

CLARKE

CLARKE INC. ANNOUNCES REDEMPTION OF ALL OF ITS OUTSTANDING 5.50% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES DUE JANUARY 1, 2028

Halifax, NS (June 28, 2023) – Clarke Inc. (the "**Company**" or "**Clarke**") (TSX:CKI) announced today that it has delivered a notice to Computershare Trust Company of Canada ("**Computershare**"), as debenture trustee under the trust indenture between the Company and Computershare dated September 30, 2019, as supplemented by the first supplemental indenture dated September 30, 2021 (together, the "**Indenture**"). Such notice of redemption provides that the Company will redeem the entire aggregate principal amount of \$35,000,000 of its outstanding 5.50% Series B Convertible Unsecured Subordinated Debentures due January 1, 2028, which are listed for trading on the Toronto Stock Exchange under the symbol CKI.DB (the "**Debentures**") in accordance with the terms of the Debentures.

The Debentures will be redeemed on July 28, 2023 (the "**Redemption Date**") for an aggregate redemption amount of \$1,013.41 for each \$1,000.00 principal amount of Debentures, being equal to the aggregate of (i) \$1,000.00 principal amount of Debentures, plus (ii) all accrued and unpaid interest thereon to, but excluding, the Redemption Date (the "**Redemption Price**").

In connection with redemption of the Debentures, the Company has entered into a credit facility (the "**Credit Facility**") with the Company's controlling shareholder, G2S2 Capital Inc. ("**G2S2**"). The Credit Facility bears interest at 6.00% and is interest payments only until January 1, 2028, whereby afterwards the Credit Facility will continue as a revolving line of credit on demand. The interest-only period aligns with the current maturity date of the Debentures, ensuring that the Company will maintain the liquidity requirements that the Debentures provided.

"We are pleased that our new Credit Facility puts us in a position to redeem the Debentures in advance of their 2028 maturity," stated Tom Casey, Chief Financial Officer of Clarke. "This is a positive result for the Company and its shareholders as it provides greater certainty of capital beyond the current 2028 maturity date, and it simplifies the Company's borrowings. It's also a positive outcome for the holders of Debentures as their holdings will be redeemed at par compared to the discount at which they are currently trading."

Clarke will satisfy its obligation to pay to the holders of Debentures the Redemption Price in cash from funds through the Credit Facility.

Beneficial holders of Debentures should contact their investment dealer if they have any questions about the redemption. The interest upon the principal amount of Debentures called for redemption will cease to be payable from and after the Redemption Date.

Holders of Debentures may also refer to the Indenture for a full description of the redemption process, a copy of which is available under Clarke's SEDAR profile at www.sedar.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

Securities Law Matters

G2S2 is an insider of the Company because it beneficially owns or controls more than 10% of the Company's issued and outstanding common shares. The Credit Facility between the Company with G2S2 is considered a "related party transaction" subject to Part 5 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The entering into of the Credit Facility is (i) not subject to the formal valuation requirement in section 5.4 of MI 61-101 because the Credit Facility does not fall within paragraphs (a) to (g) of the definition of "related party transaction" in MI 61-101, and (ii) is exempt from the minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(1)(a) of MI 61-101 because the aggregate principal

amount of the Credit Facility does not exceed 25% of the Company's market capitalization, calculated in accordance with MI 61-101.

Caution Regarding Forward-Looking Information

Certain statements in this press release may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiary entities or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this press release, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this press release. Forward-looking statements involve a number of risks and uncertainties, including those related to: (i) the impact of general economic conditions; (ii) industry conditions; and (iii) stock market volatility, many of which are beyond the Company's control. For an augmented discussion of the risk factors and uncertainties that affect or may affect the Company, the reader is directed to the section entitled "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2022, which is available under the Company's profile at www.sedar.com. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

About Clarke

Halifax-based Clarke is an investment and real estate company with holdings in a diversified group of businesses and across real estate sectors. Clarke's securities trade on the Toronto Stock Exchange (CKI; CKI.DB); for more information about Clarke, please visit our website at www.clarkeinc.com.

For further information, please contact:

Tom Casey, CPA, CA
Chief Financial Officer
Clarke Inc.
Tel: 902-420-6446