

CLARKE

Clarke Inc. announces acquisition of the Stanford Inn & Suites in Grande Prairie, Alberta and renovation of the Sternwheeler Hotel and Conference Center in Whitehorse, Yukon

Halifax, Nova Scotia – June 13, 2022 – Clarke Inc. (“Clarke” or the “Company”) (TSX: CKI) (TSX: CKI.DB) is pleased to announce that it has acquired the Stanford Inn & Suites located in Grande Prairie, Alberta for a purchase price of \$11.6 million. The purchase price implies a proforma cap rate in excess of 14% based on proforma net operating income¹.

Clarke is making the acquisition through Holloway Lodging Corporation (“Holloway”), a wholly-owned subsidiary of the Company. The Stanford Inn & Suites will be the fifth hotel owned or managed by Holloway in the Grande Prairie market.

The Stanford Inn & Suites has 206 rooms, the majority of which are kitchenette suites, features SIPPS Bar and Grill, Monica’s Family Restaurant, a fitness center, meeting and banquet space and nearly two acres of oversized equipment and truck parking on an adjoining parcel of excess land.

Tom Casey, CFO of Clarke and Co-President of Holloway stated: “This acquisition is a significant milestone, as it is Holloway’s first hospitality acquisition since 2016. The acquisition was completed at an attractive price and cap rate, and we are optimistic of the synergies available to us given our strong presence in the market. The former ownership group fostered a loyal customer base, and we believe it’s a great fit for our hotel portfolio”.

Grande Prairie is located in Northwestern Alberta and beyond its own population of approximately 70,000, also acts as a regional hub serving nearly 300,000 additional residents of Northern Alberta, Northern British Columbia and the Northwest Territories. It is the largest commercial center in Alberta, north of Edmonton.

Renovation of the Sternwheeler Hotel and Conference Center

The Company is also pleased to announce that it has completed extensive renovations at the Sternwheeler Hotel and Conference Center. The Sternwheeler Hotel and Conference Center is located in Whitehorse, the capital of the Yukon Territory. The renovation included all guest rooms, common areas, meeting and banquet space, the building’s exterior and included environmentally friendly heating and cooling improvements. The property has 181 rooms, a restaurant and lounge and 7,000 square feet of meeting and banquet space.

Robert Sherman, COO and Co-President of Holloway, stated: “The renovation has repositioned the hotel as one of the premiere hotels in Whitehorse. We are thrilled with the results and cannot wait for our valued guests from across Canada and beyond to experience the beautifully renovated hotel as tourism begins to rebound in Whitehorse.”

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); for more information about Clarke Inc., please visit our website at www.clarkeinc.com.

¹ Net operating income is a non-IFRS measure and cap rate is a non-IFRS ratio. Refer to the Cautionary Statement Regarding Use of Non-IFRS Accounting Measures and Ratios of this press release for more information.

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

This press release makes reference to the Company's "net operating income" and "cap rate". Net operating income and cap rate 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 are relevant in evaluating Clarke's acquisition of the Stanford Inn & Suites. The Company defines net operating income as revenue less expenses. Net operating income measures operating results before interest, depreciation, and amortization. Cap rate is comprised of net operating income (a non-IFRS financial measure) less 4% of revenue (as a proxy for recurring maintenance capital expenditures), divided by the value of the relevant property. 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, 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 Tom Casey, CPA, CA, Chief Financial Officer, at (902) 420-6446.