

SEALASKA Shareholder



Your Connection to the Sealaska Community

Quarter 1 • 2020

Former Sealaska Director Marge Young Passes

Sealaska is sad to learn of the passing of longtime director Marjorie (Marge) V. Young. Marge served on the board of directors from 1979 to 2009 and held positions as chair and vice chair during her years of service.

Marge was a successful business owner in her hometown of Craig. She operated AC Thompson House Grocery Store and the Hill Bar & Liquor Store for nearly five decades. She was a kind, generous and community-minded leader who supported the local schools and personally donated money to help teams from Prince of Wales Island attend the Gold Medal Tournament and many other events over the years.

During her tenure as a director, Marge was a steadfast and trusted voice in the

boardroom. She advocated for creating opportunities for shareholders and was influential in several initiatives that still benefit the corporation today. In 2009, the Sealaska board of directors unanimously voted to name the Sealaska Permanent Fund in honor of Marge. The fund is officially known as the Marjorie V. Young Shareholder Permanent Fund.

“Marge cared deeply about all Sealaska shareholders. She consistently advocated for growing and protecting the permanent fund for future generations of shareholders,” said Joe Nelson, Sealaska board chair who served alongside Marge for six years.

“Marge’s foresight on financial stewardship is something that will guide the corporation for years to come,” said



Sealaska President and CEO Anthony Mallott. “She will be missed but she leaves a lasting legacy on Sealaska shareholders.”

The family of Marge Young will hold memorial and remembrance services later this year. Marge was a lifelong resident of Craig. She was Haida, Eagle, Frog.

Sealaska Announces Spring 2020 Shareholder Distribution

Sealaska’s board of directors approved a distribution totaling \$23.24 million to be issued on Tuesday, March 31, 2020. The distribution includes payments from operations (\$5.6 million) and the Marjorie V. Young Shareholder Permanent Fund (\$2.4 million).

The decision to make the announcement now rather than wait a few weeks was made in light of the economic crisis and to provide some level of financial relief for shareholders who are impacted by the downturn in the economy as a result of the coronavirus (COVID-19).

“The board took decisive action to move up the distribution date,” said Joe Nelson, Sealaska board chair. “We realize that this distribution won’t fully compensate people, but we believe it is a necessary step to help alleviate some of the pressure our people are facing during this time.”

In this distribution, \$4.2 million will be routed to village corporations as part of the ANCSA 7(j) revenue sharing fund.

“The company’s performance over the past several years with our growth in revenue and the success of our investments has given us the ability to make this distribution in this moment,” said Anthony Mallott, president and CEO. “We want our shareholders to know that we are focused on maintaining the continuity of our business during this financial crisis and will continue to explore ways we can support our communities during these challenging times.”

All Sealaska shareholders will receive a spring dividend payment that includes:

- \$2.24 per share payment from Sealaska operations
- \$0.97 per share payment from the Marjorie V. Young Shareholder Permanent Fund

The 2020 spring distribution also includes an ANCSA Section 7(i) payment of \$9.74 per share to Urban and At-Large shareholders.

If you need to update your records or make changes to your stock, gift stock or update your address or banking information, please visit MySealaska.com. You can also contact the Sealaska Shareholder Relations team directly at records@sealaska.com or 1.800.848.5921

SPRING 2020 DISTRIBUTION SCHEDULE FOR SHAREHOLDERS

- **Friday, March 20, 2020:** Record Date is the last day to make changes to stock, gift stock, enroll, process estates or transfer shares.
- **Thursday, March 26, 2020:** Last day to change shareholder banking or mailing information. Update information on MySealaska.com by 11:59 p.m. AKDT
- **Tuesday, March 31, 2020:** Distribution occurs. Direct deposits will be posted and paper checks will be mailed.

2020 Q1 Financial Update

Sealaska will show another year of record net income for 2019. In December we told shareholders that we estimate 2019 net income to be nearly \$77.6 million based on management's expectations, estimates and projections and feel we will be very close to that estimate as we close our annual financial audit over the next few weeks. *Please note, Sealaska's 2019 audited financials will be published in May 2020.*

While we are not yet at the end of our first quarter of 2020, we do know that the current COVID-19 induced crisis will have an effect on Sealaska's full year 2020 financial results (see income notes below). We also know that Sealaska is financially strong with significant cash positions that will allow us to weather the crisis, while also being able to help with critical needs that arise within our communities.

It is the growth and success of our businesses that have left us in this fortunate position to take action to help our shareholders and communities. One of the first actions we have taken was to move our spring dividend up by 17 days, which allowed us to get \$23.7 million to shareholders at a time of need. We have also worked closely with policy makers at the state and federal level to advocate for aid to the most negatively affected by this crisis.

NET INCOME

** dollars in thousands*

** 2019 net income is based on management's expectations, estimates, projections and assumptions.*



Business Income

We are working diligently to limit the effect of this crisis on our businesses, while keeping our employees and communities safe. None of our businesses have shut down, or plan to, as we operate within many essential areas, but there are too many unknowns right now to make a full year prediction of our business income.

Investment Income

Our investment income is currently negative, caused by significant investment market declines. Our portfolios are designed to be able to withstand market crashes and we believe they will be able to recover, like they did during and after the 2008 financial crisis.

ANCSA Section 7(i)

Commodity prices that drive our 7(i) income have fallen because of the estimated decline in economic activity. We believe we will see less 7(i) income in 2020, although 7(i) will still be an important source of positive income. Even though 2020 full year results are too difficult to forecast right now, Sealaska has diversified income sources and the largest business platform in its history to help us through this crisis. Please stay safe and follow all of the government mandates and guidelines so we can keep our communities safe.

SCS Expanding Work at Air Force Base in Montana

Sealaska Construction Solutions, LLC (SCS) is a recent recipient of the Malmstrom Air Force Base multiple award task order contract (MATOC). One of eight awardees, SCS will compete for design-build, bid-build construction projects under the contract vehicle, which has a \$90M ceiling value. Work will take place at the air base and Missile Wing at Malmstrom Air Force Base near Great Falls, Montana.

Potential services specified by task order include maintenance, repair, alteration, mechanical, electrical, heating/air conditioning, demolition, painting and earthwork. The contract base period is five years and includes a two-year option.

This is the second U.S. Air Force indefinite delivery/indefinite quantity (IDIQ) contract awarded to SCS in the last year and the third contract to work on U.S. Air Force bases.

"We are excited about this new contract because we can build upon an already impressive portfolio of Air Force construction projects," said SCS General Manager Dave McQueen.

The SCS team is also pleased with the location being in Montana.

"We're always trying to get closer to home—closer to our shareholders and to other Sealaska companies," said McQueen.



"Many of our recent projects are on the West Coast which could mean potential opportunities to collaborate with other Sealaska companies."

SCS is part of Sealaska's government services group, providing building solution leadership in an open culture between clients, subcontractors and the end-user. A wholly owned company of Sealaska, SCS is certified 8(a) and Small Disadvantaged Business by the U.S. Small Business Administration.

Sealaska Invests in Future Alaska Native Scientists and Engineers

Sealaska is increasing its involvement in the education of shareholders and descendants long before they are eligible for a college scholarship. One example is our sponsorship of the Alaska Native Science and Engineering Program (ANSEP) Middle School Academy.

ANSEP is based at the University of Alaska Anchorage. Over the past 20-plus years, the program has evolved into a pipeline of programming for Alaska Native students, beginning in middle school all the way through the post-graduate level. The goal is to introduce Alaska Native youth to real-world STEM (science, technology, engineering and mathematics) projects. This hopefully will spark an early interest in related careers and college in general. In 2019, Sealaska supported ANSEP Middle School Academy with a \$50,000

contribution. There is no cost for students to attend because of partnerships with Sealaska and other corporations and donors.

The primary goal of the ANSEP middle school academy is for middle school students to complete Algebra I before entering high school. “When students complete Algebra I by eighth grade, they’re on a better math track all the way through high school,” said ANSEP Regional Director Michael Bourdukofsky. “Even if they never participate with ANSEP again, they’re on track to complete calculus in high school and be hyper-prepared to pursue STEM careers in college.”

For more information, visit the website ANSEP.net.



Sealaska Shareholder Spotlight: Rick Brock

Petersburg High School Varsity Boys Coach

After 30 years as the boys varsity basketball coach at Petersburg High School, Rick Brock has seen a lot: several regional titles, a couple state titles, and countless nights when the Petersburg High School gymnasium has echoed with a boisterous home-team crowd. But he says the most meaningful part of his tenure with the team hasn’t been the victories, cheering fans or highlight-reel moments, but rather time with family.

Rick is Haida, a Raven of the Brown Bear

House whose crest is Double Fin Killer Whale, and he has strong ties to his family throughout the region. Every bit of his coaching career has been touched in some way by his basketball-loving family. He earned a bachelor’s degree from the University of Alaska Fairbanks and received Sealaska scholarship support throughout college. “I was one of the first in our whole family to go to college, and Sealaska helped tremendously with that. I’m very thankful.”



Sealaska Invests in Regenerative Tourism in Southeast Alaska

Sealaska is partnering with the Sustainable Southeast Partnership (SSP) and Allen Marine to support a new position within SSP, a regional catalyst for regenerative tourism. The new position will focus on:

- Supporting Southeast Alaska small communities around visitor industry opportunities
- Guiding the development of the visitor industry in rural areas
- Supporting new tourism business opportunities in smaller communities

Sealaska shareholder Mary Goddard has been selected as the regional catalyst for regenerative tourism. Mary will work out of Sitka, Alaska, and will be immersed in our Southeast communities. She’s been in this position several months and will soon be launching the new SSP effort.

For more information visit ANSEP’s website ANSEP.net



FACING COVID-19 TOGETHER

Message from Sealaska Chair Joe Nelson

These are extraordinary times, as we hunker down across the globe. Extraordinary, but not unprecedented. One hundred years ago, a flu pandemic swept the globe taking up to 50 million lives, including many lives in Alaska. But as indigenous people, we are survivors.

“Social distancing” is not our thing. As a collectivist people, we live and socialize in multi-generational groups at a higher rate than most in the western world. But our community leaders can and should encourage people to do the right thing, even when it is painful and difficult.

For the sake of our Elders. For the sake of our health care providers. For the sake of our children. We encourage you to take transmission reduction measures seriously. Stay at home. Put the gadgets down. Spend quality time with your family. Tackle the chores you have been neglecting. Find safe ways to help others.

Perhaps most important, find ways to take care of yourselves as you hunker down—strengthen yourself mentally, physically,

and spiritually. There will be plenty of work ahead as we come out of this slow down.

There will no doubt be a huge economic toll because of the dramatic measures that are being taken now. And there will be lives lost, possibly as a result of the measures that we are not taking. But we have ancient knowledge, experience, and values to guide us through this difficult moment.

Like every other cycle, there will be a rebuilding phase. We will recover. The berries will come back. That is why we make jam to help get us through the winter.

At Sealaska, we are moving forward but just like everyone else, we are doing things a bit differently in these uncertain times. Our offices are currently closed to the public but you can take care of most business by email, phone, or through the MySealaska portal.

We will support our communities in the coming weeks and months. This work has



already started. The spring distribution was made ahead of schedule on March 31st to provide relief to our shareholders. The board recently authorized contributions to the Food Bank of Alaska and Southeast Alaska Food Bank to support immediate needs in our traditional communities.

We will continue working with Sealaska Heritage Institute, Spruce Root, and community partners to find ways to help where we can. We will get through this together.

Every day is a gift. Make the best of today.

Kaaxúxgu | Joe Nelson
Chairman, Sealaska

Sealaska Announces Changes to Shareholder Community Meetings and Annual Meeting

We have made the decision to offer the May 2020 shareholder community meetings via webcast. Canceling the in-person community meetings was a difficult but necessary decision as we continue to assess the risks of the pandemic. The safety and well-being of our employees and shareholders, especially our Elders, remains a top priority.

The community meetings are an opportunity to hear from shareholders and learn about what's important. We are evaluating the best way for us to interact and will share details in May. Our goal is to

ensure that shareholders can engage with the board and our leadership team in lieu of face-to-face meetings.

Plans are also underway to hold Sealaska's annual meeting via webcast on June 27, 2020. We are currently evaluating options to hold this meeting in a manner that allows us to provide shareholders with as much information as they would have received under normal circumstances. The corporate election will proceed as scheduled.

We are continuing to follow the guidance

of public health officials. If there are additional changes, we will notify our shareholders and the public. We encourage you to follow us on Facebook @sealaskacorporation, check the Sealaska website and register on MySealaska.com to receive the latest information.

Remember, we are in this together (but apart). Across the world, people are feeling the effects of this crisis. Sealaska cares deeply about our shareholders and employees and we are doing everything we can to support you during this difficult time.

Everyone has a role to play to reduce and slow the transmission of COVID-19.

What We Can Do to Help Flatten the Curve

Keep Your Hands Clean



Wash your hands often with soap and water for at least **20 seconds**



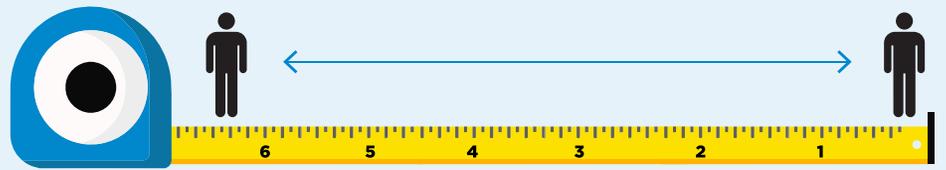
If soap and water aren't readily available, use a **hand sanitizer** that contains at least **60% alcohol**



Avoid touching your eyes, nose and mouth with unwashed hands

Social Distancing

Put at least 6 feet of space between you and others



Support Yourself



Take a break from watching, reading or listening to the news including social media



Take care of your body, eat healthy, exercise if possible and get plenty of sleep



Make time to unwind and **do activities you enjoy!**

Let's Stay Connected

Sealaska Juneau office will be closed to until further notice. Please note, Sealaska may extend the closure based on recommendations from federal, state and local authorities.

Despite being closed, Sealaska is still open for business. Here are ways you can reach us in Juneau:

MySealaska.com **Shareholder Portal**

During this extreme time, having the ability to function remotely is important. MySealaska.com provides shareholders the opportunity to view current news, update

your banking or mailing information, send email to the Shareholder Relations team and more. You can interact with MySealaska.com from a desktop or on the MySealaska app.

MySealaska.com

Send us an email when logged in to your MySealaska.com profile at MySealaska.com/AboutMe/SendEmail. During these historic times, this is the preferred method to reach the shareholder relations team. The team manages incoming emails via the portal during regular business hours Monday – Friday.

Shareholder Relations Team

Email:
records@sealaska.com

Call:
800.848.5921

Corporate Secretary Office

Email:
corpsec@sealaska.com

Call:
907.586.9247



SEALASKA HERITAGE INSTITUTE NEWS



SHI to Explore Ways to Host Virtual Events

The Sealaska Heritage Institute board of trustees has decided to postpone Celebration 2020 to next year amid concerns about the COVID-19 coronavirus and its spread in Alaska in recent days. The biennial dance-and-culture event, originally scheduled June 10–13 in Juneau, is now planned for June 2–5, 2021. In the meantime, SHI staff will explore ways to bring virtual events to the public this year through its social media platform.



SHI Unveils State-of-the-Art Platform for Archives

SHI has put digital photographs of more than 900 ethnographic objects and detailed listings of 150 of its archival collections online in a new, state-of-the-art platform. The new system is a catalog database with sophisticated searching capabilities used by many institutions in the country. The platform allows users to search holdings by name, culture, artist and topic, among other things, all in one space and view associated digital resources, such as video, photographs and online exhibits.



#NotAlone

SHI is posting virtual content every weekday during this time of uncertainty because of the new coronavirus. Go to our Facebook page to get daily video content on Celebration performances, language tutorials, lectures and more. Staff is also sharing activities for children adapted from the institute's Baby Raven Reads lesson plans and other online resources on Facebook. We also have a lot of content on our YouTube page. We're also planning a virtual First Friday event in April.



Herring Egg Film

SHI has produced a new video on the importance of the herring roe fishery to subsistence users and wildlife and the state of the stocks today. The film, *Gáax'w ka Haaw* (Herring Eggs and Branches), documents the 2019 spring harvest efforts in Sitka Sound and portrayals of the tension the indigenous people of Sitka and beyond are feeling as this traditional food faces an uncertain future because of commercial fishing pressure. Watch the 35-minute film on SHI's YouTube page, www.youtube.com/c/SealaskaHeritageInstitute.



Tribal Members, Military Hold Historic Meeting

Clan leaders and other tribal members from Angoon, Kake, and Wrangell participated in a historic meeting with Alaska's senior military leader to discuss bombardments on the three villages waged by the United States in 1869 and 1882. Lt. Gen. Thomas A. Bussiere and his aides met with tribal members at Sealaska Heritage to discuss possible ways to reconcile and to heal. "What might be a path forward in opening the dialog with a purpose of healing and a deeper understanding?" Lt. Gen. Bussiere asked tribal members. Read the full story at <https://www.sealaskaheritage.org/node/1170>.

Sealaska took on the responsibility of protecting and strengthening the container of wisdom left by our Elders. As a result, Sealaska established Sealaska Heritage Institute in 1980 to administer cultural and educational programs. Since inception Sealaska has donated roughly \$33.7 million in cash donations and in-kind services to SHI. A recent study found that for every dollar invested by Sealaska over the last nine years, SHI generated more than two additional dollars, in addition to providing employment and contract opportunities for more than 50 tribal members annually and incalculable educational and cultural benefits.

IN MEMORY

Sealaska pays tribute to shareholders who have recently walked into the forest.

This list now has a place of honor online too. You can view recent names at MySealaska.com, under services and forms.

Pauline Mariam Adams — Forks, WA (90)
Sidney Alexander — Kincolith, BC (94)
Pauline Adeline Andersson — Kristianstad, SE (84)
Harriet Bangs — Seattle, WA (63)
Candace L. Barnett — Richland, WA (67)
Marilyn Baumann — Gold Beach, OR (88)
Thomas Dan Bonifant — Casa Grande, AZ (70)
Michael Edward Brown — Everett, WA (75)
Aaron Christian Doris — Burwash Landing, YT (37)
Harry James Elie Jr. — Ketchikan, AK (61)
Liann M Farquhar — Anchorage, AK (54)
Richard Joseph George — Juneau, AK (60)
Francine Gloria — Port Angeles, WA (67)

Stephen Wayne Hanlon — Juneau, AK (63)
Donald Lester Hart Jr. — Indianola, OK (57)
Eugene Mark Hiebert — Valdez, AK (84)
Jeanette Ann Huberth — Juneau, AK (73)
Royal T Hudson — Douglas, AK (29)
Jo Ann Jackson — Kake, AK (63)
Joseph Bergman Jim — Juneau, AK (74)
William Lenard Johnson Sr. — Rochester, WA (90)
Albert Ketah — Anchorage, AK (81)
Lewis L Lange — Ozark, AL (61)
Michael Ernest Lozano — Concord, CA (64)
Joyce Ruth Morales — Stockton, CA (85)
Gwen Nelson — Vancouver, BC (73)

Amelia M Revels — Tucson, AZ (73)
David Alan Shorty — Juneau, AK (55)
Shirley Ann Sipe — Bremerton, WA (76)
Marlene Mary Sternberg — Juneau, AK (90)
Rose L Thilges — Bellingham, WA (84)
Bondy Family Trust — San Francisco, CA
David Williams — Anchorage, AK (87)
Gerald Dean Williams — Ketchikan, AK (60)
Harvey Williams Jr. — Auburn, WA (64)
Kelly Williams — Angoon, AK (83)

Please note that Sealaska will publish shareholder names only after the Shareholder Relations Department has received proper documentation.

Path to Prosperity Finalists Out of Yakutat and Haines

At Sealaska, we are committed to investing in our local entrepreneurs, economies and communities. One way we are doing this is through our partnership with an extraordinary nonprofit organization called Spruce Root.

Spruce Root, Inc. is a community development financial institution that provides local entrepreneurs with access to business development and financial resources through tailored loans, business coaching, and workshops. Spruce Root knows that businesses need to be profitable, but insists that its profitability generate economic growth and opportunity for the whole community —while not harming the natural environment.

One of Spruce Root's exciting programs is the annual business plan development

competition, Path to Prosperity. New and existing businesses are eligible to apply. Applicants are reviewed on both feasibility of the business and contribution to community. The entrepreneurs who make it through the first round go on to a "boot camp," a three-day-long intensive experience to work on marketing, finance and business development to help guide their efforts.

While all eligible entrepreneurs can benefit from this part of training, only two winners are selected for ongoing consulting and technical assistance with experts for up to \$25,000. The 2019 Path to Prosperity winners include Village Coffee Company in Yakutat, Alaska owned and operated by Sealaska shareholder Justyne Wheeler, and Foundroot in Haines, AK, owned by Leah Wagner and Nick Schlosstein.

Village Coffee Company

Justyne has a passion for coffee and the tastes of Southeast Alaska. Her drive-thru coffee stand serves custom coffee drinks and homemade pastries that use locally-sourced ingredients. Justyne's core customer base is local regulars, and she works hard to minimize the environmental footprint of her customers' daily cups.

Foundroot

Foundroot is an open-pollinated seed company in Haines, Alaska, that sells vegetable, herb and flower seeds proven for Alaskan growing conditions. On the small sustainable farm in Haines, Foundroot is growing seed varieties that are adapted to Alaska's climatic challenges; and they have sold seeds to over 65 Alaska communities.





Make the Change: **Go Green**

Sealaska is happy to announce that over 2,300 shareholders have opted to Make the Change, Go Green and receive information electronically. Make the change by April 10, 2020, to be eligible for a cash prize (\$100 each for 10 winners).

In This Issue

- 1** Remembering Marge Young
- 2** Business Updates
- 3** Shareholder News
- 4-5** Facing COVID-19 Together
- 6** News from Sealaska Heritage Institute
- 7** Path to Prosperity

If you choose to Make the Change, Go Green, the following information will be sent to your inbox rather than your mailbox!

- Newsletters
- Meeting notices
- Annual reports
- Proxy statements
- Other important shareholder communications, information and announcements

Sealaska.com | MySealaska.com | Visit us on Facebook | Twitter @SEALASKA | YouTube @SEALASKAKWAAN

Sealaska
One Sealaska Plaza, Suite 400
Juneau, AK 99801-1276
800.848.5921 toll-free



Presorted
First Class Mail
US Postage
PAID
Juneau, AK
Permit No. 98



Printed on 30% post-consumer recycled paper.