



Clarke Inc. Reports 2024 First Quarter Results and Election of Directors

Halifax, Nova Scotia – May 10, 2024 – Clarke Inc. (“Clarke” or the “Company”) (TSX: CKI) today announced its results for the three months ended March 31, 2024.

First Quarter Results¹

The Company’s net income for the three months ended March 31, 2024 was \$2.4 million, compared to a \$1.7 million loss for the same period in 2023. Net income was primarily attributable to the Company’s hospitality operating businesses and a recovery of income taxes of \$2.8 million. Hotel and rental revenue declined by \$0.4 million due to the closure of one hotel on land being redeveloped as part of the Company’s *Talisman* residential development in Ottawa, ON.

The decrease in comprehensive income year over year despite the Company’s improved net income is a result of the Company’s pension plans. Other comprehensive loss for the three months ended March 31, 2024 was \$1.9 million, driven by remeasurement losses on the Company’s pension plans, compared to other comprehensive income of \$2.8 million in the same period in 2023, which was driven by remeasurement gains on the Company’s pension plans.

During the first quarter of 2024, the Company’s book value per common share increased by \$0.03 or 0.2%. The increase is primary due to net income of \$2.4 million, or \$0.17 per common share, offset by after-tax remeasurement losses on the Company’s pension surplus of \$1.9 million, or \$0.14 per common share. Net income included hotel net operating income of \$4.5 million, or \$0.32 per common share and an income tax recovery of \$2.8 million, or \$0.20 per common share, offset by depreciation and amortization of \$2.6 million, or \$0.19 per common share and interest and accretion of \$1.3 million, or \$0.10 per common share.

The Company’s book value per common share at the end of the quarter was \$16.56, while the common share price was \$19.22.

Additional commentary on our first quarter results can be found in our Management’s Discussion & Analysis for the three months ended March 31, 2024.

Other Information

Highlights of the interim condensed consolidated financial statements for the three months ended March 31, 2024, compared to the three months ended March 31, 2023 are as follows:

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|--|--------------------------------------|
| | \$ | \$ |
| Hotel and rental revenue | 14.6 | 15.0 |
| Provision of services | 0.3 | 0.3 |
| Investment and other income | 1.0 | 0.2 |
| Net income (loss) | 2.4 | (1.7) |
| Other comprehensive income (loss) | (1.9) | 2.8 |
| Comprehensive income | 0.5 | 1.0 |
| Basic and diluted earnings (loss) per share | 0.17 | (0.12) |
| Total assets | 398.4 | 422.9 |
| Total liabilities | 167.2 | 207.1 |
| Long-term financial liabilities | 123.5 | 124.6 |
| Book value per share | 16.56 | 15.35 |

¹ Book value per share and hotel net operating income are non-IFRS measures and ratios. Refer to the “Cautionary Statement Regarding Use of Non-IFRS Accounting Measures and Ratios” section of this press release and our March 31, 2024 MD&A for more information.

Election of Directors

Clarke also announced today that the director nominees listed in the Management Information Circular dated April 3, 2024, 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, 2024 in Halifax, Nova Scotia are set out below.

| Nominee | Votes in Favour | % in Favour | Votes Withheld | % Withheld |
|------------------|------------------------|--------------------|-----------------------|-------------------|
| George Armoyan | 11,860,604 | 94.85% | 644,241 | 5.15% |
| Blair Cook | 12,166,245 | 97.29% | 338,600 | 2.71% |
| Charles Pellerin | 11,895,870 | 95.13% | 608,975 | 4.87% |
| Jane Rafuse | 11,815,313 | 94.49% | 689,532 | 5.51% |
| Marc Staniloff | 12,487,444 | 99.86% | 17,401 | 0.14% |

Final voting results on all matters voted on at the Annual General Meeting of Shareholders held on May 10, 2024 will be filed on the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

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 common shares (CKI) trade on the Toronto Stock Exchange. Further information about Clarke, including Clarke's Interim Condensed Consolidated Financial Statements and Management's Discussion & Analysis for the three months ended March 31, 2024, is available on SEDAR+ at www.sedarplus.ca and www.clarkeinc.com.

Cautionary Statement Regarding Use of Non-IFRS Accounting Measures and Ratios

This press release makes reference to "book value per share" and "net operating income" (or "hotel net operating income"). Book value per share and net operating income are not financial measures or ratios calculated and presented in accordance with International Financial Reporting Standards ("IFRS") and should not be considered in isolation or as a substitute to any financial measures or ratios of performance calculated and presented in accordance with IFRS. These non-IFRS financial measures and ratios are presented in this press release because management of Clarke believes that such measures and ratios enhance the user's understanding of our historical and current financial performance.

Book value per share is measured by dividing shareholders' equity of the Company at the date of the statement of financial position by the number of common shares outstanding at that date. Net operating income is defined as revenue less expenses. Net operating income measures operating results before interest, depreciation, amortization, and income taxes. Clarke's method of determining these amounts may differ from other companies' methods and, accordingly, these amounts may not be comparable to measures used by other companies.

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, changes in these securities holdings, 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

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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 the Company's investments, the expectation that the Company's redeployment of capital from its asset dispositions, renovations and repurposes will be accretive to the Company's shareholders, the anticipated timing of completion and lease-up of the first phase of the Talisman residential redevelopment, reliance on key executives 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.