

Hargreave Hale AIM VCT 1 plc ("HH1")

Hargreave Hale AIM VCT 2 plc ("HH2")

(together the "Companies")

23 March 2018

Merger Update: Approval of Scheme

This announcement is made by the Companies in connection with the scheme of reconstruction of HH2 (the "Scheme"), details of which were contained in the prospectus (the "Prospectus"), circulars (the "Circulars") and the announcements issued by the Companies on 12 February 2018.

The boards of directors of the Companies are pleased to report that the resolution proposed at the second general meeting of HH2 held today (the "Second General Meeting") was duly passed and that the Scheme has become unconditional.

In implementing the Scheme, the assets and liabilities of HH2 have been transferred to HH1, in consideration for the issue of a total of 68,680,227 ordinary shares of 1p each in the capital of HH1 ("Scheme Shares") to the former shareholders of HH2 at a deemed issue price of 82.07p per Scheme Share. Pursuant to the Scheme, Scheme Shares were issued to the former shareholders of HH2 at a ratio of 1.458754 Scheme Shares for each HH2 share held. The net asset value of HH1 following the Scheme is £127,977,633.

Following the issue of the Scheme Shares, the total number of HH1's issued ordinary shares of 1p each is 155,936,403.

Following the implementation of the Scheme, HH2 has been placed in members' voluntary liquidation.

Application has been made to the London Stock Exchange for the Scheme Shares to be admitted to trading on its main market for listed securities and it is expected that the Scheme Shares will be admitted to the Official List and that trading will become effective on 26 March 2018.

HH2 also announces that further to the resolution passed at the Second General Meeting, the listing of its ordinary shares of 1p each on the Official List of the UK Listing Authority will be cancelled with effect from 7.30am on 26 March 2018.

A copy of the resolution passed at the Second General Meeting has been submitted to the National Storage Mechanism and will shortly be available for inspection at:

<http://www.morningstar.co.uk/uk/NSM>

For additional information, please contact:

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