

9 March 2018

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

**Bitcoin Mining Investment Update**  
**and Conversion of Debt into Equity**

**Miner One Limited**

Clear Leisure (AIM: CLP) is pleased to announce that, following its notification on 19 January 2018 regarding the Company's 50% owned joint venture, Miner One Limited ("Miner One"), a blockchain data centre operator, the first data mining computers ("miners") have now completed testing and the Mining Mobile Unit ("MMU") is operational and ready to be shipped to its permanent home in Serbia, once the latest order of miners is fulfilled.

Photos of the MMU can be found at [clearleisure.co.uk/investments/miner-one](http://clearleisure.co.uk/investments/miner-one).

The Company can further confirm that the first fractions of Bitcoins have already been extracted in 'mining pool mode', where the available Miner One computing power has been pooled with other cryptocurrency miners and taken a portion of the mining results. This approach assures a continuous daily stream of fractions of Bitcoin mined, instead of waiting for the full 12.5 Bitcoin reward of a block, if and when mined (see *Glossary, below*).

The results to date would indicate that the joint venture will likely produce more Bitcoins and at a lower average cost than originally envisaged. A DCF valuation over a period of five years, assuming, as at 8 March, mining profitability, mining difficulty, Bitcoin price, projected hash power and miners typology, estimated cost of energy and an 8% discount rate, generates a current valuation of €389,000, as compared to the Company's initial investment of €200,000<sup>1</sup>.

Miner One has now placed an order for a number of Baikal Giant X10 units, currently one of the best performing and most profitable multi-crypto currencies miner machines available, as well as an additional order for a number of Antminer S9 and L3+ high-performing mining machines. The use of Giant X10 and L3+ units allows for the mining of different types of cryptocurrencies, which from time to time can be easier to extract and can be easily converted into Bitcoins, increasing the potential productivity of the MMU.

Negotiations with the low-cost energy provider, located in Serbia, are now nearing completion and, when the next batch of miner machines has been delivered (expected within the next 10 days) and installed, the MMU will be shipped to the Serbian site.

**Debt Conversion**

On 21 September 2017, prior to the final Ivrea Court winding up petition hearing, the Company announced that it had entered into a €500,000 loan agreement with a UK private company to enable Clear Leisure to buy from a Mediapolis creditor the sum of €4.3 million of debt at an 88% discount to face value.

The Company has agreed with the lender to settle €250,000 of the loan by issuing 22,321,429 Clear Leisure Plc 0.25p new ordinary shares ("the New Shares"), at 1p per share, a 31.6% premium on yesterday's closing share price of 0.76p.

The New Shares will be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of 0.25p each in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such shares after the date of issue.

Application has been made for the 22,321,429 New Shares to be admitted to trading on AIM with admission expected to occur on 14 March 2018.

The Company's enlarged issued share capital, following the above conversion, will comprise 390,946,049 Ordinary Shares. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

**Francesco Gardin, CEO and Executive Chairman of Clear Leisure, commented:** "We are very pleased with the rapid progress made by Miner One, following a successful test phase on the first Mining Mobile Unit, which is now ready to become operational. Although not yet at full power, it is already generating, indirectly, revenues for the Company.

"We are also pleased with the €250,000 conversion of debt at a premium on the current share price."

<sup>1</sup> Key assumptions for DCF calculation: mining profitability based on 8 March 2018 mining difficulty (3.29060598876e+12), Bitcoin price (\$10,000), projected hash power (346 THs - tera hashes per second - although mining hash power needed varies depending on type of machine and cryptocurrencies mined), miners utilised (Antminer S2-9; Antminer L3+; Baikal Giant X10) and estimated cost of energy (€/KWh 0.04).

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**About Clear Leisure Plc**

Clear Leisure plc (AIM: CLP) is an AIM listed investment company with a portfolio of companies primarily encompassing the leisure and real estate sectors mainly in Italy. The focus of management is to pursue the monetisation of all of the Company's existing assets, through selected realisations, court-led recoveries of misappropriated assets and substantial debt-recovery processes. The Company has recently launched a joint venture initiative in the cryptocurrency mining sector. For further information, please visit, [www.clearleisure.co.uk](http://www.clearleisure.co.uk)

**Glossary of Terms**

Bitcoin Mining

Bitcoin mining is the process of using computer hardware to do mathematical calculations for the Bitcoin network in order to confirm transactions. Miners collect transaction fees for the transactions they confirm and are awarded bitcoins for each block they verify.

Block

Blocks are found in the Bitcoin blockchain. Blocks connect all transactions together. Transactions are combined into single blocks and are verified every ten minutes through mining. Each subsequent block strengthens the verification of the previous blocks, making it impossible to double spend bitcoin transactions.

### Block Reward

When a block is successfully mined on the Bitcoin network, there is a block reward that helps incentivize miners to secure the network. The block reward is part of a “coinbase” transaction which may also include transaction fees. The block rewards halve roughly every four years. The current reward is 12.5 Bitcoins per block mined and will presumably be halved in mid 2020.

### Blockchain

The Bitcoin blockchain is a public record of all Bitcoin transactions. You might also hear the term used as a “public ledger.” The blockchain shows every single record of Bitcoin transactions in order, dating back to the very first one. The entire blockchain can be downloaded and openly reviewed by anyone, or you can use a block explorer to review the blockchain online.

### Difficulty

Difficulty is directly related to Bitcoin mining (see mining below), and how hard it is to verify blocks in the Bitcoin network. Bitcoin adjusts the mining difficulty of verifying blocks every 2016 blocks. Difficulty is automatically adjusted to keep block verification times at ten minutes.

### DCF analysis

Discounted cash flow (DCF) analysis is a method of valuing a project, company, or asset using the concepts of the time value of money. All future cash flows are estimated and discounted by using cost of capital to give their present values.

### Hash Rate

The hash rate is how the Bitcoin mining network processing power is measured. In order for miners to confirm transactions and secure the blockchain, the hardware must perform intensive computational operations which is output in hashes per second (THs is tera hashes per second).

### Pool Mining

As part of Bitcoin mining, mining “pools” are a network of miners that work together to mine a block, then split the block reward among the pool miners. Mining pools are a good way for miners to combine their resources to increase the probability of mining a block, and also contribute to the overall health and decentralization of the Bitcoin network.

Source: <https://support.blockchain.com/hc/en-us/articles/213276463-Bitcoin-terms-glossary>