Dear Shareholders,

Over the past four years, Horizon North has changed dramatically. A previous reliance on services provided for oil and gas clients has been replaced by a diverse portfolio of offerings across two divisions – Industrial Services and Modular Solutions – that will, along with the strongest balance sheet among our peers, allow us to grow and weather headwinds in any of the industries we serve.

On the Industrial Services side of our business, our reputation is well-established as a leading provider of turn-key camp, hospitality, access and maintenance solutions. Our 2019 strategy in this division is focused on four key areas of Canada:

- **Oil Sands** – Underpinned by two prominent relationships with Aboriginal communities north and south of Fort McMurray, we have a nimble, turn-key offering in this region which allows for hospitality and maintenance services to align with the fluctuating labour demands that exist throughout the year.

- **Montney/Duvernay (W5/W6)** – We continue to be the largest provider of open camp rooms in this prolific hydrocarbon resource basin, as well as a leading provider of hospitality and management services in customer-owned facilities. This region also profiles our access solutions, including matting and soil stabilization, which serve as a key entry point for us to future opportunities, demonstrating our capability to provide a full suite of efficient, high-quality services to our clients.

- **Northern Canada** – Our specialized, solution-driven teams are experts in the unique aspects of working in the North. Through their expertise and the support of key Inuit partnerships, we provide our customers in northern Canada with world-class hospitality and maintenance services that meet the demands of the highly variable, remote environments. The recent opening of an 800-person camp in the northern reaches of Baffin Island where we provide hospitality, management and maintenance services is an ideal illustration of our capabilities in a unique area of the world.

- **West Coast** – With a positive final investment decision from LNG Canada in 2018, our 57-acre land profile at the entrance to Kitimat will act as a substantial platform for us in 2019 and beyond. The first phase of our world-class Crossroads open lodge is projected to open in the spring with 240 rooms and will expand to more than 800 rooms as activity in the region grows. The mixed-use community that surrounds the lodge will demonstrate the wide array of modular products we offer, including hotel, office/retail space, and single- and multi-family residential.

On the Modular Solutions side of our business, we will continue a focus on growing our backlog of projects and driving economies of scale in our facilities. To meet growing demand, we executed two acquisitions in 2018 which substantially increased our manufacturing capacity, adding facilities in Aldergrove and Calgary. The ability to provide effective solutions in the Lower Mainland, Alberta and Saskatchewan will bolster the work being done at our center of excellence in Kamloops and will position Horizon North even more strongly as one of Canada’s leaders in modular construction.

One area where our “disruption for construction” model is beginning to play a significant role is affordable housing, the need for which has become a key conversation in many areas of our country. Over the past two years, Horizon North has built a reputation in this market as a partner of choice, due in large part to our efforts in British Columbia to assist government agencies in providing courageous and creative solutions to supportive housing for those...
experiencing homelessness. Our recent acquisitions will allow us to continue our leadership in supporting this noble cause in other areas of Canada.

In all aspects of our work, there are common links that remain fundamental to us as we move forward and grow. It begins with our commitment to safety, which was demonstrated once again by our award of Gold Level Standing in the Manufacturing division for Canada’s Safest Employers. Our investment in strong partnerships with Aboriginal communities is also a critical pillar of our business. Through 24 strong partnerships across western and northern Canada, we work to provide economic benefits and community support to the individuals and families who call the areas home. Finally, we remain dedicated to our Horizon North employees, with a commitment to an innovative, collaborative work environment for all members of our team.

Thank you for your continued support on our journey.

Rod Graham
President, CEO and Director