

Hargreave Hale AIM VCT 1 Plc

Hargreave Hale AIM VCT 2 Plc

27 December 2017

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

The board of directors of the Companies announce that they have entered into discussions regarding a possible merger of the Companies ("Merger"). These discussions may or may not lead to an agreement to merge the Companies. If the Merger is to proceed the current intention is that it will be effected pursuant to a scheme of reconstruction under s.110 of the Insolvency Act 1986 by transferring the assets and liabilities of HH2 to HH1 in consideration for the issue of new HH1 shares to HH2 shareholders on a relative net asset value basis. A merger solely on this basis would be outside the provisions of The City Code on Takeovers and Mergers. If the Merger proceeds it will be subject to the approval of shareholders of both Companies.

HH1 is also proposing in early February 2018 to launch an offer for subscription to raise up to £20 million with an over-allotment facility of a further £10 million ("Offer").

If the Merger proceeds, it is anticipated that the Prospectus and Circulars required under the Listing Rules and companies legislation ("Merger Documents") would be despatched to shareholders in early February 2018, with shareholders general meetings taking place in early March, and completion in mid-March. Details of the Offer will also be set out in the Merger Documents.

A further announcement will be made in due course.

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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