

**6 February 2018**

**Possible merger between Hargreave Hale AIM VCT 1 Plc ("HH1") and Hargreave Hale AIM VCT 2 Plc ("HH2") (together, the "Companies")**

**Merger**

On 27 December 2017, the Companies announced the boards of the Companies (the "Boards") had entered discussions regarding the possible merger of the Companies (the "Merger"). Subject to shareholder approval, the Boards have now agreed to proceed with the Merger based on the relative Net Asset Values of the Companies as last published prior to the Merger.

Expected to proceed in late March, the proposed Merger will be effected pursuant to a scheme of reconstruction under s.110 of the Insolvency Act 1986 by transferring the assets and liabilities of Hargreave Hale AIM VCT 2 plc to Hargreave Hale AIM VCT 1 plc in consideration for the issue of new Hargreave Hale AIM VCT 1 plc shares to Hargreave Hale AIM VCT 2 plc shareholders. A merger solely on this basis would be outside the provisions of The City Code on Takeovers and Mergers. The Merger will require the support of the shareholders of both Companies, approval by HMRC and a United Kingdom Listing Authority ("UKLA") approved prospectus setting out the terms of the Merger (the "Prospectus").

**Offer for Subscription**

Alongside the proposed Merger, it is intended to launch a new offer for subscription in Hargreave Hale AIM VCT 1 plc to raise up to £20 million with an over-allotment facility of a further £10 million (the "New Offer"). The full terms of the New Offer will also be set out in the Prospectus. Once approved, the New Offer will be open to new and existing shareholders. It is expected to open on 9 February 2018 and will span the 2017/18 and 2018/19 tax years, with the first allotment of shares in Hargreave Hale AIM VCT 1 plc under the New Offer expected on 20 March 2018. The New Offer will require the support of shareholders in Hargreave Hale AIM VCT 1 plc and the UKLA approved Prospectus.

The New Offer and the Merger are not inter-conditional. The terms and conditions for both will be set out in a single Prospectus.

As has previously been the case, Hargreave Hale will offer an 'early bird discount' of up to 2% on the initial fee for those applications received by Hargreave Hale by 12pm on 16 March 2018. The 2% discount (to the standard 3.5% initial fee) will only apply to applications which do not trigger the payment of a 1% introductory commission to an adviser. In such cases, the available discount will fall to 1%. Discounts are paid through the allotment of additional shares to the subscriber.

The Prospectus will be published alongside circulars to shareholders of the Companies ("Circulars"). The Circulars will be posted to shareholders and should arrive on or around 19 February 2018. These are required under the Listing Rules and Companies' legislation ahead of the general meetings of both Companies on 16 March 2018, with a second general meeting of Hargreave Hale AIM VCT 2 plc to be held on 23 March 2018.

The information contained within this announcement is deemed by the Companies to constitute inside information as stipulated under the Market Abuse Regulations (EU number. 596/2014). Upon the publication of this announcement via Regulatory Information Service this inside information is now considered to be in the public domain.

For additional information, please contact:

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