Chairman’s Statement

Overview

The first half of 2020 has been characterised by the outbreak of the Covid-19 pandemic. This has affected the economies of all countries with no sign of immediate recovery.

In this context, the Company has continued to manage its new technology portfolio and its historical portfolio.

With regard to the Company’s technology investments, PBV Monitor Srl (“PBV”) received an investment of €300,000 from an Italian investment company, valuing the company at €3m, as announced on 28 January 2020. Clear Leisure retained its 10% shareholding in PBV. PBV continued on its roadmap, expanding its directory services and more recently (in October), launching its Market Intelligence Service.

Clear Leisure supported ForCrowd Srl, (“Forcrowd”) the Italian crowdfunding platform, in its early development, leading to the launch in May of its first crowdfunding campaign, followed up by a second one in July.Whilst the results of the first two campagins have been slightly dissapointing mainly due to Covid situation, there is an existing pipeline of more than 3 new potential campaigns under evaluation

With regard to Geosim Systems Ltd, the Israeli 3D virtual mapping company, during the first half of 2020 it delivered the Digital Twin model of one of the largest international airports in Asia, despite the inevitable delays due to Covid-19.

The Milan and London Digital Twin projects, announced on 16 December 2019, are currently on hold, waiting for general market conditions to return to more normal levels. These delays are necessary in order to avoid the risk of interrupting data acquisition which would be a possibility should further lock-down restrictions be imposed.

As announced in August the Company has been investigating the possibility of setting up an Enterprise Investment Scheme fund (‘EIS fund’), which would look to invest in companies which focus on the integration of biological and digital systems. Clear Leisure will investigate, source, analyse and perform due diligence on innovative startups within this industry and mainly in the UK. The Company has engaged Sapphire Capital Partners LLP, an FCA approved and regulated investment management partner, to act as the Investment Manager and manage the proposed EIS fund, aimed at professional and qualified investors. The target fundraising is for £10m, with an initial round of £3m. No dilution will take place for Clear Leisure’s shareholders.

With regard to the Company’s historical investment portfolio, at the first hearing of the legal action against the former directors of Sipiem SpA, which was held in the Venice Court in February, legal representatives of all parties involved in the claim appeared in Court, including the legal representatives of two insurance companies which have provided professional indemnity cover to the majority of the eight defendants. As previously notified, the insurance documents seen by the Company’s directors indicate that insurance cover of up to €2million per year had been provided. The alleged misconduct described in the claim took place over a number of years. At the second hearing, held on 30 September 2020, the Judge appointed an independent expert to assess the value of the damages of the claim. The judge in the case has set the hearing for consideration of the expert reports for 10 March 2021.

During the period under review, the Company also managed to reduce costs by more than £100,000 (on an annualised basis) by reducing its contracted London office space, related secretarial support and other internal expenses.

Regarding Mediapolis, Clear Leisure 2017 Ltd ("CL2017"), the Company's wholly owned subsidiary, reached an agreement in June with the Mediapolis Receiver regarding the transfer of the Mediapolis sales proceeds. Under Italian bankruptcy law, 20% of the auction proceeds must be kept in escrow by the Receiver until the closing of the bankruptcy process. CL2017 received the first payment of €1,480,933 in August whilst the second and final payment of €182,067 (less €50,000 if the potential claims mentioned above are assigned to CL2017) will be made to CL2017 at the end of the bankruptcy procedure.

As part of the agreement, CL2017 is currently 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.

Eufingest, the Company's largest shareholder, continued to support the Company, providing a further €150,000 loan facility and agreeing to reschedule the maturity of all outstanding loans.

Financial Review

The Group reported a total comprehensive loss for the period to 30 June 2020 of €363,000 (30 June 2019: loss €357,000). The operating loss for the period was €228,000 (30 June 2019: operating loss €259,000). At 30 June 2020, the Group had net liabilities of €1.4 million, compared to €132,000 at 30 June 2019. The Net Current Assets of the Group, for the period under analysis amounted to €2.2 million, compared to €3.5 million at 30 June 2019.

Investments

An update on the Group's portfolio companies at 30 June 2020, is as follows (percentage of equity held is shown in parenthesis):

GeoSim Systems Ltd ("GeoSim") (geosimcities.com) (4.53%): is an Israel based company that develops 3D modelling software. Clear Leisure had confirmation by Geosim that the most recent round of fundraising by GeoSim took place in June 2018 at a pre-money valuation in excess of US$11 million, corresponding to a valuation for Clear Leisure's stake of €593k. Geosim has delivered on its project in Asia to build a Digital Twin model of an international airport despite the inevitable delays due to Covid-19.

PBV Monitor Srl (pbvmonitor.com) (10%): in December 2018 Clear Leisure acquired a 10 per cent interest in PBV Monitor for a total consideration of €300,000 paid in new Clear Leisure ordinary shares at a price of 0.7882p each. PBV Monitor is an Italian company specialising in the acquisition and dissemination of data for the legal services industry, utilising proprietary market intelligence tools and dedicated search software.

Sipiem SpA (50.17%): is a minority shareholder in T.L.T. SaS and owns a number of real estate assets in Italy, including a minority stake in the Ondaland Waterpark. It has issued a claim for €10.8m against the previous management team and audit committee. The claim was acquired by Clear Leisure 2017 in the first half of 2019. The third court hearing was held in the Venice Court on 30 September 2020. The judge ruled that an independent expert should be appointed to assess the value of the damages claimed by Sipiem. Each party in the case has the right to appoint their own experts. The judge in the case has set the hearing for consideration of the expert reports for 10 March 2021.

Mediapolis Srl (84.04%): Currently in bankruptcy procedure. Clear Leisure 2017, as main secured creditor, retains the unchallengeable rights to the proceeds of the auction. As announced, during 2020, CL2017 reached a settlement agreement with the Mediapolis receiver to the amount of €1,663,000 payable to CL2017, with a first payment of €1,480,932 and a final payment of €182,068 at the closure of the bankruptcy processOnce the final payment is received, CL2017 will have no further claim against Mediapolis. This represents a very important milestone in the Company's life, bringing to a successful conclusion a very complicated issue inherited from the previous management of the Company.

Clear Leisure 2017 (100%): Clear Leisure 2017 holds the remaining rights on the auction proceeds (amounting to €182,067 with €1,480,932 having already been paid during the second half of 2020). Once these amounts are paid, CL2017 will remain the holder of other important assets: the €10.8m action for liability against Sipiem previous management and Audit Committee and the €1.38m action for liability against Sosushi previous management.

ForCrowd Srl (ForCrowd.com) (20%): In October 2019 the Company acquired a 20% interest in ForCrowd, an Italian equity crowdfunding platform based in Milan. The consideration of €221,090, was settled by the issue of 54,218,847 new Ordinary Clear Leisure shares. In December 2019, ForCrowd officially launched its crowdfunding platform. Subsequently in early 2020, despite the Covid pandemic, ForCrowd started the first campaigns ("B4 tech" and "Meta Wellness"). The investment in ForCrowd is part of a strategy of Clear Leisure allowing other portfolio companies to have an easy access to the crowdfunding resources (e.g. Geosim's Digital Twins projects), whilst entitling Clear Leisure to potential revenue streams (1% of funds received by investors on projects introduced and 3% on funds introduced).

Miner One Limited (100%): The data centre currently remains on care and maintenance although the recent rise in the price of Bitcoin has encouraged the Company to reassess its options for when and where it recommences production.

Post 30 June 2020 Events

In August, The Company received €1,480,932, being the first tranche of the court approved settlement in respect to the Mediapolis bankruptcy procedure.

Following the receipt of the first Mediapolis tranche, Clear Leisure repaid to Eufingest the principal amount of €550,000 plus interest accrued on such loans of €11,157. In addition, on 5 October 2020, the Eufingest loans had their repayment date extended to 30 October 2020.

As announced in August, the Company engaged Sapphire Capital Partners LLP, an FCA registered entity, to act as the Investment Manager in a proposed Enterprise Investment Scheme Fund ("EIS" fund) launched together with Clear Leisure, acting as Investment Manager. The fund will seek to invest in companies which focus on the integration of biological and digital systems.

With regard to Sipiem's €10.8m legal claim against the former directors and internal audit committee; following the second hearing held on 30 September, the Judge ruled that an independent expert should be appointed to assess the value of the damages claimed by Sipiem.

In October PBV Monitor launched its new online service, "PBV Intelligence".

Outlook

The Board remains committed to improving the financial position of Clear Leisure by

I. managing of the historic portfolio assets (positive outcomes are expected from claims of the Company),

II. continuing with its investment strategy in the technology sector, both directly and via an EIS fund
III. further reduction of the debt position, if and when the conditions will deemed appropriate.

The board remains confident as the technology investments remain very promising, and the legal claims have strong merit.

Francesco Gardin
Clear Leisure PLC
CEO and Chairman

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020

	Note	Six months to 30 June 2020	Six months to 30 June 2019	Year ended 31 December 2019
		Unaudited	Unaudited (Restated)	Audited
Continuing operations		€'000	€'000	€'000
Revenue		32	6	13
Cost of sales		-	-	
		32	6	13
Administrative expenses		(260)	(265)	(1,397)
Operating loss		(228)	(259)	(1,384)
Other gains and losses		6	-	-
Finance charges		(141)	(98)	(200)
Loss before tax		(363)	(357)	(1,584)
Taxation		-	-	-
Loss for the period attributable to owners of the parent		(363)	(357)	(1,584)
Other comprehensive loss:				
Loss on translation of overseas subsidiaries		-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		(363)	(357)	(1,584)
Earnings per share:				
Basic and diluted loss per share	3	(€0.001)	(€0.001)	(€0.003)

STATEMENTS OF FINANCIAL POSITION
AT 30 JUNE 2020

	Notes	As at 30 June 2020 €'000	As at 30 June 2019 (Restated) €'000	As at 31 December 2019 €'000
Non - current assets				
Investments		1,114	929	1,117
Total non-current assets		1,114	929	1,117
Current assets				
Trade and other receivables		6,627	7,199	6,604
Cash and cash equivalents		1	3	-
Total current assets		6,628	7,202	6,604
Current liabilities				
Trade and other payables		(490)	(378)	(396)
Borrowings		(3,969)	(3,289)	(3,750)
Total current liabilities		(4,459)	(3,667)	(4,146)
Net current assets		2,169	3,535	2,458
Total assets less current liabilities		3,283	4,464	3,575
Non-current liabilities				
Borrowings		(4,749)	(4,596)	(4,678)
Total non-current liabilities		(4,749)	(4,596)	(4,678)
Net liabilities		(1,466)	(132)	(1,103)
Equity				
Share capital		7,397	7,227	7,397
Share premium account		47,124	47,038	47,124
Other reserves		8,376	8,376	8,376
Retained losses		(64,363)	(62,773)	(64,000)
Equity attributable to owners of the Company		(1,466)	(132)	(1,103)
Total equity		(1,466)	(132)	(1,103)

AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

Group	Share capital €'000	Share premium account €'000	Other reserves €'000	Retained losses €'000	Total equity €'000
At 1 January 2019	7,227	47,038	8,376	(62,416)	225
Total comprehensive loss for the year	-	-	-	(1,584)	(1,584)
Issue of shares	170	86	-	-	256
At 31 December 2019	7,397	47,124	8,376	(64,000)	(1,103)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS TO 30 JUNE 2019

Group	Share capital €'000	Share premium account €'000	Other reserves €'000	Retained losses €'000	Total equity €'000
At 1 January 2019 (as previously	7,227	47,038	10,504	(62,826)	1,943
Restatement	-	-	(2,128)	410	(1,718)
At 1 January 2019 (Restated)	7,227	47,038	8,376	(62,416)	225
Total comprehensive loss for the period				(357)	(357)
At 30 June 2019	7,227	47,038	8,376	(62,773)	(132)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS TO 30 JUNE 2020

Group	Share capital €'000	Share premium account €'000	Other reserves €'000	Retained losses €'000	Total equity €'000
At 1 January 2020	7,397	47,124	8,376	(64,000)	(1,103)
Total comprehensive loss for the period	-	-	-	(363)	(363)
At 30 June 2020	7,397	47,124	8,376	(64,363)	(1,466)

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Six months to 30 June 2020 Unaudited €'000	Six months to 30 June 2019 (Restated) Unaudited €'000	Year ended 31 December 2019 Audited €'000
Cash used in operations			
Loss before tax	(363)	(357)	(1,584)
Fair value changes	6	(6)	27
Finance charges	141	98	200
(Increase)/decrease in receivables	(23)	286	882
Increase/(decrease) in payables	93	(131)	(78)
Net cash outflow from operating activities	(146)	(110)	(553)
Cash flows from investing activities			
Interest paid	-	-	-
Net cash inflow from investing activities	-	-	-
Cash flows from financing activities			
New borrowings	150	200	291
Repayment from borrowings	(3)	(354)	-
Interest paid	-	-	(5)
Net cash inflow/(outflow) from financing activities	147	(154)	286
Net increase/(decrease) in cash for the period	1	(264)	(267)
Cash and cash equivalents at beginning of year	-	267	267
Cash and cash equivalents at end of period	1	3	-

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Clear Leisure plc is a company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the AIM market of the London Stock Exchange. The address of the registered office is 22 Great James Street, London, WC1N 3ES.

The principal activity of the Group is that of an investment company pursuing a strategy to create a portfolio of companies.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period covered by these consolidated financial statements.

Basis of preparation

The interim financial statements of Clear Leisure Plc are unaudited consolidated financial statements for the six months ended 30 June 2020 which have been prepared in accordance with IFRSs as adopted by the European Union. They include unaudited comparatives for the six months ended 30 June 2019 together with audited comparatives for the year ended 31 December 2019.

The interim financial statements do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2019 have been reported on by the company's auditors and have been filed with the Registrar of Companies. The report of the auditors was qualified in respect of the valuation of the investment in Geosim Systems Ltd, the accounting treatment adopted for convertible loans, and the omission of Mediapolis Investment S.A and Alntiak S.A. from the consolidated accounts. The report of the auditor also contained an emphasis of matter paragraph in respect of a material uncertainty regarding going concern. Aside from the limitation of scope relating to Geosim Systems Ltd, Mediapolis Investment S.A and Alntiak S.A., the auditor's report did not contain any statement under section 498 of the Companies Act 2006.

The interim consolidated financial statements for the six months ended 30 June 2020 have been prepared on the basis of accounting policies expected to be adopted for the year ended 31 December 2020, which are consistent with the year ended 31 December 2019 except as stated below:

Going concern

The Group's activities generated a loss of €363,000 (2019: €357,000) and had net current assets of €2,169,000 as at 30 June 2020. The Group's operational existence is still dependent on the ability to raise further funding either through an equity placing on AIM, or through other external sources, to support the on-going working capital requirements.

After making due enquiries, the Directors have formed a judgement that there is a reasonable expectation that the Group can secure further adequate resources to continue in operational existence for the foreseeable future and that adequate arrangements will be in place to enable the settlement of their financial commitments, as and when they fall due.

For this reason, the Directors continue to adopt the going concern basis in preparing the interim accounts. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the Directors consider that, based upon financial projections and dependant on the success of their efforts to complete these activities, the Group will be a going concern for the next twelve months. If it is not possible for the Directors to realise their plans, over which there is significant uncertainty, the carrying value of the assets of the Group is likely to be impaired.

In relation to the impact of COVID-19 on the Company, the Company's employees can carry out their duties remotely, via the network infrastructure in place. As a result, there was no disruption to the operational activities of the Company during the COVID-19 social distancing and working from home restrictions. All key business functions continue to operate at normal capacity.

Notwithstanding the above, the Directors note the material uncertainty in relation to the Group being unable to realise its assets and discharge its liabilities in the normal course of business.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium-term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company's 2019 Annual Report and Financial Statements, a copy of which is available on athe Company's website: www.clearleisure.com. The key financial risks are liquidity and credit risk.

Critical accounting estimates

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 3 of the Company's 2019 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

3. Loss per share

The basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed using the same weighted average number of shares during the period adjusted for the dilutive effect of share warrants and convertible loans outstanding during the period.

The profit and weighted average number of shares used in the calculation are set out below:

	Six months to 30 June 2020	Six months to 30 June 2019	Six months to 31 December 2019
	(Unaudited)	(Unaudited)	(audited)
	€'000	€'000	€'000
Loss/profit attributable to owners of the parent company:			
Basic earnings	(363)	(357)	(1,584)
Diluted earnings	(363)	(357)	(1,584)

Basic weighted average number of ordinary shares (000's)	618,891	299,593	618,891
Diluted weighted average number of ordinary shares (000's)	618,891	299,593	618,891
Basic and fully diluted earnings per share:			
Basic earnings per share	(€0.001)	(€0.001)	(€0.003)
Diluted earnings per share	(€0.001)	(€0.001)	(€0.003)

IAS 33 requires presentation of diluted earnings per share when a company could be called upon to issue shares that would decrease earnings per share or increase net loss per share. For a loss making company with outstanding share options and warrants, net loss per share would only be increased by the exercise of out-of-the money options and warrants, so no adjustment has been made to diluted earnings per share for out-of-the money options and warrants in the comparatives.

5. Investment Policy

The Company intends on identifying and investing in investment opportunities which it believes show excellent growth potential on a stand-alone basis and which would add value to the Company's portfolio of investments through the expertise of the Board or through the provision of ongoing funding.

It is the intention of the Company that the majority of investments will be made in unlisted companies; however pre-IPO and listed companies may, from time to time, be considered on a selective basis.

The Company believes that the collective experience of the Board together with its extensive network of contacts will assist them in the identification, evaluation and funding of investment targets. When necessary other external professionals will be engaged to assist in the due diligence of prospective targets. The Board will also consider, as it sees fit, appointing additional directors and/or key employees with relevant experience as part of any specific investment.

The Company may offer shares as well as cash by way of consideration for prospective investments, thereby helping to preserve the Company's cash for working capital. The Company may, in appropriate circumstances, issue debt securities or borrow money to complete an investment.

6. Restatement of comparatives for the six months ended 30 June 2019

As stated in note 27 of the audited financial statements for the year ended 31 December 2019, it was necessary to restate the accounts for the year ended 31 December 2018. A number of adjustments were required as a result of incorrect foreign currency translations, reclassifications of assets and liabilities, and impairment of certain assets. The principles adopted when restating the 31 December 2018 accounts have been applied to the comparative information for the six months ended 30 June 2019 set out herein.

7. Copies of Interim Accounts

Copies of the interim results are available at the Group's website at www.clearleisure.co.uk. Copies may also be obtained from the Group´s registered office: Clear Leisure PLC, 22 Great James Street London WC1N 3ES.