

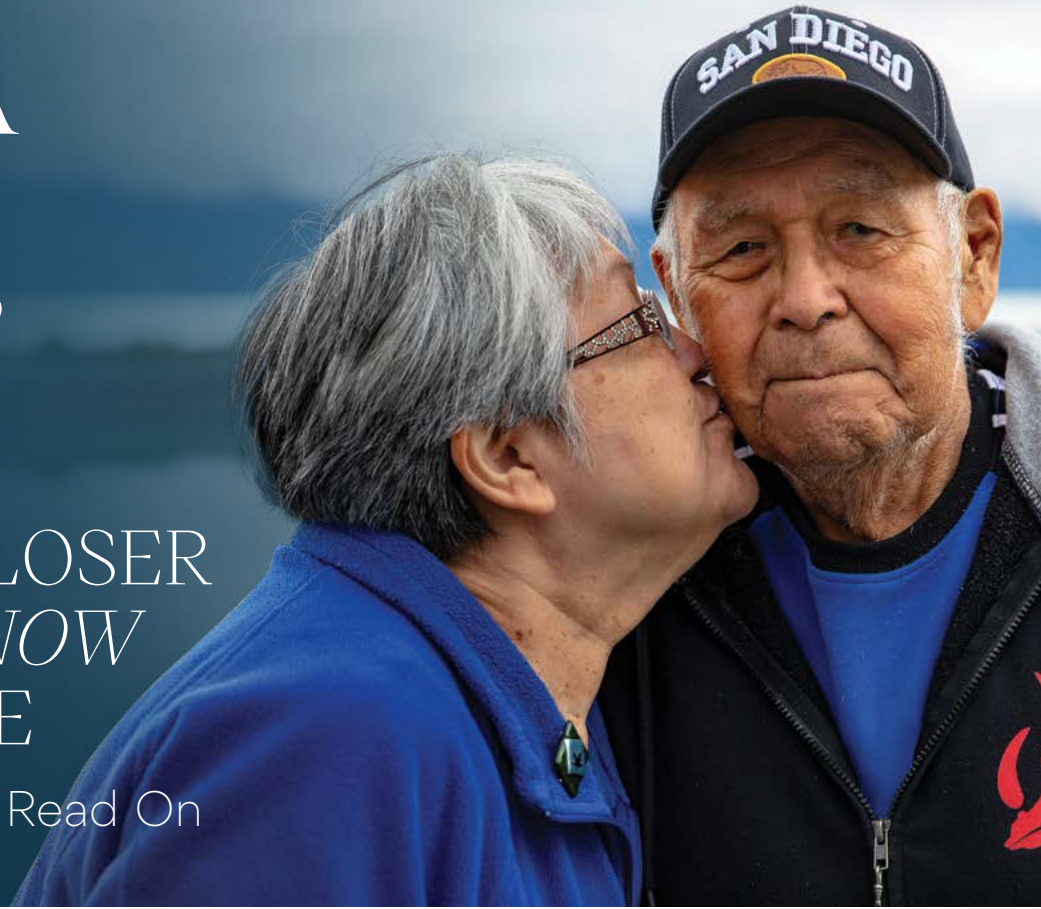


THE SEALASKA SHAREHOLDER

THIRD QUARTER | 2022

LANDLESS ISSUE CLOSER TO RESOLUTION NOW THAN EVER BEFORE

Your Help Is Needed — Please Read On



For 50 years, Sealaska and others have worked tirelessly to correct a major flaw in the Alaska Native Claims Settlement Act (ANCSA). ANCSA created regional and village corporations for communities with historical populations of Alaska Natives, but in Southeast, five communities — Ketchikan, Wrangell, Tenakee, Petersburg and Haines — were inexplicably left out of ANCSA.

Without village corporations representing their communities, Alaska Natives from the five communities have no land ownership of their traditional homelands and have not received village-corporation benefits like dividends, scholarships and support for local priorities.

Previous legislation and lobbying efforts have fallen short due to lack of support in Congress and because of conflict over the specific land selections that would be given to new ANCSA village corporations when they are established.

Today, though, there is hope.

Senate bill 3269, known as the Unrecognized Southeast Alaska Native Communities Recognition and Compensation Act, sponsored by Alaska Sen. Lisa Murkowski, has gotten further in the legislative process than any other attempt in the last 50 years.

Conversations have turned from private land ownership to focusing on righting an injustice for our Native people. Even conservation groups have turned a corner in their acknowledgment of the land's original inhabitants. Terms like "Indigenous conservation" have surfaced, paving the way for support from legislators with a wide range of political philosophies.

Although positive momentum is growing, the journey is not over. The Southeast Alaska Landless Coalition needs your help to keep S. 3269 moving forward.

Please fill out this self-addressed stamped postcard to demonstrate your support to the Senate Committee on Energy and Natural Resources as its members consider our bill this fall.

For more information, go to withoutland.org.

Lift me up for ideas on what to say.

- Share an experience that you hope to one day have on your land.*
- If you live somewhere other than Southeast Alaska, please explain why this is a priority for you, whether it's because you have family roots in a landless community or you want to stand with fellow Alaska Natives for their land rights.*
- Youth shareholders of Alaska Native corporations enjoy the benefits of college scholarships. Explain how you want to help landless youth with their educational ambitions.*
- What would it mean to you to carve, pick berries and hunt on your own land?*



MANAGEMENT REPORT FROM GUNNUK' ANTHONY MALLOTT



Last May, the shareholders of Berkshire Hathaway gathered in Omaha, Nebraska to hear from the company's legendary CEO, Warren Buffett, about the economic climate of 2022. Market swings, supply-chain bottlenecks, fears over inflation, rising interest rates and a possible recession make many investors wish for a crystal ball, and Buffett is known as the "Oracle of Omaha." But what he had to say was incredibly practical and — even though Berkshire Hathaway and Sealaska have little in common — offers some interesting and applicable lessons for Sealaska shareholders wondering what to expect from distributions and the company's performance this year.

Our **Government Services** businesses are setting up for one of their best years in recent history thanks to big increases in government spending designed to combat inflation and help Americans rebound from the pandemic. Earnings from these businesses offer us good diversification from our other income sources and they will be an important cushion against potential declines in other areas.

Sealaska is investing in technology, infrastructure and expertise to take advantage of what is expected to be a decade of massive growth...

We are also aggressively pursuing opportunities in the **offshore wind energy** sector. Sealaska is investing in technology, infrastructure and expertise to take advantage of what is expected to be a decade of massive growth for offshore wind energy. Improvements in offshore wind technology are decreasing the cost of energy produced by offshore turbines, and more projects are being approved as a result. Several states have specific goals for the number of megawatt hours of offshore wind energy they will purchase in the coming years. Our focus is on engineering the undersea infrastructure that will enable this growth, and we are poised to build in waters around the United States and Europe.

We expect the performance of our **investments** to drop significantly in 2022, a reflection of the turbulent global financial markets. While this is frustrating, it is a characteristic of financial markets that there are occasional down years. This is to be expected.

It is likely that inflation and supply-chain challenges will negatively impact the performance of **Sealaska's food businesses** this year. Our foods businesses are primarily oriented toward consumers, and we have some excellent, well-marketed brands. But with inflation now at 9% and climbing, seafood is becoming increasingly expensive and it's logical to expect an impact on sales. Global supply-chain issues are also creating challenges in

getting our high-quality, sustainable products to market.

The other major impact on our net income — at least on paper — is that Sealaska will not record any income from **carbon projects** in 2022. The structure of the deals we signed with the California Air Resources Board when the projects came online in 2018 was that all the income would be recorded in the first 3-4 years of the projects. That time frame has now expired. However, we are working on several new carbon projects that will turn this revenue stream back on soon. More importantly, shareholders and communities will benefit from carbon income we've already brought in for decades — if not centuries — to come.

Carbon has produced about \$140 million in income for Sealaska, and we've invested large portions of it in **shareholder benefits programs that are intergenerational in nature**. Examples include our \$10 million language fund, \$10 million investment in the Seacoast Trust and, in April, the addition of \$25 million to the Marjorie V. Young Shareholder Permanent Fund (see pg. 6). This \$25 million investment will help insulate shareholders from inevitable market swings and the impact of new shareholders on distributions.

All of this brings me back to Warren Buffett, and what shareholders can take away his comments to Berkshire Hathaway shareholders in May. Buffett warned them not to treat the markets like a casino, and not to be fooled by get-rich-quick schemes. Even Buffett, a billionaire many times over, doesn't expect outsized returns.

Instead, Buffett told investors to keep cash on hand to weather the challenging months ahead. Thanks to our carbon projects, Sealaska has savings that can be deployed as needed to weather this uncertain period. **Unlike many publicly traded companies, we will continue paying dividends during this time, and our shareholder benefits spend will remain stable.**

Sealaska President and CEO Gunnuk' Anthony Mallott addresses the crowd at Celebration 2022. This year marked the 40th anniversary of Sealaska Heritage Institute's biennial Celebration, which is made possible through support from Sealaska.



“

Inflation and turbulent markets may impact us for the short term, but in the long term, we know we're on the right path for the right reasons and nothing can take that away from us.

*Gunnuk' Anthony Mallott,
Sealaska President and CEO*



Buffett's final piece of advice is particularly applicable to us: "The best thing you can do is to be exceptionally good at something," he said. "Whatever abilities you have can't be taken away from you – they can't actually be inflated away from you."

For nearly a decade, Sealaska has been increasingly focused on our business vision for Ocean Health. It is a vision that aligns with our Tlingit, Haida and Tsimshian values, and we've spent years

honing our expertise in this area. Inflation and turbulent markets may impact us for the short term, but in the long term, we know we're on the right path for the right reasons and nothing can take that away from us.



Sealaska's language endowment is supporting the revitalization of our traditional languages in places like Xántsii Náay Haida Immersion Preschool in Hydaburg.

What's the Difference Between an Alaska Native Corporation and a Publicly Traded Corporation?

Alaska Native corporations (ANCs) and companies like Amazon or Apple differ in several important ways, and that impacts the way we do business.

- ANCs stock cannot be bought, sold or traded. The relationship between ANCs and their shareholders is lifelong, and extends to future generations through gifting and inheritance.
- Shareholders in publicly traded companies are trying to make money. Stock that isn't either paying dividends or gaining value will usually be sold. ANC shareholders can't sell their stock.

- Although both ANCs and publicly traded companies can provide dividends to shareholders, publicly traded companies don't usually pay dividends when they're trying to grow. Instead, they plow their earnings into acquisitions, efficiencies and improvements that will make them more profitable. Amazon is one of the largest and most successful companies in the world, and it has never paid a dividend!
- Sealaska is growing while also paying dividends, which means we grow slower than we might otherwise but have the opportunity to provide shareholder benefits.
- Publicly traded companies don't provide benefits like scholarships, internships, cultural and language-preservation programs, or funding for workforce and economic development initiatives. ANCs do all of this and more. Sealaska's shareholder benefits have grown steadily for nearly a decade.

REPRESENTATION MATTERS

“Nothing about us without us” is a widely recognized saying that describes why effective public policy cannot be created without the full participation of the people impacted by it. Alaska Natives make up 18 percent of the population in Alaska but are extremely underrepresented in the Alaska Legislature, local government and positions of power and authority throughout the state. Sealaska believes Alaska will be a better place for all its residents when its leadership better reflects our population. We recognize and thank our shareholders serving in public office at all levels of government in Alaska and beyond.



‘Wáahlaah Gíidaak Barbara Blake

Blake’s Haida means Potlatch Giver. Her Haida, Tlingit and Ahtna Athabascan family stems from Klawock, Hydaburg and Tsiis tl’edze’na’ (Chistochina). Her Xaadaas Clan is Yahkw Janáas (Raven Shark). Her father is Naltsiine and her grandfather is Teeyeeneidi.



CITY: Juneau (*Dzantik’i Heeni*)

POSITION: Elected assemblyperson, City and Borough of Juneau

YEARS IN PUBLIC SERVICE: Almost one year (elected October 2021)

“We have an opportunity to change these systems and institutions to create a path for future generations. A path where their voice, culture, and ways of life are respected and no longer invisibilized or minimized. Just by showing up to these decision making tables, you change the conversion. But we as Indigenous leaders have to go beyond filling a seat, we have to ensure the voices of our people are filling these decision making spaces. As the original caretakers of Alaska, our voices are critical in the future decisions for our homelands and peoples.”

Axeix yei l Jessica Whitaker

Whitaker’s Tlingit name means Dancing Raven. She is Tlingit yeil (Raven) moiety, Kaachadi (Raven-Frog) clan and Shtax’heen Kwaan (Stikine River People) from Wrangell. Her maternal family members



are direct descendants of Chief George Shakes VI, Gushtlien II. She is also Tsimshian from her father, and a Tahltan descendent from her mother.

CITY: Wrangell (*Kaachxana. áakw*)

POSITION: School board member, Wrangell Public Schools

YEARS IN PUBLIC SERVICE: Nearly one year on school board; approximately 8 years in various other elected roles including the Wrangell Chamber of Commerce, Wrangell Cooperative Association tribal council and more.

“Over the years, Wrangell’s population has dwindled, which means fewer teachers and a reduction in class offerings. It’s a vicious cycle because families move away when they can’t get the class offerings and extracurricular programs they want for their kids. It’s been important to me to look at creative ways to bring more money into the district, and that includes programs and resources available through organizations like Sealaska and (Central Council of the Tlingit and Haida Indian Tribes of Alaska). Without Native representation on our school board, we would lose out on some of these opportunities.”

Xixchi’i See Debra Lekanoff

Debra’s mother is from Yakutat and is Tlingit, Raven, Kwaashi Kwaan clan. Her father is from the Pribilof Islands.

CITY: Anacortes, Washington

POSITION: Washington state representative, 40th legislative district

YEARS IN PUBLIC SERVICE: Nearly four years as Washington representative; 20 years in public service

“Washington state’s environmental, natural resources and infrastructure programs are built



on biennial budgets, which occur every two years. As a seventh-generation decision maker, we carry the next generation with our decisions. So, we can't help but think generationally. As a Native American woman, thinking and making decisions based on biennial budgets falls short for me."

Todd Gloria

Gloria is a third-generation resident of San Diego but traces his ties to Alaska through his paternal grandfather, Louis Gloria, who was born in Juneau and served on the Sealaska Board of Directors from 1979-1988. Gloria is Tlingit, Filipino and has Dutch and Puerto Rican roots.

CITY: San Diego, California

POSITION: San Diego mayor



YEARS IN PUBLIC SERVICE: 14 years in elected office, including San Diego City Council and the California State Assembly

"I had a teacher tell me 'You can't run for office if you're gay,' but honestly, he didn't have to say that because I already believed it. That was a time when someone actually said it out loud, but there are a lot of unspoken things children believe about themselves without anyone having to say it to them. I want to be a voice for saying, 'You can. If you have the talent and work hard, you can do it.' ... The phrase 'representation matters' isn't just about mentoring Native youth, or LGBTQ youth. There are so many people who haven't had a seat at the table. It's about allyship and the interconnected nature of what we must do. Natives will rarely be the majority in any room so you have to seek allies. That's how you get progress."

SEALASKA BOARD ENDORSES MARY PELTOLA FOR CONGRESS



In July, the Sealaska board voted to endorse Mary Peltola's bid for the U.S. House of Representatives. If elected, she will be the first Alaska Native person to represent Alaska in Congress.

Peltola is Yup'ik from Bethel, and is intimately familiar with Southeast and the rest of Alaska. She represented the Bethel region in the Alaska House of Representatives for 10 years, where she helped rebuild the Bush Caucus, including eight years serving as chair.

Her time in the Bush Caucus led to a

deep understanding of the issues facing Alaskans. Since then, she has served in both local and tribal government, resource and economic development, and fisheries.

"Alaska Native legislators have always played a key role in governing because their sense of purpose is tied to a people and a place, not a party," said Sealaska board Vice Chair Jodi Mitchell.

Sealaska urges voters to rank Peltola first on the general election ballot in November. Peltola is aligned with the goals and vision of Sealaska and its shareholders: advocacy for Alaska Native sovereignty and people, traditional ways of life and values, environmental stewardship and ocean health.

The Sealaska board also endorsed the Bill Walker-Heidi Drygas ticket for Alaska governor and lieutenant governor and Sen. Lisa Murkowski for U.S. Senate. The board opposes the constitutional-convention ballot measure because it could erode subsistence and other Native rights.

Important Dates and Deadlines for Alaska and Washington Voters

ALASKA VOTERS

- **October 9:** Voter registration deadline
- **October 29:** Last day to request an absentee ballot
- **November 8:** Election day; absentee ballots must be postmarked by this date
- **November 23:** Deadline for the state to receive ballots that were postmarked by election day

Voter information available online at www.elections.alaska.gov

WASHINGTON VOTERS

- **October 21:** Start of 18-day voting period. Ballots are mailed out and Accessible Voting Units (AVUs) are available at voting centers.
- **October 31:** Online and mail registrations must be received eight days prior to Election Day. Register to vote in person during business hours and any time before 8 p.m. on Election Day.
- **November 8:** Election Day. Deadline for Washington state voter registration or updates (in person only). Deposit ballots at an official election drop box by 8 p.m. on election day.

Voter information available online at www.sos.wa.gov/elections

LONG-TERM THINKING DEFINES SEALASKA'S SHAREHOLDER BENEFITS APPROACH

Since our founding 50 years ago, Sealaska's purpose has been to generate profits to provide benefits and resources to our shareholders and descendants. The two most successful approaches to providing shareholder benefits that we've identified are

1. Creating nonprofit enterprises that we fund on an ongoing basis, and that leverage those funds to qualify for grants and other opportunities;
2. Establishing endowments that are invested in global markets to earn a reliable stream of income to be used to fund ongoing benefits programs.

"The Seacoast Trust achieves the priorities of our shareholders, who care deeply for the economic sustainability of our traditional communities, where we all come from. It is also an avenue for advocating for Native rights and issues, ensuring that our values and traditional knowledge are part of the management plan for our ancestral homelands."

— *Gunnuk' Anthony Mallott, Sealaska President and CEO*

OUR BENEFITS STRATEGY MAGNIFIES OUR IMPACT

Most shareholders are familiar with examples of type 1 like Sealaska Heritage Institute and Spruce Root. Both receive annual funding from Sealaska that is leveraged to bring in more grants. In 2021, SHI realized an 11:1 return on Sealaska's \$2.73 million investment, and Spruce Root's was 5:1 on \$506,000 from Sealaska.

Type 2 examples include our scholarship fund, language fund, the Marjorie V. Young Shareholder Permanent Fund, the Deishú Memorial Fund and more.

THE SEACOAST TRUST IS OUR LATEST INVESTMENT IN REGIONAL ECONOMIC DEVELOPMENT

Our newest venture, the Seacoast Trust, is a combination of type 1 and type 2. It is an endowment, and the endowment's earnings will be leveraged by the Sustainable Southeast Partnership (SSP) to bring in matching grants and other contributions to fund ongoing shareholder and regional benefits.

The Seacoast Trust was created in September of 2021 with \$10 million from Sealaska and \$7 million from The Nature Conservancy.

THE SEACOAST TRUST IS ATTRACTING MAJOR SUPPORT FROM OUTSIDE DONORS

In the year since the Seacoast Trust was launched, we've raised almost \$5 million more to push the size of the endowment to more than \$21 million — well on its way to our next fundraising goal of \$40 million.

THE SEACOAST TRUST WILL FUND THE SUSTAINABLE SOUTHEAST PARTNERSHIP

The endowment's earnings will produce about \$1 million a year for the well-established and successful community and economic development work of the SSP. Spruce Root will support the Seacoast Trust administratively.

SSP BRINGS PEOPLE TOGETHER TO WORK ON COMMUNITY PRIORITIES

SSP was established more than a decade ago by a group of Southeast Alaska residents who were tired of the divisiveness that dominated conversations about economic and community development in Southeast. Back then, the conversation was often framed in binaries — conservation vs. development, Native vs. non-Native, urban vs. rural, etc.

SSP is the opposite of binary. Southeast Alaska tribes, local governments, Native corporations, state and federal land managers, local businesses and many others are connected through deliberate engagement on community-specific goals. Examples of what we've accomplished together include

- Building affordable housing in Yakutat by working with the tribe, the city, the school district, the regional housing authority, a credit union and a Native-owned construction company;
- Our "Blueprint for Southeast Alaska" report became the foundation of the USDA's understanding of our region and priorities, leading directly to the July 2021 announcement of \$25 million in funding for our region; SSP partners are also finalists for a federal grant that, if successful, will funnel \$60 million into Southeast.

SSP GENERATES A STRONG RETURN ON INVESTMENT FOR SOUTHEAST ALASKA

In 2018, an Ecotrust study showed a 7:1 return every dollar spent on SSP projects in Southeast Alaska. This 7:1 return boosts Sealaska's impact and inspires confidence on the part of prospective partners.

Learn more and get involved

If you'd like to get involved as an individual or on behalf of your tribe, community or other organization, please contact SSP Program Director Ralph Wolfe at ralph@spruceroot.org. You can learn more at seacoasttrust.org, sustainableseasteast.net and spruceroot.org.



NEWS FROM THE #ONESEALASKA FAMILY



Wanted: Tlingit, Haida, Tsimshian recordings

Sealaska Heritage is embarking on a major, long-term project to collect all known Tlingit, Haida and Tsimshian recordings in both Native languages and English for a publication about our culture and history based on the voices of our ancestors. We are asking individuals who have original recordings in any format (VHS cassette tapes, reel, etc.) to allow SHI to duplicate them using the latest technology. We will send digital versions of the recordings to the owners. With the diminishing number of Native language speakers, one of our highest priorities will be to transcribe and translate those recordings spoken in our Native languages. The number of speakers who are able to assist with transcriptions is also diminishing. If you are interested in sharing your recordings, please contact at emily.pastore@sealaska.com or 907.586.9202. Clan ownership of materials will be acknowledged and maintained in transcriptions.

SHI intern helps discover invasive species in Alaska

SHI intern Natalie Bennett, working with biologists from the Metlakatla Indian Community (MIC) on Annette Island, has discovered the first evidence of European green crabs in Alaska. She found the evidence in July while helping the team monitor for the invasive species, which has the potential to threaten

Alaska's ecosystems and commercial and subsistence fisheries. Natalie correctly identified three shed carapaces (crab shells) from the species, and two days later seven more specimens were identified as green crab. Thank you, Natalie and MIC, for helping to protect our ecosystems.



Thank you, Sealaska proxy donors

Thank you, Sealaska shareholders, for contributing your proxy incentive to Sealaska Heritage. This year, Sealaska proxy incentive donations were directed to culture projects and Native language work. SHI hosted a cohort of language interns this summer whose jobs were to listen to recordings of Native elders, transcribe the audio into written text, and translate to English. This work is time consuming and requires special equipment. Your proxy donations this year will help continue our culture and language work.



Upcoming Workshops:

Join us for Business Basics, an interactive online workshop that will give you the knowledge, tools and connections needed to launch a successful business!

Grants of up to \$2,500 are available to Central Council of the Tlingit and Haida Indian Tribes of Alaska citizens who complete these courses. Sealaska shareholders and/or tribal citizens do not need to be living in Southeast Alaska to access this course.

BUSINESS BASICS FOR ALASKA NATIVE ARTISTS

October 13 & 14 — Apply by October 3rd!

Held in partnership with the Sealaska Heritage Institute

GENERAL BUSINESS BASICS

November 3rd — Apply by October 24th!

Learn more and apply at spruceroot.org/businessbasics.

Spruce Root is Hiring!

Interested in joining a dynamic team working to build strong localized economies and resilient communities in Southeast Alaska? We are hiring a Program Manager for Technical Assistance to support small business owners looking to improve their financial and/or business skills. Check out the position description at spruceroot.org/careers and join our team!

We want to support you!

Visit our website at spruceroot.org or sign up for our email newsletter by scanning the QR code below to learn about our upcoming programs and workshops.









ENROLLMENT UPDATE — *NEW DESCENDANT SHAREHOLDERS*

When the blood quantum resolution on this year's proxy was approved by shareholders, it eliminated the requirement for Class D (Descendant) shareholders to prove they have at least one-quarter Alaska Native blood quantum.

Lineal descendants of original shareholders who were born after Dec. 18, 1971, and who were previously ineligible because their blood quantum was either too low or couldn't be verified are now eligible to apply for Class D (Descendant) stock. Applicants must be 18 or older in order to apply. Please visit [MySealaska.com](https://mysealaska.com) and click the "Online Enrollment" button to learn more.

NEW CLASS D SHAREHOLDERS SINCE JUNE 2022

- 1010 new Class D shareholders as of August 30
- Top 5 States for Enrollment
 - Alaska
 - Washington
 - California
 - Oregon
 - Arizona
- Top Alaska Communities for Enrollment
 - Juneau
 - Anchorage
 - Wrangell
 - Ketchikan
 - Sitka
- Enrollment Percentage by Age
 - 18-29 = 41%
 - 30-39 = 35%
 - 40-49 = 22%
 - 50+ = 2%

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