

Clarke Inc. Reports 2021 Fourth Quarter and Year End Results

Halifax, Nova Scotia – March 2, 2022 – Clarke Inc. (“Clarke” or the “Company”) (TSX: CKI) (TSX: CKI.DB) today announced its results for the three months and year ended December 31, 2021.

Results for the Year Ended December 31, 2021

Net income for the year ended December 31, 2021 was \$16.4 million compared to a net loss of \$19.2 million in 2020. Comprehensive income for the year ended December 31, 2021 was \$45.5 million compared to a comprehensive loss of \$10.5 million in 2020. During the year ended December 31, 2021, the Company had net realized and unrealized gains on its investments of \$22.3 million compared with net realized and unrealized gains of \$5.8 million in 2020.

During 2021, the Company’s book value per Common Share increased by \$3.28, or 29.3%. The increase can primarily be ascribed to (i) net realized and unrealized gains of \$22.3 million, or \$1.48 per Common Share on the Company’s marketable securities, (ii) an increase in the value of our pension plan surplus in the amount of \$20.5 million, or \$1.36 per Common Share, and (iii) fair value adjustments on our property and equipment and investment properties, net of depreciation recorded of \$4.8 million, or \$0.26 per Common Share, offset by (iv) interest expense of \$6.0 million, or \$0.40 per Common Share.

Clarke’s basic earnings per share (“EPS”) for the year ended December 31, 2021 was \$1.12, compared to a loss per share of \$1.21 in 2020. The diluted EPS for the year ended December 31, 2021 was \$0.96 in 2021 compared to a diluted loss per share of \$1.21 in 2020.

Our book value per Common Share at the end of the year was \$14.48 while our Common Share price was \$10.32.

Results for the Fourth Quarter 2021

Net realized and unrealized gains on investments for the fourth quarter of 2021 were \$5.1 million compared to gains of \$18.0 million for the same period in 2020. Revaluation gains on hotel properties were \$2.3 million in the fourth quarter of 2021, equal to the amount for the same period in 2020. The Company had net income of \$5.8 million in the fourth quarter of 2021 compared to net income of \$14.5 million in the same period in 2020. This decrease was largely the result of significant realized and unrealized gains on investments during the prior period compared to the current year. Comprehensive income for the fourth quarter was \$7.4 million compared to comprehensive income of \$29.6 million for the same period in 2020.

For the three months ended December 31, 2021, Clarke’s basic EPS was \$0.40, compared to \$0.94 for the same period in 2020, and the diluted EPS was \$0.36, compared to \$0.79 for the same period in 2020.

COVID-19

The COVID-19 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 compared to 2020, particularly in the second half of 2021. We are optimistic this trend will continue in 2022 as travel restrictions are further eased in Canada and internationally.

Additional commentary on our full year results can be found in our Management’s Discussion & Analysis for the year ended December 31, 2021.

Highlights of the consolidated financial statements for the three months and year ended December 31, 2021 compared to the three months and year ended December 31, 2020 are as follows:

| <i>(in millions, except per share amounts)</i> | Three months ended December 31, 2021 \$ | Three months ended December 31, 2020 \$ | Year ended December 31, 2021 \$ | Year ended December 31, 2020 \$ |
|--|--|---|--|--|
| Hotel and management services | 9.3 | 6.0 | 32.0 | 30.5 |
| Provision of services | 3.5 | 0.8 | 9.4 | 4.6 |
| Investment and other income (loss) * | 7.7 | 20.1 | 24.6 | (8.2) |
| Net income (loss) | 5.8 | 14.5 | 16.4 | (19.2) |
| Comprehensive income (loss) | 7.4 | 29.6 | 45.5 | (10.5) |
| Basic EPS | 0.40 | 0.94 | 1.12 | (1.21) |
| Diluted EPS | 0.36 | 0.79 | 0.96 | (1.21) |
| Total assets | 384.6 | 311.0 | 384.6 | 311.0 |
| Total liabilities | 176.0 | 142.4 | 176.0 | 142.4 |
| Long-term financial liabilities | 107.2 | 109.7 | 107.2 | 109.7 |
| Book value per share | 14.48 | 11.20 | 14.48 | 11.20 |

*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, gains on modification of convertible debentures and foreign exchange gains/losses.

Other Information

Further information about Clarke, including Clarke's Consolidated Financial Statements and Management's Discussion & Analysis for the year ended December 31, 2021, is available at www.sedar.com and www.clarkeinc.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 December 31, 2021 was \$14.48.

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, Chief Financial Officer, at (902) 420-6446.