

# CLARKE

## Clarke Inc. Reports 2022 First Quarter Results and Election of Directors

Halifax, Nova Scotia – May 10, 2022 – Clarke Inc. (“Clarke” or the “Company”) (TSX: CKI) (TSX: CKI.DB) today announced its results for the three months ended March 31, 2022.

### First Quarter Results

Net loss for the three months ended March 31, 2022 was \$1.4 million, compared to net income of \$4.1 million for the same period in 2021. In the prior year, net income was primarily fueled by net gains on the Company’s investments. The Company had no investment dispositions and only insignificant unrealized gains in the three months ended March 31, 2022, compared to \$8.3 million of net investment gains in the same period in 2021. The Company’s operating businesses were significantly more profitable in the quarter compared to the same period in 2021. Comprehensive income for the three months ended March 31, 2022 was \$5.7 million, due partially to after-tax pension remeasurement gains of \$7.4 million, compared to comprehensive income of \$14.8 million in the same period in 2021, fueled by after-tax pension remeasurement gains of \$10.9 million and the aforementioned net investment gains.

During the first quarter of 2022, the Company’s book value per common share increased by \$0.43, or 3.0%. The increase can primarily be ascribed to after-tax remeasurement gains of our pension plans of \$7.4 million, or \$0.52 per common share, offset by a net loss of \$1.4 million, or \$0.10 per share. Our book value per common share at the end of the quarter was \$14.91 while our common share price was \$11.09.

### Other Information

Highlights of the interim condensed consolidated financial statements for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 are as follows:

<i>(in millions, except per share amounts)</i>	<b>Three months ended March, 2022</b>	Three months ended March 31, 2021
	\$	\$
Hotel and management services revenue	<b>9.6</b>	5.7
Provision of services revenue	<b>0.2</b>	0.1
Investment and other income (loss)*	<b>0.4</b>	8.4
Net income (loss)	<b>(1.4)</b>	4.1
Comprehensive income	<b>5.7</b>	14.8
Basic earnings (loss) per share (“EPS”)	<b>(0.10)</b>	0.27
Diluted EPS	<b>(0.10)</b>	0.25
Total assets	<b>397.2</b>	322.1
Total liabilities	<b>184.0</b>	139.4
Long-term financial liabilities	<b>109.9</b>	108.6
Book value per share	<b>14.91</b>	12.21

*\*Investment and other income (loss) includes unrealized and realized gains and losses on assets and liabilities, fair value changes of property and equipment and investment property presented in the statement of earnings, interest income, pension expense/recovery and foreign exchange gains/losses.*

Further information about Clarke, including Clarke’s Interim Condensed Consolidated Financial Statements and Management’s Discussion & Analysis for the three months ended March 31, 2022, is available at [www.sedar.com](http://www.sedar.com) and [www.clarkeinc.com](http://www.clarkeinc.com).

## COVID-19

The COVID-19 pandemic (the “Pandemic”) continues to have an adverse effect on the Company’s operating businesses, particularly its hotels, driven by the decline in both leisure and business travel. While still below pre-Pandemic levels, revenues and operating results for our hotels are recovering and have shown significant improvement during the second half of 2021 and into the first quarter of 2022. We are optimistic that this trend will continue.

## Election of Directors

Clarke also announced today that the director nominees listed in the Management Information Circular dated April 12, 2022, 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 10, 2022 in Halifax, Nova Scotia are set out below.

<b>Nominee</b>	<b>Votes in Favour</b>	<b>% in Favour</b>	<b>Votes Withheld</b>	<b>% Withheld</b>
George Armoyan	11,283,363	93.62%	768,604	6.38%
Blair Cook	11,585,164	96.13%	466,803	3.87%
Charles Pellerin	11,547,759	95.82%	504,208	4.18%
Jane Rafuse	11,300,363	93.76%	751,604	6.24%
Marc Staniloff	11,949,189	99.15%	102,778	0.85%

Final voting results on all matters voted on at the Annual General Meeting of Shareholders held on May 10, 2022 will be filed on the Company’s issuer profile on SEDAR at [www.sedar.com](http://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. The Company also has a diverse and significant portfolio of direct real estate holdings across the hospitality, commercial, industrial, and residential sectors. Clarke’s securities trade on the Toronto Stock Exchange (CKI, CKI.DB).

## 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. The Company’s book value per share at March 31, 2022 was \$14.91.

## 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 by the Company, 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 hotel and ferry operations, such risks and uncertainties include, among others, weather conditions, safety, claims and insurance, uninsured losses, changes in levels of business and commercial travel and tourism, increases in the supply of accommodations in local markets, the recurring need for renovation and improvement of hotel properties, 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 George Armoyan, President and Chief Executive Officer, at (902) 442-3413 or Tom Casey, CPA, CA, Chief Financial Officer, at (902) 420-6446.