23 June 2020

Clear Leisure Plc
("Clear Leisure" or "the Company")

Mediapolis Settlement

The Board of Clear Leisure (AIM: CLP) is pleased to announce that a settlement agreement has been reached with the Mediapolis Receiver regarding the transfer of the Mediapolis auction funds from the Receiver to the Company's wholly-owned subsidiary, Clear Leisure 2017 Ltd ("CL 2017").

Under the terms of the settlement, following negotiations with the Receiver and the approvals of the Italian Court and the Creditors committee, an amount of €1,663,000 is payable to CL2017. This represents a discount of approximately 14% on the auction proceeds from the Mediapolis real estate sale of €1,938,469 and is, after deducting certain costs and fees connected to the sale of the real estate and outstanding business rate that must, by law, be paid from the auction proceeds.

As part of the agreement, CL 2017 is in a bidding process with the Receiver to buy Mediapolis's rights to a potential claim against former Mediapolis directors and members of its internal audit committee, which has yet to be served. The exact amount of the claim is yet to be determined but could be in the order of millions of euros. The sum of €50,000 of the amount now due to CL 2017 will be kept in escrow by the Receiver until the bidding process to sell the rights of the potential claim are completed.

Additionally, under Italian bankruptcy law, 20% of the auction proceeds must be kept in escrow by the Receiver until the closing of the bankruptcy process. The first payment to CL 2017 will, therefore, be €1,480,932.82 (being 80% of €1,938,469.98, the net land sales proceeds, less €50,000, being the deposit for the claim bid, plus a few of thousand euros of expenses).

A final payment of €182,067 (less €50,000 if the potential claims mentioned above are assigned to CL 2017) will be made to CL 2017 at the end of the bankruptcy procedure.

Following the settlement, neither Clear Leisure nor CL 2017 will have any future claim as creditors, while the Receiver will have no claim against Clear Leisure and CL 2017. However, if any funds remain at the end of the bankruptcy process and, after settling other creditors, the proceeds will be divided, pro-rata, to shareholders. Clear Leisure is a 84.04% rightful shareholder in Mediapolis.

The only sizeable remaining funds could come from an historic claim against Piedmont Region for €39.6m, the hearing for which has been pending since the new Company board was appointed in 2015. The Receiver's lawyers believe there is merit in pursuing this claim, but there can be no certainty as to whether any claim might be successful, the amount that might be awarded under the claim if it is successful and the timing of any conclusion to the claim.

For sake of clarity the Sardinia Villas, the ownership of which have been disputed by the receiver of the original seller, are unlikely to generate any proceeds for Mediapolis.

Financial Results for 31 December 2019

The Company also announces that there will be a delay in the publication of the Company's audited financial results for the year ended 31 December 2019 (the "Final Results") as a result of the Covid-19 pandemic.

The pandemic has delayed the ability to obtain the relevant information required for the accounting and audit work, in particular for the Italian holdings. Clear Leisure has therefore requested and received an extension to its filing deadline for the Company's Final Results from 30 June 2020 to 30 September 2020.

The working capital position at the date of this announcement is above £1.1m, including the amount due from the Receiver, but excluding the amounts due to Eufingest which are repayable by 30 September 2020 and amount to €3,955,000. The Board is confident that if circumstances require, the loans will roll over to the following quarter, as has been the case for the last four years. Moreover, Eufingest has confirmed its ongoing support by issuing a new €250,000 loan facility with repayment date 30 September 2020, if drawn. The interest rate on any amounts drawn under the facility is 2.5% per annum (the "New Loan Facility").

It is currently intended that up to €1 million of the Mediapolis settlement could be used to repay amounts due to Eufingest but this figure has not yet been confirmed between the parties.

Eufingest is a substantial shareholder of the Company as defined by the AIM Rules for Companies. The issue of the New Loan Facility is therefore a related party transaction pursuant to AIM Rule 13 of the AIM Rules for Companies. The directors of Clear Leisure, having consulted with its nominated adviser, consider that the transaction is fair and reasonable insofar as its shareholders are concerned.

Francesco Gardin, CEO and Executive Chairman of Clear Leisure, commented, "We are pleased to have put an end to a dispute which has been dragging on for nearly two years necessitating considerable management time and legal expenses.

"The acquisition of the potential claim has been introduced in the negotiation as an opportunity on which we have put a spending cap of €50,000, although the estimate of the potential claim supplied by the Mediapolis Receiver is in the order of millions of euros.

"While the legacy of Clear Leisure's past remains with the outstanding Sipiem and Sosushi claims, your Board can now better focus its energy on developing new businesses in the technology investment sector, where we have been exploring several new initiatives in recent months."

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About Clear Leisure Plc

Clear Leisure plc (AIM: CLP) is an AIM listed investment company which has recently realigned its strategic focus to technology related investments, with special regard to interactive media, blockchain and AI sectors. The Company also owns shareholdings in a number of historic investments primarily in the Italian real estate companies, which it is currently seeking compensation through court action.

For further information, please visit, www.clearleisure.co.uk