Clarke Inc. Reports 2018 Fourth Quarter and Year End Results

Halifax, Nova Scotia – February 14, 2019 – Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) today announced its results for the three months and year ended December 31, 2018.

Results for the Year Ended December 31, 2018

Net loss of the Company for the year ended December 31, 2018 was $0.6 million compared with net income of $3.5 million in 2017. During the year ended December 31, 2018, the Company had unrealized losses on its investments of $9.2 million compared to unrealized gains of $30.4 million in 2017. The Company had realized gains on its investments of $4.0 million for the year ended December 31, 2018 compared with realized losses of $27.2 million in 2017. The Company's equity holdings generated dividends of $3.7 million in the year ended December 31, 2018 and $3.5 million in 2017. The Company's debt and cash holdings generated interest income of $0.2 million in the year ended December 31, 2018, compared to $0.8 million in 2017. This decrease is due to the sale of debenture investments during the prior year.

Results for the Fourth Quarter 2018

Net realized and unrealized losses on investments for the fourth quarter of 2018 were $10.9 million compared to gains of $1.1 million for the same period in 2017. Dividend and interest income were consistent year over year. General and administrative expenses during the fourth quarter of 2018 were $0.4 million lower than expenses during the same period in 2017. The Company had a net loss of $9.8 million in the fourth quarter of 2018 compared to $0.6 million in the same period in 2017. This was largely driven by the unrealized losses on investments during the period compared to the same period in the prior year. Comprehensive loss for the fourth quarter was $12.2 million compared to comprehensive income of $10.9 million for the same period in 2017.

For the three months ended December 31, 2018, Clarke's basic EPS was negative $0.79, compared to negative $0.04 for the same period in 2017.

Full Year Review

During 2018, the Company's book value per share increased by $1.50 or 14.0%. The increase can be ascribed to (i) positive $1.31 per Clarke common share ("Common Share") resulting from the recognition of additional surplus in one of our pension plans, (ii) positive $0.23 per Common share due to repurchasing Common Shares at prices below our book value per share, offset by (iii) negative $0.04 per Common Share of investment performance. Our book value per Common Share at the end of the year was $12.21 while our Common Share price was $12.50.

Additional commentary on our full year results can be found in our Management's Discussion & Analysis for the year ended December 31, 2018..

Other Information

Further information about Clarke, including Clarke's Consolidated Financial Statements and Management's Discussion & Analysis for the year ended December 31, 2018, is available at www.sedar.com and www.clarkeinc.com.

Highlights of the consolidated financial statements for the three months and year ended December 31, 2018 compared to the three months and year ended December 31, 2017 are as follows:

(in millions, except per share amounts)	**Three months ended December 31, 2018 $**	Three months ended December 31, 2017 $	**Year ended December 31, 2018 $**	Year ended December 31, 2017 $
Realized and unrealized gains (losses) on investments	**(10.9)**	1.1	**(5.2)**	3.2
Dividend income	**0.9**	0.9	**3.7**	3.6
Interest income	**0.1**	0.1	**0.2**	0.8
Revenue and other income*	**1.7**	1.0	**8.2**	5.6
Net income (loss)	**(9.8)**	(0.6)	**(0.6)**	3.5
Comprehensive income (loss)	**(12.2)**	10.9	**18.6**	15.9
Basic and diluted EPS	**(0.79)**	(0.04)	**(0.04)**	0.24
Total assets	**164.1**	160.6	**164.1**	160.6
Long-term financial liabilities	**2.4**	0.4	**2.4**	0.4
Cash dividends declared per share	**—**	—	**—**	2.00
Book value per share	**12.21**	10.71	**12.21**	10.71

**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.