



Clarke Inc. Reports 2021 Third Quarter Results and Announces Management Changes

Halifax, Nova Scotia – November 8, 2021 – Clarke Inc. (“Clarke” or the “Company”) (TSX: CKI) (TSX: CKI.DB) today announced its results for the three and nine months ended September 30, 2021.

Third Quarter Results

Net income for the three and nine months ended September 30, 2021 was \$3.5 million and \$10.6 million, respectively compared to net income of \$12.5 million and a net loss of \$33.7 million for the same periods in 2020. During the three and nine months ended September 30, 2021, the Company had unrealized gains on its investments of \$2.4 million and \$6.4 million, respectively, compared to unrealized gains of \$10.8 million and unrealized losses of \$41.2 million for the same periods in 2020. The Company had realized gains on its investments of \$0.6 million and \$10.8 million for the three and nine months ended September 30, 2021 compared to nil and \$29.0 million for the same periods in 2020.

During the third quarter of 2021, the Company’s book value per common share increased by \$0.46, or 3.4%. The increase can primarily be ascribed to (i) an increase in the after-tax value of our pension plan surplus of \$1.5 million, or \$0.10 per common share, (ii) realized and unrealized gains on our marketable securities of \$3.0 million, or \$0.20 per common share, and (iii) net income from our operating businesses of \$1.5 million, or \$0.10 per common share. Our book value per common share at the end of the third quarter was \$13.96 while our common share price was \$8.40.

COVID-19

The COVID-19 pandemic continues to have an adverse effect on the Company’s operating business, particularly its hotels, driven by the decline in both leisure and business travel. The results of the Company’s ferry business are still slightly below pre-pandemic levels but have improved significantly in comparison to 2020.

Regardless of the subdued revenues, the Company’s efforts to significantly reduce costs and the positive impact of various government subsidies have allowed us to maintain operations and we have generated positive cash flow from these businesses in the nine months ended September 30, 2021.

Additional commentary on our third quarter results can be found in our Management’s Discussion & Analysis for the three and nine months ended September 30, 2021.

Highlights of the interim condensed consolidated financial statements for the three and nine months ended September 30, 2021 compared to the three and nine months ended September 30, 2020 are as follows:

<i>(in millions, except per share amounts)</i>	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
	\$	\$	\$	\$
Hotel and management services	11.0	7.0	22.7	24.5
Provision of services	4.3	3.0	5.9	3.8
Investment and other income (loss)*	2.7	13.1	16.9	(28.3)
Net income (loss)	3.5	12.5	10.6	(33.7)
Comprehensive income (loss)	5.4	10.4	38.1	(40.0)
Basic earnings (loss) per share ("EPS")	0.24	0.79	0.72	(2.10)
Diluted EPS	0.16	0.67	0.61	(2.10)
Total assets	382.4	295.4	382.4	295.4
Long-term financial liabilities	116.2	97.9	116.2	97.9
Book value per share	13.96	9.11	13.96	9.11

*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 insurance proceeds.

Other Information

Further information about Clarke, including Clarke's Interim Condensed Consolidated Financial Statements and Management's Discussion & Analysis for the three and nine months ended September 30, 2021, is available at www.sedar.com and www.clarkeinc.com.

Management Changes

Clarke is also pleased to announce the following management changes for Clarke and its wholly-owned subsidiary, Holloway Lodging Corporation ("Holloway"):

- Tom Casey while remaining in his current role as Chief Financial Officer of Clarke, was also appointed as Chief Financial Officer and Co-President of Holloway effective November 8, 2021, with leadership over Holloway's finance function and real estate developments.
- Robert Sherman was appointed as Co-President and Chief Operating Officer of Holloway effective November 8, 2021, with leadership over Holloway's hotel operations.
- Mr. Sherman will replace Felix Seiler as Chief Operating Officer of Holloway. Mr. Seiler announced he will retire at the end of December 2021 and will remain with Holloway in a transitional role until that time.
- Tomer Cohen was promoted from Investment Manager to Vice President of Investments of Clarke effective November 8, 2021.
- Maksym Levytskyy, MBA, was promoted from Investment Manager to Director of Investments of Clarke effective November 8, 2021.
- Mark Fullerton joined the Company as Vice President of Accounting and Financial Reporting on June 25, 2021.
- John Truong, P.Eng., joined Holloway as Director of Development on October 11, 2021.
- Paola Calce stepped down as Vice President and General Counsel of Clarke effective October 29, 2021, to pursue other endeavors.

"On behalf of the Board of Directors and management team, we would like to thank Paola and Felix for their contributions to Clarke and Holloway over the years and wish them well in their future endeavors" commented George Armoyan, Chairman, President and Chief Executive Officer of Clarke. "We would also like to congratulate Tomer, Tom, Robert, Mark, John and Maksym on their new and expanded roles within the Company and look forward to working closely with each of them to deliver on our commitment of generating long-term shareholder value."

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, CKI.DB); 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. The Company's book value per share at December 31, 2020 was \$11.20.

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, 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.