Clarke Inc. Reports 2026 First Quarter Results and Election of Directors

HALIFAX, NS, May 11, 2026 /CNW/ - Clarke Inc. ("Clarke" or the "Company") (TSX: CKI) today announced its results for the three months ended March 31, 2026.

First Quarter Results[1]

Hotel and rental revenue for the three months ended March 31, 2026 increased to $18.5 million compared to $17.7 million in the prior period primarily due to the commencement of operations of the first building in the Talisman's second phase, which was not operational during the comparative period. The Company's net income for the three months ended March 31, 2026 was $14.1 million compared to a loss of $2.4 million in 2025. The net income during the period was primarily a result of a fair value adjustment on investment properties. The net loss in the prior year was primarily attributable to a pension expense resulting from past service costs following a pension plan amendment. Interest and accretion expense decreased year over year as a result of lower interest rates on our floating-rate debt, and a higher component of capitalized interest driven by ongoing construction expenditures in the current quarter compared to 2025.

Other comprehensive loss for the three months ended March 31, 2026 of $1.2 million was a result of net remeasurement losses in the Company's pension plans compared to other comprehensive income in the prior period of $5.4 million related to net remeasurement gains related to the pension plan amendment.

While the Company experienced improvements in both residential and hospitality net operating income compared to the comparative quarter, the results do not fully reflect the significant initiatives made during the quarter due to their timing and nature.

In addition to the efforts related to the arrangement agreement signed with Ravelin Properties REIT ("Ravelin"), which we expect to close in the second quarter, the Company obtained the occupancy permit for the second building of the second phase of the Talisman development and is nearing completion of the third building. Operations for the second building commenced on April 1st and will be reflected in the Company's results beginning in the second quarter. The third and final building of the second phase is expected to be completed in the summer, with operations commencing in the third quarter.

The Company is also commencing a major renovation of its DoubleTree by Hilton hotel in London, Ontario. In addition, construction of the 448-unit residential development branded "*The Regent*," located adjacent to this hotel, continues to progress.

This is a dynamic period for the Company, with meaningful growth in assets and revenues expected from both organic initiatives across our hospitality and residential businesses, as well as from the anticipated Ravelin acquisition.

During the first quarter of 2026, the Company's book value per common share increased by $0.93, or 4.4%. The Company had net income of $14.1 million during the period which included hotel net operating income of $5.5 million, or $0.40 per common share, residential net operating income of $2.3 million, or $0.17 per common share and a fair value adjustment on investment properties of $19.0 million, or $1.40 per common share, offset by depreciation and amortization of $3.2 million, or $0.24 per common share, interest and accretion of $2.4 million, or $0.17 per common share and income tax expense of $4.8 million, or $0.35 per common share. The Company also recorded remeasurement losses on its pension plans of $1.2 million, or $0.09 per common share in other comprehensive income. The Company's book value per common share at the end of the period was

$22.01, while the common share price was $22.94.

Additional commentary on our first quarter results can be found in our Management's Discussion & Analysis for the three months ended March 31, 2026.

[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 March 31, 2026 MD&A for more information.

Other Information

Highlights of the interim condensed consolidated financial statements for the three months ended March 31, 2026, compared to the three months ended March 31, 2025 are as follows:

	Three months ended March 31, 2026 $	Three months ended March 31, 2025 $
Hotel and rental revenue	**18.5**	17.7
Provision of services	**0.3**	0.2
Other income (loss)	**19.4**	(2.1)
Net income (loss)	**14.1**	(2.4)
Other comprehensive income (loss)	**(1.2)**	5.4
Comprehensive income	**12.9**	3.0
Basic and diluted earnings (loss) per share	**1.07**	(0.17)
Total assets	**661.9**	546.7
Total liabilities	**376.4**	267.9
Long-term financial liabilities	**165.3**	75.7
Book value per share	**22.01**	20.06

Election of Directors

Clarke also announced today that the director nominees listed in the Management Information Circular dated April 8, 2026, were elected as directors of the Company. The detailed results of the vote for the election of directors held at Clarke's Annual General and Special Meeting of Shareholders held on May 8, 2026 in Halifax, Nova Scotia are set out below.

Nominee	Votes in Favour	% in Favour	Votes Withheld	% Withheld
George Armoyan	11,153,057	99.29 %	79,902	0.71 %
Blair Cook	11,214,809	99.84 %	18,150	0.16 %
Jane Rafuse	11,161,107	99.36 %	71,852	0.64 %
Marc Staniloff	11,214,859	99.84 %	18,100	0.16 %

Final voting results on all matters voted on at the Annual General and Special Meeting of Shareholders held on May 8, 2026 will be filed on the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

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 Interim Condensed Consolidated Financial Statements and Management's Discussion & Analysis for the three months ended March 31, 2026, 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. Forward-looking information may relate to Clarke's and Ravelin's future business, financial outlook and anticipated events or results and may include information regarding their financial position, business strategy, growth strategies, addressable markets, market share, budgets, operations, financial results, taxes, trading liquidity of common shares, operating environment, business plans and objectives. Particularly, information regarding the companies' expectations of future results, upside, performance, growth, achievements, prospects or opportunities or the markets in which they operate, the anticipated timing of the Ravelin securityholder meetings, the successful completion of all closing conditions, including approval by Ravelin securityholders, court approval, Toronto Stock Exchange approval, and other conditions, the anticipated timing for the completion of the Ravelin acquisition and consideration including the number of Clarke common shares granted and the statement that it is a dynamic period of expected meaningful growth in the Company's assets and revenues from either organic initiatives or from the anticipated Ravelin acquisition is forward-looking information. 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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