



Clarke Inc. Reports 2018 First Quarter Results and Election of Directors

Halifax, Nova Scotia – May 8, 2018 – Clarke Inc. (“Clarke” or the “Company”) (TSX: CKI) today announced its results for the three months ended March 31, 2018.

First Quarter Results

Net income of the Company for the three months ended March 31, 2018 was \$2.1 million compared with \$4.2 million for the same period in 2017. Net realized and unrealized gains on investments during the first quarter were \$2.1 million compared to \$4.4 million for the same period in 2017. The Company’s equity holdings generated dividends of \$0.9 million in the three months ended March 31, 2018 and 2017. The Company’s debt and cash holdings generated interest income of nil in the three months ended March 31, 2018 compared to \$0.2 million for the same period in 2017. This decrease is due to the sale of debentures.

First Quarter Review and Outlook

In the first quarter of 2018, the Company’s book value per share increased by \$0.22 or 2.1%. The increase can be ascribed to (i) \$0.16 per Clarke common share (“Common Share”) of positive investment performance and net income, (ii) \$0.03 per Common Share resulting from an increase in the value of our pension plan surplus, and (iii) \$0.03 per Common Share as a result of repurchasing our shares. Our book value per Common Share at the end of the quarter was \$10.93 while our Common Share price was \$10.96.

The Company completed a substantial issuer bid for its Common Shares in January 2018. Pursuant to this bid, Clarke repurchased 1,851,579 Common Shares or 12.7% of the Company’s outstanding shares at the time for an aggregate purchase price of \$19.4 million. Together with share repurchases made pursuant to our normal course issuer bid, Clarke has returned \$20.6 million to shareholders so far in 2018.

Clarke received a \$1.9 million pre-tax distribution of surplus from its Quebec pension plan in the first quarter. As a result of legislation passed in 2017, the Company expects to withdraw on an annual basis up to 20% of the surplus in its Quebec pension plan in excess of a 105% solvency ratio. This distribution is not included in our net income.

We continue to believe that our current investments are undervalued. During the first quarter, TerraVest Industries Inc. (“Terravest”) announced the acquisition of Maxfield Group Inc., a manufacturer of processing, storage and transportation equipment, which is complementary to its existing business. Fully integrating its recently acquired businesses should yield substantial operating and financial improvements. Additionally, Terravest announced a substantial issuer bid for both its shares and convertible debentures, which we believe will further enhance shareholders’ returns in coming years.

It remains challenging to find investments that meet our investment criteria. While some investors may choose to alter their investment strategies or dilute their investment criteria at times like these, we are not going to do so. We understand the source of our returns over time and it is largely from investments made at times of market or industry dislocation or from company-specific challenges that we believe we can help rectify. Accordingly, our bias is to either retain our capital or continue returning it to shareholders until such time as more attractive opportunities present themselves.

Other Information

Further information about Clarke, including Clarke’s Interim Condensed Consolidated Financial Statements and Management’s Discussion & Analysis for the three months ended March 31, 2018, is available at www.sedar.com and www.clarkeinc.com.

Highlights of the interim condensed consolidated financial statements for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 are as follows:

<i>(in millions, except per share amounts)</i>	March 31, 2018	March 31, 2017
	\$	\$
Realized and unrealized gains on investments	2.1	4.4
Dividend income	0.9	0.9
Interest income	—	0.2
Revenue and other income*	0.5	0.1
Net income	2.1	4.2
Comprehensive income	2.3	5.0
Basic and diluted earnings per share	0.16	0.28
Total assets	143.1	182.2
Long-term financial liabilities	0.4	1.0
Book value per share	10.93	11.93

*Revenue and other income includes gains on sale of fixed assets, foreign exchange gains/losses, and service revenue.

Election of Directors

Clarke also announced today that the director nominees listed in the Management Information Circular dated April 11, 2018, were elected as directors of the Company. The detailed results of the vote for the election of directors held at Clarke's Annual General Meeting of Shareholders held on May 8, 2018 in Toronto, Ontario are set out below.

Nominee	Votes in Favour	% in Favour	Votes Withheld	% Withheld
George Armoyan	9,878,321	95.67%	446,745	4.33%
Blair Cook	10,147,965	98.28%	177,101	1.72%
Brian Luborsky	10,150,365	98.31%	174,701	1.69%
Charles Pellerin	10,150,365	98.31%	174,701	1.69%
Michael Rapps	10,064,246	97.47%	260,820	2.53%

Final voting results on all matters voted on at the Annual General Meeting of Shareholders held on May 8, 2018 will be filed on the Company's issuer profile on SEDAR at www.sedar.com.

About Clarke

Halifax-based Clarke invests in a variety of private and publicly-traded businesses and participates actively where necessary to enhance the performance of such businesses and increase its return. Clarke's securities trade on the Toronto Stock Exchange (CKI); for more information about Clarke Inc., please visit our website at www.clarkeinc.com.

Cautionary Statement Regarding Use of Non-IFRS Accounting Measures

This press release makes reference to the Company's book value per share as a measure of the performance of the Company as a whole. Book value per share is measured by dividing shareholders' equity at the date of the statement of financial position by the number of Common Shares outstanding at that date. Clarke's method of determining this amount may differ from other companies' methods and, accordingly, this amount may not be comparable to measures used by other companies. This amount is not a performance measure as defined under IFRS and should not be considered either in isolation of, or as a substitute for, net earnings prepared in accordance with IFRS.

Note on Forward-Looking Statements and Risks

This press release may contain or refer to certain forward-looking statements relating, but not limited, to the Company's expectations, intentions, plans and beliefs with respect to the Company. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "does not expect", "is expected", "budgets", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or equivalents or variations of such words and phrases, or state that certain actions, events or results, "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements include, without limitation, those with respect to the future or expected performance of the Company's investee companies, the future price and value of securities held by the Company, changes in these securities holdings, the future price of oil and value of securities held in the Company's energy basket, changes to the Company's hedging practices, currency fluctuations and requirements for additional capital. Forward-looking statements rely on certain underlying assumptions that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, the Company's investment strategy, legal and regulatory risks, general market risk, potential lack of diversification in the Company's investments, interest rates, foreign currency fluctuations, the sale of Company investments, the fact that dividends from investee companies are not guaranteed, reliance on key executives, commodity market risk, risks associated with investment in derivative instruments and other factors. With respect to the Company's investment in a ferry operation, such risks and uncertainties include, among others, weather conditions, safety, claims and insurance, labour relations, and other factors.

Although the Company has attempted to identify important factors that could cause actions, events or results not to be as estimated or intended, there can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Other than as required by applicable Canadian securities laws, the Company does not update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements.

For further information, please contact Michael Rapps, President and CEO, at (416) 855-1925 or Stephen Cyr, CFO, at (902) 442-3415.