

Clarke Inc. Reports 2025 Fourth Quarter and Year End Results

HALIFAX, NS, March 3, 2026 /CNW/ - Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) today announced its results for the three months and year ended December 31, 2025.

Results for the Year Ended December 31, 2025¹

The Company's net income was \$13.0 million compared to \$37.8 million in 2024. Net income in the year included fair value adjustment gains of \$14.9 million on certain investment properties compared to significantly larger fair value gains of \$34.0 million in 2024. Interest and accretion expense increased year over year despite lower interest rates on our floating-rate debt, due to higher average long-term debt balances driven by ongoing construction expenditures. In addition, a larger portion of construction interest was capitalized in 2024 compared to 2025, reflecting the timing of when dedicated construction financing was in place.

Comprehensive income for the year ended December 2025 was \$17.6 million compared to \$46.4 million in 2024. Comprehensive income in the year ended December 31, 2025 was less than 2024 due primarily to decreased earnings and smaller revaluation gains recorded in 2025 compared to those recorded in 2024.

During 2025, the Company's book value per common share increased by \$1.23, or 6.2%. The Company had net income of \$13.0 million during the year which included hotel net operating income of \$21.5 million, or \$1.54 per common share, residential net operating income of \$7.4 million, or \$0.53 per common share, and fair value adjustments on investment properties of \$14.9 million, or \$1.07 per common share, offset by depreciation and amortization of \$12.3 million, or \$0.88 per common share, interest and accretion of \$10.8 million, or \$0.78 per common share and hotel revaluation losses of \$1.5 million, or \$0.11 per common share. The Company also recorded hotel revaluation gains, of \$2.5 million, or \$0.18 per common share in other comprehensive income. The Company's book value per common share at the end of the year was \$21.08, while the common share price was \$20.93.

Results for the Fourth Quarter of 2025

Hotel and rental revenue was stable quarter over quarter at \$16.7 million, with incremental rental revenue from the first building of the Talisman's second phase commencing operations offsetting lower quarter over quarter hotel revenue.

The \$29.9 million fair value adjustment gain on investment properties recorded in 2024 is the largest factor in the decreased fourth quarter net income quarter over quarter.

The Company had other comprehensive losses of \$1.5 million in the fourth quarter of 2025 compared to \$0.2 million in 2024. The primary reason for the increased loss was a higher remeasurement loss on the accrued pension benefit asset in the fourth quarter of 2025 compared to 2024.

For the three months ended December 31, 2025, Clarke's basic and diluted loss per common share was \$0.03, compared to earnings per common share of \$1.54 in 2024.

Additional commentary on our results can be found in our Management's Discussion & Analysis for the year ended December 31, 2025.

¹ Book value per share and 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 December 31, 2025 MD&A for more information.

Other Information

Highlights of the consolidated financial statements for the three months and year ended December 31, 2025, compared to the three months and year ended December 31, 2024 are as follows:

	Three months ended December 31, 2025	Three months ended December 31, 2024	Year ended December 31, 2025	Year ended December 31, 2024
<i>(in millions, except per share amounts)</i>	\$	\$	\$	\$
Hotel and rental revenue	16.7	16.7	71.9	66.5
Provision of services revenue	2.1	1.6	9.6	8.9
Other income	0.3	30.2	12.2	39.7
Net income (loss)	(0.4)	21.5	13.0	37.8
Other comprehensive income (loss)	(1.5)	(0.2)	4.6	8.6
Comprehensive income (loss)	(1.9)	21.3	17.6	46.4
Basic and diluted earnings (loss) per share	(0.03)	1.54	0.95	2.71
Total assets	633.3	516.4	633.3	516.4
Total liabilities	346.9	239.4	346.9	239.4
Long-term financial liabilities	163.6	74.5	163.6	74.5
Book value per share	21.08	19.85	21.08	19.85

About Clarke

Clarke is a real estate company with holdings across real estate sectors – primarily residential, furnished suites and hospitality. Clarke's common shares (CKI) trade on the Toronto Stock Exchange. Further information about Clarke, including Clarke's Consolidated Financial Statements and Management's Discussion & Analysis for the year ended December 31, 2025, 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". 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 underlying assets, changes in the property holdings, changes to the Company's hedging practices, currency fluctuations, requirements for additional capital and management's expectation that the Company will not be required, without choosing to do so, to repay its construction financing or revolving credit facilities

within the next twelve months. 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 assets, 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 of the construction projects and renovations, reliance on key executives and other factors. The real estate industry is subject to various risks that could impact our financial performance and asset values. These risks include fluctuations in property values, changes in market demand, interest rate volatility, and broader economic conditions such as inflation, employment levels, and consumer confidence. Tourism levels, economic activity and changing competition in our markets can have a significant impact on the underlying results of our assets. Competition from new developments and alternative accommodation options could affect occupancy rates and rental pricing. Regulatory and legislative changes, including zoning laws, rent control measures and environmental policies, may impose additional costs or restrictions on operations. Additionally, unforeseen capital expenditures, rising maintenance costs, and disruptions in supply chains may impact profitability. Our ability to successfully acquire, develop, and manage real estate assets depends on effective risk mitigation strategies, financial flexibility, and market adaptability. With respect to the 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 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.

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