



FIVE-YEAR SUMMARY
OF SELECTED CONSOLIDATED FINANCIAL DATA

	2021	2020	2019	2018	2017
Gross revenue	\$ 27,748,679	\$ 21,196,088	\$ 3,357,725	\$ 8,017,573	\$ 7,387,281
Revenue from contracts	\$ 23,603,581	\$ 14,399,302	\$ 892,950	\$ 35,120	\$ 48,885
Net income (loss)	\$ 1,291,737	\$ 2,272,801	\$ (1,327,415)	\$ 1,463,595	\$ 225,552
Net income (loss) less Cube Cove sales	\$ 1,291,737	\$ (984,200)	\$ (1,327,415)	\$ (1,440,998)	\$ (3,406,655)
Total assets	\$ 26,061,618	\$ 21,664,577	\$ 16,978,918	\$ 18,286,312	\$ 18,829,839
Current assets	\$ 15,344,854	\$ 14,634,191	\$ 6,801,595	\$ 8,051,686	\$ 5,723,015
Current liabilities	\$ 3,387,542	\$ 3,381,378	\$ 637,613	\$ 497,680	\$ 534,432
Current ratio	4.52	4.33	10.67	16.18	10.71
Shareholder equity per share	\$ 102.05	\$ 97.09	\$ 85.41	\$ 92.80	\$ 85.04

MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CORPORATE OVERVIEW

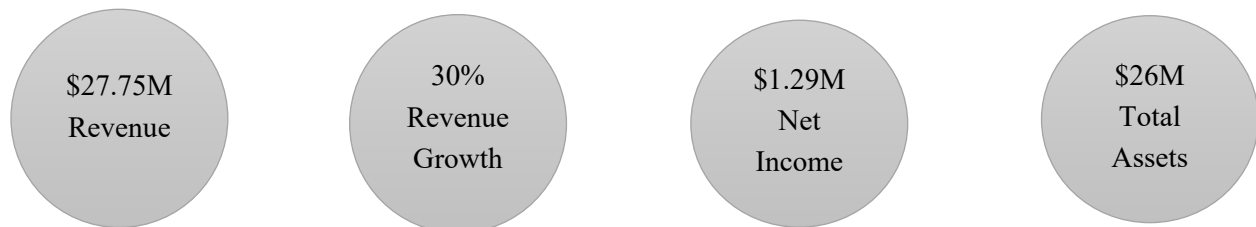
Shee Atiká was established under the Alaska Native Claims Settlement Act (ANCSA) of 1971 and is the Urban Corporation for Sitka, Alaska. The company had 3,454 shareholders holding 185,200 shares of common stock as of December 31, 2021.

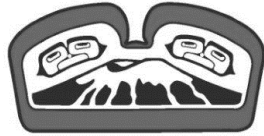
Shee Atiká owns approximately 3,148 acres of surface estate on Baranof Island in Southeast Alaska. The company and its subsidiaries maintain corporate offices primarily in Sitka, Alaska and Montgomery, Alabama with operations staff in 17 states throughout the United States. Shee Atiká's financial and operational activities are in the following business segments:

- Government & Commercial Contract Services
- Lands and Natural Resources
- Commercial Real Estate
- Settlement Trusts

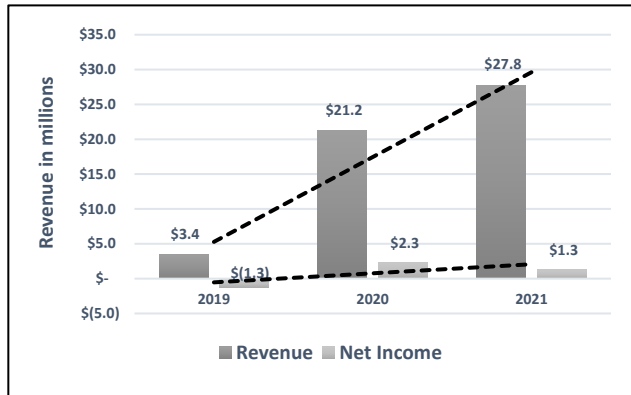
FINANCIAL OVERVIEW

Shee Atiká's consolidated operations earned revenues of \$27.75 million in 2021, up from \$21.2 million in 2020. Net Income in 2020 included the last Cube Cove land sale, so if you remove this non-recurring item, 2020 showed a Net Loss of just under \$1 million. Comparatively, Net Income in 2021 was \$1.3 million without any Cube Cove land sales. This positive change is primarily the result of increased government contracting revenue of \$23.6 million in 2021, an increase of over \$9.2M from 2020 due to successful contract awards and outstanding performance on federal contracts. Total Shareholder equity was \$18.9 million on December 31, 2021, an increase from \$18 million in 2020.

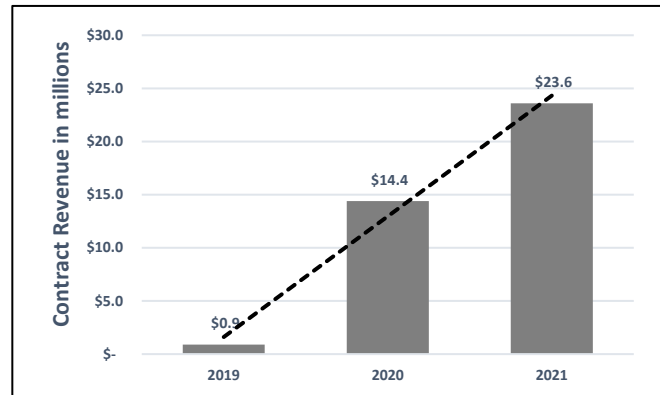




Revenue and Net Income Growth



Contract Revenue Growth

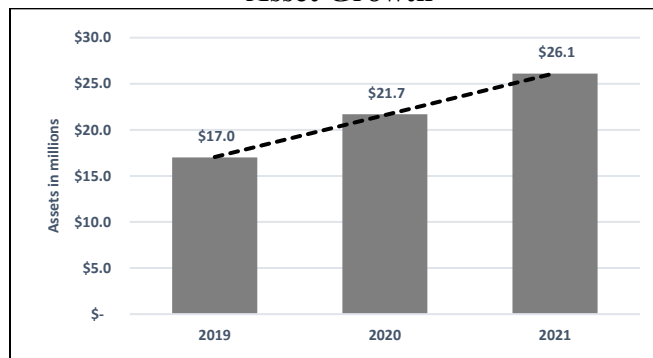


LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2021, Shee Atiká had cash on hand and current investment securities of \$9.66 million, down from \$10.8 million in 2020. An additional \$41 million in cash and investments was held in Shee Atiká Fund Endowment and Shee Atiká Benefits Trust.

Shee Atiká is pleased to report its strong financial standing in terms of its Liquidity and Working Capital. Shee Atiká, Inc. has a current ratio of 4.52. The current ratio is an indicator of financial liquidity and strength. Typical businesses have current ratios ranging from 0.97 to 2.14, depending on the industry comparison (*Wells Fargo Bank US Study of Small Businesses, 2018*).

Asset Growth



I. RESULTS OF OPERATIONS

Government and Commercial Contract Services

During 2021, Shee Atiká established Shee Atiká Government Services LLC (SGS), to manage its expanding portfolio of service lines. Alaska Northstar Resources, LLC (ANR), a wholly-owned subsidiary, continues providing exceptional information technology services to include software development, cloud migration, cloud adoption, cybersecurity and IT system administration to the United States Government and currently has ten prime contracts with numerous task orders and three subcontracts. ANR now has approximately \$129 million in contract backlog, which ANR expects to perform over the next five years. Shee Atiká has three additional subsidiaries. American Marine and Technical Services, LLC (AMTS) is focused on supply chain management, range support, and construction management primarily to the federal government. AMTS anticipates being awarded a prime contract with National Parks Service to provide construction services and is partnered with several companies to prime and subcontract



opportunities for range support services to Department of Defense. In addition, AMTS anticipates bringing on 27 new employees to staff logistics positions for the Army in Fort Drum, NY. Shee Atiká Enterprises, LLC (SAE) competes primarily in the science, health, health communications, engineering, and system integration services market sectors. SAE completed a Covid-19 Research/Study contract for the National Institutes of Health (NIH). SAE is currently partnered with several prime contractors, performing as a subcontractor doing work in cybersecurity, medical staffing, and engineering support services. Lastly, SGS acquired Lakota Solution, LLC (Lakota) in December, 2021. As the newest member of the Shee Atiká family of companies, Lakota brings a proven track record of experience and high-quality execution in the areas of general warehousing and storage, administrative and management consulting, facilities support services, and industrial machinery repair and maintenance. At the time of the acquisition, Lakota had a contract backlog of \$24 million. In the short time since we have owned Lakota, the contract backlog has grown to over \$31 million with further growth expected in future years.

Lands and Natural Resources

Shee Atiká owns approximately 3,148 acres of surface estate land surrounding Katlian Bay on Baranof Island. Much of the timber on the Katlian Bay lands has been harvested previously by helicopter, and while there is some timber volume remaining this remaining timber has been generally inaccessible due to a lack of roads and other infrastructure. The State of Alaska began construction of a 9-mile road with a significant portion passing over a right of way corridor on Shee Atiká lands at Katlian Bay. Road access will likely create opportunities for resource and tourism development at Katlian Bay when the road construction is completed in late 2023 or early 2024.

Commercial Real Estate

Shee Atiká owned development properties in Sitka, Alaska on Charcoal / Alice Island. These properties have been subdivided and sold over the past 15 years. The last of these lots were sold in 2021. In addition, Shee Atiká owns two buildings in Sitka, Alaska. Most of the space in these buildings is leased to third parties, although one of these buildings also houses Shee Atiká's corporate headquarters. The Shee Atiká Fund Endowment owns commercial real estate in Colorado Springs, Colorado, which is leased to a quasi-governmental agency. The commercial properties have provided a stable source of revenue. Expectations are for similar performance in 2022 and future years. Shee Atiká entered into a long-term lease in 2021 with the City/Borough of Sitka in the area known as Harbor Point, adjacent to the commercial cruise docks. We have designed and commenced building a tourism development project which will provide additional revenue growth over the next 20 years as cruise and local tourism business grows in Sitka.

Settlement Trusts

Shee Atiká's settlement trusts include the Shee Atiká Fund Endowment and Shee Atiká Benefits Trust. At the end of 2021, the combined net assets of these trusts totaled \$43.4 million, an increase of just over \$2 million. This is net of the 2021 distribution to the beneficiaries, who are Shee Atiká's shareholders. The trust assets are managed for long-term income yield with a growth orientation to guard against inflationary erosion of principal. The stability and growth in light of recent volatility highlights the strength of the funds' diversification strategy.

II. Social and Cultural Benefits

Shee Atiká provides a number of benefits to its shareholders. Class A (voting) shareholders are eligible for scholarships and funeral benefits. Scholarships had a maximum annual award amount of \$2,400 in 2021 and will be \$3,000 in 2022 and can be utilized for academic degree programs, vocational technical programs, cultural and heritage programs, short-term training programs and youth activities. Additionally, Class A shareholders are eligible for a funeral benefit in the amount of \$875. Pro rata cash distributions



were made by the Shee Atiká Fund Endowment in the amount of \$1,852,000 in 2021 and \$926,000 in 2020. Shee Atiká also has a donation program and contributes annually to various organizations that benefit the local communities.

SOCIAL AND CULTURAL BENEFITS

	<i>2021</i>	<i>2020</i>
<i>SHAREHOLDER SCHOLARSHIPS</i>		
<i>Academic</i>	\$ 189,804	\$ 245,324
<i>Cultural and Heritage</i>	\$ 17,876	\$ 16,549
<i>Vocational Technical</i>	\$ -	\$ 6,800
<i>Short Term Training</i>	\$ 1,565	\$ 919
<i>Youth Activities</i>	\$ 3,627	\$ 4,133
<i>TOTAL SCHOLARSHIPS</i>	\$ 212,872	\$ 273,725
<i>Funeral Benefits</i>	\$ 45,500	\$ 35,875
<i>Distributions</i>	\$ 1,852,000	\$ 926,000
<i>CARES Act Disbursements</i>	\$ 194,700	\$ -
<i>TOTAL SHAREHOLDER BENEFITS</i>	\$ 2,305,072	\$ 1,235,600
<i>Contributions to Community Organizations</i>	\$ 16,750	\$ 19,400
<i>CARES Act Disbursements to Sitka School District</i>	\$ 50,000	\$ -
<i>TOTAL SOCIAL AND CULTURAL BENEFITS</i>	\$ 2,371,822	\$ 1,255,000

III. Special Note Regarding Forward Looking Statements

Certain sections of this MD&A contain forward-looking statements that are based on management's estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast as of the date of this report.

IV. Significant Accounting Policies

Shee Atiká's consolidated financial statements and accompanying notes have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The preparation of these financial statements requires Shee Atiká's management to make estimates, judgments and assumptions that affect reported amounts of assets, liabilities, revenues and expenses. Shee Atiká bases its estimates on historical facts and circumstances. Actual amounts and results could differ from these estimates made by management. To ensure full disclosure and accurate representation of the financial condition of the company, Shee Atiká continually evaluates the accounting policies and estimates used to prepare the consolidated financial statements. See also the Notes to Consolidated Financial Statements in Shee Atiká's Annual Report, which accompany this MD&A.