



President's Letter to Shareholders

Dear Shareholders,

I appreciate the opportunity to write this letter to you as President and CEO of Horizon North. I stepped into this position at the beginning of 2015 and immediately undertook a necessary three-year journey of transformational change. The company has grown from one with an existential reliance on the oil and gas industry to one with a diversified portfolio of offerings that is capable of weathering headwinds that may arise in any of our business sectors. While the financial performance for 2017 was not to my satisfaction I believe the numerous alterations and adjustments we made over the past 36 months will culminate in 2018 being our Year of Execution, an opportunity for our stakeholders to be rewarded.

As a stakeholder you have many choices of entities to follow. I am often asked: "Why Horizon North? What sets your company apart from the others?" It is our diverse profile of strong business verticals that stand out in the industry and form the foundation for our 2018 execution strategy:

- **Industrial Infrastructure**—We provide safe, reliable access to remote resource development and do it with a low environmental footprint, utilizing long lasting product like oak matting and environmentally responsible stabilization solutions.
- **Workforce Accommodations Northern Canada**—Across remote parts of Canada's North, we provide our customers world class hospitality and maintenance services across highly variable and hostile weather environments. We do this by being innovative in anticipating our customer's needs and servicing those needs with a highly specialized team of solution-oriented experts who are humble, relationship-driven, agile and highly efficient.
- **Workforce Accommodations W5/W6**—We are the largest provider of "open camp" rooms in this geologically prolific hydrocarbon resource. Our full turnkey solution allows for us to be nimble in finding the right geography and the right gear profile at the right value proposition.
- **Workforce Accommodations Oil Sands**—We provide our customers in the region with a hospitality and maintenance offering that affords them the capability to service thousands of guests during the peaks and valleys of the labour demands that exist throughout the year. Our turnkey offering is underpinned by two prominent relationships with Aboriginal communities—one to the north of Fort McMurray, Alberta and one to the south of the city.
- **Northwest British Columbia**—We maintain extremely attractive land profiles in Kitimat, Terrace and Prince Rupert that will allow us to benefit tremendously from industrial activity we believe is on the cusp of development in the region.
- **Modular Solutions**—We pair sophisticated software integration and a vastly reduced environmental footprint with an emphasis on quality, safety, and cost and timetable certainty. This has made our modular offering the go-to choice for commercial product that includes affordable housing, hotels, condos, student housing, senior centers, and retail locations.

What makes these verticals stand out and succeed is our belief in people—those we work with and our own employees. This is illustrated by three fundamental pieces that remain inviolable to us as we moved forward.

- **Safety**—We are one of the few participants in our industry prepared to provide full and true disclosure of our safety records for all stakeholders to review. Our Total Recordable Incident Rate for 2017 was 0.63 and we received Gold Level Standing for Canada's Safest Employers.
- **Aboriginal and Community Affairs**—We are investors in strong partnerships with Aboriginal communities—we have 23 partnerships across Western and Northern Canada and proudly employ 12 percent of our workforce as self-identified First Nations members. We do more than talk the talk, we offer true partnership.
- **Human Resources**—We believe our employees deserve a competitive wage and benefit plan and we continue to invest the requisite time on innovative human resource strategies to maintain that accuracy.

We Believe we are building a better Horizon North for all stakeholders. Thank you for your support as we continue along our transformational journey.

Rod Graham,
President, CEO and Director