company to be held in 2021. In addition, the Company will publish a shareholder circular on or around the date of this Prospectus containing the Resolution to be tabled at the EGM to be held on 5 February 2021 proposing that pre-emption rights be disapplied in respect of a further 1.5 billion Ordinary Shares or C Shares to enable the Company to issue all the Issue Shares comprised in the Initial Issue and the Placing Programmes.
- 2.4 The Directors have been granted general authority to purchase in the market up to 92,316,197 Ordinary Shares (or, if lower, up to 14.99 per cent. of the Ordinary Shares in issue (excluding treasury shares) as at the time immediately following the passing of the resolution) at its second AGM held on 8 September 2020, with such authority expiring at the conclusion of the Company's next AGM. Such purchases will only be made in accordance with: (a) the Listing Rules, which currently provide that the maximum price to be paid per Share must not be more than the higher of: (i) five per cent. above the average of the mid-market values of the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of: (1) the price of the last independent trade; and (2) the highest current independent bid for a Share on the trading venues where the market purchases by the Company pursuant to the authority conferred by that resolution will be carried out; and (b) the Companies Law, which provides among other things that any such purchase is

subject to the Company passing the solvency test contained in the Companies Law at the relevant time. The Directors intend to seek annual renewal of this authority from the Shareholders at the Company's AGMs.

- 2.5 The existing issued Ordinary Shares have been issued and created in accordance with the Articles and the Companies Law.
- 2.6 The Shares are in registered form and, from the relevant Admission, will be capable of being held in uncertificated form and title to such Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where the Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer of the Shares, as the case may be. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 56 of this Prospectus, maintains a register of Shareholders holding their Shares in CREST.
- 2.7 No share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

3. DIRECTORS' AND OTHER INTERESTS

- 3.1 As at the date of this Prospectus, the Directors hold Ordinary Shares and intend to subscribe for Ordinary Shares pursuant to the Initial Issue in the amounts set out below:

Name	Current Number of Ordinary Shares held	Number of Ordinary Shares to be subscribed for in the Initial Issue
Andrew Sutch	45,534	Nil
Paul Burger	57,500	Nil
Sylvia Coleman.....	30,436	8,264
Simon Holden.....	100,796	Nil
Andrew Wilkinson.....	71,257	8,264

- 3.2 The below table sets out the persons who had notified the Company of an interest which represents 3 per cent. or more of the voting share capital of the Company as at 20 January 2021 (being the latest practicable date prior to the publication of this Prospectus):

Shareholder	Number of Ordinary Shares	% of total issued share capital
Newton Investment Management	95,783,296	9.47
Aviva Investors.....	72,780,109	7.20
Investec Wealth & Investment (RS)	67,297,556	6.65
Schroder Investment Management.....	48,100,885	4.76
Brewin Dolphin	44,229,898	4.37
CCLA Investment Management.....	41,518,611	4.10
Heartwood Investment Management	38,631,282	3.82
JO Hambro Capital Management.....	35,575,964	3.52

- 3.3 There are no differences between the voting rights enjoyed by the Shareholders described above and those enjoyed by any other holder of Ordinary Shares.
- 3.4 There are no outstanding loans from the Company to any of the Directors or any outstanding guarantees provided by the Company in respect of any obligation of any of the Directors.

- 3.5 No Director has a service contract with the Company, nor are any such contracts proposed. Each of the Directors have been appointed under a letter of appointment and is entitled to receive a fee of £75,000 per annum, other than the Chairman who is entitled to receive an additional fee of £10,000 per annum and the chairman of the Audit and Risk Management Committee who is entitled to receive an additional fee of £6,500 per annum. Mr Sutch does not receive additional remuneration for his role as chairman of the Asset Management Committee. Mr Burger receives an additional fee of £6,500 per annum for his role as chairman of the Portfolio Committee. No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending 31 March 2021, which will be payable out of the assets of the Company, is not expected to exceed £500,000. Each Director will be paid an additional one-off fee of £15,000 in consideration for the additional services that they have provided in connection with the publication of this Prospectus. The Directors intend to apply this additional fee to: (i) the purchase of Ordinary Shares to be issued pursuant to the Initial Issue; (ii) the purchase of Ordinary Shares or C Shares issued pursuant to a Subsequent Placing; or (iii) acquire Ordinary Shares in the market during the 12 months following the publication of this Prospectus.
- 3.6 The Directors' appointments can be terminated in accordance with their letters of appointment and the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more; (iii) written request of the other Directors (where there are more than two Directors); and (iv) an ordinary resolution of the Shareholders. In addition, the Articles provide that each Director shall resign from office and stand for re-election by the Shareholders at each AGM save that, in line with corporate governance best practice, it is proposed that the Directors will put in place suitable arrangements for the Board to be refreshed in whole or in part over time.
- 3.7 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of any member of the Group and which has been effected by any member of the Group since the incorporation of the Company.
- 3.8 Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all costs, charges, losses, damages, expenses and liabilities arising out of any claims made against them in connection with the performance of their duties as a director of the Company.
- 3.9 In addition to their directorships of the Group, the Directors hold or have held the directorships, and are or were members of the partnerships, listed in the table below, within the past five years.

Name	Current directorships/ partnerships	Past directorships/ partnerships
Andrew Sutch	JP Morgan Claverhouse Investment Trust PLC European Opportunities Trust PLC Luberon Holdings Limited	Hipgnosis OldCo Limited Stephenson Harwood LLP
Paul Burger.....	BRIT School Productions Ltd. British Record Industry Trust New Israel Fund Soho Artists LLP The BRIT School Limited The Belsize Square Synagogue University of Pennsylvania (USA) Foundation Ltd.	Amplify Songs 134 Ltd. Amplify Records 134 Limited Forward Music & Media Ltd. Music Managers Forum Limited

Name	Current directorships/ partnerships	Past directorships/ partnerships
Sylvia Coleman.....	BPureSounds Limited Propeller Theatre Company Limited 37 & 39 Draycott Place Management Co Limited	None
Simon Holden.....	BWE GP II Limited BWE GP Limited Global Petro Storage Limited Golf 19 Limited HICL Infrastructure plc JamesCo 750 Limited JPMorgan Global Core Real Assets Limited LCH Partners Limited Chrysalis Investments Limited Permira (Europe) Limited Permira Europe III GP Limited Permira IV GP Limited Permira IV Managers Limited Permira V GP Limited Permira VI GP Limited Permira VII GP Limited The 1994 Portfolio Limited The Global Enterprise Exchange Limited Triam Investors 1 Limited Triam Investors 1 Midco Limited	Belasko Administration Limited Belasko Group Limited Change Capital Investment Management (Guernsey) II Limited Change Capital Investment Management (Guernsey) III Limited HICL Infrastructure Company Limited (in liquidation) Hypnosis OldCo Limited Hypnosis Songs Fund Guernsey Limited LSREF3 Hotels (London PR) Limited
Andrew Wilkinson.....	Live at The Races Limited Live at The Races Security Trustee Limited Music Plus Sport Ltd. Music Plus Sport Live Ltd. Oakes Bros. Limited Weldon & Waring Limited WilTog Ltd	Acorn Group Limited Acorn HoldCo Limited Hypnosis OldCo Limited Kingstreet Tours Limited Kingstreet Tours (KM) Ltd. Kingstreet Tours (K) Ltd. (in liquidation) Kingstreet Tours (PC17) Ltd. (in liquidation) KT (KMROW) Ltd Motor Contracts Limited Oakes Holdco Limited Weldon & Waring Propco Limited

- 3.10 As at the date of this Prospectus, there are no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties, save that BPureSounds Limited, a company of which Sylvia Coleman is also a director, operates within the music publishing industry and, therefore, it is possible that a conflict may arise from time to time between the duties Sylvia Coleman owes to the Company and those she owes to BPureSounds Limited. If an actual conflict were to arise, the Articles provide that Sylvia Coleman would be required to disclose the conflict to the Directors and that she may not vote on a resolution of the Board or a committee thereof in respect of the relevant matter. There are no lock-up provisions regarding the disposal by any of the Directors of any Shares.

- 3.11 Mr Holden is a director of HICL Infrastructure Company Limited, which has been placed into voluntary liquidation following a re-domiciling of the listed vehicle, HICL Infrastructure plc, from Guernsey to England and Wales.
- 3.12 At the date of this Prospectus:
1. none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;
 2. save as disclosed above, none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;
 3. none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years; and
 4. none of the Directors is aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this Prospectus.
- 3.13 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 3.14 No members of the Fund Administrator or the Investment Adviser have any service contracts with the Company.

4. MEMORANDUM AND ARTICLES

- 4.1 Under the Memorandum the objects of the Company are unrestricted. The Memorandum is available for inspection at the addresses specified in "*—Incorporation and Administration*" of this Part VII (*Additional Information*).

- 4.2 The following is a summary of certain provisions of the Articles of the Company:

4.3 *Definitions*

The following definitions apply for the purposes of this Part VII (*Additional Information*) in addition to, or (where applicable) in substitution for, the definitions applicable elsewhere in this Prospectus:

"CFTC" means the United States Commodity Futures Trading Commission;

"Commodity Exchange Act" means the United States Commodity Exchange Act or any substantially equivalent successor legislation;

"CREST UK system" means the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the Regulations;

"Disclosure Notice" has the meaning set out in sub-paragraph 4.71 below;

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as amended, and applicable regulations thereunder;

"equity securities" means shares or a right to subscribe for or convert securities into shares;

"Regulations" means The Uncertificated Securities (Enabling Provisions) Guernsey Law, 2005, The Uncertificated Securities (Guernsey) Regulations 2009 (as amended), The Uncertificated Securities Regulations 2001 (SI 2001 No 3755), as amended by the Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (SI 2003 No. 1633), and such other regulations as are applicable to Euroclear and/or the CREST relevant system and are from time to time in force; and

"US Tax Code" means the United States Internal Revenue Code of 1986, as amended.

4.4 Ordinary Shares

1. Dividends

Holders of Ordinary Shares are entitled to participate in any dividends and other distributions of the Company in relation to assets attributable to the Ordinary Shares.

2. Winding-up

On a winding-up of the Company, the holders of Ordinary Shares shall have the rights set out in the Articles, as summarised in paragraph 4.20 below.

3. Voting

Subject to any special rights, restrictions or prohibitions regarding voting for the time being attached to any Shares, holders of Shares shall have the right to receive notice of and to attend, speak and vote at general meetings of the Company. For Shareholder resolutions in respect of amendments to the Articles or in respect of a winding-up of the Company, each class of Shares will vote as a separate class. For all other resolutions, the holders of Ordinary Shares and each class of C Shares shall vote as one class.

Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall, upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall, have one vote in respect of each Share that they hold.

4.5 C Shares

The Directors may, if they consider it appropriate, issue further Shares as “C Shares”. C Shares constitute a temporary and separate class of Shares which are issued at a fixed price determined by the Company. The rights attaching to the C Shares are set out in the section entitled “*Memorandum and Articles: Terms of the Shares*” of this Part VII (*Additional Information*).

4.6 Share Capital

1. The Company may issue an unlimited number of Shares of a par value and/or no par value or a combination of both. Shares may be denominated in any currency and different classes of Shares may be denominated in different currencies (or no currency in the case of Shares of no par value).
2. Subject to the provisions of the Companies Law and without prejudice to any rights attached to any existing Shares or class of Shares or to the provisions of the Articles, any Share may be issued with such preferred, deferred, conversion or other rights or restrictions as the Company may by ordinary resolution direct, subject to or in default of any such direction, as the Directors may determine.
3. The Company may issue fractions of Shares and any such fractional Shares shall rank *pari passu* in all respects with the other Shares of the same class issued by the Company.
4. The Company may from time to time hold its own Shares as treasury shares.
5. The Company may acquire its own Ordinary Shares. Any such Ordinary Shares acquired by the Company may be cancelled or may be held as treasury shares, subject to and in accordance with the Companies Law.
6. Subject to the provisions of the Companies Law, the Company may give financial assistance, as defined in the Companies Law, directly or indirectly for the purposes of or in connection with the acquisition of its Shares.
7. The Company may issue Shares which are, or at the option of the Company or the holder are, liable to be redeemed and convert all or any class of its Shares into redeemable shares.
8. The Company may issue Shares which do not entitle the holder to voting rights in any general meeting or entitle the holder to restricted voting rights in any general meeting.

9. Whenever the capital of the Company is divided into different classes of Shares the rights attached to any class may (subject to the terms of issue of the Shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:
 - (A) with the consent in writing of the holders of at least 75 per cent. of the issued Shares of that class; or
 - (B) with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class.
10. All the provisions of the Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply to every such separate meeting except that, in accordance with the Companies Law:
 - (A) the necessary quorum shall be two persons present in person or represented by proxy (but so that if at any adjourned meeting of such holders a quorum is not present, one person present holding shares of the relevant class shall be a quorum) provided always that where the class has only one member, that member shall constitute the necessary quorum; and
 - (B) any holder of shares of the class in question may demand a poll.
11. The special rights conferred upon the holders of any Shares or class of Shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the terms of issue of such shares) be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith and, for the avoidance of doubt, the issue of C Shares shall not be treated as varying the rights attaching to Ordinary Shares and the issue of Ordinary Shares shall not be treated as varying the rights attaching to C Shares or by the exercise of any power under the disclosure provisions requiring holders of Shares to disclose an interest in the Company's Shares pursuant to the Articles.
12. Subject to the provisions of the Companies Law, the Articles, and any resolution of the Company, the Directors have general and unconditional authority:
 - (A) to allot, issue (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of unissued Shares of the Company of an unlimited number or an unlimited aggregate value or rights to subscribe or convert any security into Shares; or
 - (B) to sell, transfer or cancel any treasury shares held by the Company,
 - (C) in any such case to such persons, at such times and on such terms and conditions as the Directors may decide. The Directors may designate the unissued Shares upon issue as Ordinary Shares, C Shares or such other class or classes of Shares (and denominated in any currency or currencies as the Directors may determine) or as Shares with special or other rights as the Directors may then determine.
13. The Company may exercise the powers of paying commissions and in such an amount or at such a percentage rate as the Directors may determine. Subject to the provisions of the Companies Law any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other. The Company may also on any issue of Shares pay such brokerage as may be lawful.
14. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any Share except an absolute right to the entirety thereof in the holder.

4.7 Disclosure Notice

1. The Company may, by notice in writing (a "**Disclosure Notice**") require a person whom the Company knows to be or has reasonable cause to believe is or, at any time

during the 3 years immediately preceding the date on which the Disclosure Notice is issued, to have been interested in any Shares:

- (A) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
 - (B) to give such further information as may be required in accordance with the Articles, as summarised in sub-paragraph 4.7.2 below.
2. A Disclosure Notice may (without limitation) require the person to whom it is addressed:
- (A) to give particulars of the person's status (including whether such person is a Non-Qualified Holder), domicile, nationality and residency;
 - (B) to give particulars of his own past or present interest in any Shares (held by him at any time during the 3 year period specified in the Articles, as summarised in sub-paragraph 4.7.1 above) and the nature of such interest;
 - (C) to disclose the identity of any other person who has a present interest in the Shares held by him (or held by him at any time during the 3 year period specified in the Articles);
 - (D) where the interest is a present interest and any other interest in any Shares subsisted during that 3 year period at any time when his own interest subsisted, to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required by the Disclosure Notice; and
 - (E) where his interest is a past interest to give (so far as is within his knowledge) such particulars of the identity of the person who held that interest immediately upon his ceasing to hold it.
3. Any Disclosure Notice shall require any information in response to such notice to be given within the prescribed period (which is 28 days after service of the notice or 14 days if the Shares concerned represent 0.25 per cent. or more in number of the issued Shares of the relevant class) or such other reasonable period as the Directors may determine.
4. If any member is in default in supplying to the Company the information required by the Company within the prescribed period or such other reasonable period as the Directors determine, the Directors in their absolute discretion may serve a direction notice on the member (a "**Direction Notice**"). The Direction Notice may direct that in respect of the Shares in respect of which the default has occurred (the "**Default Shares**") the member shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the class of Shares concerned, the Direction Notice may additionally direct that dividends on such Shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified. Subject always to the rules of the CREST UK system, any other relevant system through which transfers of shares are settled, the requirements of the FCA and the London Stock Exchange, where the Directors have any grounds to believe that such Default Shares, are held by or for the benefit of or by persons acting on behalf of a Non-Qualified Holder, the Directors may at their discretion deem the Default Shares to be held by, or on behalf of or for the benefit of, a Non-Qualified Holder (as the Directors may determine) and that the provisions of the Articles should apply to such Default Shares.
5. In addition to the right of the Directors to serve a Direction Notice, the Directors may serve notice on any member requiring that member to promptly provide the Company with any information, representations, certificates or forms relating to such holder (or its direct or indirect owners or account holders) that the Directors determine from time to time are necessary or appropriate for the Company to:
- (A) satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under sections 1471 to

1474 of FATCA or the requirements of any similar laws or regulations to which the Company may be subject enacted from time to time by any other jurisdiction ("**Similar Laws**"); or

- (B) avoid or reduce any tax otherwise imposed by FATCA or Similar Laws (including any withholding upon any payments to such holder by the Company); or
- (C) permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in section 1471(b) of FATCA or under Similar Laws.

If any member (a "**Defaulting Member**") is in default of supplying to the Company the information referred to above within the prescribed period (which shall not be less than 28 days after the service of the notice), the continued holding of shares in the Company by the Defaulting Member shall be deemed to cause the Company a pecuniary disadvantage and as such the Defaulting Member shall be a Non-Qualified Holder. The Directors shall be entitled to require such Non-Qualified Holder by notice in writing to sell or transfer his shares to a person who is an Eligible Transferee within 21 days of such notice and if such sale does not take place within such 21 day period the Directors may then exercise their other discretions in accordance with the Articles in respect of that Non-Qualified Holder.

4.8 *Pre-emption rights*

1. Save to the extent that a special resolution disapplying the following pre-emption rights has been passed by Shareholders, the Company shall not allot equity securities, nor sell them from treasury, for cash on any terms to a person unless:
 - (A) it has made an offer to each person who holds equity securities of the same class in the Company to allot to him on the same or more favourable terms a proportion of those equity securities that is as nearly as practicable equal to the proportion in number held by him of the share capital of the Company of that class; and
 - (B) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made,

provided that the Directors may impose such exclusions and/or make such other arrangements as they deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange in any territory or otherwise.

2. Securities that the Company has offered to allot to a holder of equity securities in accordance with sub-paragraph 4.8.1 above may be issued to him, or anyone in whose favour he has renounced his right to their allotment, without contravening the restriction referred to in sub-paragraph 4.8.1.
3. Shares held by the Company as treasury shares shall be disregarded for the purposes of the restriction referred to in sub-paragraph 4.8.1, so that the Company is not treated as a person who holds Shares; and equity securities held as treasury shares are not treated as forming part of the share capital of the Company.
4. Any offer required to be made by the Company pursuant to the restriction referred to in sub-paragraph 4.8.1 should be made by a notice in writing and must state a period of not less than 14 days during which it may be accepted and such offer shall not be withdrawn before the end of that period.
5. The restriction referred to in sub-paragraph 4.8.1 shall not apply in relation to the issue of:
 - (A) bonus shares, Shares issued in lieu of dividend or distribution, nor to a particular issue of equity securities if they are, or are to be wholly or partly paid otherwise than in cash; or

- (B) equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of Shares at such record date as the Directors may determine where the securities attributable to the interests of holders of Shares are proportionate (as near as may be practicable) to the respective number of Shares of that class held by them on such record date, subject to such conditions or other arrangements as the Directors may deem necessary or expedient.
6. Notwithstanding sub-paragraph 4.8.1, the Company may by special resolution resolve that the restriction referred to in sub-paragraph 4.8.1:
- (A) shall not apply to an issue of Ordinary Shares or C Shares or sale of Ordinary Shares or C Shares from treasury;
 - (B) shall only apply to the issue of Ordinary Shares or C Shares, or sale of Ordinary Shares or C Shares from treasury with such modifications as the Directors may determine; and
 - (C) the authority granted by the special resolution may be granted for such period of time as the special resolution permits and such authority may be revoked, repealed or varied by a further special resolution,
- provided that such special resolution must:
- (D) state the maximum number of equity securities in respect of which the restriction is removed; and
 - (E) specify the date on which such removal of the restriction will expire, which must be not more than five years from the date on which the resolution is passed.
7. Any such special resolution passed may:
- (A) be renewed or further renewed by a further special resolution for a further period not exceeding five years; and
 - (B) be revoked or varied at any time by a further special resolution
8. Notwithstanding that any such special resolution may have expired, the Directors may issue or sell from treasury equity securities in pursuance of an offer or agreement previously made by the Company if the resolution enabled the Company to make an offer or agreement that would or might require equity securities to be issued or sold from treasury after it expired.

The pre-emption rights described above are proposed to be disapplied in relation to the issue of Shares in connection with the Initial Issue and Subsequent Placings of Ordinary Shares and C Shares by the passing of a special resolution at the EGM. Pre-emption rights in respect of approximately 410 million Shares have already been disapplied pursuant to the special resolution referred to in paragraph 2.3 of this Part VII (*Additional Information*) and the special resolution passed at the Company's AGM held in September 2020.

4.9 *Untraced Shareholders*

The Company may sell the Share of a member or of a person entitled by transmission at the best price reasonably obtainable at the time of sale if, in accordance with the terms of the Articles, that person has not claimed or accepted dividends declared over a period of time and has not responded to advertisements of the Company.

4.10 *Transfer of Shares*

1. Subject to the terms of the Articles, any member may transfer all or any of his certificated Shares by an instrument of transfer in any usual form or in any other form which the Directors may approve. An instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee. The Directors may, without assigning any reasons therefor, refuse to register the transfer of a certificated Share (whether fully paid or not) unless the instrument of transfer is lodged at the office or at such other place as the Directors may appoint and is accompanied by any certificates for the Shares to which

it relates and such other evidence as the Directors may require to show the right of the transferor to make the transfer.

2. Subject to the terms of the Articles, any member may transfer all or any of his uncertificated Shares by means of a Uncertificated System authorised by the Directors in such manner provided for, and subject as provided, in the Regulations or such as may otherwise from time to time be adopted by the Directors on behalf of the Company and the rules of any Uncertificated System and accordingly no provision of the Articles shall apply in respect of an uncertificated Share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the Shares to be transferred.
3. The Directors may, in their absolute discretion and without giving a reason, refuse to transfer, convert or register any transfer of any Share in certificated form or uncertificated form (subject to the paragraph below) which is not fully paid or on which the Company has a lien, provided in the case of a listed or quoted Share that this would not prevent dealings in the Share from taking place on an open and proper basis on the London Stock Exchange. In addition, the Directors may refuse to register a transfer of Shares if:
 - (A) it is in respect of more than one class of Shares;
 - (B) it is in favour of more than four joint transferees;
 - (C) in relation to a Share in certificated form, having been delivered for registration to the office or such other place as the Directors may decide, it is not accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; or
 - (D) the transfer is in favour of any Non-Qualified Holder.
4. The Directors may only decline to register a transfer of an uncertificated Share in the circumstances set out in the Regulations or such as may otherwise from time to time be adopted by the Directors on behalf of the Company or the rules of any Uncertificated System, where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated Share is to be transferred exceeds four.
5. The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of Shares to be admitted to settlement by means of the CREST UK system.
6. Subject to the CREST Guernsey Requirements and/or the rules of any other Uncertificated System, the registration of transfers may be suspended by giving such notices as may be required by the rules of any Uncertificated System at such times and for such periods (not exceeding thirty days in any year) as the Directors may determine.
7. No fee shall be charged for the registration of any instrument of transfer or, subject as otherwise provided in the Articles, any other document relating to or affecting the title to any share.
8. If it shall come to the notice of the Directors that any Shares are owned directly or indirectly by a Non-Qualified Holder or a transfer of Shares is in favour of any Non-Qualified Holder, the Directors may (i) refuse to register a transfer of such Shares and/or (ii) serve a notice (a **"Transfer Notice"**) upon the person (or any one of such persons where Shares are registered in joint names) appearing in the register as the holder (the **"Vendor"**) of any of the Shares concerned (the **"Relevant Shares"**) requiring the Vendor within twenty-one days (or such extended time as in all the circumstances the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Shares to another person who, in the sole and conclusive determination of the Directors, is not a Non-Qualified Holder (such a person being hereinafter called an **"Eligible Transferee"**). On and after the date of such Transfer Notice, and until registration of a transfer of the Relevant Share to which it

relates pursuant to the provisions referred to in this sub-paragraph or sub-paragraph 4.10.9 below, the rights and privileges attaching to the Relevant Shares will be suspended and not capable of exercise.

9. If within twenty-one days after the giving of a Transfer Notice (or such extended time as in all the circumstances the Directors consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the Directors, the Company may sell the Relevant Shares on behalf of the holder of them by instructing a member of the London Stock Exchange to sell them on arm's length terms to any Eligible Transferee or Eligible Transferees. For this purpose the Directors may authorise in writing any officer or employee of the Company or any officer or employee of the secretary of the Company or of any manager that may be appointed to transfer the Relevant Shares on behalf of the holder of them to the purchaser or purchasers and an instrument of transfer executed by that person will be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the Relevant Shares. The purchaser will not be bound to see the application of the purchase monies nor will its title to the Relevant Shares be affected by an irregularity or invalidity in the proceedings relating to the sale or by the price at which the Relevant Shares are sold. The net proceeds of the sale of the Relevant Shares will be received by the Company, whose receipt will be a good discharge for the purchase moneys, and will belong to the Company and, upon their receipt, the Company will become indebted to the former holder of, or person entitled by transmission to, the Relevant Shares for an amount equal to the net proceeds of transfer upon surrender by it or them, in the case of certificated Shares, of the certificate for the Relevant Shares which the Vendor shall immediately be obliged to deliver to the Company. No trust will be created in respect of the debt and no interest will be payable in respect of it. The Company will pay to the Vendor at its discretion or on demand by the Vendor the proceeds of transferring the Relevant Shares (less costs and expenses) but otherwise the Company will not be required to account for any money secured from the net proceeds of transfer which may be employed in the business of the Company or as it thinks fit. The Company may register the transferee as holder or holders of the Relevant Shares at which time the transferee will become absolutely entitled to them.
10. A person who becomes aware that it is a Non-Qualified Holder shall forthwith, unless it has already received a Transfer Notice pursuant to the provisions of the Articles summarised in sub-paragraph 4.10.8 above, either transfer the Shares to one or more Eligible Transferees or give a request in writing to the Directors for the issue of a Transfer Notice in accordance with the provisions of the Articles summarised in sub-paragraph 4.10.8 above. Every such request shall, in the case of certificated Shares, be accompanied by the certificate(s) for the Shares to which it relates.
11. Subject to the provisions of the Articles, the Directors will, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the Shares are held by a Non-Qualified Holder. The Directors may, however, at any time and from time to time call upon any holder (or any one of joint holders) of Shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holder of Shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than twenty-one days after service of the notice requiring the same) as may be specified by the Directors in the said notice, the Directors may, in their absolute discretion, treat any Share held by such a holder or joint holders as being held by a Non-Qualified Holder.
12. The Directors will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions. The exercise of the powers conferred by the provisions of the Articles summarised in sub-paragraphs 4.10.8 and/or 4.10.9 and/or 4.10.10 and/or 4.10.11 above may not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of Shares by any person or that the true direct or beneficial owner or holder of any Shares was otherwise than as

appeared to the Directors at the relevant date provided that the said powers have been exercised in good faith.

13. Uncertificated Shares of a class are not to be regarded as forming a separate class from certificated Shares of that class.

4.11 *Alteration of Capital*

The Company may by ordinary resolution alter its share capital, including, among other things consolidating share capital, sub-dividing Shares, cancelling untaken shares, converting Shares into Shares of a different currency and denominating or redenominating the currency of share capital.

4.12 *Notice of General Meetings*

Any general meeting shall be called by at least ten days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

4.13 *Votes of Members*

1. Subject to any special rights, restrictions or prohibitions regarding voting for the time being attached to any Shares, holders of Shares shall have the right to receive notice of and to attend, speak and vote at general meetings of the Company. For Shareholder resolutions in respect of amendments to the Articles or in respect of a winding-up of the Company, each class of Shares will vote as a separate class. For all other resolutions, the holders of Ordinary Shares and each class of C Shares shall vote as one class.
2. Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall, upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall, have one vote in respect of each Share that they hold.

4.14 *Borrowing Powers of Directors*

Subject as hereinafter provided, the Directors may exercise all the powers of the Company to borrow or raise money (including the power to borrow for the purpose of redeeming Shares) and secure any debt or obligation of or binding on the Company in any manner including by the issue of debentures (perpetual or otherwise) and to secure the repayment of any money borrowed raised or owing by mortgage, charge, pledge or lien upon the whole or any part of the Company's undertaking property or assets (whether present or future) and also by a similar mortgage charge pledge or lien to secure and guarantee the performance of any obligation or liability undertaken by the Company or any third party.

4.15 *Appointment and Retirement of Directors*

1. Subject to the Companies Law and the Articles, the Directors shall have power at any time, and from time to time, without sanction of the Company in general meeting, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-appointment. Subject to the Companies Law and the Articles, the Company may by ordinary resolution appoint any person as a Director; and remove any person from office as a Director.
2. A Director may resign from office as a Director by giving notice in writing to that effect to the Company at its office, which notice shall be effective upon such date as may be specified in the notice, failing which upon delivery to the registered office.
3. There is no age limit at which a Director is required to retire.
4. At each AGM of the Company, each Director shall retire from office and each Director may offer himself for election or re-election by the Shareholders.

4.16 *Disqualification and Removal of Directors*

1. A Director shall not be required to hold any qualification Shares.
2. The office of a Director shall be vacated if he ceases to be a Director by virtue of any provision of the Companies Law or he ceases to be eligible to be a Director in accordance with the Companies Law; or he has his affairs declared en désastre, becomes bankrupt or makes any arrangement or composition with his creditors generally or otherwise has any judgment executed on any of his assets; or he becomes of unsound mind or incapable or an order is made by a court having jurisdiction (whether in Guernsey or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator or other person to exercise powers with respect to his property or affairs; or he shall have absented himself from meetings of the Directors for a consecutive period of 6 months and the Directors resolve that his office shall be vacated; or he dies; or he resigns his office by notice to the Company; or the Company so resolves by ordinary resolution; or where there are more than two Directors, all the other Directors request him to resign in writing.

4.17 *Remuneration of Directors*

Unless otherwise determined by the Company by ordinary resolution, the Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed (unless otherwise determined by the Company in general meeting) the annual equivalent of £250,000 per annum. This cap was increased to £500,000 per annum at the Company's annual general meeting on 8 September 2020.

4.18 *Directors' Appointments and Interests*

1. Subject to the provisions of the Companies Law, the Directors may appoint one or more of their number to the office of managing Director or to any other executive office upon such terms as they determine.
2. Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose that fact to the Directors.
3. For the purposes of the article summarised in sub-paragraph 4.18.2 above, a general disclosure given to the Directors to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party shall be deemed to be sufficient disclosure of his interest in any such transaction or arrangement.
4. The requirement summarised in sub-paragraph 4.18.2 above does not apply if the transaction proposed is between a Director and the Company, or if the Company is entering into the transaction in the ordinary course of business on usual terms.
5. A Director may not vote or be counted in the quorum on a resolution of the board or committee of the board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by virtue of his interest in Shares or debentures or other securities of or otherwise in or through the Company) but, in the absence of some other material interest than is mentioned below, this prohibition does not apply to a resolution concerning any of the following matters:
 - (A) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - (B) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity by the giving of security;

- (C) a contract, arrangement, transaction or proposal concerning an offer of Shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (D) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including any subsidiary of the Company) in which he (and any persons connected with him) is interested and whether as an officer, shareholder, creditor or otherwise, if he (and any persons connected with him) does not to his knowledge hold an interest in Shares representing one per cent. or more of any class of the equity share capital of or the voting rights in the relevant company (or of any other company through which his interest is derived);
 - (E) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries which only awards him a privilege or benefit generally accorded to the employees to whom it relates; and
 - (F) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.
6. For the purposes of this article a person shall be treated as being connected with a Director if that person is:
- (A) a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or
 - (B) an associated body corporate which is a company in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20 per cent. or more of the value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20 per cent. of the voting power at general meetings; or
 - (C) a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within paragraphs 4.18.6(A) and 4.18.6(B) above excluding trustees of an employees' share scheme or pension scheme; or
 - (D) a partner (acting in that capacity) of the Director or persons in paragraphs 4.18.6(A) to 4.18.6(C) above.
7. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company, or at which the terms of any such appointment are arranged or at which any contract between the Director and the Company are considered, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these provisions) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
8. A Director may hold any other office or place of profit under the Company (other than the auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such office or place of profit or as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director so contracting or being so interested be liable to account to the Company for any profits realised by any

such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

9. Any Director may act by himself or his firm in a professional capacity for the Company (other than auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
10. Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Company or in which the Company may be interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him as director, managing director, manager or other officer or member of any such company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as director of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them director, managing director, managers or other officers of such company, or voting or providing for the payment of remuneration to themselves as director, managing director, managers or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in the manner aforesaid, notwithstanding that he may be or be about to be appointed a director, managing director, manager or other officer of such company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.
11. If a question arises at a meeting as to the materiality of a Director's interest (other than the interest of the chairman of the meeting) or as to the entitlement of a Director (other than the chairman) to vote or to be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman and his ruling in relation to the Director concerned is conclusive and binding on all concerned.
12. If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the Directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.

4.19 *Dividends and Distributions*

1. Subject to the provisions of the Companies Law and the Articles, the Company may by ordinary resolution declare dividends and/or make distributions in accordance with the respective rights of the members and to any special rights to dividends or other relevant rights or remedies set out in the terms of issue of any class of Shares.
2. No dividend or other distribution shall exceed the amount recommended by the Directors.
3. Subject to the provisions of the Companies Law, and the Articles, the Directors may from time to time pay interim dividends and/or distributions if it appears to them that they are justified by the assets of the Company.
4. Except as otherwise provided by the rights attached to Shares, all dividends or other distributions shall be declared and paid *pro rata* according to the respective numbers of Shares held by Shareholders of the relevant class on which the dividend or other distribution is paid. If any Share is issued on terms providing that it shall rank for dividend or other distribution as from a particular date, that Share shall rank for dividend or other distribution accordingly. Any resolution declaring a dividend or a distribution on a Share, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the person registered as the holders of the Shares at the close of business on a particular date notwithstanding that it may be a date prior to that on which the resolution is passed and thereupon the dividend or distribution shall be payable to such persons in accordance with their respective holdings so registered, but without prejudice to the

rights *inter se* in respect of such dividend or distribution of transferors and transferees of any such Shares.

5. A general meeting declaring a dividend or other distribution may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
6. The Directors may deduct from any dividend or other distribution, or other moneys payable to any member on or in respect of a Share, all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
7. All unclaimed dividends or other distributions may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. Any dividend or other distribution which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company. No dividend or other distribution or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.
8. The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to divide.

4.20 *Winding-Up*

Upon a winding-up of the Company

1. the assets attributable to Ordinary Shares shall be divided amongst the holders of the Ordinary Shares *pro rata* to their holdings of Ordinary Shares; and
2. the assets attributable to a class of C Shares shall be divided amongst the holders of the C Shares of such class *pro rata* according to their holdings of that class of C Shares.

4.21 *Certain US and US-related Tax Matters*

The Company is authorised to take any action it determines is desirable to comply with certain US tax provisions colloquially referred to as the Foreign Account Tax Compliance Act and any other law of any other jurisdiction relating thereto including laws promulgated pursuant to an intergovernmental agreement relating thereto (together, “**FATCA**”), and may enter into an agreement with the US Internal Revenue Service or the taxing and revenue services of any other country. The Company shall not pay any additional amounts to any person in respect of any withholding of taxes, including those relating to FATCA.

The Company is not required to make available the information necessary for any person to make a so-called “qualified electing fund” election under US tax law.

4.22 *Terms of the Shares*

1. **Definitions**

The following definitions apply for the purposes of this paragraph 4.22:

“**Calculation Time**” means, in relation to any class of C Shares, the next semi-annual NAV Calculation Date (or such other valuation point as may be determined by the Directors in their absolute discretion) following the earliest of:

- (i) the close of business on the date on which the Board becomes aware or is notified by the Investment Adviser that at least 80 per cent. of the net issue proceeds (or such other percentage as the Directors and the Investment Adviser shall determine as part of the terms of issue of any class of C Shares or

otherwise) attributable to that class of C Shares shall have been invested in accordance with the Company's Investment Objective and Policy;

- (ii) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation; or
- (iii) the close of business on such date as the Directors may determine to enable the Company to comply with its obligations in respect of Conversion of that class of C Shares; and
- (iv) the close of business on the business day following twelve months after the admission of the relevant class of C Shares to trading on the Main Market and to listing on the premium listing category of the Official List or such other time or date as may be determined by the Directors at the time at which the relevant class of C Shares are issued;

"Conversion" means, in relation to any class of C Shares, the conversion of that class of C Shares into New Ordinary Shares in accordance with the Articles;

"Conversion Ratio" means, in relation to each class of C Shares, A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C-D}{E}$$

and

$$B = \frac{F-G}{H}$$

where:

"C" is the aggregate of;

- (i) the value of the investments of the Company attributable to the relevant class of C Shares (as determined by the Directors), calculated in the case of Songs by reference to an independent valuer's determination of the current value for such Songs at the Calculation Time which is to be calculated in accordance with the Company's latest published valuation methodology, among other things, as regards the fair market value of the Songs and otherwise in the same manner as the Operative NAV was calculated as at the previous NAV Calculation Date; and
- (ii) the amount which, in accordance with the Company's latest published valuation methodology, fairly reflects, at the Calculation Time, the value of the other assets of the Company attributable to the relevant class of C Shares);

"D" is the amount which (to the extent not otherwise deducted in the calculation of C) in accordance with the Company's latest published valuation methodology fairly reflects the amount of the liabilities attributable to the relevant class of C Shares of the relevant class at the Calculation Time (including, for the avoidance of doubt, the full amount of all dividends declared by not paid);

"E" is the number of shares of the relevant class of C Shares in issue at the Calculation Time (excluding any Shares held in treasury);

"F" is the aggregate of:

- (i) the value of all the investments attributable to the Ordinary Shares (as determined by the Directors and calculated in the case of Songs by reference to an independent valuer's determination of the appropriate current value for such Songs at the Calculation Time, which is to be calculated in accordance with the Company's latest published valuation methodology, among other things, as regards the fair market value of the Songs and otherwise in the same

manner as the Operative NAV was calculated as at the previous NAV Calculation Date; and

- (ii) the amount which, in accordance with the Company's latest published valuation methodology, fairly reflects, at the Calculation Time, the value of all other assets of the Company attributable to the Ordinary Shares;

"G" is the amount which (to the extent not otherwise deducted in the calculation of F) in accordance with the Company's latest published valuation methodology fairly reflects the amount of the liabilities and expenses attributable to the Ordinary Shares at the Calculation Time (including, for the avoidance of doubt, the full amount of all dividends declared but not paid); and

"H" is the number of Ordinary Shares in issue at the Calculation Time (excluding any Shares held in treasury);

Provided always that:

- (i) the independent valuer shall be entitled to make such adjustments to the value or amount of A and/or B (including any of their constituent amounts) as it believes to be appropriate having regard to, among other things, the assets of the Company immediately prior to the proposed issue date for the New Ordinary Shares or the Calculation Time or to the reasons for the issue of the relevant class of C Shares of the relevant class;
- (ii) in relation to any class of C Shares, the independent valuer may, in accordance with the terms of issue of such class, amend the definition of Conversion Ratio in relation to that class; and
- (iii) where valuations are to be made as at the Calculation Time and the Calculation Time is not a Business Day, the independent valuer shall apply the provisions of this definition as if the Calculation Time were the preceding Business Day;

"Conversion Time" means, in relation to any class of C Shares, a time following the Calculation Time being the earlier of:

- (i) the opening of business on such Business Day as may be selected by the Directors provided that such day shall not be more than five months after the Calculation Time; and
- (ii) such date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances have arisen or are in contemplation;

"Force Majeure Circumstances" means in relation to any class of C Shares as a class: (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of the relevant class with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest;

"NAV Calculation Date" means 31 March and 30 September in each year or such other date as the Directors may, in their discretion, determine;

"New Ordinary Shares" means the Ordinary Shares arising on conversion of any class of C Shares; and

"Operative NAV" means 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 a fair market value of the Company's Catalogues or Songs held at the relevant reporting date.

2. Issue and Conversion of C Shares

Subject to the Articles and the Companies Law, the Directors shall be authorised to issue C Shares of any class on such terms as they determine provided that such terms are consistent with the provisions of the Articles. The Directors shall, on the issue of each class of C Shares, determine the latest Calculation Time and Conversion Time together with any amendments to the definition of Conversion Ratio attributable to each such class. Following the Calculation Time in respect of each class of C Shares, the Directors shall select the Conversion Time and effect Conversion in accordance with the Articles in order that the holders of C Shares become the holders of New Ordinary Shares in accordance with the Conversion Ratio.

Each class of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Board may, if it so decides, designate each class of C Shares in such manner as it sees fit in order that each class of C Shares and the assets and liabilities of such class can be identified.

3. Dividends

The C Shareholders of any class of C Shares will be entitled to participate in any dividends of the Company in relation to assets attributable to that class of C Shares.

The New Ordinary Shares arising on Conversion of the C Shares shall rank in full for all dividends and other distributions declared after the Conversion Time save that, in relation to any classes of C Shares, the Directors may determine, as part of the terms of issue of such class, New Ordinary Shares arising on Conversion will not rank for any dividend declared by reference to a record date falling on or before the Conversion Time.

4. Rights as to capital

The capital and assets of the Company shall on a winding-up or on a return of capital prior, in each case, to Conversion be applied as follows:

- (A) first, the Ordinary Share surplus shall be divided amongst the holders of the Shares *pro rata* according to their holdings of Ordinary Shares; and
- (B) secondly, the C Share surplus attributable to each class of C Shares shall be divided amongst the holders of the C Shares of such class *pro rata* according to their holdings of the relevant class of C Shares.

5. Voting rights

The C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as those applying to holders of Shares as set out in the Articles as if the C Shares and Shares were a single class.

5. MATERIAL CONTRACTS

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Group since the Company's incorporation and are, or may be, material or that contain any provision under which the Group has any obligation or entitlement which is or may be material to it as at the date of this Prospectus:

5.1 Placing Agreement

The Sponsor, the Joint Bookrunners, the Investment Adviser and the Company have entered into a placing agreement dated 21 January 2021 (the "**Placing Agreement**"), whereby the Company has agreed, subject to certain conditions that are typical for an agreement of this nature, to issue the Shares to be issued pursuant to the Initial Issue and the Placing Programmes at the Initial Issue Price and the relevant Placing Programme Price, respectively. The Joint Bookrunners have agreed, subject to certain conditions that are typical for an agreement of this nature, to use reasonable endeavours to procure subscribers for the Shares to be issued: (i) under the Initial Placing at the Initial Issue Price; and (ii) pursuant to

the Placing Programmes. Neither the Initial Placing nor any Subsequent Placing will be underwritten.

The obligations of the Company to issue Shares and the obligations of the Joint Bookrunners to procure subscribers for the Shares to be issued under the Initial Issue and the Placing Programmes, are subject to conditions, including, amongst others, Initial Admission occurring by not later than 8.00 a.m. on 10 February 2021 (or such later time or date as the Joint Bookrunners may agree with the Company, such date not being later than 12 February 2021) and the Placing Agreement not having been terminated in accordance with its terms before Initial Admission or the relevant Subsequent Admission.

The Company has agreed to pay or cause to be paid (together with any related value added tax) certain commissions, costs, charges, fees, disbursements of advisers and reasonable out-of-pocket expenses of, or in connection with, or incidental to, amongst others, the Initial Issue, Initial Admission, any Subsequent Admission or the other arrangements contemplated by the Placing Agreement.

The Company and the Investment Adviser have given certain representations, warranties, undertakings and indemnities to the Joint Bookrunners and the Sponsor.

The Placing Agreement is governed by the laws of England and Wales.

5.2 **Investment Advisory Agreement**

The Company, the UK SubCo and the Investment Adviser entered into an investment advisory agreement, dated 27 June 2018 (as amended by way of a deed of amendments dated 1 December 2020) (the “**Investment Advisory Agreement**”), which has been, and will continue to be, acceded to by the relevant Fund Entities from time to time.

The Investment Adviser advises the Fund Entities, pursuant to the Investment Advisory Agreement (as amended, and acceded to, from time to time) in relation to the acquisition, holding, disposal and active management of Songs (including advising on the payment of any Advances, any portfolio administration arrangements and any synchronisation opportunities), whether organised into Catalogues or otherwise, and provide the Fund Entities with certain assets related and other ongoing services. The extent of such ongoing services provided by the Investment Adviser to a Fund Entity may be amended for each Fund Entity, as part of the terms of a Fund Entity’s accession to the Investment Advisory Agreement, as appropriate for the specific nature of that Fund Entity.

The discretionary portfolio management of the Company’s assets (including uninvested cash), however, remains with the Board to be dealt with in accordance with the Investment Objective and Policy.

Fees

1. The Fund Entities have agreed to pay, and the Investment Adviser is entitled to receive, the Advisory Fee and, subject to the fulfilment of certain conditions, the Performance Fee. Further details of the Advisory Fee and Performance Fee are described in Part IV (*Directors and Administration*) of this Prospectus.

Termination

2. The Investment Advisory Agreement may be terminated by:
 - (A) the Investment Adviser on not less than 12 months’ notice to the Fund Entities, such notice not to expire earlier than the fifth anniversary of the Company’s IPO (the “**Initial Period**”); or
 - (B) the Fund Entities (acting together) on not less than 12 months’ notice to the Investment Adviser, such notice not to expire earlier than the end of the Initial Period subject to paragraph 5.2.3.
3. If, at the end of the Initial Period, the Continuation Resolution is passed and the Performance Target has been achieved up to the expiry of the Initial Period:
 - (1) any notice of termination served by the Fund Entities (acting together) under paragraph 5.2.2(B) above shall be deemed to have been revoked; and

- (2) the Initial Period shall be extended with respect to the Fund Entities for a further period of five years and paragraph 5.2.2(B) above will apply until the tenth anniversary of the Company's IPO,

provided that if the Investment Adviser fails to achieve the Performance Target at the end of any Accounting Period after the extension of the Initial Period under this paragraph 5.2.3, the Fund Entities (acting together) may terminate this Agreement by giving not less than 12 months' notice to the Investment Adviser at any time thereafter notwithstanding whether the Performance Target is achieved in any subsequent Accounting Periods.

For the purposes of this paragraph 5.2.3 "**Performance Target**" means an increase in the Operative NAV per Ordinary Share (after adjustments to (i) include the gross amount of any dividends and/or distributions paid in respect of an Ordinary Share since the Company's IPO; (ii) not take into account any increment in the Operative NAV per Ordinary Share attributable to the issue of Ordinary Shares at a premium to Operative NAV per Ordinary Share or any buyback of any Shares at a discount to Operative NAV per Ordinary Share; and (iii) take account of C Shares as were agreed between the Company and the Investment Adviser at the time of issuance of such C Shares) equal to or above the Ordinary Share Performance Hurdle.

4. Notwithstanding the provisions of paragraphs 5.2.2 and 5.2.3 above, the Investment Advisory Agreement may be terminated by the Fund Entities with immediate effect from the time at which notice of termination is given or, if later, the time at which such notice is expressed to take effect if:
- (A) an order has been made or an effective resolution passed for the winding-up or liquidation of the Investment Adviser (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the Fund Entities, such consent not to be unreasonably withheld or delayed), or a receiver or similar officer has been appointed in respect of the Investment Adviser or of any material part of the Investment Adviser's assets, or the Investment Adviser is, or is deemed to be, unable to pay its debts as and when due;
 - (B) the Investment Adviser ceases, or takes steps to cease, to carry on substantially the whole of its business;
 - (C) the Investment Adviser makes a material alteration to the nature of its business and such alteration has the effect of discontinuing activities required to be performed under the Investment Advisory Agreement in connection with the Investment Objective and Policy;
 - (D) the Investment Adviser has: (i) committed fraud, negligence or wilful misconduct in the performance of its services under the Investment Advisory Agreement; or (ii) materially breached its obligations under the Investment Advisory Agreement (including a breach of the Service Standard and omissions in respect of the services to be provided by the Investment Adviser under the Investment Advisory Agreement) or any Applicable Requirements;
 - (E) the Investment Adviser is unable to continue to act as the investment adviser to a Fund Entity on a permanent basis due to any circumstances;
 - (F) a Key Person Event occurs and an appropriate replacement for such Key Person has not been substituted by the Investment Adviser and approved by the Board (such approval not to be unreasonably withheld or delayed) within ninety (90) days of the date on which the Key Person Event occurs;
 - (G) the Investment Adviser through any act or omission causes the trading of the Shares on the London Stock Exchange to be suspended or terminated, or results in the Company losing its status as, or becoming ineligible for approval as an investment company registered with the Guernsey Financial Services Commission under the Registered Collective Investment Scheme Rules 2018

and the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended; and

- (H) the Company is required by any relevant regulatory authority to terminate the Investment Adviser's appointment.
5. The Investment Advisory Agreement may be terminated by the Investment Adviser with immediate effect from the time at which notice of termination is given to the Fund Entities or, if later, the time at which such notice is expressed to take effect, if an order has been made or an effective resolution passed for the winding-up or liquidation of the Company (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the Investment Adviser, such consent not to be unreasonably withheld or delayed).
 6. If, in the opinion of the Investment Adviser, acting reasonably, any proposed change to the Investment Objective and Policy is of such significance that the Investment Adviser would no longer be able to perform its obligations under the Investment Advisory Agreement in accordance with the Service Standard, the Investment Adviser may terminate this Agreement on the earlier of: (i) the date on which the appointment of a replacement investment adviser becomes effective; or (ii) the Business Day prior to the date on which the proposed changes to the Investment Objective and Policy are intended to take effect.
 7. In the event the Investment Advisory Agreement is terminated, the Investment Adviser shall be entitled to be paid in cash: (a) any accrued Advisory Fee up to the effective date of termination of the Investment Advisory Agreement (the "**Termination Date**"); (b) all accrued but unpaid Performance Fee in respect of any Accounting Period completed prior to the Termination Date; and (c) prompt reimbursement for all of its out of pocket expenses incurred in respect of the performances of its obligations thereunder up to the Termination Date.
 8. Where the Investment Advisory Agreement is terminated in accordance with paragraphs 5.2.2(B), 5.2.3, 5.2.5, 5.2.6 or 5.2.4(H) (other than as a result of any malfeasance by the Investment Adviser or its Affiliate), the Investment Adviser shall also be entitled to be paid in cash: (a) a Performance Fee (if applicable) with respect to any ongoing but incomplete Accounting Period calculated as at the Termination Date; and (b) a one-time termination fee equal to one year's Advisory Fee calculated by reference to the Operative Net Asset Value (instead of Average Market Capitalisation) as at the Termination Date.
 9. In the event that the Investment Advisory Agreement is terminated by the Company pursuant to paragraphs 5.2.2(B), 5.2.3, 5.2.5 or 5.2.6, the Investment Adviser shall also have an unconditional right exercisable at any time during the period of six months immediately following the Termination Date to purchase from the Fund Entities its portfolio of Songs (whether held directly or indirectly) as at the Termination Date (the "**Termination Portfolio**") by giving written notice to the Company (the "**Option Notice**") on the terms set out in the Investment Advisory Agreement. In summary, the Investment Advisory Agreement provides that any such purchase price must be at the higher of:
 - (A) the fair market value of the Termination Portfolio as at the date of service of the Option Notice as determined by an independent valuer;
 - (B) any price offered to any Fund Entity in good faith on an unsolicited basis by a credible third party together with evidence of availability of funds to meet the purchase price for the Termination Portfolio at arms' length basis at any time between the Termination Date and the date of service of the Option Notice; and
 - (C) the market capitalisation of the Company as at the date of service of the Option Notice subject to adjustment to reflect the proportion of the Company's assets which is not represented by Songs).

Any such sale shall be subject to the provisions of the Investment Advisory Agreement in this regard.

Liability and indemnity

10. The Investment Adviser shall not be liable to the Fund Entities for any loss, claim, costs, charges and expenses, liabilities or damages (“**Losses**”) arising out: (i) of any action taken or omitted to be taken by the Investment Adviser except for Losses arising out of or in connection with the negligence, fraud, bad faith, or wilful misconduct of the Investment Adviser or material breach by the Investment Adviser of any its obligations under the Investment Advisory Agreement or the Applicable Requirements; and (ii) any act or omission by any employee, broker or their agent of a Fund Entity unless the Investment Adviser was responsible for the selection of such employee, broker or other agent and the Investment Adviser did not use reasonable care in connection with such selection.
11. The Fund Entities shall indemnify the Investment Adviser against all claims by third parties which may be made against the Investment Adviser in connection with the provision of services under the Investment Advisory Agreement unless such claim arises out of or in connection with the negligence, fraud, bad faith, or wilful misconduct of the Investment Adviser or material breach by the Investment Adviser of any its obligations under the Investment Advisory Agreement or the Applicable Requirements.

Service standard

12. The Investment Adviser is required, under the terms of the Investment Advisory Agreement, at all times to perform its obligations under the Investment Advisory Agreement with such skill and care as would be reasonably expected of a professional investment adviser advising in good faith an investment company of comparable size and complexity to the Company and having a materially similar investment objective and policy and shall ensure that it has adequate systems and controls in place in order to do so and that its obligations under the Investment Advisory Agreement are performed by a team of appropriately qualified, trained and experienced professionals (the “**Service Standard**”).
13. The Key Person shall commit sufficient time to the affairs of the Investment Adviser and its Affiliates to ensure that the Investment Adviser can, in the opinion of the Board acting reasonably, at all times perform its obligations under the Investment Advisory Agreement in accordance with the Service Standard.
14. If the Key Person ceases to act as an officer of the Investment Adviser, and the Investment Adviser is unable to appoint a replacement who is reasonably acceptable to the lenders within 90 days from the date of such cessation, it is an event of default under the Amended and Restated RCF such that the administrative agent, if directed by the majority lenders, would be required to demand repayment of all amounts outstanding at such time. If the Company fails to repay the debt on demand, the administrative agent, if directed by the majority lenders, would be required to exercise its right to enforce the security over, and sell, the Fund Entities’ assets to discharge the debt.

General

15. The Investment Advisory Agreement is governed by the laws of England and Wales.

5.3 **Kobalt Agreements**

The Company and the UK SubCo entered into a portfolio administration agreement with Kobalt dated 27 June 2018 (the “**Kobalt Agreement**”), which has been acceded to by the relevant Fund Entities from time to time. Under the Kobalt Agreement, Kobalt administers a number of Catalogues which have been moved to Kobalt following expiration of that Catalogue’s administration arrangement with its incumbent portfolio administrator. For Catalogues that have been, or are, moved to Kobalt after the Company’s acquisition of HSG, Kobalt will only administer these Catalogues outside the United States.

The Kobalt Catalogues will be administered outside the United States by Kobalt pursuant to a separate contract between Kobalt Music Copyrights (UK) Limited and Kobalt (the “**Kobalt Catalogues Agreement**”), with the rights and obligations of Kobalt Music Copyrights (UK) Limited under the Kobalt Catalogues Agreement having been novated, pursuant to a novation

contract dated 30 October 2020, to the relevant Fund Entities following the Company's acquisition of the Kobalt Catalogues.

Services provided by Kobalt under the Kobalt Agreement and the Kobalt Catalogues Agreement include:

- (a) assisting with registering the Songs with relevant collection societies in those territories where Kobalt collects money directly;
- (b) collecting monies earned from the Portfolio throughout the territories where Kobalt collects money directly and indirectly on behalf of the Fund Entities;
- (c) providing regular statements of monies collected to the Fund Entities and its advisers; and
- (d) where Kobalt is sub-published or collects monies through an agency, using reasonable endeavours to procure that each relevant sub-publisher or agent registers the Songs with the appropriate royalty collection agents and collects monies earned by the Songs through such territory or territories.

In consideration for Kobalt performing its obligations under each of the Kobalt Agreement and the Kobalt Catalogues Agreement, Kobalt is entitled to a fee calculated by reference to the payments it receives on behalf of the Fund Entities which will be deducted at source by Kobalt from the payments it receives. Such fees vary depending on the category of royalties collected or certain milestones or other service levels achieved by Kobalt, and such rates are reviewed annually. Under each of the Kobalt Agreement and the Kobalt Catalogues Agreement, Kobalt will not be entitled to any fees with regards to the writer's share of any performance royalties it receives. Kobalt will not be entitled to any fees on any payments it receives in respect of synchronisations that Kobalt has not generated.

The Kobalt Agreement is for an initial term of three years from 26 June 2018, provided that the Kobalt Agreement shall expire on the next quarterly accounting date (being 31 March, 30 June, 30 September or 31 December) following the expiration of such initial term. Further, on the expiry of the Initial Term (whether extended or not), Kobalt shall have the right, for a period of 12 months following the expiration of the initial term, to collect monies which arise from the exploitation of the Songs occurring prior to or during the initial term.

The Kobalt Catalogues Agreement has an initial term which expires on 30 June 2026 and contains similar collection period provisions to those set out in the Kobalt Agreement (as outlined above).

Under the Kobalt Catalogues Agreement, if either the Company, any other Fund Entity or Kobalt defaults in the performance of any of its material obligations or duties and, where such default is capable of being cured, it continues for 30 days (or ten Business Days with respect to non-payment of monies) after receipt by the other party of notice in writing from such party alleging such default, the Kobalt Catalogues Agreement may be terminated immediately. In addition, the Fund Entities have a right to terminate the initial term of the Kobalt Catalogues Agreement immediately in the event an insolvency event occurring to Kobalt.

Under each of the Kobalt Agreement and the Kobalt Catalogues Agreement, the Fund Entities shall fully indemnify Kobalt for any loss, damage, cost, liability or expense (including all out of house legal expenses) suffered by Kobalt directly or indirectly from a breach or alleged breach of the grant of rights, warranties and/or representations provided by the Fund Entities in the Kobalt Agreement or the Kobalt Catalogues Agreement (as applicable) which arise from any third-party claims subject to the occurrence of one of the following events:

- (a) any such third-party claim being reduced to a judgment in a court of competent jurisdiction;
- (b) any such third-party claim being settled with the Fund Entities' prior approval (which approval shall not be unreasonably withheld or delayed); or
- (c) any such third-party claim being withdrawn or not proceeded with (as determined by Kobalt acting reasonably and in good faith) by the third-party claimant.

Each of the Kobalt Agreement and the Kobalt Catalogues Agreement is governed by the laws of England and Wales.

5.4 **Administration Agreements**

The Company and the Fund Administrator entered into an administration agreement dated 27 June 2018 (the **“Fund Administration Agreement”**) and the UK SubCo entered into an administration agreement dated 27 June 2018 (which has been and will continue to be acceded to by the Fund Entities domiciled in the UK) with Ocorian Administration (UK) Limited, an Affiliate of the Fund Administrator (the **“UK Administration Agreement”** and together with the Fund Administration Agreement, the **“Administration Agreements”**).

Pursuant to the Administration Agreements, the Fund Administrator or Ocorian Administration (UK) Limited (as applicable) shall provide administration, accounting and corporate secretarial services to each of the Company, the UK SubCo or any subsidiary which accedes to the relevant Administration Agreement. In consideration for these services being provided to the Company and the UK SubCo, the Fund Administrator and Ocorian Administration (UK) Limited will be entitled to an aggregate annual fee of approximately £465,000 together with additional ad hoc fees in respect of certain additional services, such fees being payable monthly in arrear and subject to periodic review. Additional fees may be charged in respect of any subsidiary that accedes to the terms of the relevant Administration Agreement from time to time or in respect of acquisitions of additional Catalogues. As at the date of this Prospectus, all Fund Entities incorporated in the UK have acceded to the terms of the UK Administration Agreement.

The Company has given certain market standard indemnities in favour of the Fund Administrator in respect of the Fund Administrator's potential losses in carrying out its responsibilities under the Administration Agreements.

Each of the Administration Agreements may be terminated by either party on not less than 90 days' written notice. Each of the Administration Agreements may be terminated immediately by either party: (i) in the event of the winding-up of or the appointment of an administrator, liquidator, examiner or receiver to the other or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction; (ii) if the other shall commit any material breach of the provisions of the relevant Administration Agreement and shall if capable of remedy not have remedied the same within 30 days after the service of notice requiring it to be remedied; (iii) if the Fund Administrator shall cease to be qualified to act as such pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended; or (iv) if the continued performance of the relevant Administration Agreement for any reason ceases to be lawful.

The Fund Administration Agreement is governed by the laws of Guernsey. The UK Administration Agreement is governed by the laws of England and Wales.

5.5 **Registrar Agreement**

The Company and the Registrar entered into a registrar agreement dated 27 June 2018 (the **“Registrar Agreement”**), whereby the Registrar is appointed to act as registrar, paying agent and transfer agent to the Company.

Under the terms of the Registrar Agreement, the Registrar is entitled to a fixed fee of £7,500 per annum in respect of the Ordinary Shares and £5,500 per annum in respect of the C Shares (if applicable), together with additional ad hoc fees in respect of additional out of scope services provided by the Registrar. The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges reasonably incurred on behalf of the Company.

The Registrar Agreement shall continue for an initial term of 12 months, following which it may be terminated on six months' notice and is also terminable on shorter notice in the event of breach of the agreement or insolvency.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement.

The Registrar Agreement is governed by the laws of Guernsey.

5.6 **Receiving Agent Agreement**

The Company and the Receiving Agent entered into a receiving agent agreement dated 1 December 2020 (the **"Receiving Agent Agreement"**), whereby the Receiving Agent is appointed to act as receiving agent to the Company in connection with issue of the Ordinary Shares pursuant to the Offer for Subscription and the conversion of the July C Shares issued by the Company, which was completed on 4 December 2020. The Receiving Agent will accept responsibility for, among other things, receiving the application for Ordinary Shares and the application monies, holding application cheques in a secure area to present them for payment, receiving and checking conversion instructions and acting as escrow agent, and converting the Ordinary Shares into New Ordinary Shares following their Conversion Time.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fixed fee of £8,000 plus a processing fee per application and additional fees payable in respect of any conversion of C Shares. The Receiving Agent is also entitled to reimbursement of all reasonable out-of-pocket expenses properly incurred and documented by it in connection with its duties.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the agreement.

The agreement is governed by the laws of England and Wales.

5.7 **WRL Engagement Letter**

The Company and the UK SubCo have entered into an agreement with CTABL Inc. (a wholly owned personal services company of William (Bill) Leibowitz) dated 27 June 2018 (the **"WRL Engagement Letter"**), which has been, and will continue to be, acceded to by the relevant Fund Entities from time to time. Pursuant to WRL Engagement Letter, Mr Leibowitz will be retained by the relevant Fund Entities to provide legal services in connection with Catalogue or Song acquisitions, together with ongoing royalty/licensing issues, copyright registrations, advising on any threatened litigation and other legal services.

Pursuant to the WRL Engagement Letter, Mr Leibowitz will be entitled to a fixed fee of: (i) in respect of the first four years following the Company's IPO, US\$500,000 per annum; and (ii) for each year after such date, US\$400,000, in each case payable in arrears by the Company in twelve (12) equal instalments per year (save that in limited circumstances where the Investment Adviser may, in future, agree to pay part of the annual fee). The Company will reimburse Mr Leibowitz for all reasonable business expenses.

Unless terminated by either party in accordance with its terms, the WRL Engagement Letter shall continue in full force and effect for the same term as the Investment Advisory Agreement. Unless agreed between the parties, the WRL Engagement Letter shall terminate automatically following the termination of the Investment Advisory Agreement.

5.8 **Revolving Credit Facility**

The Original RCF (which was amended in February 2020) was amended and restated in April 2020, by way of the Amended and Restated RCF, and further amended by way of the First Amendment in July 2020, the Second Amendment in September 2020 and the Third Amendment in December 2020 to, *inter alia*, increase the commitments of the lenders and extend the term of the Original RCF. Under the Amended and Restated RCF, the revolving credit facility commitments were increased from £100 million under the Original RCF to £150 million, and subsequently redenominated from Pounds Sterling to US Dollars and increased to US\$400 million, pursuant to the First Amendment, and further increased to US\$600 million, pursuant to the Third Amendment. Under the Amended and Restated RCF, the Company may request an increase in the revolving credit facility commitment by a further US\$150 million. In addition to the increase of the revolving credit facility commitment, the maturity date was extended from 29 August 2022 to 2 April 2025. The Amended and Restated RCF is secured against the Fund Entities' assets and includes six financial covenants:

- (A) the loan to value, calculated as the consolidated total indebtedness of the Company and its subsidiaries divided by the value of its Catalogues, must not exceed 40 per cent.;
- (B) liquidity, defined by reference to unrestricted cash plus availability under the Amended and Restated RCF, must at all times be greater than or equal to the amount of projected interest payments in respect of funded indebtedness during the 12-month period immediately succeeding the relevant fiscal quarter;
- (C) the consolidated total debt leverage ratio, calculated as the ratio of the consolidated total indebtedness of the Company and its subsidiaries to the consolidated net publishers share of the Company and its subsidiaries, must not be greater than 4.50:1.00;
- (D) consolidated overhead of the Company and its subsidiaries must not exceed US\$11,000,000 for any fiscal year;
- (E) the consolidated fixed charge coverage ratio, calculated as consolidated EBITDA, minus taxes paid in cash, to consolidated fixed charges, must not at any time be less than 1.10:1.00 for the period up to and including 31 March 2023 and not less than 1.25:1.00 at any time thereafter; and
- (F) the liquidity coverage ratio, calculated as four-fiscal quarters' projected cash sources (including, without limitation, availability under the Amended and Restated RCF) to projected cash uses of the Company and its subsidiaries, must not at any time be less than 1.00:1.00 for the period up to and including 31 March 2023 and not less than 1.10:1.00 at any time thereafter.

6. INTERMEDIARIES TERMS AND CONDITIONS

The Intermediaries Terms and Conditions regulate the relationship between the Company, the Intermediaries Offer Adviser and each of the Intermediaries that is accepted by the Company to act as an Intermediary after making an application for appointment in accordance with the Intermediaries Terms and Conditions.

Capacity and liability

The Intermediaries have agreed that, in connection with the Intermediaries Offer, they will be acting as agent for retail investors in the United Kingdom who wish to acquire Ordinary Shares under the Intermediaries Offer, and not as representative or agent of the Company, the Intermediaries Offer Adviser or the Joint Bookrunners, none of whom will have any responsibility for any liability, costs or expenses incurred by any Intermediary, regardless of the process or outcome of the Initial Issue.

Eligibility to be appointed as an Intermediary

In order to be eligible to be considered for appointment as an Intermediary, each Intermediary must be authorised by the FCA or the Prudential Regulation Authority in the United Kingdom or authorised by a competent authority in another EEA Member State with the appropriate authorisations to carry on the relevant activities in the United Kingdom, and in each case have appropriate permissions, licences, consents and approvals to act as an intermediary in the United Kingdom. Each Intermediary must also be a member of CREST or have arrangements with a clearing firm that is a member of CREST.

Each Intermediary must also have (and is solely responsible for ensuring that it has) all licences, consents and approvals necessary to enable it to act as an intermediary in the United Kingdom and must be, and at all times remain, of good repute and in compliance with all laws, rules and regulations applicable to it (determined by the Company in its absolute discretion).

Application for Ordinary Shares

A minimum application amount of 100 Ordinary Shares at the Initial Issue Price per Underlying Applicant will apply under the Intermediaries Offer, and thereafter an Underlying Applicant may apply for any amount. There is no maximum limit on the monetary amount that

Underlying Applicants may invest. Any application made by investors through any Intermediary is subject to the terms and conditions agreed with each Intermediary.

Allocations of Ordinary Shares under the Intermediaries Offer will be at the absolute discretion of the Company. If there is excess demand for Ordinary Shares in the Initial Issue, allocations of Ordinary Shares may be scaled down to an aggregate value which is less than that applied for.

Each Intermediary will be instructed by the Intermediaries Offer Adviser as to the basis on which each Intermediary must scale back Underlying Applicants who have applied through such Intermediary.

Effect of Intermediaries Offer Application Form

By completing and returning an Intermediaries Offer Application Form, an Intermediary will be deemed to have irrevocably agreed to invest or procure the investment in Ordinary Shares of the aggregate amount stated on the Intermediaries Offer Application Form or such lesser amount in respect of which such application may be accepted. The Company reserves the right to reject, in whole or in part, or to scale down, any application for Ordinary Shares under the Intermediaries Offer.

Fees

The Intermediaries Terms and Conditions provide that an Intermediary may choose whether or not to be paid a fee in connection with the Intermediaries Offer, subject to the rules of the FCA or any other applicable body. Intermediaries must not pay to any Underlying Applicant any of the fees it receives from the Company and no Intermediaries are permitted to deduct any fee received from the payment for the Ordinary Shares allocated to it. However, Intermediaries are permitted to offset any fee they receive against any amounts of commission which would be otherwise charged to and payable by an Underlying Applicant to that Intermediary. If an Intermediary wishes to receive a fee in respect of some clients and not in respect of other clients then it must submit two separate Intermediaries Offer Application Forms.

Information and communications

The Intermediaries have agreed to give certain undertakings regarding the use of information provided to them in connection with the Intermediaries Offer. The Intermediaries have given certain undertakings regarding their role and responsibilities in the Intermediaries Offer and are subject to certain restrictions on their conduct in connection with the Intermediaries Offer, including in relation to their responsibility for information, communications, websites, advertisements and their communications with clients and the press.

Representations and warranties

The Intermediaries have given representations and warranties that are relevant for the Intermediaries Offer, and have agreed to indemnify the Company, the Intermediaries Offer Adviser and the Joint Bookrunners against any loss or claim arising out of any breach by them of the Intermediaries Terms and Conditions or as a result of a breach of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws.

Governing law

The Intermediaries Terms and Conditions are governed by the laws of England and Wales.

7. THE CITY CODE ON TAKEOVERS AND MERGERS

Mandatory Bid

7.1 The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

1. any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in Shares which, when taken together with Shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
2. any person, together with persons acting in concert with him, is interested in Shares which in the aggregate carry not less than 30 per cent. of the voting rights of the

Company but does not hold Shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other Shares which increases the percentage of Shares carrying voting rights in which he is interested,

such person would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash or cash alternative offer for the outstanding Shares at a price not less than the highest price paid for any interests in the Shares by the person or their concert parties during the previous 12 months.

7.2 Any offer made in accordance with paragraph 7.1 above, must only be conditional on:

1. the person having received acceptances in respect of Shares which (together with Shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with him holding Shares carrying more than 50 per cent. of the voting rights; and
2. no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date, or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

7.3 **Compulsory acquisition**

The Companies Law provides that if an offer is made for the shares or any class of shares in the capital of a company and if, within four months after the date of such offer, the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares) then the offeror may, no later than two months after the expiration of those four months, send an acquisition notice to any dissenting shareholders informing them that it wishes to acquire their shares (an “**Acquisition Notice**”). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire those shares on the terms on which the original offer, approved by the shareholders comprising 90 per cent. in value of the shares affected was made.

8. **LITIGATION**

There are, and there have been, no governmental, legal or arbitration proceedings during the period since the Company’s incorporation, and the Company is not aware of any such pending or threatened proceedings, which may have, or have had in the recent past, a significant effect on the Group’s financial position or profitability.

9. **RELATED PARTY TRANSACTIONS**

Except with respect to the appointment letters entered into between the Company and each Director, no member of the Group has entered into any related party transaction since incorporation, save for the entry into the Investment Advisory Agreement with the Fund Entities and the Investment Adviser.

10. **GENERAL**

- 10.1 The Company is not regulated by the Financial Conduct Authority or any other non-Guernsey regulator.
- 10.2 The registered office of the Investment Adviser is 3rd Floor, 5 Chancery Lane, London, England, WC2A 1LG (which is expected to be moved to United House, 9 Pembridge Road, London, W11 3JY shortly after publication of this Prospectus), and its telephone number is +44 (0) 20 3828 7664.
- 10.3 As the Shares do not have a par value, the Initial Issue Price and the Placing Programme Price consists solely of share premium.
- 10.4 The Investment Adviser may be a promoter of the Company. Save for the Investment Advisory Agreement summarised in the section entitled “*Material Contracts: Investment Advisory Agreement*” of this Part VII (*Additional Information*) of this Prospectus, no amount or benefit has been paid, or given, to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid, or given.

- 10.5 CREST is a paperless settlement procedure enabling securities to be evidenced other than by certificates and transferred other than by written instrument. The Articles permit the holding of the Shares under the CREST system. The Directors intend to apply for the Shares to be admitted to CREST with effect from the relevant Admission. Accordingly it is intended that settlement of transactions in the Shares following the relevant Admission may take place within the CREST system if the relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrars.
- 10.6 Applications will be made to the London Stock Exchange and to the FCA for the Ordinary Shares to be admitted to trading on the Main Market and to listing on the premium listing category of the Official List at Initial Admission. It is expected that Initial Admission will become effective, and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 10 February 2021.
- 10.7 Applications will be made to the London Stock Exchange and to the FCA at such times as the Company may determine in its sole discretion, for the Shares issued pursuant to the Placing Programmes to be admitted to trading on the Main Market and to listing on the premium listing category of the Official List at the relevant Admission. It is expected that each Subsequent Admission will become effective and dealings in the Shares admitted to trading at such Subsequent Admission will commence on such dates as the Company may determine, in its sole discretion, being no later than the Final Closing Date.
- 10.8 No application is being made for the Shares to be dealt with in or on any stock exchanges or investment exchanges other than the London Stock Exchange.
- 10.9 The Company does not own any premises and does not lease any premises.

11. **THIRD-PARTY SOURCES**

- 11.1 Where third-party information has been referenced in this Prospectus, the source of that third-party information has been disclosed. Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 11.2 The Investment Adviser has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. The Investment Adviser accepts responsibility for the information and opinions contained in: (a) the risk factors under the following headings: “Risks Relating to the Company”; “Risks Relating to the Music Industry”; “Risks Relating to the Investment Policy and Strategy and to the Investment Portfolio and Future Acquisitions of Catalogues”; and “Risks Relating to the Investment Adviser”; (b) section 1 (*Introduction*), section 2 (*Investment Objective and Policy*), section 3 (*The Company’s Portfolio*), section 4 (*Pipeline*), section 5 (*Dividend Policy*), section 6 (*Target Returns to Shareholders*), and section 8 (*Calculation and Publication of Net Asset Values*) of Part I (*Information on the Company*); (c) Part II (*Market Background, Investment Strategy and Approach*); (d) Part III (*Investment Adviser*); (e) the sections entitled “Conflicts of Interest: Investment Adviser” and “Fees and Expenses: Fees payable to the Investment Adviser” of Part IV (*Directors and Administration*); and (f) Part IX (*Operating and Financial Review*) of this Prospectus and any other information or opinion related to or attributed to it or any Affiliate of the Investment Adviser. The information attributed to the Investment Adviser in this Prospectus is, to the best of the Investment Adviser’s knowledge, in accordance with the facts and this Prospectus contains no omission likely to affect its import.
- 11.3 The Joint Bookrunners have given and not withdrawn their written consent to the issue of this Prospectus with references to their names in the form and context in which such references appear.

12. **WORKING CAPITAL**

The Company is of the opinion that the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months from the date of this Prospectus.

13. **CAPITALISATION AND INDEBTEDNESS**

- 13.1 The following table shows the unaudited capitalisation of the Company as at 31 December 2020 (being the last date in respect of which unaudited capitalisation information on the Company is available):

	As at 31 December 2020
Shareholders' equity	
	(£ million)
Share capital	1,054.0
Total.....	1,054.0

- 13.2 The following table shows the Company's unaudited gross indebtedness as at 31 December 2020 (being the last date in respect of which unaudited indebtedness information on the Company is available):

	As at 31 December 2020
Total current debt	
	(£ million)
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil

	As at 31 December 2020
Total non-current debt	
	(£ million)
Guaranteed	357.4
Secured	Nil
Unguaranteed/unsecured	Nil

- 13.3 The following table shows the Company's unaudited net indebtedness as at 31 December 2020 (being the last date in respect of which unaudited indebtedness information on the Company is available):

	As at 31 December 2020
	(£ million)
A. Cash	33.9
B. Cash equivalents	Nil
C. Trading securities	Nil
D. Liquidity (A+B+C)	33.9
E. Current financial receivable	Nil
F. Current bank debt	Nil
G. Current portion of non-current debt	Nil
H. Other current financial debt	Nil
I. Current financial debt (F+G+H)	Nil
J. Net current financial indebtedness (I-E-D)	(33.9)
K. Non-current bank loans	357.4
L. Bonds issued	Nil
M. Other non-current loans	Nil
N. Non-current financial indebtedness (K+L+M)	357.4
O. Net financial indebtedness (J+N)	323.5

- 13.4 As at 31 December 2020, the Company had no indirect or contingent indebtedness and had net financial indebtedness of £323.5 million.
- 13.5 As at the date of this Prospectus, there has been no material change in the capitalisation and indebtedness position of the Company since 31 December 2020, being the last date in respect of which unaudited capitalisation and indebtedness information on the Company is available.

14. SIGNIFICANT CHANGE

- 14.1 Save as disclosed in this paragraph 14.1 below, as at the date of this Prospectus, there has been no significant change in the financial position of the Group since 30 September 2020, being the end of the last financial period for which unaudited financial information has been published. Since 30 September 2020, the following events have taken place:
- on 28 October 2020, the Company announced an interim dividend in respect of the financial period ended 30 September 2020 of 1.3125 pence per Ordinary Share (in line with the Company's target dividend yield of 5.25 pence per annum), which was paid on 30 November 2020 to Ordinary Shareholders on the register as at 6 November 2020;
 - on 4 December 2020, the Company converted the 236,400,512 July C Shares into 214,202,503 Ordinary Shares at a conversion ratio of 0.9061 Ordinary Shares for each July C Share;
 - on 24 December 2020, UK MidCo entered into the Third Amendment to, among other things, further increase the revolving facility commitments under the Amended and Restated RCF from US\$400 million to US\$600 million, of which a total of US\$483.9 million had been drawn down as at 31 December 2020; and
 - on 21 January 2021, the Company announced an interim dividend in respect of the financial period ended 31 December 2020 of 1.3125 pence per Ordinary Share, which will be payable to Ordinary Shareholders on the share register as at 29 January 2021, with an associated ex-dividend date of 28 January 2021 and a payment date of 18 February 2021.

15. **ADDITIONAL AIFM DIRECTIVE DISCLOSURES**

The EU AIFM Directive imposes detailed and prescriptive obligations on fund managers established in the EEA and the UK AIFMD Laws imposes detailed and prescriptive obligations on fund managers established in the United Kingdom (the “**Operative Provisions**”). These do not currently apply to self-managed AIFs established outside the EEA and the UK, such as the Company. Rather, self-managed, non-EEA AIFs are only required to comply with certain disclosure, reporting and transparency obligations of the EU AIFM Directive (in respect of investors located in an EEA Member State) and the UK AIFMD Laws (in respect of investors located in the UK) (the “**Disclosure Provisions**”) and, even then, only if the non-EEA (or UK) AIF markets its shares in a fund to EEA domiciled investors within the EEA or to UK investors (as applicable). Where the Disclosure Provisions appear to require disclosure on an Operative Provision which does not apply to the Company, no meaningful disclosure can be made. These Operative Provisions include prescriptive rules on the treatment of investors, liquidity management and cover for professional liability risks.

Professional indemnity insurance

The Company, as a self-managed AIF established outside the EEA and the UK, is not authorised under the EU AIFM Directive or the UK AIFMD Laws and is therefore not subject to the detailed requirements set out therein in relation to the holding of professional indemnity insurance and regulatory capital.

Liquidity risk management

There is no right or entitlement attaching to any class of Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, repayment of any debt and the fees payable to the Company’s service providers) of the Company as they fall due.

The Company will seek to ensure that it manages, at all times, its Portfolio so that it has sufficient working capital and available cash to enable it to discharge its payment obligations.

Fair treatment of Shareholders

The Company is subject to the Listing Rules and Principles that are applicable to closed-ended investment companies with a premium listing on the Official List of the FCA. In particular, Premium Listing Principles 3 and 5 provide for fair treatment of Shareholders.

Rights against third-party service providers

The Company is reliant on the performance of third-party service providers, including the Investment Adviser, the Fund Administrator, Kobalt and other external portfolio administrators and the Registrar.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder’s contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider’s default.

In the event that a Shareholder considers that it may have a claim against a third-party service provider in connection with such Shareholder’s investment in the Company, such Shareholder should consult its own legal advisers.

16. **DOCUMENTS AVAILABLE FOR INSPECTION**

16.1 The following documents will be available for inspection at the Company’s website (<https://www.hipgnosissongs.com>) from the date of this Prospectus until the Final Closing Date:

1. this Prospectus;
2. the 2020 Interim Accounts;

3. the 2020 Annual Accounts;
 4. the 2019 Annual Accounts; and
 5. the Articles.
- 16.2 A copy of this Prospectus has been submitted to the National Storage Mechanism and is available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

PART VIII: SELECTED FINANCIAL AND OTHER INFORMATION

The following tables present selected financial and other information of the Group as at and for the six months ended 30 September 2020 and 2019, as at and for the year ended 31 March 2020 and as at and for the ten months ended 31 March 2019, which has been extracted without material adjustment or derived from the Financial Statements. The following information should be read in conjunction with the section entitled “Presentation of Financial and Other Information” in the Part entitled “Important Information” and Part IX (Operating and Financial Review) of this document, and with the Financial Statements.

1. SELECTED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME INFORMATION

	Six months ended 30 September		Year ended 31 March	Ten months ended 31 March ⁽¹⁾
	2020	2019	2020	2019
	(£ million)			
Income				
Total revenue	50.0	22.6	64.7	7.2
Interest income	0.1	0.6	1.0	0.7
Royalty costs	(5.3)	—	(0.1)	—
Net operating income	44.8	23.2	65.6	7.9
Expenses				
Advisory fees	(3.6)	(1.8)	(4.6)	(1.6)
Performance fee	—	—	—	(0.4)
Amortisation of Catalogues of Songs .	(19.0)	(6.0)	(18.5)	(1.5)
Amortisation of capitalised borrowing costs.....	(1.0)	—	(0.5)	—
Administration fees	(0.5)	(0.3)	(0.8)	(0.2)
Directors’ remuneration	(0.2)	(0.1)	(0.3)	(0.1)
Audit fees.....	(0.1)	(0.1)	(0.3)	(0.1)
Legal and professional fees	(3.3)	(2.2)	(2.0)	(0.8)
Finance charges for deferred consideration	(0.5)	—	—	—
Loan interest.....	(1.6)	(0.1)	(0.4)	—
HSG fair value gains ⁽²⁾	1.4	—	—	—
Other operating expenses ⁽³⁾	(1.4)	(0.3)	(1.5)	(0.3)
Foreign exchange (losses) / gains.....	(2.9)	0.3	(4.1)	0.1
Total expenses.....	(32.8)	(10.6)	(33.0)	(4.9)
Operating profit for the period before taxation.....	12.0	12.6	32.7	3.0
Taxation.....	(1.7)	(1.9)	(7.5)	(0.6)
Profit for the period after taxation..	10.3	10.7	25.2	2.4

(1) For the period from the incorporation of the Company on 8 June 2018 to the Group’s financial year end on 31 March 2019, the Group’s results were reported for the ten months ended 31 March 2019.

(2) As part of the acquisition of HSG, certain assets owned by HSG were revalued to fair value on the date of the acquisition.

(3) Other operating expenses includes regulatory fees, listing fees, directors and officers insurance, directors expenses, registrar fees, postage, stationery and printing, public relation fees, travel and accommodation fees, bank charges, aborted deal expenses, disbursements and sundry and HSG-specific expenses (including payroll (salaries), staff expenses, other expenses and depreciation fixed assets).

2. SELECTED CONSOLIDATED STATEMENT OF FINANCIAL POSITION INFORMATION

	As at 30 September	As at 31 March	
	2020	2020	2019
		(£ million)	
Assets			
Catalogues of Songs	1,162.3	659.4	118.5
Other assets.....	1.2	—	—
Goodwill	0.2	—	—
Trade and other receivables.....	61.5	42.4	10.8
Cash and cash equivalents	203.7	14.1	108.5
Total assets	1,428.9	715.9	237.8
Liabilities			
C Shares	232.0	—	—
Other payables and accrued expenses	292.1	38.4	39.2
Bank loan	80.7	56.1	—
Total liabilities	604.8	94.5	39.2
Net assets.....	824.1	621.5	198.6
Equity			
Share capital	822.0	614.2	198.2
Retained earnings.....	2.1	7.3	0.3
Total equity	824.1	621.5	198.6

3. SELECTED CONSOLIDATED STATEMENT OF CASH FLOWS INFORMATION

	Six months ended 30 September		Year ended 31 March	Ten months ended 31 March ⁽¹⁾
	2020	2019	2020	2019
	(£ million)			
Cash flows used in operating activities				
Operating profit/(loss) for the period before taxation	12.0	12.6	32.7	3.0
<i>Adjustments for non-cash items:</i>				
Movement in trade and other receivables	(29.4)	(21.5)	(31.8)	(10.8)
Movement in other payables and accrued expenses	260.4	(33.7)	(1.4)	39.2
Movement in equity for share based payments	—	—	0.2	—
Amortisation of Catalogues of Songs and borrowing costs	20.1	6.0	18.9	1.5
Foreign exchange (gains)/losses	2.9	(0.3)	4.1	(0.1)
	265.9	(36.9)	22.7	32.8
Taxation	(1.7)	—	(7.5)	(0.6)
Purchase of Catalogues of Songs	(497.4)	(199.5)	(559.4)	(120.0)
Net cash used in operating activities	(233.2)	(236.4)	(544.2)	(87.8)
Cash flows generated from financing activities				
Proceeds from issue of shares ⁽²⁾	426.4	192.6	423.6	202.2
Issue costs paid	(7.9)	(3.9)	(7.9)	(4.0)
Dividends paid	(15.4)	(8.5)	(18.3)	(2.0)
Interest paid	(1.6)	(0.1)	(0.4)	—
Borrowing costs	(3.4)	—	(4.4)	—
Bank loan	26.9	13.7	60.0	—
Net cash generated from financing activities	425.1	193.8	452.7	196.2
Net movement in cash and cash equivalents	191.9	(42.5)	(91.5)	108.4
Cash and cash equivalents at the start of the period	14.1	108.5	108.5	—
Effect of foreign exchange rate changes on cash and cash equivalents	(2.2)	0.3	(2.9)	0.1
Cash and cash equivalents at the end of the period	203.7	66.2	14.1	108.5

(1) For the period from the incorporation of the Company on 8 June 2018 to the Group's year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

(2) Includes July C Shares and Ordinary Shares.

4. SELECTED OTHER INFORMATION

	As at and for the six months ended 30 September		As at and for the year ended 31 March	As at and for the ten months ended 31 March ⁽¹⁾
	2020	2019	2020	2019
	(£ million)			
IFRS NAV ⁽²⁾	1,056.1	389.4	621.5	198.6
Operative NAV ⁽³⁾	1,265.1	422.3	718.9	208.8
Operative NAV per Ordinary Share (pence) ⁽⁴⁾	125.4	108.5	116.7	103.3
Operative NAV per July C Share (pence) ⁽⁵⁾	112.4	—	—	—
Operative NAV profit before tax ⁽⁶⁾	32.1	18.6	51.6	4.5
Earnings per Share (excluding total amortisation) (pence) ⁽⁷⁾	4.8	5.0	10.7	1.9
Total Operative NAV return (%) ⁽⁸⁾	9.5	7.4	15.5	5.6
Ongoing charges ratio (%) ⁽⁹⁾	1.4	1.8	1.5	1.7

(1) For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

(2) IFRS NAV represents the value of the Group's assets less its liabilities, with the value of the Songs initially being recorded at their acquisition cost and then amortised on a straight-line basis over their assumed useful life (typically 20 years), less any impairment, in accordance with IFRS.

(3) Operative NAV represents the value of the Group's assets less its liabilities, with the value of the Songs determined on a fair value basis by an independent valuer. For a reconciliation of Operative NAV to IFRS NAV, see the section entitled "Presentation of Financial and Other Information: Operative Net Asset Value" in the Part entitled "Important Information" of this Prospectus.

(4) Operative NAV per Ordinary Share represents the Group's Operative NAV divided by the number of Ordinary Shares in issue. For a reconciliation of Operative NAV per Ordinary Share to IFRS NAV per Ordinary Share, see the section entitled "Presentation of Financial and Other Information: Operative Net Asset Value per Ordinary Share" in the Part entitled "Important Information" of this Prospectus.

(5) Operative NAV per July C Share represents the Group's Operative NAV divided by the number of C Shares in issue. For a reconciliation of Operative NAV per July C Share to IFRS NAV per July C Share, see the section entitled "Presentation of Financial and Other Information: Operative Net Asset Value per July C Share" in the Part entitled "Important Information" of this Prospectus.

(6) Operative NAV profit before tax represents the Group's operating profit before taxation plus the cost of amortisation of investments. For a reconciliation of Operative NAV profit before tax to IFRS profit before tax, see the section entitled "Presentation of Financial and Other Information: Operative NAV Profit Before Tax" in the Part entitled "Important Information" of this Prospectus.

(7) Earnings per Share (excluding total amortisation) represents the Group's profit after taxation, excluding the cost of amortisation of investments, divided by the weighted average number of Ordinary Shares in issue. For a reconciliation of earnings per Share (excluding total amortisation) to IFRS profit after taxation, see the section entitled "Presentation of Financial and Other Information: Earnings per Share (Excluding Total Amortisation)" in the Part entitled "Important Information" of this Prospectus.

(8) Total Operative NAV return represents the period to period change in the Group's Operative NAV per Ordinary Share, assuming that any dividends paid to Shareholders were reinvested in the Group. For a reconciliation of Operative NAV per Ordinary Share to total Operative NAV return, see the section entitled "Presentation of Financial and Other Information: Total Operative NAV Return" in the Part entitled "Important Information" of this Prospectus.

(9) The ongoing charges ratio represents the Group's Annualised Ongoing Charges divided by the Average Operative NAV, each as defined in the section entitled "Presentation of Financial and Other Information: Ongoing Charges Ratio" in the Part entitled "Important Information" of this Prospectus.

PART IX: OPERATING AND FINANCIAL REVIEW

The following is a discussion of the Group's operating results and financial condition as at and for the six months ended 30 September 2020 and 2019, as at and for the year ended 31 March 2020 and as at and for the ten months ended 31 March 2019. The financial information contained in this operating and financial review has been extracted without material adjustment or derived from the Financial Statements (see Part X (Historical Financial Information) for further details). You should read this operating and financial review in conjunction with Part VIII "Selected Financial and Other Information" and the Financial Statements and related notes thereto which are incorporated by reference in this document. The 2020 Interim Financial Statements have been prepared in accordance with IAS 34 and the Annual Financial Statements have been prepared in accordance with IFRS.

Some of the information and statements contained in the following operating and financial review, including information with respect to the Group's plans and strategies for its business and expected sources of financing, constitute forward-looking statements that involve risk, uncertainties and assumptions. See the section entitled "Forward-looking statements" of the Part entitled "Important information" of this document. The Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out in the part of this document entitled "Risk Factors".

1. OVERVIEW

The Group offers pure-play exposure to Songs and associated musical intellectual property rights. Since the Company's initial public offering on the London Stock Exchange in July 2018, the Group has pursued a strategy of acquiring a diversified Portfolio of proven hit Songs of cultural importance by some of the most talented and important songwriters of the last 70 years. As at 30 September 2020, the Group's Portfolio consisted of 117 Catalogues comprising 57,836 Songs, including interests in Songs recorded by 10,000 Maniacs, 10cc, 2Pac, 50 Cent, A\$AP Rocky, AC/DC, Adele, Al Green, Alan Jackson, Alicia Keys, Amy Winehouse, Andrea Bocelli, Anitta, Anthony Hamilton, Ariana Grande, AudioSlave, Avicii, B-52s, Backstreet Boys, Barbra Streisand, Barry Manilow, Bebe Rexha, Beyoncé, Biffy Clyro, Big & Rich, Birdy, Blind Faith, Blink 182, Blondie, Bon Jovi, Booker T & The MG's, Boyz II Men, Britney Spears, Bruce Springsteen, Bruno Mars, Bryan Adams, Camila Cabello, Celine Dion, Charli XCX, Cher, Chic, Chris Brown, Christina Perri, Clipse, Damian Marley, Dave Matthews Band, David Gray, David Guetta, Demi Lovato, Destiny's Child, Diana Ross, Dierks Bentley, Diplo, Dua Lipa, Duran Duran, Dusty Springfield, Ed Sheeran, Ellie Goulding, Eminem, Enrique Iglesias, Eric Prydz, Eurythmics, Fleetwood Mac, Flo-Rida, Florida Georgia Line, fun, George Benson, George Thorogood, Gladys Knight, Halsey, Harry Styles, Iggy Azalea, James Morrison, Jason Aldean, Jason Derulo, Jay Z, Jennifer Lopez, Jess Glynne, Jimmy Buffett, John Newman, Josh Groban, Journey, Juicy J, Justin Bieber, Justin Timberlake, Katy Perry, Keith Urban, Kelly Clarkson, Kelly Rowland, Killswitch Engage, Kylie Minogue, Lady Gaga, Lana Del Rey, Lauv, LeAnn Rimes, Lindsey Buckingham, Little Mix, LunchMoney Lewis, M.I.A., Madonna, Marc Anthony, Maren Morris, Mariah Carey, Mark Ronson, Maroon 5, Mary J Blige, Massive Attack, Matchbox Twenty, Matt & Kim, Meek Mill, Meghan Trainor, MF Doom, Michael Bolton, Michael Jackson, Mick Jagger, Miguel, Miley Cyrus, Moses Sumney, Mötley Crüe, Natalie Merchant, Nelly, New Kids On The Block, Nicki Minaj, No Doubt, Olafur Arnalds, One Direction, P!nk, Paloma Faith, Panic! At The Disco, Papa Roach, Paul Anka, Paul McCartney, Pearl Jam, Perfume Genius, Pitbull, Puff Daddy, Pusha T, Rage Against The Machine, Red Hot Chili Peppers, Rick James, Rick Ross, Ricky Martin, Rihanna, Rita Ora, Robbie Williams, Rod Stewart, Rudimental, RZA, Santana, Sawyer Brown, Seal, Selena Gomez, Shawn Mendes, Sia, Sigala, Sigma, Sinead O' Connor, Sister Sledge, Skrillex, Sky Ferreira, Soundgarden, Spencer Davis Group, Spice Girls, Steve Aoki, Steve Winwood, Stormzy, Sugarhill Gang, Sum 41, Super Furry Animals, Swedish House Mafia, SZA, T.I., Taio Cruz, Take That, Taylor Swift, Teenage Fanclub, The Chainsmokers, The Editors, The Outfield, The Pretenders, The Wombats, Third Day, Tiesto, Tim McGraw, Timbaland, Tina Arena, Tinie Tempah, TLC, Toby Keith, Tom Jones, Tom Petty & The Heartbreakers, Tom Walker, Toto, T-Pain, Traffic, Trey Songz, Trivium, Troye Sivan, Ty Dolla \$ign, Usher, Waka Flocka Flame, Weezer, Westlife, Whitney Houston, Wu-Tang Clan, Young The Giant, Zara Larsson and Zedd. For further information on the Company's investment policy, see "*Investment Objective and Policy*" of Part I (*Information on the Company*) of this document.

In August 2020, the Company's market capitalisation exceeded £1 billion for the first time, increasing to £1.2 billion as at 30 September 2020 from £634.3 million and £217.3 million as at 31 March 2020 and 31 March 2019, respectively. In September 2020, the Group acquired HSG, a boutique full-service song company which owns a portfolio of copyright interests. In addition to acquiring HSG's Catalogue of approximately 4,400 Songs, this acquisition represented a significant step forward in the Group's strategy of delivering income and capital growth through the efficient collection of royalty payments and the active management of the Songs which the Group owns. For further information, see "*—Driving income growth through pursuing efficiencies in revenue collection*" of Part II (*Market Background, Investment Strategy and Approach*) of this document.

For the six months ended 30 September 2020, the Group reported total revenue of £50.0 million (representing, with respect to the revenue generated by the assets attributable to the Ordinary Shares, 1.5x cover of the Ordinary Share dividend with reference to the Group's profit after tax, after adding back share issue costs), an increase of £27.4 million from £22.6 million for the six months ended 30 September 2019. For the 12 months ended 30 September 2020, the Group had total revenue of £91.9 million. For and as at the six months ended 30 September 2020 and 2019, the Group reported net operating income of £44.8 million and £23.2 million, an IFRS NAV of £1,056.1 million and £389.4 million and an Operative NAV of £1,265.1 million and £422.3 million, respectively. For and as at the year ended 31 March 2020 and the ten months ended 31 March 2019, the Group reported total revenue of £64.7 million and £7.2 million, an IFRS NAV of £621.5 million and £198.6 million and an Operative NAV of £718.9 million and £208.8 million, respectively.

2. **SIGNIFICANT FACTORS AFFECTING FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The Investment Adviser and the Directors believe that the following factors have materially affected the Group's results of operations and financial condition during the periods under review and that such factors may continue to affect the Group's results of operations and financial condition in future periods.

2.1 **Net Asset Value**

The Investment Adviser and the Directors consider IFRS NAV and Operative NAV to be important indicators of the Group's financial performance. IFRS NAV reflects the value of the Group's assets less its liabilities, with the value of the Group's Songs initially being recorded at their acquisition cost and then amortised on a straight-line basis over their assumed useful life (typically 20 years), less any impairment, in accordance with IFRS. Operative NAV is an alternative performance measure that reflects the fair value of the Catalogues as held at the relevant reporting date (see "*—Calculation and Publication of Net Asset Values*" of Part I (*Information on the Company*) of this document). The Investment Adviser and the Directors believe that Operative NAV provides meaningful supplemental information to help Shareholders understand the potential of the Group's Catalogues and the fair value of its Songs based on a discounted cash flow model, which incorporates assumptions that are subject to significant judgment by the independent valuer, the Investment Adviser and the Directors. These estimates and assumptions include future Catalogue revenue and cash flow projections, aggregate Catalogue maturity, music industry growth rates by revenue type (e.g. physical sales, downloads, streaming, etc.), the determination of an appropriate discount rate and, for the six months ended 30 September 2020 and beyond, the short and medium term impact of the Covid-19 pandemic.

The Group's IFRS NAV increased to £1,056.1 million as at 30 September 2020 from £621.5 million and £198.6 million as at 31 March 2020 and 31 March 2019, respectively. The Group's IFRS NAV per Ordinary Share increased to 103.4p as at 30 September 2020 from 100.9p and 98.2p as at 31 March 2020 and 31 March 2019, respectively. For a reconciliation of IFRS NAV to Operative NAV, see the section entitled "*Presentation of Financial Information*" in the Part entitled "*Important Information*" of this document.

The following table provides a detailed bridge from the Group's Operative NAV and Operative NAV per Ordinary Share from 31 March 2020 to 30 September 2020, and the Group's Operative NAV per Ordinary Share from IPO to 30 September 2020.

	Operative NAV	Operative NAV per Ordinary Share	Operative NAV per Ordinary Share from IPO
	(£ million)	(pence)	(pence)
As at 31 March 2020	1,158.7⁽¹⁾	116.7	100.0⁽²⁾
Change due to revaluation gains ⁽³⁾	13.8	0.6	14.9
Change due to discount rate ⁽⁴⁾	100.4	10.5	10.5
Change due to net operating income ⁽⁵⁾	51.5	2.8	10.4
Change due to dividends paid.....	(15.4)	(1.9)	(5.9)
Change due to foreign exchange	(24.5)	(2.9)	(0.3)
Change due to share issue costs.....	(8.4) ⁽⁶⁾	(0.5) ⁽⁶⁾	(4.3)
As at 30 September 2020	1,265.1⁽⁷⁾	125.4	125.4

(1) Includes adjustments from the Group's Operative NAV as at 31 March 2020 (£718.9 million) for the Ordinary Share issues in the period ended 30 September 2020 (£207.8 million) and the July 2020 C Share issue (£232.0 million).

(2) Operative NAV per Ordinary Share as at IPO.

(3) Includes adjustments for the revaluation of Catalogues since acquisition, including any right-to-income on acquisition, at the 9 per cent. discount rate.

(4) Includes adjustments for the decrease in the discount rate from 9 per cent. to 8.5 per cent.

(5) Includes adjustments for amortisation of Catalogues of Songs.

(6) Includes adjustments for the September 2020 fundraise which was priced at a sufficient premium to the Net Asset Values such that the share issue costs were not dilutive to the Company's existing Shareholders. Also includes adjustments for the consideration shares issued as part of the HSG acquisition.

(7) Includes adjustments to exclude other operating expenses (£17.6 million) and taxation (£1.7 million).

The Group's Operative NAV per Ordinary Share on a constant currency basis, adjusted for the adverse foreign exchange impact of £22.5 million, was 128.2p as at 30 September 2020, which was an increase of 9.8 per cent. from 31 March 2020. The total Operative NAV return for the six months ended 30 September 2020, which reflected the increase in Operative NAV per Ordinary Share and dividends paid during the period, was 9.5 per cent. (12.0 per cent. on a constant currency basis), representing like-for-like growth in Operative NAV of £121.8 million from 31 March 2020, excluding the issue of new shares during the period. On a cumulative basis since IPO, the total Operative NAV return was 37.9 per cent. (40.9 per cent. on a constant currency basis).

The following table provides a detailed bridge from the Group's Operative NAV per July C Share from 15 July 2020 to 30 September 2020.

	Operative NAV per July C Share
	(pence)
As at 15 July 2020	98.0
Change due to revaluation gains ⁽¹⁾	3.7
Change due to discount rate ⁽²⁾	7.1
Change due to net operating income ⁽³⁾	4.4
Change due to foreign exchange	(0.8)
As at 30 September 2020	112.4

(1) Includes adjustments for the revaluation of Catalogues since acquisition, including any right-to-income on acquisition, at the 9 per cent. discount rate, but excludes the impact of the reduced discount rate described in (2) below.

(2) Includes adjustments for the decrease in the discount rate from 9 per cent. to 8.5 per cent.

(3) Includes adjustments for amortisation of Catalogues of Songs.

The Group's Operative NAV per July C Share was 112.4p as at 30 September 2020, reflecting an increase of 14.7 per cent. in the initial Operative NAV per July C Share of 98p, which was net of issue costs. On a constant currency basis, the Operative NAV per C Share as at 30 September 2020 was 113.2p (representing an increase of 15.5 per cent. since 15 July 2020). Combining the Operative NAV per Ordinary Share of 125.4p and the Operative NAV per July C Share of 112.4p as at 30 September 2020, the Group's combined Operative NAV return, including dividends paid, for the six months ended 30 September 2020 was 9.6 per cent. (11.6 per cent. on a constant currency basis).

The growth in the Group's Operative NAV was due primarily to a significant increase in the size of the Group's Portfolio as a result of the acquisition of new Catalogues. See "*—Acquisitions of Catalogues*" below. The growth in Operative NAV was also driven by an increase of 10 per cent. (£114.2 million) in the fair value of the Group's Portfolio due to revaluation gains (excluding the impact of the decrease in the discount rate) on the Catalogues that the Group acquired during the period, including the Kobalt Catalogues. These gains reflected increases in estimated future cash flows as the royalty revenues that the Group earned from such Songs following their acquisition exceeded initial expectations.

The fair value of the Group's Portfolio was also positively impacted by revaluation gains from a reduction in the discount rate used to calculate fair value, which decreased from 9 per cent. as at 31 March 2020 to 8.5 per cent. as at 30 September 2020 as a result of recent reductions in the volatility of royalty revenues across the music industry (see "*—Decreasing volatility of royalty revenues*" of Part II (*Market Background, Investment Strategy and Approach*) of this document). The sensitivity to the discount rate of the fair value of the Group's Portfolio is such that, all other things being equal, a one per cent. decrease in the discount rate would increase the fair value of the Group's Portfolio by 19.6 per cent., and a one per cent. increase would decrease the fair value by 14.6 per cent.

Excluding the impact of the decrease in discount rates, the fair value of the Group's Portfolio increased by 2 per cent. for the six months ended 30 September 2020. The majority of this increase was recognised in the Catalogues acquired with the proceeds from the C Share issue in July 2020. The fair value of these Catalogues increased by 5.4 per cent. (excluding the impact of the decrease in the discount rate) from their acquisition price after being valued for the first time by the independent valuer. The fair value of the Group's other Catalogues (excluding the impact of the decrease in the discount rate) did not experience any significant movements despite the expected impact of the Covid-19 pandemic on certain sources of royalty revenue and certain Catalogue vintages. This was due in part to streaming revenues starting to be recognised and received from emerging digital platforms including Peloton and TikTok, as well as the expectation of continued growth in revenue from existing DSPs, such as

Spotify and Apple Music (see “—*The Covid-19 Pandemic*” below and “—*Growth driven by streaming revenues*” of Part II (Market Background, Investment Strategy and Approach)). Since acquisition, the fair value of the Group’s Portfolio has experienced an overall increase of 15.5 per cent. at the 8.5 per cent. discount rate (6.6 per cent. at the 9 per cent. discount rate).

2.2 Acquisitions of Catalogues

The Company has raised approximately £654 million through share issuances in October 2019, July 2020 and September 2020, bringing the total amount of equity raised to £1.1 billion since IPO. In addition, in August 2019 the Company entered into a three-year £100 million revolving credit facility, which the Company subsequently amended and extended to a five-year US\$600 million revolving credit facility (referred to herein as the Amended and Restated RCF). The Group used the net proceeds from its equity capital raisings, together with drawdowns under the Amended and Restated RCF, to substantially increase the number of Songs in its Portfolio during the periods under review.

As at 30 September 2020, 31 March 2020 and 31 March 2019, the Group’s Portfolio consisted of 117 Catalogues, 54 Catalogues and 12 Catalogues, respectively. These increases in the size of the Group’s Portfolio have led to substantial increases in the scale of the Group’s business during the periods under review. For example, the Group’s total revenue increased by 796.2 per cent. to £64.7 million for the year ended 31 March 2020 from £7.2 million for the ten months ended 31 March 2019, due primarily to increases in the size of the Group’s Portfolio. Given this significant growth in total revenue was principally caused by the acquisition of new Catalogues, it may not be reflective of the Group’s performance in future periods. The Group’s revenue per Catalogue increased by 100 per cent. to £1.2 million for the year ended 31 March 2020 from £0.6 million for the ten months ended 31 March 2019.

The Group’s acquisitions have also significantly diversified the Group’s Portfolio, which was comprised of 57,836 Songs as at 30 September 2020 performed by hundreds of artists across multiple genres and vintages. Over the longer term, the Investment Adviser and the Directors believe that the diversity of the Portfolio, as measured by Song age, genre and recording artist, will likely have a significant impact on the performance of the Portfolio. As at 30 September 2020, the Portfolio contained 2,845 Songs that have held Number 1 positions in the global charts, 10,618 Songs that have held Top 10 positions in the global charts, 119 Grammy award-winning Songs and includes Songs whose vintages range from the 1960s through to the 2020s. The Investment Adviser and the Directors believe that having a high number of proven successful Songs provides not only significant diversification, but also opportunities for the Group and Investment Adviser to generate additional revenue through Song management. For further information on the diversification of the Portfolio, see Part II (*Market Background, Investment Strategy and Approach*) of this document.

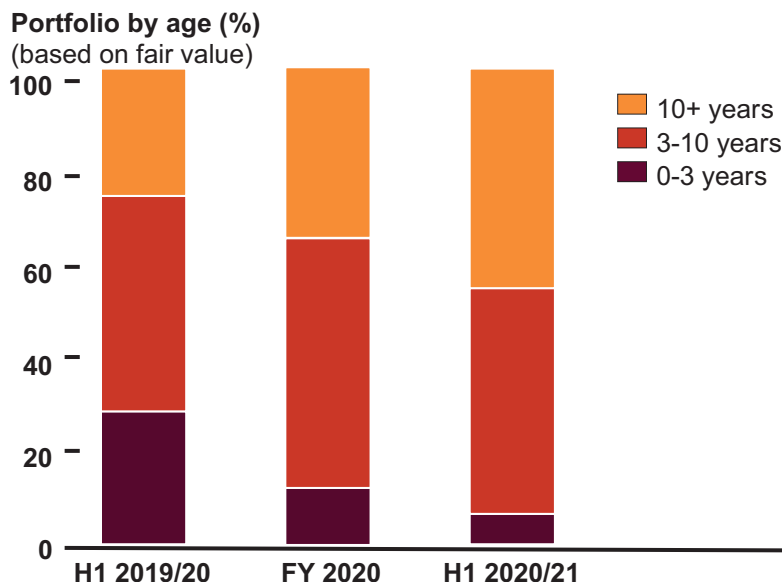
The Group intends to continue to increase the size of its Portfolio and the Investment Adviser and the Directors believe that attractive investment opportunities continue to be available to the Group as a result of conditions in the music industry and also the market experience, reputation and relationships of the Investment Adviser and Advisory Board. For example, since 30 September 2020, the Group acquired an additional 12 Catalogues that contained 3,000 Songs in aggregate for a total purchase price of approximately US\$260 million. To fund the acquisition of these additional Catalogues and the Kobalt Catalogues, since 30 September 2020 a further US\$376.6 million has been drawn down under the Amended and Restated RCF, taking total drawings to US\$483.9 million. As at the date of this Prospectus, the total purchase price of the Group’s Pipeline Catalogues is over £1 billion.

2.3 Composition of the Portfolio by Song Age

When acquiring Catalogues, the Group makes certain assumptions about the future income that the Songs in the Catalogues will generate. These assumptions include, among other things, any decay in earnings expected from the peak of each Song’s popularity and commercial success. The level of decay applied on each Catalogue’s revenues is dependent on: (i) how many annual periods have passed since the Catalogue’s “peak”; and (ii) the composition of royalty streams within the Catalogue, with mechanical physical sales shown to decay more quickly and decline ad infinitum, whereas more modern royalty sources such as streaming experience less significant decay.

The Investment Adviser and the Directors believe that Song age is a reasonable proxy for decay as Song revenues typically decay by 50 to 70 per cent. for five years following peak earnings. As a result, the Investment Adviser uses Song age to predict how revenues from newer Catalogues will perform over time and to accurately forecast future earnings.

The table below segments the Group's Portfolio (as at 30 September 2020) by vintage based on fair value (0 – 3 years, 3 – 10 years and 10+ years).



Source: The Family (Music) Limited, September 2020.

The impact of Song age on the Group's future earnings is particularly relevant with respect to streaming revenues. Streaming revenue has grown particularly strongly in Catalogues aged over 10 years, as many of these Catalogues contain vintage Songs that have a high proportion of streaming income so as to benefit from the market growth in streaming. Streaming revenues from the Group's publishing Catalogues aged over 10 years grew by 32 per cent. on a like-for-like basis for the twelve months to 30 September 2020.

Streaming revenue has also grown strongly for Catalogues aged 0 to 3 years, as income from these Catalogues is heavily weighted towards new, hit Songs which were close to producing "peak" earnings in the first three years of existence. Streaming growth in the 3 to 10 year vintage Catalogues grew less than the Portfolio average as some of these Catalogues include Songs which are now in decay from peak earnings. For further information on the Group's different sources of revenue, see "*Technological Developments in the Music Industry*" below.

2.4 Technological Developments in the Music Industry

Recent developments in the music industry have had a significant impact on the mix of revenue which the Group earns from its older and newer Catalogues. During the periods under review, the Group received Catalogue revenue from the following six sources: mechanical revenue, performance revenue, digital downloads revenue, streaming revenue, synchronisation revenue and other revenue.

The following table sets out the Group's sources of revenue for the periods indicated. For further information, see Note 11 to the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2020 and Note 12 to the audited consolidated financial statements of the Group for the year ended 31 March 2020.

	Six months ended 30 September		Year ended 31 March	Ten months ended 31 March ⁽⁷⁾
	2020	2019	2020	2019
	(£ million)			
Mechanical ⁽¹⁾	7.0	1.6	6.9	0.4
Performance ⁽²⁾	13.9	7.6	19.1	2.3
Digital downloads ⁽³⁾	1.2	1.0	2.3	0.2
Streaming ⁽⁴⁾	18.2	9.8	29.2	3.0
Synchronisation ⁽⁵⁾	6.9	2.0	6.1	1.2
Other ⁽⁶⁾	2.8	0.5	1.0	0.1
Total revenue	50.0	22.6	64.7	7.2

(1) Includes royalties collected when a physical copy of a Song is made, as well as master recordings and producer royalties.

(2) Includes royalties collected from shops, bars and restaurants, TV and radio performance and live concerts.

(3) Includes royalties collected when a permanent digital copy of a Song is made.

(4) Includes royalties collected when a Song is played on a DSP.

(5) Includes royalties collected when a Song is used in another form of visual media, such as video games, films and television advertisements.

(6) Includes royalties not covered by the other sources of revenue, such as sheet income and lyric exploitation.

(7) For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

In recent decades, the rise of the internet, the availability of peer-to-peer file sharing services and other technological developments led to a proliferation of illegal Song downloading. As a result, mechanical royalties, which are earned when a permanent copy of a Song is legally made (e.g., as a physical CD or vinyl record or as a paid download), have declined across the music industry.

More recently, DSPs like Spotify, Apple Music and Amazon Music have created an increase in legal music streaming, which has started to drive revenue growth in the music industry. In particular, streaming revenues from "publishing Catalogues", being Catalogues which generate royalties from copyright licensing agreements (as opposed to royalties and fees payable in respect of master recordings or producer royalties), have increased significantly in recent periods. Streaming revenues from the Group's publishing Catalogues for the 12 months ended 30 September 2020 increased by 24 per cent., on a like for like basis, with streaming growth from publishing Catalogues aged over 10 years increasing by 32 per cent., on a like-for-like basis. In future financial periods, the Investment Adviser and the Directors expect the Group to be heavily reliant on streaming and the continuing presence and popularity of DSPs in order to maximise access to the consumer market (see "*If DSPs fail to grow or maintain a consistent customer base for music streaming, the results of operations and prospects of the Company may be adversely affected*" in the section entitled "*Risk Factors*" of this document).

The integration of music sources into technology has also produced more opportunities to generate synchronisation revenue from the use of the Group's Songs in visual media (such as video games, films and television advertisements). For the six months ended 30 September 2020, synchronisation accounted for 13.8 per cent. of total Catalogue revenue (as compared to 9.5 per cent. for the financial year ended 31 March 2020). This growth was driven by the Song management across the Group's Portfolio. The Investment Adviser oversees a team of Song managers who are individually accountable for a specific list of Songs within the Portfolio. These Song managers monitor the revenue opportunities for each Song and pursue synchronisation arrangements. In addition to the licence fee received, after a Song is placed in

an advertisement, television show or other visual media channel, the consumption of that Song through all other sources will typically increase and, as a result, that Song will generate more royalty revenues for the Group.

2.5 Collection of Royalty Income

The Group's revenues and cash flows from operating activities are subject to a significant time lag in royalty reporting and payment practices in the music industry, which can be as much as 24 months on international revenue.

As at 30 September 2020, the Group had a receivable of £2.7 million relating to unpaid invoices that the Group had issued prior to the end of the six month period. The Group also recognised an income accrual of £47.5 million as at 30 September 2020. £15.5 million of this accrual related to Q3 2020 earnings where, due to the time lag in reporting the usage of the Group's Songs, royalty statements are not expected to be received until Q1 and Q2 2021. £11.3 million of this accrual related to earnings from Q4 2019 to Q2 2020 where royalty reporting for certain Catalogues is still in the process of being switched over to the Company. These earnings are based on royalty statements received with invoices due to be raised on completion of the letter of direction, whereby the seller irrevocably confirms to the PROs or collection agencies that all income is payable to the relevant Fund Entity (see "*Typical terms of an agreement to acquire a Catalogue*" of Part II (*Market Background, Investment Strategy and Approach*) of this document for further details).

As at 31 March 2020, the Group had a receivable of £12.4 million relating to unpaid invoices that the Group had issued prior to the financial year end. The Group also recognised an income accrual of £29 million as at 31 March 2020, of which £12.5 million related to Q1 2020 earnings where, due to the time lag in reporting the usage of the Songs, royalty statements were not expected to be received until 30 September 2020.

In the event of any significant changes to the reporting and payment practices of the PROs, music publishers and record labels which collect royalties at the source of the Song usage and later distribute those earnings to the Group, the Group's revenues and cash flows from operating activities may be materially affected. As a result of the Covid-19 pandemic, the Group is particularly conscious of the pressures that may be brought to bear on the PROs to collect and account for royalties in a timely manner, particularly in the coming financial year.

2.6 The Covid-19 Pandemic

Given the reporting and processing cycles with the major music publishers and PROs and the resulting significant time lag between the usage of a Song and the payment of revenue to the copyright owner, the impact of the Covid-19 pandemic on the Group's results of operations for the fiscal year ending 31 March 2021 is difficult to quantify as at the date of this Prospectus. However, as a result of the Group's investment strategy, which focuses on proven hit Songs that have a high exposure to streaming and low exposure to live music, the Investment Adviser and the Directors believe that the Covid-19 pandemic is likely to have a more significant impact on the Group's revenue mix than on the overall amount of revenue earned in future periods.

The Investment Adviser and the Directors believe that the closure of shops, gyms, clubs, restaurants and other venues which license the Group's Songs, as well as bans on concerts, festivals and other live performances that involve mass gatherings in public spaces, will likely have an adverse impact on the Group's performance revenues for the financial year ending 31 March 2021 and beyond. The Group's mechanical and other royalties generated from the sale of physical products, such as CDs, sheet music, greetings cards, toys and clothing, are also expected to decline as a result of closures of retail stores. As a result, with respect to revenue accruals for the quarter ended 31 December 2020, the Group lowered its expectations by up to 25 per cent. This expectation will be reassessed at the financial year ending 31 March 2021, when royalty statements for the second half of such financial year are received. In addition, the independent valuer has assumed no revenue growth for 2021 in their valuation models across the majority of the Group's Catalogues.

However, music streaming increased significantly during the various lockdown periods and the Investment Adviser and the Directors expect that growth in streaming revenue to offset declines in the Group's other revenue streams, as streaming accounted for 36.4 per cent. of

the Group's total revenue for the six months ended 30 September 2020. See also Part II (Market Background, Investment Strategy and Approach) of this document. The Investment Adviser and the Directors believe that streaming will continue to drive growth in the Group's results of operations for the financial year ending 31 March 2021 and beyond.

In addition to revenue mix, consumer demand for certain Catalogues of a younger vintage is expected to decrease as a result of the Covid-19 pandemic. However, the Investment Adviser and the Directors believe that this decline will largely be offset by an increase in demand for older songs with a sense of positivity and comfort on streaming platforms. As the percentage of the Group's Portfolio represented by Songs with a vintage of over ten years has increased during the periods under review (see "*—Composition of the Portfolio by Song Age*" above), the Investment Adviser and the Directors expect the Group to benefit from any such shift in demand toward older Songs. For example, streaming revenues from the Group's publishing Catalogues aged over 10 years grew by 32 per cent. on a like-for-like basis for the twelve months to 30 September 2020. The Investment Adviser and the Directors believe that older Catalogues will continue to represent a significant proportion of streaming growth in future periods.

Given that some of the Group's younger Catalogues will likely experience decay from their peak earnings, the Investment Adviser and the Directors believe that this continued growth in streaming income implies strong underlying growth in income from older, "steady state" Catalogues whose peak earnings have fully decayed into a steady, long term earnings profile. For further information on the impact of Song age on Catalogue revenue, see "*—Composition of Portfolio by Song Age*" above.

2.7 Operating Costs

The Investment Adviser and the Directors use Adjusted Operating Costs and the ongoing charges ratio to assess the Group's operating costs and as a basis for strategic planning and forecasting. Adjusted Operating Costs include operational expenses excluding the cost of amortisation of investments and foreign exchange gains/losses arising on investments. The ongoing charges ratio reflects the Group's Annualised Ongoing Charges divided by the Average Operative NAV, each as defined in the section entitled "*Presentation of Financial and Other Information: Ongoing Charges Ratio*" in the Part entitled "*Important Information*" of this document.

The Group's adjusted operating costs (excluding any adjustments made for foreign exchange losses or gains) for the six months ended 30 September 2020 increased by 119 per cent. to £7.5 million from £4.9 million for the six months ended 30 September 2019. This growth in costs reflects the increase in costs associated with HSG, the interest costs associated with the Amended and Restated RCF and increased advisory fees associated with the growth of the Group.

As at 30 September 2020, 31 March 2020 and 31 March 2019, the Group's ongoing charges ratio was 1.4 per cent., 1.5 per cent. and 1.7 per cent., respectively. These decreases were driven by cost efficiencies as the Group's Operative NAV grew significantly as a result of increases in the fair value of Catalogues (see "*—Net Asset Value*" above) and the acquisition of HSG. As the scale of the Group continues to grow, the Investment Adviser and the Directors believe that the ongoing charges ratio will likely decline in future periods. Over the longer term, the pace of Catalogue acquisitions is expected to slow as the size of the Group's Portfolio stabilises. At such time, the Group will likely incur fewer costs related to acquisitions, such as legal and professional fees.

2.8 Regulation in the Music Industry

The longevity of Song copyrights is an integral component of the Group's business model. Although copyright terms vary from jurisdiction to jurisdiction, Song copyrights generally persist for decades. The Investment Adviser and the Directors believe that the intellectual property rights pertaining to the Catalogues within the Group's Portfolio, as at 31 December 2020, had an average life of 101 years. In the event of any significant changes to the legislation and regulation which governs the copyright terms of the Songs owned by the Group, the operating results and prospects of the Group may be adversely affected.

In the jurisdictions in which the Group operates, music royalty rates are either fixed by negotiation between representatives of the record and publishing companies or set by law or legal tribunal. In 2018, the US Copyright Royalty Board passed into law an increase in streaming songwriter royalty rates from 10.5 per cent. to 15.1 per cent. over a five-year period. It also ruled to increase songwriter rates by 44 per cent. for interactive streaming by 2023, which remains subject to a legal challenge (see the risk factor entitled *“If the US Copyright Royalty Board’s decision to increase songwriter royalty rates by 2023 is successfully challenged by certain DSPs, the Company’s revenue in future periods may be adversely impacted”* in the section entitled *“Risk Factors”* of this document). The Investment Adviser and the Directors believe that these regulatory developments, if they persist, would likely have a positive effect on revenue in future periods.

2.9 Currency Exchange Rates

The Group presents its financial statements and the fair value of its Catalogues in Sterling and aims to pay regular dividends in that currency. However, much of the Group’s revenue is received in other currencies, particularly US Dollars. As at 31 March 2020, approximately 84 per cent. of the Group’s revenue was denominated in US Dollars and approximately 89 per cent. of the Portfolio was purchased in US Dollars. As a result, the Group’s results of operation and financial condition have economic and translational exposure to exchange rate fluctuations.

Following the UK referendum on EU membership in June 2016, Sterling depreciated significantly against the US Dollar and other foreign currencies. Although Sterling has generally stabilised since that time, it has experienced periods of volatility in connection with the negotiations between the United Kingdom and the European Union on the terms the United Kingdom’s exit from the European Union. Although the United Kingdom and the European Union agreed a trading arrangement which took effect from 1 January 2021, given the uncertainty that still remains with respect to the United Kingdom’s trading relationship with the European Union, a further weakening of Sterling against the US Dollar is possible, particularly in the short term. In such an event, the Group’s results of operation may be significantly affected.

The Covid-19 pandemic has also increased volatility for currency exchange rates. For the six months ended 30 September 2020 as compared to the six months ended 30 September 2019, changes in currency exchange rates had the effect of decreasing operating profit before taxation by £2.9 million. The Investment Adviser and the Directors believe that any significant extension of the Covid-19 pandemic could increase or prolong volatility in currency exchange rates.

The acquisition of HSG will increase the portion of US Dollar-denominated assets, liabilities and earnings of the Group as a result of the significant business of HSG in the United States. As a result, the results of operations (particularly the Net Asset Values) and financial condition of the Group will likely be more sensitive to fluctuations in the exchange rate of Sterling against the US Dollar.

3. CURRENT TRADING AND PROSPECTS

In the period since 30 September 2020, the Group has continued to trade in line with management expectations.

On 28 October 2020, the Company announced an interim dividend in respect of the financial period ended 30 September 2020 of 1.3125 pence per Ordinary Share (in line with the Company’s target annual dividend yield of 5.25 pence per Ordinary Share), which was paid on 30 November 2020 to Ordinary Shareholders on the register as at 6 November 2020. In addition, on 21 January 2021, the Company announced an interim dividend in respect of the financial period ended 31 December 2020 of 1.3125 pence per Ordinary Share, which will be payable to Ordinary Shareholders on the share register as at 29 January 2021, with an associated ex-dividend date of 28 January 2021 and a payment date of 18 February 2021.

As at the date of this Prospectus, the Covid-19 pandemic continues to have an impact on the wider music industry, and in particular the live sector which forms part of the performance and writer’s share income received by the Group. The estimate of performance income and writer’s share income received since April 2020 has been reduced in line with the Investment

Adviser's and the Directors' revised expectations at the start of the financial year ending 31 March 2021. This reduction in expected income is driven by a drop in public performance income, which relates to revenues collected from bars, shops, restaurants and other venues which license the Group's Songs.

The Investment Adviser and the Directors are continuing to assess the impact of the Covid-19 pandemic. With respect to revenue accruals for the quarter ended 31 December 2020, for which statements will be received during the first several months of 2021, the Group has lowered its expectations by up to 25 per cent. However, music streaming revenue has remained buoyant; the Investment Adviser and the Directors expect that streaming revenue will outpace the decline in other revenue streams, and this is reflected in Goldman Sachs' post Covid-19 report, which projects that Song-related revenues, across music publishing, will grow by 3.5 per cent. overall in 2020 (see "*The Covid-19 pandemic*" of *Part II (Market Background, Investment Strategy and Approach)* of this document).

Since 30 September 2020, the Group has acquired an additional 12 Catalogues that contained 3,000 Songs in aggregate for a total purchase price of approximately US\$260 million. Since 30 September 2020, a further US\$376.6 million has been drawn down under the Amended and Restated RCF to fund the acquisition of these additional Catalogues and the Kobalt Catalogues, taking total drawings to US\$483.9 million.

The Investment Adviser and the Directors remain focused on the Group's strategy of building a diversified portfolio of Songs and delivering income and capital growth by pursuing efficiencies in the collection of payments and Song management.

4. DESCRIPTION OF CERTAIN INCOME STATEMENT LINE ITEMS

4.1 Total Revenue

Total revenue includes royalty revenue and other revenue. Royalty revenue includes mechanical income, performance income, digital downloads income, streaming income, synchronisation income, producer royalties, master recordings income, writer's share income and other sources of income, such as sheet income and lyric exploitation. Other revenue includes publishing and administration income generated by HSG.

There is an inherent time lag between the usage of a Song and the royalty revenue that is received by the copyright owner. PROs, publishers, record labels and other third parties collect Song royalties at the source of the usage. After processing the royalties, these organisations distribute the revenue directly or, in the case of international income, through a domestic intermediary to the Group. The time lag ranges from three to six months on domestic income earned in the United Kingdom and 12 to 18 months on international income earned in the United States and elsewhere. Any revenue accruals booked are included within the Group's trade and other receivables for the relevant period. For further information, see Note 11 to the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2020.

Revenues and costs associated with HSG were consolidated for the period 10 September to 30 September 2020.

4.2 Royalty Costs

Royalty costs includes contractual royalties due to songwriters and other rights holders on HSG's writer roster. These royalties are payable on a six-monthly basis for writers under publishing contracts and quarterly for clients under administration contracts. Royalty rates vary by writer (negotiated by contract) and by revenue stream.

4.3 Advisory Fees

Pursuant to the Investment Advisory Agreement, the Investment Adviser is entitled to receive an advisory fee payable in cash. For further information on the terms and conditions of the calculation of the advisory fee, see the section entitled "*Fees and Expenses: Advisory Fee*" of Part IV (*Directors and Administration*) of this document.

4.4 Performance Fee

Pursuant to the Investment Advisory Agreement, the Investment Adviser is entitled to receive a performance fee. This performance fee is usually payable predominantly in Shares subject to an 18-month lock up arrangement. For further information on the terms and conditions of the calculation of the performance fee, see the section entitled “*Fees and Expenses: Performance Fee*” of Part IV (*Directors and Administration*) of this document.

4.5 Amortisation of Catalogues of Songs

The Group amortises Catalogues with a limited useful life using the straight-line method of 20 years (other than in exceptional circumstances for specific Catalogues). Useful life is separately considered for each Catalogue and is reviewed at the end of each reporting period. As at 30 September 2020, accumulated amortisation for the Group's Catalogues of Songs was £39.0 million and the accumulated impairment was £nil. For further information on the breakdown of accumulated amortisation, accumulated impairment and net book value for the periods under review, see Note 6 to the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2020 and Note 5 to the audited consolidated financial statements of the Group for the year ended 31 March 2020.

4.6 Amortisation of Capitalised Borrowing Costs

For the six months ended 30 September 2020, £3.4 million of fees and expenses relating to the Group's borrowings were capitalised. For the six months ended 30 September 2020, amortisation of capitalised borrowing costs was £1.0 million.

For the year ended 31 March 2020, £4.4 million of costs relating to the set-up of the Original RCF with JPM were capitalised, to be amortised over the 5 year length of the Amended and Restated RCF, with £3.9 million remaining on the consolidated statement of comprehensive income of the Group for the year ended 31 March 2020 (see also the section entitled “*Material Contracts: Revolving Credit Facility*” of Part VII (*Additional Information*) of this document). For the year ended 31 March 2020, amortisation of capitalised borrowing costs was £463,490.

4.7 Administration Fees

Under the terms of the Fund Administration Agreement between the Fund Administrator and the Company, with effect from 1 October 2019 the Fund Administrator is entitled to a fixed fee of £172,500 per annum for services such as administration, accounting, corporate secretarial, corporate governance, regulatory compliance and stock exchange continuing obligations. Additional ad hoc fees are payable in respect of certain additional services.

Under the terms of the UK Administration Agreement between Ocorian Administration (UK) Limited and the UK SubCo, with effect from 1 October 2019, Ocorian Administration (UK) Limited is entitled to a fixed fee of £15,000 per annum (£14,000 per annum effective from 1 January 2020) per subsidiary and, effective from 1 April 2020, a variable fee of £4,500 per annum per additional Catalogue held by a subsidiary if fewer than 70 Catalogues are held by the Group (reducing to: (i) £4,000 per Catalogue if between 70 and 90 Catalogues are held, and (ii) £3,250 if over 90 Catalogues are held), for services such as administration, corporate secretarial and accounting.

4.8 Loan Interest

Borrowings under the Amended and Restated RCF bear interest at one of two base rates plus an applicable margin per annum. The applicable margin per annum for a particular borrowing varies based on the type of borrowing and the consolidated total debt to Catalogue value during the fiscal quarter immediately preceding the relevant borrowing. As at 30 September 2020, £86.9 million (US\$107.3 million) was drawn down under the Amended and Restated RCF, excluding capitalised borrowing costs, with £2.6 million paid in interest. For further information on the terms and conditions of the Amended and Restated RCF, please see the section entitled “*Material Contracts: Revolving Credit Facility*” of Part VII (*Additional Information*) of this document.

4.9 Foreign Exchange (Losses)/Gains

Foreign exchange (losses)/gains includes currency gains and losses relating to creditors and debtors and currency gains and losses relating to cash and cash equivalents. The Group converts the majority of overseas currency receipts into Sterling by agreeing to currency exchange arrangements with collection agents, or otherwise itself undertaking foreign exchange conversions.

5. RESULTS OF OPERATIONS

The following table sets out the Group's results of operations for the periods indicated, which have been extracted without material adjustment from the Financial Statements (see Part X (*Historical Financial Information*) for further details).

	Six months ended 30 September		Year ended 31 March	Ten months ended 31 March ⁽¹⁾
	2020	2019	2020	2019
	(£ million)			
Income				
Total revenue	50.0	22.6	64.7	7.2
Interest income	0.1	0.6	1.0	0.7
Royalty costs.....	(5.3)	—	(0.1)	—
Net operating income	44.8	23.2	65.6	7.9
Expenses				
Advisory fees	(3.6)	(1.8)	(4.6)	(1.6)
Performance fee	—	—	—	(0.4)
Amortisation of Catalogues of Songs	(19.0)	(6.0)	(18.5)	(1.5)
Amortisation of capitalised borrowing costs	(1.0)	—	(0.5)	—
Administration fees	(0.5)	(0.3)	(0.8)	(0.2)
Directors' remuneration	(0.2)	(0.1)	(0.3)	(0.1)
Audit fees.....	(0.1)	(0.1)	(0.3)	(0.1)
Legal and professional fees	(3.3)	(2.2)	(2.0)	(0.8)
Finance charges for deferred consideration.....	(0.5)	—	—	—
Loan interest	(1.6)	(0.1)	(0.4)	—
HSG fair value gains ⁽²⁾	1.4	—	—	—
Other operating expenses ⁽³⁾	(1.4)	(0.3)	(1.5)	(0.3)
Foreign exchange (losses)/gains	(2.9)	0.3	(4.1)	0.1
Total expenses	(32.8)	(10.6)	(33.0)	(4.9)
Operating profit for the period before taxation.....	12.0	12.6	32.7	3.0
Taxation	(1.7)	(1.9)	(7.5)	(0.6)
Profit for the period after taxation	10.3	10.7	25.2	2.4
Basic earnings per share (pence).....	1.6	3.2	6.1	1.2

(1) For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

(2) As part of the acquisition of HSG, certain assets owned by HSG were revalued to fair value on the date of the acquisition.

(3) Other operating expenses includes regulatory fees, listing fees, directors and officers insurance, directors expenses, registrar fees, postage, stationery and printing, public relation fees, travel and accommodation fees, bank charges, aborted deal expenses, disbursements and sundry and HSG-specific expenses (including payroll (salaries), staff expenses, other expenses and depreciation fixed assets).

5.1 Total Revenue

Total revenue increased by 121.0 per cent. to £50.0 million for the six months ended 30 September 2020 from £22.6 million for the six months ended 30 September 2019. This increase was due primarily to the increased scale of the Company following the acquisition of HSG on 10 September 2020 and the acquisition of 63 Catalogues comprising 44,545 Songs for an aggregate consideration of approximately £500 million. This significant growth in the size of the Group's Portfolio during the period under review enabled the Group to capitalise on multiple synchronisation opportunities through Song management (see "*—Technological Developments in the Music Industry*"). Synchronisation revenue accounted for approximately 13.8 per cent. of total revenue as at 30 September 2020 (as compared to 9.5 per cent. as at 31 March 2020).

In connection with these acquisitions, the Group received a right-to-income of £8.5 million. Under the terms of the relevant sale and purchase agreement, the right-to-income reflects any royalty revenues which are earned before the effective date of the acquisition and owed to the Group upon closing. The Investment Adviser and the Directors expect these non-recurring revenues to decline as the size of the Group's Portfolio stabilises over time.

Total revenue increased by 796.2 per cent. to £64.7 million for the year ended 31 March 2020 from £7.2 million for the ten months ended 31 March 2019. This change was driven by a significant increase in Catalogue revenue, which in turn was due to the Group's acquisition of 42 Catalogues comprising 10,180 Songs for a total consideration of £560 million. In connection with these acquisitions, the Group received a right-to-income of £13.3 million.

In addition to these acquisitions, cash receipts from royalty statements for the year ended 31 March 2020 were higher than initially forecast at the time of purchase. In particular, certain Catalogues aged 3-10 years in the Portfolio, where the Investment Adviser and the Directors expected decay in earnings at the time of acquisition, materially exceeded management's expectations. This growth was driven by increases in performance and streaming revenues during the period under review. Over the longer term, the Investment Adviser and the Directors believe that the composition of older and newer Catalogues in the Group's Portfolio will continue to benefit directly from the expected growth in recorded music and Song publishing revenues as a result of music streaming.

5.2 Royalty Costs

Royalty costs increased by 100 per cent. to £5.3 million for the six months ended 30 September 2020 from £nil for the six months ended 30 September 2019. This increase was driven by the acquisition of HSG and its associated revenues and costs. In connection with the payment of Advances, HSG makes certain contractually agreed royalty payments to its roster of writers on a semi-annual basis.

5.3 Total Expenses

Total expenses increased by 201.6 per cent. to £32.8 million for the six months ended 30 September 2020 from £10.9 million for the six months ended 30 September 2019. This growth was driven by increases in the accumulated amortisation for Catalogues of Songs and the advisory fees owed by the Group to the Investment Adviser, together with increases in the amortisation of capitalised borrowing costs, legal and professional fees and foreign exchange losses that the Group reported for the period. As explained in greater detail below, administration fees, loan interest and other operating expenses also increased as the scale of the Group's business grew during the periods under review.

The accumulated amortisation for Catalogues of Songs increased by 216.7 per cent. to £19.0 million for the six months ended 30 September 2020 from £6.0 million for the six months ended 30 September 2019. The accumulated amortisation for Catalogues of Songs increased by 1,137.6 per cent. to £18.5 million for the year ended 31 March 2020 from £1.5 million for the ten months ended 31 March 2019. These increases were driven by significant growth in the size of the Group's Portfolio through the acquisition of new Catalogues (see "*—Acquisitions of Catalogues*" above).

The amortisation of capitalised borrowing costs increased by 100 per cent. to £1.0 million for the six months ended 30 September 2020 from £nil for the six months ended 30 September 2019. The amortisation of capitalised borrowing costs increased by 100 per cent. to

£0.5 million for the year ended 31 March 2020 from £nil for the ten months ended 31 March 2019. These significant increases were driven by the costs incurred to increase the commitments under the Amended and Restated RCF to £150 million on 2 April 2020 and to US\$400 million on 22 July 2020.

Advisory fees increased by 99.5 per cent. to £3.6 million for the six months ended 30 September 2020 from £1.8 million for the six months ended 30 September 2019. Advisory fees increased by 191.1 per cent. to £4.6 million for the year ended 31 March 2020 from £1.6 million for the ten months ended 31 March 2019. These increases were due to significant growth in Average Market Capitalisation for the periods under review, which in turn was driven by increases in the Ordinary Share price of the Company and a number of equity issuances by the Company.

Performance fees were £nil for the six months ended 30 September 2020 and 2019. Performance fees decreased by 100 per cent. to £nil for the year ended 31 March 2020 from £429,054 for the ten months ended 31 March 2019. Pursuant to the Investment Advisory Agreement, the performance fee is capped such that the sum of the performance fee and the advisory fee may not exceed a certain amount at the end of the relevant accounting period. For further information on the terms and conditions of the Investment Advisory Agreement, see the section entitled "*Material Contracts: Investment Advisory Agreement*" of Part VII (*Additional Information*) of this document.

Legal and professional fees increased by 49.2 per cent. to £3.7 million for the six months ended 30 September 2020 from £2.2 million for the six months ended 30 September 2019. Legal and professional fees increased by 140.9 per cent. to £2.0 million for the year ended 31 March 2020 from £0.8 million for the ten months ended 31 March 2019. These increases were due to the capital raises and financings that the Group completed during the periods under review. For the six months ended 30 September 2020, the Group raised £425 million of new equity capital. In the same period, the Group's revolving credit facility commitments were increased from £100 million under the Original RCF to £150 million, and subsequently redenominated from Pounds Sterling to US Dollars and increased to US\$400 million, pursuant to the First Amendment (see "*Liquidity and Capital Resources*" below). The Investment Adviser and the Directors expect these expenses to decline as the size of the Group's Portfolio stabilises over time.

Foreign exchange losses increased to £2.9 million for the six months ended 30 September 2020 from a gain of £0.3 million for the six months ended 30 September 2019. Foreign exchange losses increased to £4.1 million for the year ended 31 March 2020 from a gain of £0.1 million for the ten months ended 31 March 2019. These losses were primarily due to the acquisition of new Catalogues in US Dollars, which increased the Group's exposure to foreign exchange fluctuations between Sterling and US Dollars (see "*Currency Exchange Rates*" above). In addition to these acquisitions, the Covid-19 pandemic significantly increased volatility in foreign exchange rates and, consequently, had an adverse effect on the Group's results for the periods under review.

Administration fees increased by 35.4 per cent. to £467,206 for the six months ended 30 September 2020 from £344,918 for the six months ended 30 September 2019. Administration fees increased by 423.9 per cent. to £816,997 for the year ended 31 March 2020 from £155,954 for the ten months ended 31 March 2019. These increases were primarily due to the acquisition of additional Catalogues. Pursuant to the UK Administration Agreement, Ocorian Administration (UK) Limited is entitled to £3,250 per annum for each additional Catalogue held by a subsidiary of the Group where over 90 Catalogues are held by the Group. For further information, see "*Administration Fees*" above and the section entitled "*Material Contracts: Administration Agreements*" of Part VII (*Additional Information*) of this document.

Loan interest increased by 2,989.3 per cent. to £1.6 million for the six months ended 30 September 2020 from £52,109 for the six months ended 31 September 2019. Loan interest increased by 100 per cent. to £374,675 for the year ended 31 March 2020 from £nil for the ten months ended 31 March 2019. These significant increases were driven by a corresponding

increase in the amount drawn on the Amended and Restated RCF, which increased to £86.9 million for the six months ended 30 September 2020 from £13.8 million for the six months ended 30 September 2019.

Other operating expenses increased to £86.9 million as at 30 September 2020 (compared to £13.8 million as at 30 September 2019). Other operating expenses increased by 470.0 per cent. to £1.5 million for the year ended 31 March 2020 from £267,821 for the ten months ended 31 March 2019. These increases were primarily driven by significant growth in the Group's listing fees, public relation fees, travel and accommodation fees and aborted deal expenses as the scale of the Group's business increased substantially during the periods under review.

5.4 Taxation

Tax decreased by 8.7 per cent. to £1.7 million for the six months ended 30 September 2020 from £1.9 million for the six months ended 30 September 2019. This moderate decrease was driven by an increase in the Group's amortisation of Catalogues of Songs and borrowing costs to £20.1 million for the six months ended 30 September 2020 from £6.0 million for the six months ended 30 September 2019, which resulted in a decrease in profit before taxation to £12.0 million for the six months ended 30 September 2020 from £12.6 million for the six months ended 30 September 2019.

Tax increased by 1,081.7 per cent. to £7.5 million for the year ended 31 March 2020 from £0.6 million for the ten months ended 31 March 2019. This significant increase was primarily due to an increase in profit before taxation to £32.7 million for the year ended 31 March 2020 from £3.0 million for the ten months ended 31 March 2019, which resulted in a UK corporate tax charge of £7.5 million at the standard UK tax rate for the year of 19 per cent.

5.5 Earnings per Share

The Group's earnings per Share for the six months ended 30 September 2020 was 1.6p, compared to 3.2p for the same period in 2019. The Group's earnings per Share (excluding total amortisation) for the six months ended 30 September 2020 was 4.8p, compared to 5.0p for the same period in 2019. These reductions in earnings per Share primarily reflect the costs relating to the acquisition of HSG and expensed costs associated with the two share issues in the period ended 30 September 2020, as well as a reduction in the Group's right-to-income as a proportion of profit after taxation for the period. For a reconciliation of earnings per Share (excluding total amortisation) to IFRS profit after tax, see the section entitled "*Presentation of Financial and Other Information: Earnings Per Share (Excluding Total Amortisation)*" in the Part entitled "*Important Information*" of this document.

6. LIQUIDITY AND CAPITAL RESOURCES

The Group's primary uses of cash are the acquisition of Catalogues, operating expenses and the payment of dividends.

The Group's primary sources of liquidity are proceeds from issuances of shares, drawdowns under the Amended and Restated RCF and royalty revenues.

Debt is generally expected to be secured against the Group's Portfolio of Songs, and the Group may allocate specific Portfolio assets to provide security for any particular financing. The Group expects leverage to primarily comprise revolving credit facilities, although other forms of borrowing may be used, such as term loans, overdraft facilities or private or public bond or note issuances, including the issue of debt securities by special purpose financing vehicles within the Group.

The Original RCF (which was amended in February 2020) was amended and restated in April 2020, by way of the Amended and Restated RCF, and further amended by way of the First Amendment in July 2020, the Second Amendment in September 2020 and the Third Amendment in December 2020 to, *inter alia*, increase the commitments of the lenders and extend the term of the Original RCF. Under the Amended and Restated RCF, the revolving credit facility commitments were increased from £100 million under the Original RCF to £150 million, and subsequently redenominated from Pounds Sterling to US Dollars and increased to US\$400 million, pursuant to the First Amendment, and further increased to US\$600 million, pursuant to the Third Amendment. Under the Amended and Restated RCF,

the Company may request an increase in the revolving credit facility commitment by a further US\$150 million. In addition to the increase of the revolving credit facility commitment, the maturity date was extended from 29 August 2022 to 2 April 2025. The Amended and Restated RCF is secured against the Fund Entities' assets and includes six financial covenants:

- (A) the loan to value, calculated as the consolidated total indebtedness of the Company and its subsidiaries divided by the value of its Catalogues, must not exceed 40 per cent.;
- (B) liquidity, defined by reference to unrestricted cash plus availability under the Amended and Restated RCF, must at all times be greater than or equal to the amount of projected interest payments in respect of funded indebtedness during the 12-month period immediately succeeding the relevant fiscal quarter;
- (C) the consolidated total debt leverage ratio, calculated as the ratio of the consolidated total indebtedness of the Company and its subsidiaries to the consolidated net publishers share of the Company and its subsidiaries, must not be greater than 4.50:1.00; (D) consolidated overhead of the Company and its subsidiaries must not exceed US\$11,000,000 for any fiscal year;
- (E) the consolidated fixed charge coverage ratio, calculated as consolidated EBITDA, minus taxes paid in cash, to consolidated fixed charges, must not at any time be less than 1.10:1.00 for the period up to and including 31 March 2023 and not less than 1.25:1.00 at any time thereafter; and
- (F) the liquidity coverage ratio, calculated as four-fiscal quarters' projected cash sources (including, without limitation, availability under the Amended and Restated RCF) to projected cash uses of the Company and its subsidiaries, must not at any time be less than 1.00:1.00 for the period up to and including 31 March 2023 and not less than 1.10:1.00 at any time thereafter.

The Amended and Restated RCF also provides that, if the Key Person ceases to act as an officer of the Investment Adviser, and the Investment Adviser is unable to appoint a replacement who is reasonably acceptable to the lenders within 90 days from the date of such cessation, it is an event of default under the Amended and Restated RCF such that the administrative agent, if directed by the majority lenders, would be required to demand repayment of all amounts outstanding at such time. If the Company fails to repay the debt on demand, the administrative agent, if directed by the majority lenders, would be required to exercise its right to enforce the security over, and sell, the Fund Entities' assets to discharge the debt. In the event that the Key Person ceases to act as an officer of the Investment Adviser, the Company and the Investment Adviser would work closely with the lenders to appoint a reasonably acceptable replacement within the prescribed time period, but may also explore the opportunity to re-finance the outstanding debt to enable the Company repay any outstanding debt, if required, in order to ensure that the Company's liquidity is not adversely affected by any resulting event of default.

7. CASH FLOW ANALYSIS

The following table summarises the principal components of the Group's cash flows for the periods indicated.

	Six months ended 30 September		Year ended 31 March	Ten months ended 31 March ⁽¹⁾
	2020	2019	2020	2019
	(£ million)			
Cash flows used in operating activities				
Operating profit/(loss) for the period before taxation.....	12.0	12.6	32.7	3.0
<i>Adjustments for non-cash items:</i>				
Movement in trade and other receivables.....	(29.4)	(21.5)	(31.8)	(10.8)
Movement in other payables and accrued expenses	260.4	(33.7)	(1.4)	39.2
Movement in equity for share based payments	—	—	0.2	—
Amortisation of Catalogues of Songs and borrowing costs.....	20.1	6.0	18.9	1.5
Foreign exchange (gains)/losses	2.9	(0.3)	4.1	(0.1)
	265.9	(36.9)	22.7	32.8
Taxation.....	(1.7)	—	(7.5)	(0.6)
Purchase of Catalogues of Songs.....	(497.4)	(199.5)	(559.4)	(120.0)
Net cash used in operating activities.....	(233.2)	(236.4)	(544.2)	(87.8)
Cash flows generated from financing activities				
Proceeds from issue of shares ⁽²⁾	426.4	192.6	423.6	202.2
Issue costs paid.....	(7.9)	(3.9)	(7.9)	(4.0)
Dividends paid	(15.4)	(8.5)	(18.3)	(2.0)
Interest paid	(1.6)	(0.1)	(0.4)	—
Borrowing costs	(3.4)	—	(4.4)	—
Bank loan.....	26.9	13.7	60.0	—
Net cash generated from financing activities	425.1	193.8	452.7	196.2
Net movement in cash and cash equivalents	191.9	(42.5)	(91.5)	108.4
Cash and cash equivalents at the start of the period	14.1	108.5	108.5	—
Effect of foreign exchange rate changes on cash and cash equivalents	(2.2)	0.3	(2.9)	0.1
Cash and cash equivalents at the end of the period	203.7	66.2	14.1	108.5

(1) For the period from the incorporation of the Company on 8 June 2018 to the Group's financial year end on 31 March 2019, the Group's results were reported for the ten months ended 31 March 2019.

(2) Includes July C Shares and Ordinary Shares.

7.1 Cash Flows from Operating Activities

Net cash used in operating activities decreased to a cash outflow of £233.2 million for the six months ended 30 September 2020 from a cash outflow of £236.4 million for the six months ended 30 September 2019. For the six months ended 30 September 2020, the Group experienced a cash outflow of £497.4 million due primarily to the purchases of 63 Catalogues comprising 44,545 Songs, including the Kobalt Catalogues.

Net cash used in operating activities increased to a cash outflow of £544.2 million for the year ended 31 March 2020 from a cash outflow of £87.8 million for the ten months ended 31 March 2019. This significant increase was driven by the acquisition of 42 Catalogues comprising 10,180 Songs for a total consideration of £560 million.

7.2 Cash Flows from Financing Activities

Net cash generated from financing activities increased to a cash inflow of £425.1 million for the six months ended 30 September 2020 from a cash inflow of £193.9 million for the six months ended 30 September 2019. This increase was primarily due to a corresponding increase in proceeds from the issue of shares, as well as the drawdown of debt under the Amended and Restated RCF. The Group raised total gross proceeds of approximately £426.4 million from its £236.4 million C Share issue in July 2020 and £190 million placing in September 2020.

Net cash generated from financing activities increased to a cash inflow of £452.8 million for the year ended 31 March 2020 from a cash inflow of £196.2 million for the ten months ended 31 March 2019. This significant increase was driven by a corresponding increase in proceeds from the issue of shares, as well as the drawdown of debt under the Amended and Restated RCF. The Group raised total gross proceeds of approximately £625 million from its £141.5 million placing in April 2019, £51.1 million placing in August 2019, £231 million C Share issue in October 2019 and subsequent conversion to Ordinary Shares in January 2020 and from drawdowns under the Amended and Restated RCF during the year ended 31 March 2020.

8. CASH AND INDEBTEDNESS

The Group had consolidated cash and cash equivalents of £203.7 million, £66.2 million, £14.1 million and £108.5 million as at 30 September 2020 and 30 September 2019 and 31 March 2020 and 31 March 2019, respectively.

The Group had total borrowings (current and non-current) of £80.7 million, £13.8 million, £56.1 million and £nil as at 30 September 2020 and 30 September 2019 and 31 March 2020 and 31 March 2019, respectively. The Group's borrowings as at 30 September 2020 were comprised primarily of borrowings under the Amended and Restated RCF with £86.3 million drawn down as at 30 September 2020 out of the total available revolving facility commitments of £400 million. In August 2019, UK MidCo entered into the Original RCF, with revolving facility commitments of £100 million. The Original RCF (which was amended in February 2020) was amended and restated in April 2020, by way of the Amended and Restated RCF, and further amended by way of the First Amendment in July 2020, the Second Amendment in September 2020 and the Third Amendment in December 2020 to, *inter alia*, increase the commitments of the lenders and extend the term of the Original RCF. Since 30 September 2020 and as at 31 December 2020, a further US\$376.6 million has been drawn down under the Amended and Restated RCF to fund additional acquisitions of Catalogues, taking total drawings to US\$483.9 million. For further information, including a summary of the Group's financial covenants, see the section entitled "*Material Contracts: Revolving Credit Facility*" of Part VII (*Additional Information*) of this document.

As at 30 September 2020, the Group's net cash, which represents cash and cash equivalents of £203.7 million less £86.9 million drawn under the Amended and Restated RCF, was £116.8 million. As at 31 December 2020, the Group had net debt of £323.5 million, which represented cash and cash equivalents of £33.9 million less £357.4 million drawn under the Amended and Restated RCF.

9. OFF-BALANCE SHEET ARRANGEMENTS

The Group had no off-balance sheet arrangements as at 30 September 2020.

10. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Group's operations and use of financial instruments expose it to a variety of risks including market risk, credit risk, liquidity risk and currency risk. For a discussion of these financial risks, see Note 14 to the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2020 and Note 16 to the audited financial statements of the Group for the year ended 31 March 2020, which are incorporated by reference into this document as explained in Part X (*Historical Financial Information of the Group*).

11. CRITICAL ACCOUNTING POLICIES

When applying the Group's accounting policies, management must make a number of key judgements on the application of applicable accounting standards and estimates and assumptions concerning the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and judgements are based on factors considered to be relevant, including historical experience, which may differ significantly from the actual outcome. The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the amounts recognised in the financial statements include:

- revenue recognition;
- expected credit loss in relation to revenue receivables;
- assessment of useful life of intangible assets; and
- assessment of impairment and the calculation of the Group's Operative NAV;

and are discussed in Note 4 to the unaudited consolidated interim financial statements of the Group for the six months ended 30 September 2020 and Note 2 to the audited consolidated financial statements of the Group for the year ended 31 March 2020, which are incorporated by reference into this document as explained in Part X (*Historical Financial Information of the Group*).

PART X: HISTORICAL FINANCIAL INFORMATION OF THE GROUP

1. Historical Financial Information

The published annual reports and audited consolidated financial statements of the Group as at and for the year ended 31 March 2020 and as at and for the ten months ended 31 March 2019, together with the unaudited consolidated interim financial statements of the Group as at and for the six months ended 30 September 2020 have been incorporated by reference in this Prospectus and include, on the pages specified in the table below, the following information:

Reference	Information incorporated by reference	Page number(s)
<i>For the six months ended 30 September 2020</i>		
2020 Interim Report	Independent Review Report	31
2020 Interim Report	Unaudited Consolidated Interim Statement of Comprehensive Income	32
2020 Interim Report	Unaudited Consolidated Interim Statement of Financial Position	33
2020 Interim Report	Unaudited Consolidated Interim Statement of Changes in Equity	34
2020 Interim Report	Unaudited Consolidated Interim Statement of Cash Flows	35
2020 Interim Report	Notes to the Unaudited Consolidated Interim Financial Statements	36 – 51
<i>For the year ended 31 March 2020</i>		
2020 Annual Report	Independent Auditors' Report	73 – 83
2020 Annual Report	Consolidated Statement of Comprehensive Income	84
2020 Annual Report	Consolidated Statement of Financial Position	85
2020 Annual Report	Consolidated Statement of Changes in Equity	86
2020 Annual Report	Consolidated Statement of Cash Flows	87
2020 Annual Report	Notes to the Consolidated Financial Statements	88 – 114
<i>For the ten months ended 31 March 2019</i>		
2019 Annual Report	Independent Auditors' Report	35 – 40
2019 Annual Report	Consolidated Statement of Comprehensive Income	41
2019 Annual Report	Consolidated Statement of Financial Position	42
2019 Annual Report	Consolidated Statement of Changes in Equity	43
2019 Annual Report	Consolidated Statement of Cash Flows	44
2019 Annual Report	Notes to the Consolidated Financial Statements	45 – 62

Since 30 September 2020, the following events have taken place:

- on 28 October 2020, the Company announced an interim dividend in respect of the financial period ended 30 September 2020 of 1.3125 pence per Ordinary Share (in line with the Company's target dividend yield of 5.25 pence per annum), which was paid on 30 November 2020 to Ordinary Shareholders on the register as at 6 November 2020;
- on 4 December 2020, the Company converted the 236,400,512 July C Shares into 214,202,503 Ordinary Shares at a conversion ratio of 0.9061 Ordinary Shares for each July C Share;
- on 24 December 2020, UK MidCo entered into the Third Amendment to, among other things, further increase the revolving facility commitments under the Amended and Restated RCF from US\$400 million to US\$600 million, of which a total of US\$483.9 million had been drawn down as at 31 December 2020; and

4. on 21 January 2021, the Company announced an interim dividend in respect of the financial period ended 31 December 2020 of 1.3125 pence per Ordinary Share, which will be payable to Ordinary Shareholders on the share register as at 29 January 2021, with an associated ex-dividend date of 28 January 2021 and a payment date of 18 February 2021.

2. Selected Financial Information

The key audited figures that summarise the financial condition of the Group in respect of the year ended 31 March 2020 and the ten months ended 31 March 2019, and the key unaudited figures for the six months ended 30 September 2020 are set out in Part VIII (*Selected Financial and Other Information*) of this Prospectus.

3. Operating And Financial Review

Descriptions of the Group's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Group's current trading and prospects are set out in Part IX (*Operating and Financial Review*) of this Prospectus.

4. Documents Incorporated by Reference

The parts of the 2020 Annual Report, 2019 Annual Report and 2020 Interim Report, which have been previously published, referenced in this Part X (*Historical Financial Information on the Group*) of this Prospectus shall be deemed to be incorporated in, and form part of, this Prospectus. The parts of the 2020 Annual Report, 2019 Annual Report and 2020 Interim Report not referenced in this Part X are either not relevant for investors or are covered elsewhere in this Prospectus.

Copies of the 2020 Annual Report, 2019 Annual Report and 2020 Interim Report are available for inspection on the Company's website (<https://www.hipgnosissongs.com>) at the following website addresses:

- 2020 Interim Report:
<https://static1.squarespace.com/static/5937f2f1beba1b1297678ff8/t/5fcea69ce1e1a4d7de15ff3f7/1607363036142/HSFL-IR20-Web+2.pdf>
- 2020 Annual Report:
<https://www.hipgnosissongs.com/s/FINAL-Hipgnosis-Annual-Report-310319-b8h3.pdf>; and
- 2019 Annual Report:
<https://static1.squarespace.com/static/5937f2f1beba1b1297678ff8/t/5d108b13a6630100018e7852/1561365275291/FINAL+Hipgnosis+Annual+Report+31.03.19.pdf>.

Unless it has been incorporated by reference into this document, as set out in this Part X (*Historical Financial Information on the Group*), neither the information on the Company's or the Investment Adviser's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the Investment Adviser's website (or any other website) is incorporated into, or forms part of this document, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Shares on the contents of this Prospectus alone.

Dated 21 January 2021

PART XI: TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

If you apply for Ordinary Shares under the Offer, you will be agreeing with the Company, the Registrar and the Receiving Agent to the terms and conditions of application set out below. Potential investors should note the section entitled “*Notes on how to complete the Application Form for the Offer*” in Appendix I to this Prospectus.

The Application Form may also be used to subscribe for Ordinary Shares on such other terms and conditions as may be agreed in writing between the applicant and the Company.

1. OFFER TO SUBSCRIBE FOR ORDINARY SHARES

- 1.1 Your application must be made on the Application Form attached at Appendix II to this Prospectus or as may be otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:
 - 1.1.1 offer to subscribe for such number of Ordinary Shares at 121 pence per Ordinary Share as may be specified in Box 1 on your Application Form (being a minimum of 1,000 Ordinary Shares, or such smaller number for which such application is accepted, and in multiples of 100 Ordinary Shares) on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of the Offer for Subscription, and the Articles (as amended from time to time);
 - 1.1.2 agree that in respect of any Ordinary Shares for which you wish to subscribe under the Offer you will submit payment in Sterling;
 - 1.1.3 agree that, in consideration of the Company agreeing that it will not, prior to the date of Initial Admission, offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of any supplementary prospectus being published by the Company subsequent to the date of this Prospectus and prior to Initial Admission) and that this section shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to the Receiving Agent of your Application Form;
 - 1.1.4 undertake to pay the amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured, you will not be entitled to receive the share certificates for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in the Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall not constitute an acceptance of your application under the Offer and shall be in its absolute discretion and on the basis that you indemnify the Company, the Registrar, the Receiving Agent, the Joint Bookrunners and their respective Affiliates against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);
 - 1.1.5 agree that where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST account, the Receiving Agent may in its absolute discretion amend the Application Form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the applicant(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST

account or in receiving your remittance in cleared funds as approved by both the Company and the Joint Bookrunners);

- 1.1.6 agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 1.1.5 above to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 1.1.5 above (and any monies returnable to you) may be retained by the Receiving Agent:
- (i) pending clearance of your remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraph 5 of this Part XI (*Terms and Conditions of the Offer for Subscription*) of this Prospectus or any other suspected breach of these Terms and Conditions of the Offer for Subscription; or
 - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the Guernsey AML Requirements,
- 1.1.7 agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- 1.1.8 agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- 1.1.9 agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism, or any sanctioned individual or entity;
- 1.1.10 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 1.1.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed Section 2B on your Application Form, but subject to paragraph 1.1.5 above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;
- 1.1.12 confirm that you have read and complied with paragraph 7 of this Part XI (*Terms and Conditions of the Offer for Subscription*) of this Prospectus;
- 1.1.13 agree that all subscription cheques and payments will be processed through a bank account in the name of "CIS PLC RE: HIPGNOSIS SONGS OFS ACCEPTANCE ACCOUNT" opened with the Receiving Agent;
- 1.1.14 agree that your Application Form is addressed to the Company and the Receiving Agent; and
- 1.1.15 agree that, if a fractional entitlement to an Ordinary Share arises on your application, the number of Ordinary Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit.
- 1.2 Any application may be rejected in whole or in part at the sole discretion of the Company.

2. ACCEPTANCE OF YOUR OFFER

- 2.1 The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) for Ordinary Shares either:
- 2.1.1 by informing the Joint Bookrunners and the Company so they may notify the FCA of the basis of allocation (in which case the acceptance will be on that basis); or
 - 2.1.2 by notifying acceptance to the Company.
- 2.2 The basis of allocation will be determined by the Directors (following consultation with the Joint Bookrunners). The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application on such basis as they may determine. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of the Offer for Subscription or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of the Offer for Subscription. The Company and Receiving Agent reserve the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of the Offer for Subscription.
- 2.3 The Receiving Agent will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payments. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.
- 2.4 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than the minimum subscription.

3. CONDITIONS

- 3.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional on, among other things:
- 3.1.1 Initial Admission becoming effective by not later than 8.00 a.m. (London time) on 10 February 2021 (or such later time and/or date, not being later than 8.00 a.m. on 12 February 2021, as the Company, the Investment Adviser and the Joint Bookrunners may agree); and
 - 3.1.2 the Placing Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Initial Admission becomes effective.
- 3.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other rights you may have.

4. RETURN OF APPLICATION MONIES

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest and after the deduction of any applicable bank charges by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest bearing account.

5. WARRANTIES

5.1 By completing an Application Form, you:

- 5.1.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of the Offer for Subscription and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 5.1.2 make the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including (unless otherwise expressly agreed with the Company) those set out in the paragraph entitled “*Representations, Warranties and Undertakings*” in Part V (*The Initial Issue and the Placing Programmes*) of this Prospectus;
- 5.1.3 represent, warrant, undertake, agree and acknowledge that either (i) you are located outside the United States and are acquiring the Ordinary Shares in an “offshore transaction” in compliance with Regulation S, or (ii) you are a QIB who has delivered or will deliver to the Company a duly executed US investor letter in form and substance acceptable to the Company and are acquiring the Ordinary Shares pursuant to an exemption from the registration requirements of the US Securities Act;
- 5.1.4 warrant, if the laws of any territory or jurisdiction other than the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Receiving Agent, the Joint Bookrunners, or any of their respective Affiliates, officers, agents or employees, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Offer in respect of your application;
- 5.1.5 warrant that you are entitled to acquire the Ordinary Shares under the applicable laws of all relevant jurisdictions, you have fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and you have paid or will pay all issue, transfer or other taxes due in connection with your acceptance in any jurisdiction of the Ordinary Shares and that you have not taken any action, or omitted to take any action, which may result in the Company or the Joint Bookrunners, or their respective directors, officers, agents, employees and advisers, being in breach of the laws of any jurisdiction in connection with the Initial Issue or your acceptance of participation in the Initial Issue;
- 5.1.6 you have received, carefully read and understand this Prospectus and, unless otherwise expressly agreed with the Company, you have not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials or publicity relating to the Ordinary Shares into or within Australia, Canada, Japan or South Africa, nor will you do any of the foregoing;
- 5.1.7 represent and warrant that, if you have a registered address or are otherwise resident or domiciled in an EEA Member state:
 - (A) you are a “professional investor” within the meaning of the EU AIFM Directive; and
 - (B) you have not been marketed to or received any marketing materials in any EEA Member State other than Belgium, the Republic of Ireland, Sweden and The Netherlands;
- 5.1.8 represent and warrant that, if you have a registered address or are otherwise resident or domiciled in Hong Kong, you are a “professional investor” as defined in the

Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any rules made under that Ordinance;

- 5.1.9 warrant that you do not have a registered address in, and are not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and you are not acting on a non-discretionary basis for any such person;
- 5.1.10 confirm that in making an application you are not relying on any information or representations in relation to the Company and the Ordinary Shares other than those contained in this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to Initial Admission (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus, any such supplementary prospectus or any part thereof shall have any liability for any such other information or representation and any information relating to the exchange of tax information;
- 5.1.11 agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations contained herein;
- 5.1.12 acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company subsequent to the day of this Prospectus and prior to Initial Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Receiving Agent, the Joint Bookrunners or any of their respective Affiliates;
- 5.1.13 warrant that you are not under the age of 18 on the date of your application;
- 5.1.14 agree that all documents and monies sent by post to, by or on behalf of the Company, or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in your Application Form;
- 5.1.15 confirm that you have reviewed the restrictions contained in paragraph 7 of this Part XI (*Terms and Conditions of the Offer for Subscription*) of this Prospectus and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;
- 5.1.16 agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the Register;
- 5.1.17 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer and any non-contractual obligations arising in connection therewith shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 5.1.18 irrevocably authorise the Company, the Receiving Agent, the Joint Bookrunners or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company, the Receiving Agent and the Joint Bookrunners to execute any documents required thereafter and to enter your name on the Register;
- 5.1.19 warrant that you are: (i) highly knowledgeable and experienced in business and financial matters as to be capable of evaluating the merits and risks of an investment in the Ordinary Shares; (ii) fully understand the risks associated with such investment;

and (iii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;

5.1.20 agree to provide the Company and Receiving Agent with any information which they may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Guernsey AML Requirements;

5.1.21 agree that each of the Receiving Agent and the Joint Bookrunners are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or be responsible to you for providing the protections afforded to their customers;

5.1.22 warrant that the information contained in your Application Form is true and accurate; and

5.1.23 agree that if you request that Ordinary Shares are issued to you on a date other than Initial Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date.

6. MONEY LAUNDERING

6.1 You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2017 (where applicable) and the Guernsey AML Requirements, the Receiving Agent or the Fund Administrator may respectively at their absolute discretion require verification of identity from any person lodging an Application Form.

6.2 The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

6.3 Payments being made by cheque or banker's draft must be made in Sterling drawn on a United Kingdom branch of a bank or building society. Cheques, which must be drawn on your personal account where you have sole or joint title to the funds, should be made payable to "CIS PLC RE: HIPGNOSIS SONGS OFS ACCEPTANCE ACCOUNT". Third-party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has inserted the full name of the account holder and have added the building society or bank branch stamp by stamping or endorsing the cheque/banker's draft by following the instructions in paragraph 6.7 below.

6.4 The name on the bank account must be the same as that shown on the Application Form.

6.5 Where you appear to the Receiving Agent to be acting on behalf of some other person, certifications of identity of any persons on whose behalf you appear to be acting may be required.

6.6 Failure to provide the necessary evidence of identity may result in application(s) being rejected or in delays in the despatch of documents.

6.7 In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker's draft or money order, you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp.

6.8 You should endeavour to have the certificate contained in Section 5 of the Application Form signed by an appropriate firm as described in that Section. If you cannot provide the certificate, you must provide with the Application Form the identity documents detailed in Section 6 of the Application Form.

7. OVERSEAS PERSONS

The attention of potential investors who are not resident in, or who are not citizens of, the United Kingdom is drawn to this paragraph 7:

- 7.1 The offer of Ordinary Shares under the Offer to persons who are resident in, or citizens of, countries other than the United Kingdom ("**Overseas Persons**") may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Ordinary Shares under the Offer. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe to the Ordinary Shares under the Offer, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities required to be observed and paying any issue, transfer or other taxes due in such territory.
- 7.2 No person receiving a copy of this Prospectus in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.
- 7.3 Unless otherwise expressly agreed with the Company, persons (including, without limitation, custodians, nominees and trustees) receiving this Prospectus should not distribute or send it in or into the United States and Hong Kong (subject to certain limited exceptions), Australia, Canada, Japan or South Africa, their respective territories or possessions or any other jurisdiction, or to any other person, where to do so would or might contravene local securities laws or regulations.
- 7.4 The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares pursuant to the Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

8. MISCELLANEOUS

- 8.1 The rights and remedies of the Company, the Receiving Agent and the Joint Bookrunners under these Terms and Conditions of the Offer for Subscription are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 8.2 The Company reserves the right to shorten or extend the closing time and/or date of the Offer from 11:00 a.m. (London time) on 4 February 2021 (provided that if the closing time is extended this Prospectus remains valid at the closing time as extended) by giving notice to the London Stock Exchange. The Company will notify investors via an RIS and any other manner, having regard to the requirements of the London Stock Exchange.
- 8.3 The Company may terminate the Offer, in its absolute discretion, at any time prior to Initial Admission. If such right is exercised, the Offer will lapse and any monies will be returned to you as indicated at your own risk and without interest.
- 8.4 The dates and times referred to in these Terms and Conditions of the Offer for Subscription may be altered by the Company, including but not limited to so as to be consistent with the Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- 8.5 Save where the context requires otherwise, terms used in these Terms and Conditions of the Offer for Subscription bear the same meaning as used elsewhere in this Prospectus.

PART XII: TERMS AND CONDITIONS OF PLACINGS

1. INTRODUCTION

- 1.1 Ordinary Shares are available under the Initial Placing at a price of 121 pence per Ordinary Share and Issue Shares will be available under the Placing Programmes at the relevant Placing Programme Price. The Issue Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2 Each Placee which confirms its agreement to the Joint Bookrunners to subscribe for Shares under the Initial Placing and/or a Subsequent Placing under the Placing Programmes will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.3 The Company and/or the Joint Bookrunners may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as they (in their absolute discretion) see(s) fit.
- 1.4 The commitment to acquire Shares under the Initial Placing and/or a Subsequent Placing will be agreed orally with the Joint Bookrunners as agents for the Company and further evidenced in a contract note ("**Contract Note**") or placing confirmation ("**Placing Confirmation**").

2. AGREEMENT TO SUBSCRIBE FOR SHARES AND CONDITIONS

- 2.1 A Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by the Joint Bookrunners at the relevant issue price, conditional on:
 - 2.1.1 the Placing Agreement becoming unconditional in respect of the relevant placing (save for any condition relating to Initial Admission) and not having been terminated on or before the date of the relevant Admission of the relevant Shares being issued;
 - 2.1.2 Admission of the relevant Shares being issued occurring and becoming effective, in the case of Initial Admission by no later than 8.00 a.m. (London time) on 10 February 2021 (or such later date as the Company and the Joint Bookrunners may agree and, in any event, no later than 12 February 2021), and in the case of any Subsequent Admission by no later than such dates as may be agreed between the Company and the Joint Bookrunners in relation to each Subsequent Placing, not being later than the Final Closing Date;
 - 2.1.3 in the case of any Subsequent Placing, a valid supplementary prospectus being published by the Company if such is required; and
 - 2.1.4 in the case of any Subsequent Placing, the relevant Placing Programme Price being determined by the Directors.
- 2.2 To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. PAYMENT FOR SHARES

- 3.1 Each Placee must pay the relevant issue price for the Shares issued to the Placee in the manner and by the time directed by the Joint Bookrunners. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Shares may, at the discretion of the Joint Bookrunners, either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply.
- 3.2 Each Placee is deemed to agree that if it does not comply with its obligation to pay the relevant issue price for the Shares allocated to it in accordance with paragraph 3.1 of these terms and conditions and the relevant Joint Bookrunner elects to accept that Placee's application, the relevant Joint Bookrunner may sell all or any of the Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for the relevant Joint Bookrunner's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other

charges (together with any interest or penalties) which may arise upon the sale of such Shares on such Placee's behalf.

4. REPRESENTATIONS AND WARRANTIES

4.1 By agreeing to subscribe for Shares, each Placee which enters into a commitment to subscribe for Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to represent, warrant, undertake, agree and acknowledge to each of the Company, the Investment Adviser, the Registrar and the Joint Bookrunners that:

4.1.1 in agreeing to subscribe for Shares under the Initial Placing and/or under a Subsequent Placing, it is relying solely on this document and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Initial Placing and/or any Subsequent Placing. It agrees that none of the Company, the Investment Adviser, the Joint Bookrunners or the Registrar, nor any of their respective officers, agents, or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

4.1.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares under the Initial Placing and/or under a Subsequent Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Adviser, the Joint Bookrunners or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or a Subsequent Placing;

4.1.3 it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part XII (*Terms and Conditions of Placings*) of this Prospectus and the Articles as in force at the date of the relevant Admission of the relevant Shares;

4.1.4 it makes the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including (unless otherwise expressly agreed with the Company and the Joint Bookrunners) those set out in the paragraph entitled "*—Representations, Warranties and Undertakings*" in Part V (*The Initial Issue and the Placing Programmes*) of this Prospectus;

4.1.5 either (i) it is located outside the United States and is acquiring the Shares in an "offshore transaction" in compliance with Regulation S, or (ii) it is a QIB who has delivered or will deliver to the Company and the Joint Bookrunners a duly executed US investor letter in form and substance acceptable to the Company and the Joint Bookrunners and is acquiring the Shares pursuant to an exemption from the registration requirements of the US Securities Act;

4.1.6 it has not relied on the Joint Bookrunners or any person affiliated with the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this document;

4.1.7 the content of this document is exclusively the responsibility of the Company and its Directors (and in respect of certain sections of this document, the Investment Adviser) and neither the Joint Bookrunners nor any person acting on their respective behalf nor any of their respective Affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document, any such supplementary prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing and/or a Subsequent Placing based on any information, representation or statement contained in this document, such supplementary prospectus or otherwise;

- 4.1.8 it acknowledges that no person is authorised in connection with the Initial Placing and/or a Subsequent Placing to give any information or make any representation other than as contained in this document and any supplementary prospectus issued by the Company prior to the relevant Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Investment Adviser or the Joint Bookrunners;
- 4.1.9 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.1.10 if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Shares may otherwise lawfully be offered under such Order and/or is a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Shares may be lawfully offered under that other jurisdiction’s laws and regulations;
- 4.1.11 if it is a resident in an EEA Member State (other than Belgium, the Republic of Ireland, Sweden or The Netherlands): (a) it is a qualified investor within the meaning of Article 2 of the EU Prospectus Regulation; and (b) if that EEA Member State has implemented the EU AIFM Directive, that it is a person to whom the Shares may lawfully be marketed under the EU AIFM Directive or under the applicable implementing legislation (if any) of that EEA Member State;
- 4.1.12 if it has a registered address or is otherwise resident or domiciled in Hong Kong, it is a “professional investor” as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any rules made under that Ordinance;
- 4.1.13 in the case of any Shares acquired by a Placee as a financial intermediary within the EEA as that term is used in the EU Prospectus Regulation or within the United Kingdom as that term is used in the UK Prospectus Regulation: (a) the Shares acquired by it in the Initial Placing and/or a Subsequent Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any EEA Member State or the United Kingdom other than qualified investors, as that term is defined in the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable), or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or (b) where Shares have been acquired by it on behalf of persons in any EEA Member State or the United Kingdom other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable) as having been made to such persons;
- 4.1.14 it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Ordinary Shares and/or C Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no document is being issued by the Joint Bookrunners in connection with the Initial Issue and/or the Placing Programmes in their capacity as authorised persons under section 21 of FSMA and it may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- 4.1.15 it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Ordinary Shares and/or C Shares in, from or otherwise involving, the United Kingdom;

- 4.1.16 it is aware of the provisions regarding insider dealing in the United Kingdom under the Criminal Justice Act 1993, the UK MAR and the Proceeds of Crime Act 2002 and in Guernsey under the Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1996 (as amended), Section 41A of the Protection of Investors Law, 1987 (as amended), and the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended) and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- 4.1.17 no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Ordinary Shares and/or C Shares or possession of this document (and any supplementary prospectus issued by the Company prior to the relevant Admission), in any country or jurisdiction where action for that purpose is required;
- 4.1.18 if it is acting as a “distributor” (for the purposes of the relevant MiFID II Product Governance Requirements):
- (a) it acknowledges that the Target Market Assessment undertaken by the Investment Adviser and the Joint Bookrunners does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the UK MiFID Laws and EU MiFID II; 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 and/or C Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and/or C Shares and determining appropriate distribution channels;
 - (b) notwithstanding any Target Market Assessment undertaken by the Investment Adviser and the Joint Bookrunners, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and/or C Shares and that it has considered the compatibility of the risk/reward profile of such Shares with the end target market; and
 - (c) it acknowledges that the price of the Ordinary Shares and/or C Shares may decline and investors could lose all or part of their investment; the Ordinary Shares and/or C Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares and/or C 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;
- 4.1.19 that, save in the event of fraud on the part of the Joint Bookrunners, neither the Joint Bookrunners, their ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to such Placee or any of its clients for any matter arising out of the Joint Bookrunners’ roles as placing agent or otherwise in connection with the Initial Issue and/or the Placing Programmes and that where any such responsibility or liability nevertheless arises as a matter of law such Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which such investor or any of its clients may have in respect thereof;
- 4.1.20 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.1.21 in the event that a supplementary prospectus is required to be produced pursuant to Article 23 of the UK Prospectus Regulation (as amended) and in the event that it chooses to exercise any right of withdrawal pursuant to Article 23 of the UK Prospectus Regulation (as amended), such Placee will immediately re-subscribe for the Ordinary Shares and/or C Shares previously comprising its Placing commitment;

- 4.1.22 the commitment to subscribe for Ordinary Shares and/or C Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Placing Programme and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing Programme;
- 4.1.23 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a nondiscretionary basis for any such person;
- 4.1.24 if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing and/or a Subsequent Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Initial Placing and/or a Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or material could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.1.25 if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Shares under the Initial Placing and/or under a Subsequent Placing and will not be any such person on the date any such agreement to subscribe under the Initial Placing or a Subsequent Placing is accepted;
- 4.1.26 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Initial Placing and/or a Subsequent Placing or the Shares to any persons within the United States (subject to certain limited exceptions), nor will it do any of the foregoing;
- 4.1.27 it acknowledges that neither the Joint Bookrunners nor any of their respective Affiliates, nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or a Subsequent Placing or providing any advice in relation to the Initial Placing and/or a Subsequent Placing and participation in the Initial Placing and/or a Subsequent Placing is on the basis that it is not and will not be a client of the Joint Bookrunners and that the Joint Bookrunners do not have any duties or responsibilities to it for providing the protections afforded to their clients or for providing advice in relation to the Initial Placing and/or a Subsequent Placing nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Initial Placing and/or a Subsequent Placing;
- 4.1.28 it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account:
- (a) to subscribe for the Shares for each such account;
 - (b) to make on each such account's behalf the representations, warranties and agreements set out in this document; and
 - (c) to receive on behalf of each such account any documentation relating to the Initial Placing and/or a Subsequent Placing in the form provided by the Company and/or the Joint Bookrunners,
- and it agrees that the provisions of this paragraph shall survive any resale of the Shares by or on behalf of any such account;
- 4.1.29 it irrevocably appoints any director of the Company and any director of the Joint Bookrunners to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Initial Placing and/or a Subsequent Placing, in the event of its own failure to do so;

- 4.1.30 it accepts that if the Initial Placing and/or a Subsequent Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Shares for which valid applications are received and accepted are not admitted to trading on the Main Market and to listing on the premium listing category of the Official List for any reason whatsoever then none of the Joint Bookrunners, the Company, the Investment Adviser nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.1.31 in connection with its participation in the Initial Placing and/or a Subsequent Placing it has observed all relevant legislation and regulations;
- 4.1.32 it acknowledges that the Joint Bookrunners and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.1.33 the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that the Joint Bookrunners and the Company and their respective Affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Shares are no longer accurate, it shall promptly notify the Joint Bookrunners and the Company;
- 4.1.34 where it or any person acting on behalf of it is dealing with a Joint Bookrunner, any money held in an account with that Joint Bookrunner on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require that Joint Bookrunner to segregate such money, as that money will be held by that Joint Bookrunner under a banking relationship and not as trustee;
- 4.1.35 any of its clients, whether or not identified to the Joint Bookrunners, will remain its sole responsibility and will not become clients of the Joint Bookrunners for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.1.36 it accepts that the allocation of Shares shall be determined by the Company in its absolute discretion (in consultation with the Joint Bookrunners) and that the Company may scale down any commitments for this purpose on such basis as it may (in consultation with the Joint Bookrunners) determine;
- 4.1.37 time shall be of the essence as regards its obligations to settle payment for the Shares and to comply with its other obligations under the Initial Placing and/or a Subsequent Placing;
- 4.1.38 its commitment to acquire Shares will be agreed orally with a Joint Bookrunner as agent for the Company and that a Contract Note or Placing Confirmation will be issued by the relevant Joint Bookrunner as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and the relevant Joint Bookrunner to subscribe for the number of Shares allocated to it at the Initial Issue Price or the Placing Programme Price on the terms and conditions set out in this Part XII (*Terms and Conditions of Placings*) and, as applicable, in the Contract Note or Placing Confirmation. Except with the consent of the relevant Joint Bookrunner, such oral commitment will not be capable of variation or revocation after the time at which it is made;
- 4.1.39 its allocation of Shares under the Initial Placing and any Subsequent Placing will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming:
- (a) the number of Shares that such Placee has agreed to subscribe for;
 - (b) the aggregate amount that such Placee will be required to pay for such Shares;
- and

- (c) settlement instructions to pay the relevant Joint Bookrunner as agent for the Company. The terms of this Part XII (*Terms and Conditions of Placings*) will be deemed to be incorporated into that Contract Note or Placing Confirmation; and
- 4.1.40 For the avoidance of doubt, nothing in these terms and conditions is intended to exclude the liability of any person for fraud or fraudulent misrepresentation made by that person.

The Company reserves the right to reject all or part of any offer to purchase Shares for any reason. The Company also reserves the right to sell fewer than all of the Shares offered by this document or to sell to any purchaser fewer than all of the Shares a purchaser has offered to purchase.

5. MONEY LAUNDERING

5.1 Each Placee acknowledges and agrees that:

- 5.1.1 its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person:
 - (a) subject to the UK Money Laundering Regulations 2017 in force in the United Kingdom; or
 - (b) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the UK Money Laundering Regulations 2017 (which may include the provisions of the EU Money Laundering Directive); and
- 5.1.2 due to anti-money laundering requirements, the Joint Bookrunners and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Joint Bookrunners and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify the Joint Bookrunners and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it.

6. DATA PROTECTION

- 6.1 Each Placee acknowledges that it has been informed that, pursuant to applicable data protection legislation (including the UK GDPR, the EU GDPR and the DP Law) and regulatory requirements in Guernsey, the United Kingdom and/or the EEA, as appropriate (“**DP Legislation**”) the Company, the Fund Administrator and/or the Registrar hold their personal data. Personal data will be retained on record for a period exceeding six years after which it is no longer used (subject always to any limitations on retention periods set out in the DP Legislation). The Registrar and the Fund Administrator will process such personal data at all times in compliance with DP Legislation and shall only process such information for the purposes set out in the Company’s privacy notice (the “**Purposes**”) which is available for consultation on the Company’s website www.hipgnosissongs.com (the “**Privacy Notice**”).
- 6.2 Where necessary to fulfil the Purposes, the Company will disclose personal data to:
 - 6.2.1 third parties located either within, or outside of the EEA, for the Registrar and the Fund Administrator to perform their respective functions, or when it is within its legitimate interests, and in particular in connection with the holding of Ordinary Shares and/or C Shares; or
 - 6.2.2 its Affiliates, the Registrar, the Fund Administrator or the Investment Adviser and their respective associates, some of which are located outside of the EEA.
- 6.3 Any sharing of personal data between parties will be carried out in compliance with DP Legislation and as set out in the Company’s Privacy Notice.

- 6.4 In providing the Registrar with personal data, the Placee hereby represents and warrants to the Company, the Registrar and the Fund Administrator that: (1) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice to such relevant data subjects; and (2) where consent is legally competent and/or required under DP Legislation, the Placee has obtained the consent of any data subject to the Company, the Fund Administrator and the Registrar and their respective Affiliates and group companies, holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes).
- 6.5 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is a natural person he or she (as the case may be) represents and warrants that (as applicable) he or she has read and understood the terms of the Company's Privacy Notice.
- 6.6 Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants:
 - 6.6.1 it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company and the Fund Administrator as a result of the Placee agreeing to subscribe for Ordinary Shares and/or C Shares under the Placing; and
 - 6.6.2 the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 6.7 Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
 - 6.7.1 comply with all applicable data protection legislation;
 - 6.7.2 take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
 - 6.7.3 if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
 - 6.7.4 immediately on demand, fully indemnify the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.

7. SUPPLY AND DISCLOSURE OF INFORMATION

If the Joint Bookrunners, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Shares under the Initial Placing and/or a Subsequent Placing, such Placee must promptly disclose it to them.

8. NON UNITED KINGDOM INVESTORS

- 8.1 If the Placee is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing and/or the Placing Programmes constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Initial Placing and/or a Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements.

- 8.2 None of the Shares has been or will be registered under the laws of the United States, Hong Kong, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the United States and Hong Kong (subject to certain limited exceptions), Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available.
- 8.3 The rights and remedies of the Company, the Investment Adviser, the Joint Bookrunners and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 8.4 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing and/or a Subsequent Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 8.5 Each Placee agrees to be bound by the Articles once the Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or a Subsequent Placing, have been acquired by the Placee. The contract to subscribe for Shares under the Initial Placing and/or a Subsequent Placing and the appointments and authorities mentioned in this document and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the Investment Adviser, the Joint Bookrunners and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 8.6 In the case of a joint agreement to subscribe for Shares under the Initial Placing and/or a Subsequent Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

The Joint Bookrunners and the Company expressly reserve the right to modify the Initial Placing and/or a Subsequent Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Joint Bookrunners and the Company expressly reserve the right to require any Placee to agree to such further (or modified) terms and/or conditions and/or give such additional (or modified) warranties and/or representations as they (in their absolute discretion) see fit and/or may require any such Placee to execute a separate placing letter and/or other documentation. The Initial Placing and any Subsequent Placing are subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in the section entitled "*Material Contracts: Placing Agreement*" of Part VII (*Additional Information*) of this Prospectus.

GLOSSARY OF TERMS

Set out below is an explanation of some of the industry terms which are used in this Prospectus:

“census basis”	a census distribution involves data collection, processing and payment for every single performance, often referred to as pay-per-play, within the licence period
“DSPs”	digital service providers
“EDM”	electronic dance music
“evergreen”	Songs which have demonstrated returns at least three years after the date of release or Songs which, in the Investment Adviser's opinion, will continue to perform well in the years to come
“IFPI”	the International Federation of the Phonographic Industry
“MCPS”	the Mechanical-Copyright Protection Society, the mechanical copyright arm of PRS for Music
“mechanical royalty”	the royalties due every time a copy of a song is made inclusive of streaming, downloading, compact discs, vinyl and other consumer delivery mechanisms
“performance royalty”	the royalties due when a song is performed live or is broadcast on TV or radio, including royalties derived from streaming, or played in public places such as shops, restaurants, clubs and bars
“portfolio administrator”	an external service provider, such as Kobalt, (or, where the context requires, HSG in its role as in-house portfolio administrator) who will administer the payment of royalties due to a songwriter or recording artist in respect of a Song, either directly from the end user or from royalty collection agents
“PRO”	a performing rights organisation, such as PRS or BMI, which represents and collects performance royalties for and on behalf of each of its members
“PRS”	the Performing Right Society Limited, the performance rights arm of PRS for Music
“PRS for Music”	PRS for Music Limited, a UK PRO
“publisher”	a music publisher or publishing company
“publisher's share”	as described in paragraph 1.3 of Part II (<i>Market Background, Investment Strategy and Approach</i>) of this Prospectus
“pure-play”	a company focussed on a single business, product or industry
“recording artist”	a person who composes, produces, records, performs or releases music, either independently or through a record label (as the context requires)
“RIAA”	the Recording Industry Association of America
“royalty”	a mechanical royalty or a performance royalty
“royalty collection agent”	organisations within the music industry that collect mechanical royalties and performance royalties owed to recording artists, songwriters and publishers
“sample basis”	the collection of a representative sample of actual performances as the basis to distribute total revenues for each category designated for such purposes
“songwriter”	the writer, or co-writer, or producer of words and/or music of a Song

“streaming”	technology used to deliver audio and video and associated content to computers and mobile devices over the internet on a subscription rather than ownership basis
“synch”	the use of Songs with moving pictures in a TV show, advertisement, film, video game or other applications
“synchronisation”	licensing a Song to a customer for use in a synch
“synchronisation fee”	the payment associated with a synch which is negotiated on a case by case basis
“writer’s share”	as described in paragraph 1.3 of Part II (<i>Market Background, Investment Strategy and Approach</i>) of this Prospectus

DEFINITIONS

The following definitions apply in this Prospectus unless the context otherwise requires:

“2019 Annual Report”	the published annual report and audited consolidated financial statements of the Group as at and for the ten months from the Company’s incorporation to 31 March 2019
“2020 Annual Report”	the published annual report and audited consolidated financial statements of the Group as at and for the financial year ended 31 March 2020
“2020 Interim Report”	the unaudited consolidated interim financial statements of the Group as at and for the six month period ended 30 September 2020
“Accounting Date”	31 March 2020 and 31 March in each year thereafter or such other date as the Company may determine or, in the case of the final Accounting Period, the date when the winding-up of the Fund Entities is completed
“Accounting Period”	a period ending on and including an Accounting Date and beginning on the day following the last day of the preceding Accounting Period
“Acquisition Notice”	has the meaning given in paragraph 7.3 of Part VII (<i>Additional Information</i>) of this Prospectus
“Adjusted Operating Costs”	has the meaning given in the section entitled “ <i>Presentation of Financial Information: Ongoing Charges Ratio</i> ” in the Part entitled “ <i>Important Information</i> ” of this Prospectus
“Administration Agreements”	has the meaning given in paragraph 5.4 of Part VII (<i>Additional Information</i>) of this Prospectus
“Admission”	the Initial Admission or any Subsequent Admission
“Advance”	payments made by HSG (or another Fund Entity) to a songwriter to acquire rights over future Songs yet to be written by such songwriter, or any similar contractual arrangement
“Advisory Board”	individuals acting as advisers to the Investment Adviser as listed in Part III (Investment Adviser) of this Prospectus
“Advisory Fee”	the fee payable to the Investment Adviser, as defined in paragraph 1.1 in Part IV (<i>Directors and Administration</i>) of this Prospectus
“Affiliate”	an affiliate of, or person affiliated with, a specified person including a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
“AGM”	an annual general meeting
“AIC”	the Association of Investment Companies
“AIC Code”	the AIC’s Code of Corporate Governance for investment companies (February 2019), as amended from time to time
“AIF”	an alternative investment fund, within the meaning of the EU AIFM Directive or the UK AIFMD Laws (as applicable)
“AIFM”	an alternative investment fund manager, within the meaning of the EU AIFM Directive or the UK AIFMD Laws (as applicable)

“Amended and Restated RCF”	the amended and restated revolving credit facility agreement entered into on 2 April 2020 between, among others, the Company, as parent, UK MidCo, as borrower, the lenders party thereto, and JPM as administrative agent, which has been further amended pursuant to the First Amendment, the Second Amendment and the Third Amendment, a summary of which is set out in paragraph 5.8 of Part VII (Additional Information) of this Prospectus
“Annualised Ongoing Charges”	has the meaning given in the section entitled “ <i>Presentation of Financial Information: Ongoing Charges Ratio</i> ” in the Part entitled “ <i>Important Information</i> ” of this Prospectus
“APM”	alternative performance measure
“Applicable Requirements”	all applicable law (whether in the form of statute or decision of a court or administrative tribunal) and regulation and, if applicable, the prevailing rules, regulations, determinations, guidelines or instructions of any governmental, stock exchange or regulatory authority in any jurisdiction to which the Investment Adviser, any Affiliate or the Company (as the context may require) is subject, as amended from time to time
“Application Form”	the application form for the Offer set out as Appendix II to this Prospectus
“Articles”	the articles of incorporation of the Company, as amended from time to time
“Asset Management Committee”	the committee of this name established by the Board and having the duties described in the section entitled “ <i>Committees: Asset Management Committee</i> ” in Part IV (<i>Directors and Administration</i>) of this Prospectus
“Audit and Risk Management Committee”	the committee of this name established by the Board and having the duties described in the section entitled “ <i>Committees: Audit and Risk Management Committee</i> ” in Part IV (<i>Directors and Administration</i>) of this Prospectus
“Auditors”	PricewaterhouseCoopers CI LLP and/or such other person or persons from time to time appointed as its auditors by the Company
“Average Market Capitalisation”	<p>in relation to each month during the relevant Accounting Period where the Advisory Fee is payable, (“A” multiplied by “B”) plus (“C” multiplied by “D”), where:</p> <p>“A” is the average of the middle market quotations of the Ordinary Shares for the five day period ending on the last Business Day of the relevant month in that Accounting Period (adjusted as appropriate to exclude any dividend where the Ordinary Shares are quoted ex such dividend at any time during that five day period);</p> <p>“B” is the weighted average of the number of Ordinary Shares in issue (excluding any Shares held in treasury) at the end of each day during the relevant month in that Accounting Period;</p> <p>“C” is the average of the middle market quotations of a class of C Shares in issue for the five day period ending on the last Business Day of the relevant month in that Accounting Period (adjusted as appropriate to exclude any dividend where the C Shares of that class are quoted ex such dividend at any time during that five day period); and</p>

	<p>“D” is the weighted average of the number of that class of C Shares in issue (excluding any Shares held in treasury) at the end of each day during the relevant month in that Accounting Period</p>
“Average Operative NAV”	has the meaning given in the section entitled “ <i>Presentation of Financial Information: Ongoing Charges Ratio</i> ” in the Part entitled “ <i>Important Information</i> ” of this Prospectus
“Average Trading Price”	the average of the middle market quotations of the Ordinary Shares (as adjusted to exclude any dividend which is included in such quotations if the Ordinary Shares delivered are ex that dividend) for the five day period ending on the Business Day immediately preceding the Payment Due Date
“Berne Convention”	the Berne Convention for the Protection of Literary and Artistic Works 1886, as amended
“billion”	in the absence of any evidence to the contrary, shall be construed as meaning “one thousand million”
“Business Day”	a day on which the London Stock Exchange and banks in Guernsey generally are open for the transaction of normal business
“C Share”	an ordinary share of no par value in the capital of the Company issued as a “C Share” of such class (denominated in such currency) as the Directors may determine in accordance with the Articles and having such rights and being subject to such restrictions as are contained in the Articles and which will convert into Ordinary Shares in accordance with the terms of the Articles
“C Share Placing Programme”	the proposed programme of placings of C Shares to be carried out by the Joint Bookrunners on behalf of the Company pursuant to the Placing Agreement, commencing immediately following Initial Admission and closing on the Final Closing Date
“Calculation Time”	has the meaning given in the section entitled “ <i>Memorandum and Articles: Terms of the Shares</i> ” of Part VII (<i>Additional Information</i>) of this Prospectus
“Catalogue”	one or more Songs acquired from a single songwriter or recording artist
“certificated” or “in certificated form”	not in uncertificated form
“CFTC”	the United States Commodity Futures Trading Commission
“Chairman”	the chairman of the Board of the Company
“CNB”	City National Bank
“Commodity Exchange Act”	the United States Commodity Exchange Act of 1936 or any substantially equivalent successor legislation
“Common Reporting Standard” or “CRS”	the global standard for the automatic exchange of financial information between tax authorities developed by the Organisation for Economic Co-operation and Development
“Companies Law”	the Companies (Guernsey) Law, 2008, as amended
“Company”	Hipgnosis Songs Fund Limited, an investment company incorporated in Guernsey under the Companies Law on 8 June 2018 with registered number 65158

“Continuation Resolution”	an ordinary resolution that the Company continues its business as a closed-ended investment company
“Contract Note”	has the meaning given to it in paragraph 1.4 of Part XII (<i>Terms and Conditions of Placings</i>) of this Prospectus
“Conversion”	in relation to any class of C Shares, the conversion of that class of C Shares into New Ordinary Shares in accordance with the Articles
“Conversion Ratio”	has the meaning given in the section entitled “ <i>Memorandum and Articles: Terms of the Shares</i> ” of Part VII (<i>Additional Information</i>) of this Prospectus
“Conversion Time”	has the meaning given in the section entitled “ <i>Memorandum and Articles: Terms of the Shares</i> ” of Part VII (<i>Additional Information</i>) of this Prospectus
“Corporation Act 2010”	the UK Corporation Tax Act 2010, as amended
“Covid-19”	a novel coronavirus disease, which originally surfaced in Wuhan, China in late 2019
“CREST”	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations, in accordance with which Shares may be held in uncertificated form
“CREST Guernsey Requirements”	Rule 8 and such other rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI No. 2001/3755) and the CREST Guernsey Requirements, as amended from time to time
“CREST UK System”	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the Regulations
“Default Shares”	has the meaning given in paragraph 4.7.4 of Part VII (<i>Additional Information</i>) of this Prospectus
“Direction Notice”	has the meaning given in paragraph 4.7.4 of Part VII (<i>Additional Information</i>) of this Prospectus
“Directors” or “Board”	the board of directors of the Company, as constituted from time to time
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA pursuant to FSMA
“Disclosure Notice”	has the meaning given in paragraph 4.7.4 of Part VII (<i>Additional Information</i>) of this Prospectus
“Disclosure Provisions”	certain disclosure, reporting and transparency obligations of the EU AIFM Directive (in respect of investors located in an EEA Member State) and the UK AIFMD Laws (in respect of investors located in the UK) which apply to self-managed AIFs established outside the EEA, such as the Company
“Disposal”	has the meaning given in paragraph 1.5 of Part IV (<i>Directors and Administration</i>) of this Prospectus
“DP Law”	The Data Protection (Bailiwick of Guernsey) Law 2017, as amended

“DP Legislation”	the applicable data protection legislation (including the UK GDPR, the EU GDPR and the DP Law) and regulatory requirements in Guernsey, the United Kingdom and/or the EEA, as appropriate
“DTR 5”	Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time)
“DVP”	delivery versus payment
“EBITDA”	earnings before interest tax depreciation and amortisation
“EEA”	the European Economic Area
“EEA Member State”	each member state of the EEA
“Effective Date of Acquisition”	the point at which the Company will step into the place of the seller and the date from which the Company will be entitled to receive royalties from each Song
“EGM”	the extraordinary general meeting of the Company to be held on or around 5 February 2021
“Eligible Transferee”	has the meaning given in paragraph 4.10 of Part VII (<i>Additional Information</i>) of this Prospectus
“equity securities”	shares or a right to subscribe for or convert securities into shares
“ERISA”	the US Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
“EU”	the European Union
“EU AIFM Delegated Regulation”	the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
“EU AIFM Directive”	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, and the EU AIFM Delegated Regulation
“EU GDPR”	the General Data Protection Regulation (EU) 2016/679
“EU Market Abuse Regulation” or “EU MAR”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
“EU MiFID II”	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“ MiFID ”) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“ MiFIR ”), and together with MiFID, “ MiFID II ”)
“EU Money Laundering Directive”	Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing)
“EU PRIIPs Regulation”	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents

	for packaged retail and insurance-based investment products (PRIIPs) and its implementing and delegated acts
“EU Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
“EU UCITS Directive”	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended
“Euroclear”	Euroclear UK & Ireland Limited with registered number 02878738, the operator of CREST
“EV”	enterprise value
“Exempt Ordinance”	the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended
“FATCA”	sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act of 2010 (together with any regulations, rules and other guidance implementing such US Tax Code sections and any applicable intergovernmental agreement or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
“FFI”	foreign financial institution
“Final Closing Date”	the earliest of (i) 20 January 2022; (ii) the date on which all of the Shares available for issue under the Placing Programmes have been issued; and (iii) such other date as may be agreed between the Joint Bookrunners and the Company (such agreed date to be announced by way of an RIS announcement)
“Financial Conduct Authority” or “FCA”	the UK Financial Conduct Authority
“First Amendment”	the first amendment to the Amended and Restated RCF dated 22 July 2020 between, among others, the Company, as parent, UK MidCo, as borrower, the lenders party thereto, and JPM as administrative agent
“Force Majeure Circumstances”	in relation to any class of C Shares as a class: (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of the relevant class with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest
“FSMA”	the UK Financial Services and Markets Act 2000, as amended
“Fund Administration Agreement”	the administration agreement between the Company and the Fund Administrator, a summary of which is set out in paragraph 5.4 of Part VII (<i>Additional Information</i>) of this Prospectus

“Fund Administrator”	Ocorian Administration (Guernsey) Limited with registered number 41038, and/or such other person or persons from time to time appointed as its fund administrator and company secretary by the Company
“Fund Entities”	the Company, the UK MidCo, the UK SubCo, any subsidiaries of the Company or the UK MidCo as may be incorporated from time to time and any other intermediate and subsidiary companies through which the Company makes its investments (directly or indirectly)
“General Offer”	a general offer for the issued share capital of the Company made in accordance with the Takeover Code
“GFSC”	the Guernsey Financial Services Commission
“GFSC Code”	the GFSC’s Finance Sector Code of Corporate Governance, as amended from time to time
“Gross Assets”	the total value of the assets of the Company as 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 such as Songs, as determined by the Directors and the Company’s independent valuer from time to time
“Gross Issue Proceeds”	the aggregate value of the Ordinary Shares issued under the Initial Issue at the Initial Issue Price
“Gross Placing Programme Proceeds”	the gross proceeds of the Placing Programmes, being the number of Shares issued pursuant to the Placing Programmes multiplied by the relevant Placing Programme Price in respect of such Shares
“Group”	the Company and its subsidiaries (as defined in section 531 of the Companies Law)
“Guernsey AML Requirements”	the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), ordinances, rules and regulations made thereunder, and the GFSC’s Handbook on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
“HMRC”	HM Revenue and Customs
“HSG”	The Hipgnosis Song Group (formerly known as Big Deal Music, LLC)
“IAS 34”	IAS 34 Interim Financial Reporting
“IFRS”	International Financial Reporting Standards
“IFRS NAV” or “IFRS Net Asset Value”	the net asset value of the Company calculated in accordance with IFRS, as described in more detail in paragraph 8 of Part I (<i>Information on the Company</i>) of this Prospectus
“Initial Admission”	has the meaning given in paragraph 1 of Part I (<i>Information on the Company</i>) of this Prospectus
“Initial Issue”	the Initial Placing, the Offer and the Intermediaries Offer
“Initial Issue Price”	121 pence per Ordinary Share
“Initial Period”	the fifth anniversary of the Company’s IPO, as defined in paragraph 5.22 in Part VII (<i>Additional Information</i>) of this Prospectus

“Initial Placing”	the first Placing conducted in connection with the Initial Issue
“Interim Closing Date”	has the meaning given in Part V (<i>The Initial Issue and the Placing Programmes</i>) of this Prospectus
“Intermediaries Offer”	the offer in the UK of Ordinary Shares by Intermediaries to retail investors as described in Part V (<i>The Initial Issue and the Placing Programmes</i>) of this Prospectus
“Intermediaries Offer Adviser”	PrimaryBid Limited, a company incorporated under the laws of England and Wales on 1 June 2012 with registered number 08092575
“Intermediaries Offer Application Form”	the application form on which an applicant may apply for Ordinary Shares to be issued pursuant to the Intermediaries Offer
“Intermediaries Terms and Conditions”	the terms and conditions of the Intermediaries Offer
“Intermediary”	a financial intermediary that is appointed by the Intermediaries Offer Adviser to offer Ordinary Shares to retail investors under the Offer for Subscription, and references to “Intermediaries” shall be construed accordingly
“Investment Adviser”	The Family (Music) Limited, a company incorporated under the laws of England and Wales on 20 June 2018 with registered number 11425132
“Investment Adviser’s Team”	any Affiliates of the Investment Adviser and any directors, officers, employees, partners or members of the Advisory Board of the Investment Adviser or its Affiliates from time to time
“Investment Advisory Agreement”	the investment advisory agreement between the Company, the UK SubCo and the Investment Adviser (as amended from time to time), a summary of which is set out in paragraph 5.2 of Part VII (<i>Additional Information</i>) of this Prospectus
“Investment Objective and Policy”	the Company’s investment objective and policy set out in paragraph 2 of Part I (<i>Information on the Company</i>) of this Prospectus
“IPO”	the Company’s initial public offering and first admission of its Ordinary Shares to trading on the Specialist Fund Segment, which became effective on 11 July 2018
“IPR”	intellectual property rights to be acquired
“ISA”	an individual savings account
“ISIN”	International Securities Identification Number
“Issue Shares”	the Ordinary Shares and any class of C Shares to be issued pursuant to the Initial Issue or a Subsequent Placing
“Joint Bookrunner”	N+1 Singer, JPMC and RBC in their capacity as bookrunners for the Initial Issue and Placing Programmes
“JPM”	JPMorgan Chase Bank, N.A.
“JPMC”	J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove)
“July C Shares”	the class of C Shares which were issued by the Company in July 2020 and converted to Ordinary Shares on 4 December 2020
“Key Person”	Merck Mercuriadis, or such other person who the Board, acting reasonably, following consultation with the Investment Adviser, ratifies in writing to the Investment Adviser

“Key Person Event”	<p>an event where a Key Person either:</p> <p>(A) ceases to be an officer, member, employee or director of the Investment Adviser; or</p> <p>(B) ceases to be actively engaged in the performance of the obligations of the Investment Adviser under the Investment Advisory Agreement; or</p> <p>(C) ceases to devote sufficient time to the affairs of the Investment Adviser and its Affiliates to ensure that the Investment Adviser can, in the opinion of the Board, acting reasonably, at all times perform its obligations under the Investment Advisory Agreement to the Service Standard</p>
“Kobalt”	Kobalt Music Services Limited with registered number 04222590, the Company’s preferred portfolio administrator outside the US
“Kobalt Agreement”	has the meaning given in paragraph 5.3 of Part VII (<i>Additional Information</i>) of this Prospectus
“Kobalt Catalogues”	the Portfolio of 42 Catalogues that the Company acquired from Kobalt Music Copyrights S.à.r.l. as at 30 September 2020
“Kobalt Catalogues Agreement”	has the meaning given in paragraph 5.3 of Part VII (<i>Additional Information</i>) of this Prospectus
“Listing Rules”	the listing rules made by the FCA pursuant to Part VI of FSMA
“Lock-up Period”	has the meaning given in paragraph 1.5 of Part IV (<i>Directors and Administration</i>) of this Prospectus
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“Losses”	any loss, claim, costs, charges and expenses, liabilities or damages incurred by the Fund Entities
“Main Market”	the London Stock Exchange’s main market for listed securities
“Memorandum”	the memorandum of incorporation of the Company
“MiFID II Product Governance Requirements”	has the definition given in the section entitled “ <i>Information to Distributors</i> ” in the Part entitled “ <i>Important Information</i> ” of this Prospectus
“NAV Calculation Date”	31 March and 30 September in each year or such other date as the Directors may, in their discretion, determine
“Net Asset Value per C Share” or “NAV per C Share”	in relation to each class of C Share, the Net Asset Value (whether Operative NAV or IFRS NAV, as the context so requires) attributable to that class of C Shares divided by the number of C Shares in that class in issue (excluding any Shares held in treasury) at the relevant time and expressed in Sterling
“Net Asset Value per Ordinary Share” or “NAV per Ordinary Share”	the Net Asset Value (whether Operative NAV or IFRS NAV, as the context so requires) attributable to the Ordinary Shares in issue divided by the number of Ordinary Shares in issue (excluding any Shares held in treasury) at the relevant time and expressed in Sterling
“Net Asset Value per Share” or “NAV per Share”	the Net Asset Value per Ordinary Share or the Net Asset Value per C Share as the context may require
“Net Asset Values”	the Operative NAV and/or the IFRS NAV (as the context may require)

“Net Issue Proceeds”	the Gross Issue Proceeds less the fees, commissions and expenses of the Initial Issue (which are not expected to exceed 2 per cent. of the Gross Issue Proceeds)
“New Ordinary Shares”	the Ordinary Shares arising on conversion of any class of C Shares
“Nil Rate Amount”	a nil rate of income tax on the first £2,000 of dividend income in a tax year
“NMPI”	non-mainstream pooled investments
“Non-Qualified Holder”	any person: (i) whose ownership of shares may cause the Company’s assets to be deemed “plan assets” for the purpose of ERISA or purposes of the US Tax Code; (ii) whose ownership of shares may cause the Company to be required to register as an “investment company” under the US Investment Company Act; (iii) whose ownership of shares may cause the Company to register under the US Exchange Act, the US Securities Act or any similar legislation; (iv) whose ownership of shares may cause the Company not being considered a “foreign private issuer” as such term is defined in rule 3b-4(c) under the US Exchange Act; (v) whose ownership of shares may result in the Company losing or forfeiting or not being able to claim the benefit of any exemption under the United States Commodity Exchange Act or any substantially equivalent successor legislation or the rules of the CFTC or the National Futures Association or analogous legislation or regulation becoming subject to any unduly onerous filing, reporting or registration requirement; (vi) whose ownership of shares may cause the Company to be a “controlled foreign corporation” for the purposes of the US Tax Code, or may cause the Company to suffer any pecuniary disadvantage (which will include any excise tax, penalties or liabilities under ERISA or the US Tax Code including as a result of the Company’s failure to comply with FATCA as a result of a Non-Qualified Holder failing to provide information as requested by the Company in accordance with the Articles); or (vii) whose ownership of shares may cause the Company (including for such purposes, its subsidiaries) to lose the benefit of, or suffer pecuniary disadvantage as a result of not being able to take advantage of, any applicable withholding tax treaty or similar arrangement;
“N+1 Singer”	Nplus1 Singer Capital Markets Limited with registered number 05792780
“Non Recurring Administrative Expenses”	has the meaning given in the section entitled “ <i>Presentation of Financial Information: Ongoing Charges Ratio</i> ” in the Part entitled “ <i>Important Information</i> ” of this Prospectus
“NURS”	a non-UCITS retail scheme, which is an authorised fund which is neither a UCITS nor a qualified investor scheme
“OECD”	the Organisation for Economic Co-operation and Development
“Offer” or “Offer for Subscription”	the offer for subscription of Ordinary Shares at the Initial Issue Price pursuant to this Prospectus, including by an Intermediary under the Intermediaries Offer
“Official List”	the list maintained by the FCA pursuant to Part VI of FSMA

“Operative Net Asset Value” or “Operative NAV”	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 a fair market value of the Company’s Catalogues or Songs held at the relevant reporting date, it being acknowledged that references to Net Asset Value shall be deemed to be a reference to “Operative NAV” unless otherwise stated
“Operative Provisions”	detailed and prescriptive obligations on fund managers established in the EEA imposed by the EU AIFM Directive and fund managers established in the United Kingdom imposed by the UK AIFMD Laws
“Option Notice”	has the meaning given in paragraph 5.2.9 of Part VII (<i>Additional Information</i>) of this Prospectus
“ordinary resolution”	a resolution of the Shareholders (or a class thereof) of the Company passed as an ordinary resolution in accordance with the Companies Law: (i) at a meeting, by a simple majority of the votes of Shareholders entitled to vote and voting in person or by attorney or by proxy; or (ii) in writing, by a simple majority of the total voting rights of Shareholders entitled to vote at the date of circulation of the resolution
“Ordinary Share”	an ordinary share of no par value in the capital of the Company issued as an “Ordinary Share” of such class (denominated in such currency) as the Directors may determine in accordance with the Articles and having such rights and being subject to such restrictions as are contained in the Articles
“Ordinary Share Closing Market Capitalisation”	in relation to each Accounting Period, “J” multiplied by “K”, where: “J” is the Ordinary Share Performance Price; and “K” is the weighted average of the number of Ordinary Shares in issue (excluding any Shares held in treasury) at the end of each day during the Accounting Period
“Ordinary Share Excess Total Return”	in relation to each Accounting Period, the amount by which the Ordinary Share Closing Market Capitalisation exceeds “L” multiplied by “M”, where: “L” is the higher of: (i) the Ordinary Share Performance Hurdle and (ii) Ordinary Share High Watermark; and “M” is the weighted average of the number of Ordinary Shares in issue (excluding any Shares held in treasury) at the end of each day during that Accounting Period
“Ordinary Share High Watermark”	the Ordinary Share Performance Price in respect of the last Accounting Period in respect of which a Performance Fee was payable by the Company
“Ordinary Share Performance Hurdle”	an increase in the issue price of the Ordinary Shares as at IPO equal to 10 per cent. per annum (calculated from the Company’s IPO and compounded annually) subject to adjustments from time to time to take into account any consolidation or sub-division of Ordinary Shares or any other reconstruction, amalgamation or adjustment relating to the share capital of the Company (or any share, stock or security derived therefrom or convertible therein)

“Ordinary Share Performance Price”	in relation to each Accounting Period, the average of the middle market quotations of the Ordinary Shares for the one month period ending on the last Business Day of that Accounting Period (which shall be adjusted as appropriate: (i) to include any dividend declared but not paid where the Ordinary Shares are quoted ex such dividend at any time during that month; (ii) to exclude any dividend paid in respect of the Ordinary Shares during that month; and (iii) for the OSPP Adjustments)
“Ordinary Share Placing Programme”	the proposed programme of placings of Ordinary Shares to be carried out by the Joint Bookrunners on behalf of the Company pursuant to the Placing Agreement, commencing immediately following Initial Admission and closing on the Final Closing Date
“Original RCF”	the revolving credit facility entered into by the Company in August 2019, the terms of which have been amended under the Amended and Restated RCF (as amended by the First Amendment, the Second Amendment and the Third Amendment)
“OSPP Adjustments”	adjustments to the Ordinary Share Performance Price to (i) include the gross amount of any dividends and/or distributions paid in respect of an Ordinary Share since the Company’s IPO; and (ii) take account of C Shares as were agreed between the Company and the Investment Adviser, acting reasonably and in good faith, at the time of issuance of such C Shares
“Overseas Persons”	has the meaning given to it in Part XI (<i>Terms and Conditions of Placings</i>) of this Prospectus
“Payment Due Date”	the date of invoice from the Investment Adviser in respect of the Performance Fee
“PDMR”	person discharging managerial responsibilities
“Performance Fee”	has the meaning given in paragraph 1.3 of the section entitled “Ongoing Annual Expenses” of Part IV (<i>Directors and Administration</i>) of this Prospectus
“Performance Share Amount”	has the meaning given in paragraph 1.4.2 of the section entitled “Ongoing Annual Expenses” of Part IV (<i>Directors and Administration</i>) of this Prospectus
“Performance Shares”	the Shares to be issued to the Investment Adviser (or to any person the Investment Adviser directs) by the Company or purchased in the secondary market, as defined in paragraph 1.4 of the section entitled “Ongoing Annual Expenses” of Part IV (<i>Directors and Administration</i>) of this Prospectus
“Performance Target”	an increase in the Operative NAV per Ordinary Share (after adjustments to (i) include the gross amount of any dividends and/or distributions paid in respect of an Ordinary Share since the Company’s IPO; (ii) not take into account any increment in the Operative NAV per Ordinary Share attributable to the issue of Ordinary Shares at a premium to Operative NAV per Ordinary Share or any buyback of any Shares at a discount to Operative NAV per Ordinary Share; and (iii) take account of C Shares as were agreed between the Company and the Investment Adviser at the time of issuance of such C Shares) equal to or above the Ordinary Share Performance Hurdle
“Pipeline Catalogues”	has the meaning given in paragraph 4 of Part I (<i>Information on the Company</i>) of this Prospectus

“Placee”	a person subscribing for Shares pursuant to the Initial Placing or any Subsequent Placing
“Placing”	a conditional placing of Shares by the Joint Bookrunners on behalf of the Company in connection with the Initial Issue or the Placing Programmes pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional agreement between the Company, the Investment Adviser and the Joint Bookrunners, a summary of which is set out in paragraph 5.1 of Part VII (<i>Additional Information</i>) of this Prospectus
“Placing Confirmation”	has the meaning given to it in paragraph 1.4 of Part XII (<i>Terms and Conditions of Placings</i>) of this Prospectus
“Placing Programme Price”	the price at which Shares will be issued pursuant to the Placing Programmes to Placees from time to time
“Placing Programmes”	the Ordinary Share Placing Programme and the C Share Placing Programme
“POI Law”	Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended)
“Portfolio”	at any time, the portfolio of investments in which the assets of the Company are invested, comprising the entire collection of Songs acquired by the Company
“Portfolio Committee”	the committee of this name established by the Board and having the duties described in the section entitled “ <i>Committees: Portfolio Committee</i> ” in Part IV (<i>Directors and Administration</i>) of this Prospectus
“PRA”	the Prudential Regulatory Authority
“Prospectus”	this document
“Prospectus Regulation Rules”	the prospectus rules made by the FCA under section 73(A) of FSMA
“Purposes”	has the meaning given to it in paragraph 6.1 of Part XII (<i>Terms and Conditions of Placings</i>) of this Prospectus
“QEF”	qualified electing fund
“QIBs”	persons who are “qualified institutional buyers” as defined in Rule 144A under the US Securities Act
“RBC”	RBC Europe Limited
“RCIS Rules”	the Registered Collective Investment Scheme Rules 2018, as amended, issued by the GFSC
“Receiving Agent”	Computershare Investor Services PLC with registered number 03498808 or such other person or persons from time to time appointed by the Company
“Receiving Agent Agreement”	the agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 5.6 of Part VII (<i>Additional Information</i>) of this Prospectus
“Register”	the register of Shareholders
“Registrar”	Computershare Investor Services (Guernsey) Limited with registered number 50855 or such other person or persons from time to time appointed by the Company

“Registrar Agreement”	the agreement between the Company and the Registrar, a summary of which is set out in paragraph 5.5 of Part VII (<i>Additional Information</i>) of this Prospectus
“Regulation S”	Regulation S under the US Securities Act
“Regulations”	The Uncertificated Securities (Enabling Provisions) Guernsey Law, 2005, The Uncertificated Securities (Guernsey) Regulations 2009 (as amended), The Uncertificated Securities Regulations 2001 (SI 2001 No 3755), as amended by the Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (SI 2003 No. 1633), and such other regulations as are applicable to Euroclear and/or the CREST relevant system and are from time to time in force
“Relevant Shares”	has the meaning given in the section entitled “ <i>Memorandum and Articles: Transfer of Shares</i> ” of Part VII (<i>Additional Information</i>) of this Prospectus
“Resolution”	the resolution proposed to be tabled at the EGM
“RIS”	a regulatory information service
“Risk Factors”	the risk factors pertaining to the Company set out on pages 13 to 38 of this Prospectus
“Rule 144A”	Rule 144A under the US Securities Act
“Sanctuary”	The Sanctuary Group plc, a company incorporated under the laws of England and Wales on 2 February 1934 with registered number 284340
“SDRT”	UK Stamp Duty Reserve Tax
“SEC”	the US Securities and Exchange Commission
“Second Amendment”	the second amendment to the Amended and Restated RCF entered into on 10 September 2020 between, among others, the Company, as parent, UK MidCo, as borrower, the lenders party thereto, and JPM as administrative agent
“SEDOL”	the Stock Exchange Daily Official List
“Service Standard”	the requirement of the Investment Adviser at all times to perform its obligations under the Investment Advisory Agreement with such skill and care as would be reasonably expected of a professional investment adviser advising in good faith an investment company of comparable size and complexity to the Company and having a materially similar investment objective and policy and to ensure that it has adequate systems and controls in place in order to do so and that its obligations under the Investment Advisory Agreement are performed by a team of appropriately qualified, trained and experienced professionals
“Shareholder”	a holder of Shares
“Shares”	the Ordinary Shares and/or the C Shares (as the context may require)
“SIPP”	a self-invested personal pension
“Song”	a songwriter’s copyright interest (which would comprise their writer’s share, their publisher’s share and their performance rights) in a song, being a musical composition of words and/or music and the songwriter’s proportion of the publishing rights of a single piece of music and, when construction permits, the collection of words and/or music as purchased by consumers

“special resolution”	a resolution of the Shareholders (or a class thereof) of the Company passed as a special resolution in accordance with the Companies Law: (i) at a meeting, by a majority of not less than 75 per cent. of the votes of the Shareholders entitled to vote and voting in person or by attorney or by proxy; or (ii) in writing, by Shareholders representing a majority of not less than 75 per cent. of the total voting rights of Shareholders entitled to vote at the date of circulation of the resolution
“Specialist Fund Segment”	the Specialist Fund Segment of the Main Market
“Sponsor”	Nplus1 Singer Advisory LLP with registered number OC364131
“SSAS”	a small self-administered scheme
“Sterling” or “£”	the lawful currency of the United Kingdom
“Subsequent Admission”	has the meaning given in paragraph 1 of Part I (<i>Information on the Company</i>) of this Prospectus
“Subsequent Admission Date”	has the meaning given in paragraph 1 of Part I (<i>Information on the Company</i>) of this Prospectus
“Subsequent Placing”	any Placing that is conducted under the Placing Programmes
“Takeover Code”	the City Code on Takeovers and Mergers, as amended from time to time
“target total NAV return”	the target total return on the Operative NAV, as further detailed in the section entitled “Target Returns to Shareholders” in Part I (<i>Information on the Company</i>) of this Prospectus
“Termination Date”	the effective date of termination of the Investment Advisory Agreement
“Termination Portfolio”	the Portfolio as at the date of termination of the Investment Advisory Agreement
“Terms and Conditions of the Offer for Subscription”	the terms and conditions of application in respect of the Offer, as set out in Part XI (<i>Terms and Conditions of the Offer for Subscription</i>) of this Prospectus
“Third Amendment”	the third amendment to the Amended and Restated RCF entered into on 24 December 2020 between, among others, the Company, as parent, UK MidCo, as borrower, the lenders party thereto, and JPM as administrative agent
“UCITS”	an authorised fund authorised by the FCA in accordance with the UK UCITS Laws
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Administration Agreement”	the administration agreement between the UK SubCo and Ocorian Administration (UK) Limited, a summary of which is set out in paragraph 5.4 of Part VII (<i>Additional Information</i>) of this Prospectus
“UK AIFMD Laws”	<ul style="list-style-type: none"> (i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose EU AIFM Directive in to UK law before 31 January 2020 (as amended from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328)); and (ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the

European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328), the Technical Standards (Alternative Investment Funds Management Directive) (EU Exit) Instrument 2019 (FCA 2019/37) and the Exiting the European Union: Specialist Sourcebooks (Amendments) Instrument 2019 (FCA 2019/25)

“UK Corporate Governance Code”

the UK Corporate Governance Code as published by the Financial Reporting Council

“UK GDPR”

the UK version of the EU GDPR (2016/679) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019

“UK MAR”

the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019

“UK MidCo”

Hipgnosis Holdings UK Limited, a company incorporated under the laws of England and Wales on 25 July 2019 with registration number 12123246

“UK MiFID Laws”

- (i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose EU MiFID II in to UK law before 31 January 2020 (as amended and supplemented from time to time including by: (1) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators’ Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and
- (ii) the UK version of 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 and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators’ Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019

“UK Money Laundering Regulations 2017”	the UK The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) as amended and supplemented from time to time including by the Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019
“UK PRIIPs Laws”	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 and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment)(EU Exit) Regulations 2019 (February 2019); and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019
“UK Prospectus Amendment Regulations 2019”	the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234
“UK Prospectus Regulation”	the UK version of the EU Prospectus Regulation (2017/1129) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including but, not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019))
“UK SubCo”	Hipgnosis SFH I Limited (formerly known as Hipgnosis Songs Holdings UK Limited), a company incorporated under the laws of England and Wales on 8 June 2017 with registration number 10809693
“UK UCITS Laws”	<ul style="list-style-type: none"> (i) the Undertakings for Collective Investment in Transferable Securities Regulations 2011 (SI 2011/1613) and any other implementing measure which operated to transpose EU UCITS Directive in to UK law before 31 January 2020 (as amended from time to time and as further amended from time to time including by the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/325)); and (ii) the UK versions of EU Regulation 583/2010 and EU Regulation 584/2010, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/325) and the Technical Standards (Undertakings for Collective Investment in Transferable Securities Directive) (EU Exit) Instrument 2019 (FCA 2019/56)
“uncertificated” or “in uncertificated form”	a unit of a Guernsey security title to which is recorded on the register of securities as being held in uncertificated form in CREST and title to which may be transferred by means of CREST, or any other Uncertificated System
“Uncertificated System”	the CREST UK system and any relevant system or other computer based system and its related facilities and procedures by means of which title to units of a security (including shares) can be endowed and transferred without a written certificate of instrument, as determined from time to time by the directors
“Underlying Applicant”	a subscriber for Ordinary Shares pursuant to the Intermediaries Offer

“US” or United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended
“US GAAP”	US Generally Accepted Accounting Principles
“US Guernsey IGA”	the intergovernmental agreement between the United States and Guernsey in relation to FATCA implementation
“US Holder”	has the meaning given in the section entitled “ <i>United States</i> ” of Part VI (<i>Taxation</i>) of this Prospectus
“US Investment Company Act”	the US Investment Company Act of 1940, as amended
“US Securities Act”	the US Securities Act of 1933, as amended
“US Tax Code”	the US Internal Revenue Code of 1986, as amended
“Vendor”	has the meaning given in the section entitled “ <i>Memorandum and Articles: Transfer of Shares</i> ” of Part VII (<i>Additional Information</i>) of this Prospectus
“WRL Engagement Letter”	the engagement letter between the Company and Mr Leibowitz for the provision of legal services in connection with Catalogue or Song acquisitions, together with ongoing royalty/licensing issues, copyright registrations, advising on any threatened litigation and other legal services, a summary of which is set out in paragraph 5.7 of Part VII (<i>Additional Information</i>) of this Prospectus

APPENDIX I: NOTES ON HOW TO COMPLETE THE APPLICATION FORM FOR THE OFFER

Applications should be returned to the Receiving Agent, Computershare Investor Services PLC or (where payment is made by electronic means) by email to OFSPaymentQueries@computershare.co.uk, in each case so as to be received no later than 11:00 a.m. (London time) on 4 February 2021.

HELP DESK: If you have a query concerning completion of this Application Form please call Computershare on 0370 707 4040 from within the UK or on +44 (0) 370 707 4040 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. Lines are open from 8.30 a.m. until 5.30 p.m. (London time) Monday to Friday excluding UK public holidays). The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

1. APPLICATION

Fill in (in figures) in Box 1 the number of Ordinary Shares that you wish to subscribe for at the Initial Issue Price, which is 121 pence per Ordinary Share. Please also fill in the total consideration payable in respect of the Ordinary Shares you wish to subscribe for, which is calculated by the number of Ordinary Shares multiplied by the Initial Issue Price of 121 pence per Ordinary Share. The amount of Ordinary Shares being subscribed for must be a minimum of 1,000, and thereafter in multiples of 100.

2A. HOLDER DETAILS

Fill in (in block capitals) in Box 2A the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference and the address given for the first named will be entered as the registered address for the holding on the share register and used for all future correspondence. A maximum of four joint holders is permitted. All holders named must sign the Application Form at Section 3.

2B. CREST

If you wish your Ordinary Shares to be deposited in a CREST account in the name of the holders given in Section 2A enter in Section 2B the details of that CREST account. Where it is requested that Ordinary Shares be deposited into a CREST account please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued. If you are not a CREST Participant or CREST Sponsored Member, you should leave Section 2B blank and you will automatically receive a share certificate for your Ordinary Shares.

3. SIGNATURE

All holders named in Section 2A must sign Section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4. SETTLEMENT

4.1 Cheque/Banker's Draft

Payments by cheque or banker's draft must be made in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner.

Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "CIS PLC RE: HIPGNOSIS SONGS OFS ACCEPTANCE ACCOUNT". Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the application.

4.2 Electronic Bank Transfers

For applicants sending subscription monies by electronic bank transfer (CHAPS) payment must be made for value by 11:00 a.m. on 4 February 2021. Please contact Computershare by email at: OFSPaymentQueries@computershare.co.uk (quoting HIP OFS) for full bank details. Computershare will then provide you with a unique reference number which must be used when sending payment.

4.3 CREST Settlement

The Company will apply for the Ordinary Shares issued pursuant to the Offer in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the "**Settlement Date**"). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

The Application Form in the Appendix contains details of the information which the Company's Receiving Agent, Computershare Investor Services PLC ("**Computershare**"), will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Computershare to match to your CREST account, Computershare will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Computershare, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Computershare in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (i) the person procured by you to subscribe for or acquire the relevant Ordinary Shares; or (ii) yourself; or (iii) a nominee of any such person or yourself, as the case may be. Neither Computershare nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Computershare, on behalf of the Company, will input a DVP instruction into the CREST system according to the booking instructions provided by you in your Application Form. The input returned by you or your settlement agent/custodian of a matching or acceptance instruction to our CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Initial Issue Price per Ordinary Share through the CREST system upon the Settlement Date.

By returning the Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 8.00 a.m. on 10 February 2021 against payment of the Initial Issue Price per Ordinary Share.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date:	5 February 2021
Settlement Date:	10 February 2021
Company:	Hipgnosis Songs Fund Limited
Security Description:	Ordinary Shares of no par value (CNV NPV)
SEDOL:	BFYT9H7 (GBP) and BLH8YF6 (USD)
ISIN:	GG00BFYT9H72

Should you wish to settle DVP, you will need to match your instructions to Computershare Investor Services PLC's Participant account RA64 by no later than 1:00 p.m. on 9 February 2021.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

In the event of late CREST settlement, the Company, after having consulted with Computershare, reserves the right to deliver Ordinary Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the Initial Offer for Subscription have been satisfied.

5. RELIABLE INTRODUCER DECLARATION

Applications will be subject to the UK's verification of identity requirements. This will involve you providing the verification of identity documents listed in Section 6 of the Application Form UNLESS you can have the declaration provided at Section 5 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in Section 5 of the Application Form completed and signed by a suitable firm.

6. IDENTITY INFORMATION

Applicants need only consider Section 6 of the Application Form if the declaration in Section 5 cannot be completed. Notwithstanding that the declaration in Section 5 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in Section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are provided such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation, and the name of the firm should be clearly identified on each document certified.

7. CONTACT DETAILS

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person Computershare may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in Section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in Section 5, Computershare will contact the regulated person. If no details are entered here and no regulated person is named in Section 5 and Computershare requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS – Completed Application Forms should be returned, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or (where payment is made by electronic means) by email to OFSPaymentQueries@computershare.co.uk, in each case so as to be received no later than 11:00 a.m. (London time) on 4 February 2021, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

APPENDIX II: APPLICATION FORM FOR THE OFFER

Please send this completed form by post Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or (where payment is made by electronic means) by email to OFSPaymentQueries@computershare.co.uk, in each case so as to be received by no later than 11:00 a.m. (London time) on 4 February 2021.

The Directors may, with the prior approval of the Joint Bookrunners, alter such date and thereby shorten or lengthen the Offer period. In the event that the Offer period is altered, the Company will notify investors of such change through a Regulatory Information Service.

Important: Before completing this form, you should read the prospectus dated 21 January 2021 (the "**Prospectus**") and the Terms and Conditions of Application set out in Part XI (*Terms and Conditions of the Offer for Subscription*) of the Prospectus and the accompanying notes on how to complete this form.

Box 1 Number of
Ordinary Shares;
(minimum of 1,000
Issue Shares and in
multiples of 100 Issue
Shares thereafter)

Total consideration £

To: Hipgnosis Songs Fund Limited and the Receiving Agent

1. APPLICATION

I/We the person(s) detailed in Section 2A below offer to subscribe the amount shown in Box 1 for Ordinary Shares subject to the Terms and Conditions of the Offer for Subscription set out in Part XI (*Terms and Conditions of the Offer for Subscription*) of the Prospectus and subject to the articles of incorporation of the Company in force from time to time.

2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) ORDINARY SHARES WILL BE ISSUED (BLOCK CAPITALS)

1:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
	Postcode:	
Designation (if any):		
2:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
	Postcode:	



3:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
	Postcode:	

4:	Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
	Postcode:	

2B. CREST ACCOUNT DETAILS INTO WHICH ORDINARY SHARES ARE TO BE DEPOSITED (IF APPLICABLE)

Only complete this Section if Ordinary Shares allotted are to be deposited in a CREST account which must be in the same name as the holder(s) given in Section 2A.

(BLOCK CAPITALS)

CREST Participant ID:

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CREST Member Account ID:

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3. SIGNATURE(S): ALL HOLDERS MUST SIGN

By completing the signature/execution boxes below you are deemed to have read the Prospectus and agreed to the Terms and Conditions in Part XI (*Terms and Conditions of the Offer for Subscription*) of the Prospectus and to have given the warranties, representations and undertakings set out therein.

First Applicant Signature:	Date:
Second Applicant Signature:	Date:
Third Applicant Signature:	Date:
Fourth Applicant Signature:	Date:

Execution by a Company

Executed by (Name of Company):		Date:
Name of Director:	Signature:	Date:
Name of Director/Secretary:	Signature:	Date:
If you are affixing a company seal, please mark a cross <input style="float: right; margin-left: 10px;" type="checkbox"/>	Affix Company Seal here:	

4. SETTLEMENT

Please tick the relevant box confirming your method of payment.

(a) Cheque/Banker's Draft ☐

If you are subscribing for Ordinary Shares and paying by cheque or banker's draft, pin or staple to this form your cheque or banker's draft for the exact amount shown in Box 1 (being the Initial Issue Price of 121 pence per Ordinary Share multiplied by the number of Ordinary Shares you wish to subscribe for) made payable to "CIS PLC RE: HIPGNOSIS SONGS OFS ACCEPTANCE ACCOUNT". Cheques and banker's drafts must be in Sterling and drawn on an account at a branch of a clearing bank in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number in the top right hand corner.

(b) Electronic Bank Transfer ☐

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11:00 a.m. on 4 February 2021. Please contact Computershare by email at OFSpaymentqueries@computershare.co.uk (quoting HIP OFS) for full bank details. Computershare will then provide you with a unique reference number which must be used when sending payment. Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 11:00 a.m. on 4 February 2021 together with the name and number of the account to be debited with such payment and the branch contact details.

Sort Code:	Account name:
Account number:	Contact name at branch and telephone number:

(c) CREST Settlement ☐

If you so choose to settle your commitment within CREST, that is DVP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of Ordinary Shares to be made against payment of the Initial Issue Price per Ordinary Share, following the CREST matching criteria set out below:

Trade Date: 5 February 2021
Settlement Date: 10 February 2021
Company: Hipgnosis Songs Fund Limited
Security Description: Ordinary Shares of no par value (CNV NPV)
SEDOL: BFYT9H7 (GBP) and BLH8YF6 (USD)
ISIN: GG00BFYT9H72

Should you wish to settle DVP, you will need to match your instructions to Computershare Investor Services PLC's Participant account RA64 by no later than 1:00 p.m. on 9 February 2021.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in Section 6 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "firm") which is itself the subject in its own country of operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom.



DECLARATION:**To the Company and the Receiving Agent**

With reference to the holder(s) detailed in Section 2A, all persons signing at Section 3 and the payor identified in Section 6 if not also a holder (collectively the “**subjects**”) WE HEREBY DECLARE:

- we operate in the United Kingdom, or in a country where money laundering regulations under the laws of that country are, to the best of our knowledge, no less stringent than those which prevail in the United Kingdom and our firm is subject to such regulations;
- we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
- we confirm the accuracy of the names and residential business address(es) of the holder(s) given at Section 2A and if a CREST account is cited at Section 2B that the owner thereof is named in Section 2A;
- having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares mentioned; and
- where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed:	Name:	Position:
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Name of regulatory authority:	Firm's licence number:
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Website address or telephone number of regulatory authority:
STAMP of firm giving full name and business address:

6. IDENTITY INFORMATION

If the declaration in Section 5 cannot be signed and the value of your application is greater than €15,000 (or the Sterling equivalent), please enclose with this Application Form the documents mentioned below, as appropriate. Please also tick the relevant box to indicate which documents you have enclosed, all of which will be returned by the Receiving Agent to the first named Applicant/Holders/Payor.

In accordance with internationally recognised standards for the prevention of money laundering, the documents and information set out below must be provided:

Holders				Payor

Tick here for documents provided

A. For each holder being an individual enclose:

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- (1) an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and
- (2) an original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in Section 2A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary.

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B. For each holder being a company (a "holder company") enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company's business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a "beneficiary company"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via

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nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

- C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4)**

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- D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:**

- (1) a certified copy of the certificate of incorporation of that beneficiary company;
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

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- E. If the payor is not a holder and is not a bank providing its own cheque or banker's draft on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:**

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and
- (3) an explanation of the relationship between the payor and the holder(s).

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7. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in Section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in Section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:

E-mail address:

Contact address:

Postcode:

Telephone No:

Fax No:

