Clarke Inc. Reports 2020 Third Quarter Results

Halifax, Nova Scotia – November 10, 2020 – Clarke Inc. (“Clarke” or the “Company”) (TSX: CKI) (TSX: CKI.DB) today announced its results for the three and nine months ended September 30, 2020.

Third Quarter Results

The net income (loss) attributable to equity holders of the Company for the three and nine months ended September 30, 2020 was $12.5 million and ($33.7), respectively, compared to ($2.9) million and $31.2 million for the same periods in 2019. During the three and nine months ended September 30, 2020, the Company had unrealized gains on its investments of $10.8 million and unrealized losses of $41.2 million, respectively, compared to unrealized losses of $5.9 million and $5.2 million for the same periods in 2019. The Company had realized gains on its investments of nil and $29.0 million, respectively, for the three and nine months ended September 30, 2020 compared with realized gains of nil and $12.5 million for the same periods in 2019.

During the third quarter of 2020, the Company’s book value per Common Share increased by $0.70 or 8.3%. The increase can primarily be ascribed to (i) unrealized gains on our marketable securities in the amount of $10.8 million, or $0.68 per Common Share, (ii) a fair value increase of certain office buildings owned by Holloway Lodging Corporation (“Holloway”) in the amount of $2.0 million, or $0.13 per Common Share (iii) repurchasing our Common Shares at prices below our book value per share in the amount of $1.0 million, or $0.05 per Common Share, offset by (iv) a decrease in the after-tax value of our pension plan surplus in the amount of $1.8 million, or $0.11 per Common Share, and (v) losses in our operating businesses and corporate overhead in an amount of $0.7 million, or $0.04 per Common Share. Our book value per Common Share at the end of the third quarter was $9.11 while our Common Share price was $5.81.

Subsequent to the end of the third quarter, the Company, through its wholly-owned subsidiary, Holloway, agreed to sell the Best Western ® in Grande Prairie, Alberta to G2S2 Capital Inc. ("G2S2") for consideration of $11.5 million. The transaction constitutes a "related party transaction" pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval in connection with the sale in reliance on the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as the fair market value of the transaction does not exceed 25% of the Company’s market capitalization. The transaction was reviewed and approved by the board of directors of the Company, excluding Mr. George Armoyan, the Executive Chairman of G2S2, who abstained from voting on the matter. The transaction is subject to customary closing conditions and, subject to the satisfaction or waiver of those conditions, is expected to close by year end.

COVID-19

The spread of COVID-19, consumer and business perceptions of the danger of COVID-19 and Canadian and provincial government responses to COVID-19 have affected the Company materially and adversely during the first three quarters of 2020. The impact has been particularly strong on Holloway and Clarke’s ferry business due to the collapse in business and leisure travel and even day-to-day commuting.

With the increasing lifting of business lockdowns and travel bans, economic activity is resuming, and our businesses are beginning to recover. How long it takes for business levels to normalize remains highly uncertain. In mid-March, as the impact of COVID-19 on business levels became apparent, we took immediate and drastic action at our businesses to safeguard employee and customer safety, ensure financial liquidity, reduce and/or defer expenses and minimize cash burn. We do not expect to generate significant positive cash flow at Holloway or our ferry business until the travel and leisure industries return to more normal economic levels. The world will need energy once again, a large portion of this will be provided from oil or natural gas and Trican will be best positioned in Canada to help oil and gas producers complete their wells. People will still want or need to travel, and Holloway will accommodate guests. And cars, trucks and passengers will need to cross the St. Lawrence River and our ferry operation will remain an efficient way of doing so.

Additional commentary on our third quarter results and COVID-19 related issues can be found in our Management's Discussion & Analysis for the three and nine months ended September 30, 2020.

Highlights of the interim condensed consolidated financial statements for the three and nine months ended September 30, 2020 compared to the three and nine months ended September 30, 2019 are as follows:

(in millions, except per share amounts)	**Three months ended September 30, 2020 $**	Three months ended September 30, 2019 $	**Nine months ended September 30, 2020 $**	Nine months ended September 30, 2019 $
Hotel and management services	**7.0**	21.7	**24.5**	58.7
Provision of services	**3.0**	4.5	**3.8**	6.7
Bargain purchase	**—**	—	**—**	20.7
Investment and other income (loss)*	**13.1**	(4.7)	**(28.3)**	10.4
Net income (loss) attributable to equity holders of the Company	**12.5**	(2.9)	**(33.7)**	31.2
Comprehensive income (loss) attributable to equity holders of the Company	**10.4**	(3.3)	**(40.0)**	26.6
Basic earnings (loss) per share ("EPS")	**0.79**	(0.24)	**(2.10)**	2.58
Diluted EPS	**0.67**	(0.24)	**(2.10)**	2.56
Total assets	**295.4**	391.5	**295.4**	391.5
Long-term financial liabilities	**97.9**	95.3	**97.9**	95.3
Book value per share	**9.11**	14.26	**9.11**	14.26

**Investment and other income (loss) include unrealized/realized gains/losses on investments, hotel revaluations and property fair value adjustments, dividend and interest income, pension recovery, insurance proceeds, losses on disposal of assets, foreign exchange gains/losses, and gains on repurchase of convertible debentures.*

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, 2020, 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. 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 attributable to equity holders of the Company 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.

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 in the Company's energy basket, 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 a ferry operation, such risks and uncertainties include, among others, weather conditions, safety, claims and insurance, 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 CEO, at (902) 442-3413 or Stephen Cyr, CFO, at (902) 442-3415.