CLARKE

Clarke Inc. Reports 2018 Third Quarter Results

Halifax, Nova Scotia – November 6, 2018 – Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) today announced its results for the three and nine months ended September 30, 2018.

Third Quarter Results

Net income of the Company for the three and nine months ended September 30, 2018 was $6.2 million and $9.2 million, respectively, compared with nil and $4.1 million for the same periods in 2017. During the three and nine months ended September 30, 2018, the Company had unrealized gains on its investments of $2.1 million and $1.7 million, respectively, compared to losses of $2.4 million and gains of $0.9 million for the same periods in 2017. The Company had realized gains on its investments of $1.8 million and $4.0 million for the three and nine months ended September 30, 2018, respectively, compared with $0.6 million and $1.2 million for the same periods in 2017.

Third Quarter Review and Outlook

In the third quarter of 2018, the Company's book value per share increased by $2.19 or 19.9%. The increase can be ascribed to (i) $0.49 per Clarke common share ("Common Share") of positive investment performance and net income, (ii) $1.72 per Common Share resulting from an increase in the value of our pension plan surplus recognized on our balance sheet, and (iii) negative $0.02 per Common Share due to repurchasing shares at prices above our book value per share. The increase in the value of our pension plan surplus recognized on the balance sheet is a result of having amended our surplus policy during the quarter that resulted in the removal of the cumulative asset ceiling impact for accounting purposes. The Company expects to recognize its entire pension plan surplus going forward. Our book value per Common Share at the end of the quarter was $13.18 while our Common Share price was $12.45.

Clarke continued to repurchase Common Shares during the quarter. Together with a substantial issuer bid for its Common Shares completed in January 2018, Clarke has returned $23.0 million to shareholders as at September 30, 2018.

During the quarter, Clarke purchased $1.8 million of common shares of one of its energy basket securities and sold shares of another energy basket security for proceeds of $0.5 million. Public market sentiment remains negative towards energy companies. We believe a number of energy companies are being valued inexpensively on an asset basis despite also generating positive cash flows and that valuations should increase meaningfully once sentiment changes. In particular, one of our energy basket securities is trading at less than its orderly liquidation value at the same time as it is generating positive cash flow, repurchasing shares and has a balance sheet with minimal net debt. We remain patient.

The Company sold its interest in a legacy private equity fund at the end of the quarter for proceeds of $1.7 million. Over the life of the investment, the Company has recognized a gain of $2.2 million.

During the third quarter, Clarke refinanced a loan in its ferry operation. The Company increased the principal amount of the loan from $0.9 million to $4.0 million and extended the term of the loan by four years. At this time we do not have a specific use for the additional loan proceeds.

We continue to believe that our largest investments, Holloway Lodging Corporation ("Holloway") and TerraVest Industries Inc. ("Terravest"), remain undervalued. In particular, Terravest recently completed its second substantial issuer bid this year. We believe this will create incremental shareholder value as the company's earnings continue to increase from improved energy markets and the continued integration of recent acquisitions. Holloway has also repurchased a meaningful number of its shares recently and we expect its operating performance to remain consistent in coming quarters. Each of these companies trade at mid-teens free cash flow yields, which should allow for more upside.

It remains challenging to find investments that meet our investment criteria. 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 and nine months ended September 30, 2018, is available at www.sedar.com and www.clarkeinc.com.

Highlights of the interim condensed consolidated financial statements for the three and nine months ended September 30, 2018 compared to the three and nine months ended September 30, 2017 are as follows:

(in millions, except per share amounts)	**Three months ended September 30, 2018 $**	Three months ended September 30, 2017 $	**Nine months ended September 30, 2018 $**	Nine months ended September 30, 2017 $
Realized and unrealized gains (losses) on investments	**3.9**	(1.8)	**5.7**	2.1
Dividend income	**0.9**	0.9	**2.8**	2.7
Interest income	**—**	0.1	**0.1**	0.6
Revenue and other income*	**4.0**	3.2	**6.5**	4.5
Net income	**6.2**	—	**9.2**	4.1
Comprehensive income	**27.4**	(0.6)	**30.6**	5.0
Basic and diluted earnings per share	**0.49**	—	**0.72**	0.28
Total assets	**180.2**	151.1	**180.2**	151.1
Long-term financial liabilities	**2.8**	0.6	**2.8**	0.6
Cash dividends declared per share	**—**	2.00	**—**	2.00
Book value per share	**13.18**	9.94	**13.18**	9.94

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

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.