

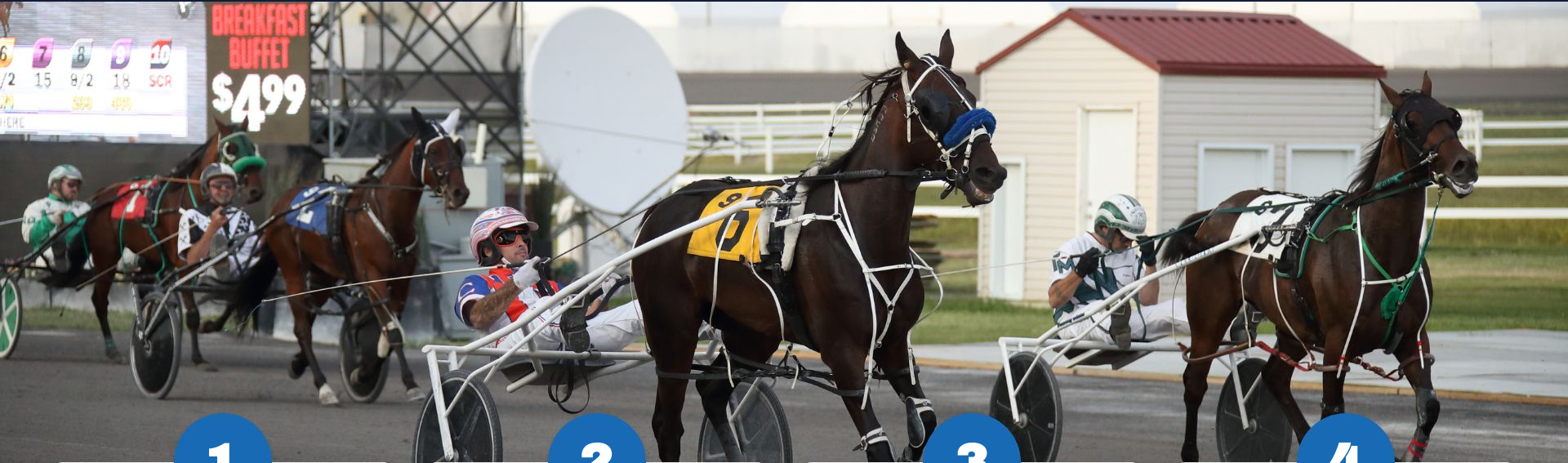


ANNUAL GENERAL MEETING

APRIL 11, 2026



PRIORITIES



1

Increase handle & other sources of revenue

2

Build our house population

3

Grow fan base and community support

4

Maximize racing and purse earning opportunities

A background image of a horse race track. In the foreground, a dark horse is harnessed to a sulky, with its head and front legs visible. Another horse is visible behind it. A person in dark clothing stands on the right side of the track. The scene is outdoors under a clear sky with tall stadium lights in the background. A white rectangular box is overlaid in the center, containing the text "FINANCIAL REPORT" in bold, dark blue, uppercase letters.

FINANCIAL REPORT

FINANCIAL REPORT

THE ALBERTA STANDARD BREED HORSE ASSOCIATION
STATEMENT OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	\$ 21,635	\$ 21,219
Term deposits (note 3)	170,539	164,453
Funds held in trust (note 2)	62,632	52,380
Accounts receivable	84,283	134,824
Investment (note 3)	6	6
Prepaid expenses	16,957	6,832
Note receivable (note 4)	85,049	87,549
	441,101	467,263
PROPERTY AND EQUIPMENT (note 5)	<u>9,519</u>	<u>14,719</u>
	\$ 450,620	\$ 481,982
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Bank advances	\$ 35,595	\$ 19,466
Accounts payable	185,445	96,437
Government remittances payable	-	9,059
Trust accounts payable (note 2)	62,632	52,380
Deferred revenue (note 6)	13,731	12,282
	297,403	189,624
MEMBERS' EQUITY		
Unrestricted	153,217	292,358
	<u>\$ 450,620</u>	<u>\$ 481,982</u>

See notes to financial statements

Approved by the Board:

_____, Director

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LAWRENCE A. LIM
Chartered Professional Accountant

THE ALBERTA STANDARD BREED HORSE ASSOCIATION
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY

	Year ended December 31	
	2025	2024
REVENUE		
Grants	\$ 190,000	\$ 180,000
ASHA operating assessment	175,000	300,000
Contract	60,000	60,000
Other income	46,130	25,810
Breed development program	45,000	45,000
Memberships	42,262	28,857
Dividends	10,062	-
Interest	6,502	7,412
Yearling sale, net	(1,973)	10,172
	572,983	657,251
EXPENSES		
Salaries and employee benefits	288,287	335,172
Office	65,137	68,387
Advertising, promotion and donations - net	62,842	40,257
B track	49,736	35,994
Insurance	49,663	43,830
Trophies and award banquets	47,278	54,201
Meetings	30,685	24,415
President and directors expenses	23,691	24,940
Stake administration	22,096	20,077
Social media expense - net	17,844	15,381
Owners appreciation	15,300	34,103
Other	14,651	6,325
Professional fees	12,100	13,485
Telephone	7,714	3,182
Amortization	5,200	6,100
Ohio sale	4,400	-
Bad debts (recovered)	(4,500)	(1,000)
	712,124	724,849
EXCESS OF REVENUES (EXPENSES) FOR YEAR	(139,141)	(67,598)
Members' unrestricted equity at beginning of year	292,358	359,956
MEMBERS' UNRESTRICTED EQUITY AT END OF YEAR	\$ 153,217	\$ 292,358

See notes to financial statements

See notes to financial statements

See notes to financial statements

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LAWRENCE A. LIM
Chartered Professional Accountant

THE ALBERTA STANDARD BREED HORSE ASSOCIATION
STATEMENT OF CASH FLOWS

	Year ended December 31	
	2025	2024
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Excess revenues (expenses) for the year	\$(139,141)	\$(67,598)
Charge to income not affecting cash		
Amortization	5,200	6,100
	(133,941)	(61,498)
Changes in operating accounts		
Accounts receivable	50,541	(55,931)
Prepaid expenses	(10,125)	13,393
Note receivable	2,500	-
Deferred revenue	1,449	2,568
Accounts payable	79,949	32,338
	(9,627)	(69,130)
INVESTING ACTIVITY		
Purchase of property and equipment	-	(15,937)
INCREASE (DECREASE) IN CASH FOR THE YEAR	(9,627)	(85,067)
CASH AT BEGINNING OF THE YEAR	<u>166,206</u>	<u>251,273</u>
CASH AT END OF THE YEAR	\$ 156,579	\$ 166,206
Cash consists of:		
Cash	\$ 21,635	\$ 21,219
Bank advances	(35,595)	(19,466)
Term deposits	170,539	164,453
	<u>\$ 156,579</u>	<u>\$ 166,206</u>

See notes to financial statements

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LAWRENCE A. LIM
Chartered Professional Accountant

FINANCIAL REPORT

THE ALBERTA STANDARD BRED HORSE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

GENERAL

The Association is incorporated under the laws of the Societies Act of Alberta. The Association's principle business is to develop and promote standardbred horse racing throughout Alberta.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Property and Equipment

Property and equipment are recorded at cost. Amortization is provided as follows:

Automotive equipment	-	30% diminishing balance basis
Office equipment	-	20% diminishing balance basis

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ by a material amount from these estimates.

Contributed Services

Volunteers contribute many hours each year to assist the association in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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LAWRENCE A. LIM
Chartered Professional Accountant

THE ALBERTA STANDARD BRED HORSE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition

Memberships, yearling sale and other revenue is recognized as revenue when the services are provided and the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants, operating assessments and breed development program revenue is recognized as revenue when received unless it is restricted for a specific purpose.

Investment income is recognized over the term of the investment on an accrual basis.

Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Subsequently, financial instruments are recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition, which are amortized using the straight line method.

Financial assets measured at cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows. The amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

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LAWRENCE A. LIM
Chartered Professional Accountant

THE ALBERTA STANDARD BRED HORSE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

NOTE 2 - FUNDS HELD IN TRUST AND TRUST ACCOUNT PAYABLE

The Association is responsible for the administrative duties of the Alberta Sire Stakes Program. The funds held in trust consist of an operating account in the amount of \$62,632 (2024 - \$52,380). These funds are restricted in use and have been segregated from the Association's own operating funds. The revenues and expenses related to the Alberta Sire Stakes Program have not been included in these financial statements.

The Association is also responsible for the administrative duties of the Alberta Mares and Stallions Owners' bonus program. The revenues and expenses related to the Alberta Mares and Stallions Owners' bonus program have not been included in these financial statements.

NOTE 3 - TERM DEPOSITS AND INVESTMENT

The association invests its excess operating cash in guaranteed investment certificates as follows:

	December 31	
	2025	2024
TD GIC, earning interest @ 2.00%, maturing February 24, 2026	\$ 69,438	\$ 66,672
TD GIC, earning interest @ 2.88%, maturing March 2, 2026	61,800	59,381
TD GIC, earning interest @ 3.00%, maturing November 1, 2026	33,215	31,543
plus accrued interest	6,086	6,857
total term deposits	<u>\$ 170,539</u>	<u>\$ 164,453</u>

The association advanced \$200,000 to Calgary Racing Inc. (CREG) to help fund the costs associated with the completion and filing of a competitive application for a class A racing and entertainment centre license in Alberta. CREG was unsuccessful in obtaining the license and withdrew its application and joined with the United Horsemen of Alberta (UHA) to provide a united bid for the license, which was granted in 2005.

The advances have been converted to an equity position in UHA, which operates the horse racing and casino facility known as Century Downs. The equity position represents a less than 1% ownership position in UHA and the value of this position is indeterminable. The equity position is shown at a nominal value for financial statement purposes.

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LAWRENCE A. LIM
Chartered Professional Accountant

FINANCIAL REPORT

THE ALBERTA STANDARDBRED HORSE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

NOTE 4 - NOTE RECEIVABLE

ASHA advanced \$85,049 to the Track on 2 to operate a race track for standardbred race horses. The note is unsecured, non interest bearing and has no fixed terms of repayment.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2025		
	Cost	Accumulated Amortization	Net
Office equipment	\$ 60,245	\$ 50,826	\$ 9,419
Automotive equipment	<u>5,750</u>	<u>5,650</u>	<u>100</u>
	<u>\$ 65,995</u>	<u>\$ 56,476</u>	<u>\$ 9,519</u>
	2024		
	Cost	Accumulated Amortization	Net
Office equipment	\$ 60,245	\$ 46,826	\$ 13,419
Trailer	12,000	10,800	1,200
Automotive equipment	<u>5,750</u>	<u>5,650</u>	<u>100</u>
	<u>\$ 77,995</u>	<u>\$ 63,276</u>	<u>\$ 14,719</u>

NOTE 6 - DEFERRED REVENUE

Deferred revenue consists of cash receipts \$13,731 (2024 - \$12,282) relating to the prepayment of future year's membership fees and the Homestretch Assistance Program.

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LAWRENCE A. LIM
Chartered Professional Accountant

THE ALBERTA STANDARDBRED HORSE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

NOTE 7 - FINANCIAL RISKS AND CONCENTRATION OF RISK

The association has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and market (other price) risk, described as follows:

(a) Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The accounts receivable are due from a diverse group of individuals and companies operating in the horse racing industry primarily concentrated in Alberta. The association does not have a significant exposure to any individual customers. The association's maximum credit risk exposure is limited to the fair value of its accounts receivable. There has been no change to the risk exposures from 2024.

(b) Liquidity Risk

Liquidity risk is the risk that the association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The association's exposure to liquidity risk is dependent on the collection of accounts receivable in order to sustain operations. Management is of the opinion that liquidity risk is not a significant risk and there has been no change to the risk exposures from 2024.

(c) Currency Risk

The association is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates, although there are not many transactions which are denominated in US dollars.

(d) Interest Rate Risk

The association has no significant debt outstanding and does not anticipate this being a major source of funds. There has been no change to the risk exposures of interest rates from 2024.

NOTE 8 - INCOME TAXES

The Association is exempt from income taxes under paragraph 149(1)(1) of the income tax act, therefore no provision for income taxes has been made in these financial statements.

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LAWRENCE A. LIM
Chartered Professional Accountant

A person wearing a white helmet and a light blue and white racing uniform is seated in a wheelchair, driving a sulky. The sulky is pulled by two dark brown horses. The horse on the left is wearing a blue blinkers mask with a white eye cutout. The horse on the right is wearing a black blinkers mask. The sulky has large, spoked wheels, one of which is orange. The scene is set on a dirt racetrack with a white fence and a light-colored building in the background.

EXECUTIVE DIRECTOR REPORT

AB RACEHORSE POPULATION 2008 - 2025

2008 Peak

756

Horses

2021 Low

409

Historic Bottom

2025 Recovery

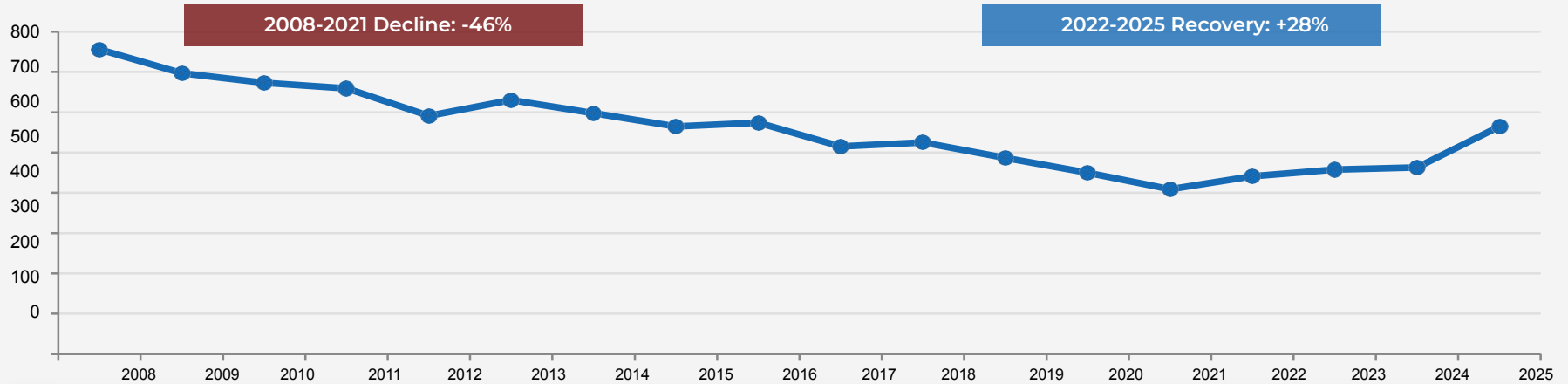
565

Current Level

Net Change

-25%

2008 → 2025



KEY INSIGHTS

13-Year Decline (2008-2021): Lost 347 horses or 46% of population

Recent Momentum: +28% growth from 2022-2025 represents the strongest 3-year expansion period in the dataset

LONG-TERM HANDLE TREND

Total Wagering Handle 2008–2025

2008 Start
\$13.2M

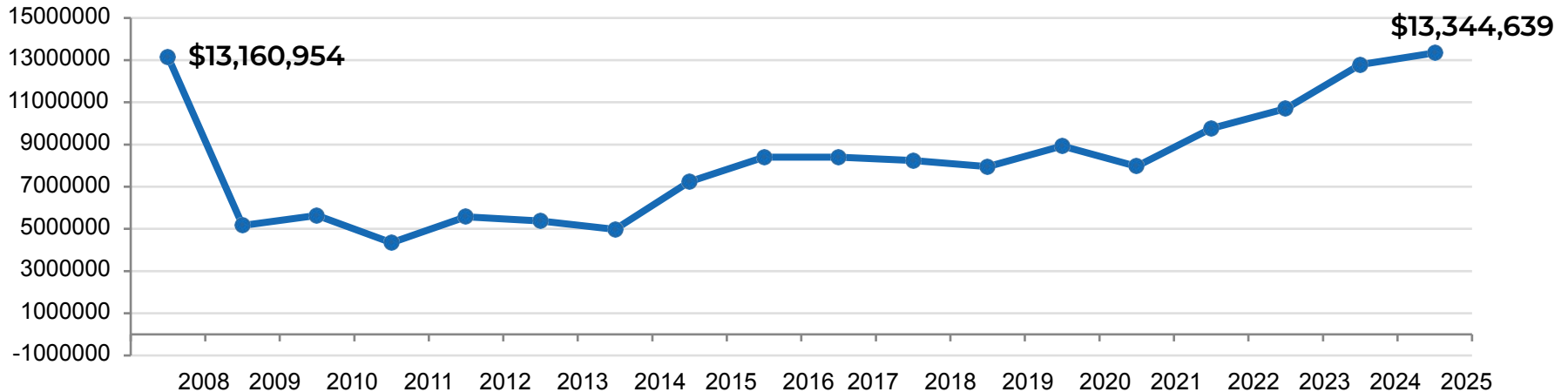
2011 Crisis
\$4.3M
Historic Low

2025 Recovery
\$13.3M
Exceeds 2008

Total Growth
+207%
2011 → 2025

2008-2011 Collapse: -67%

2022-2025 Recovery: +37%



2025 A TRACK HANDLE OVERVIEW

Key Performance Indicators

Total Handle

\$12,616,659

Export Handle

\$11,684,692

Live Handle

\$930,534

Live %

7.4%

Top Month: June 2025 (\$1,907,326) | **Peak Live %:** July 2025 (11.6%)

2025 YEAR-END METRICS

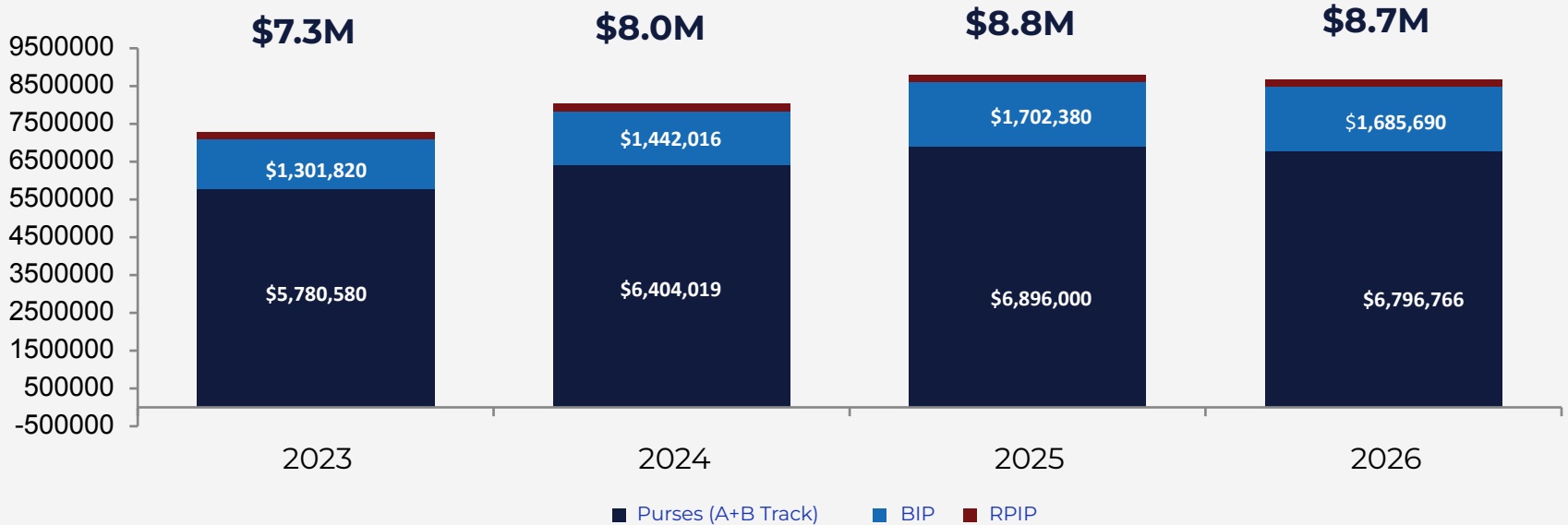
Performance Summary vs. Targets

Metric	2025 Actual	Target	Status
Race Days	81	83	▼
Total Races	805	—	—
Total Horses	6,234	—	—
Total Purses	\$8,046,931	—	—
Total Overnight Purses	\$5,634,500	—	—
Avg Purse No Stakes	\$69,562	\$70,000	✓
Avg Races per Day	9.94	7.5	▲
Avg Horses per Race	7.74	7.5	▲

Strong performance with 7.74 starters per race and 9.94 races per day exceeding target

FUNDING TRENDS 2023-2026

Four-Year Funding Distribution Analysis



Total funding grew 19.2% from 2023 (\$7.3M) to peak 2025 (\$8.8M), with slight decrease in 2026 (\$8.7M)

YEARLING SALE TRENDS

2025 Avg Price

\$22,061

2025 Median

\$13,000

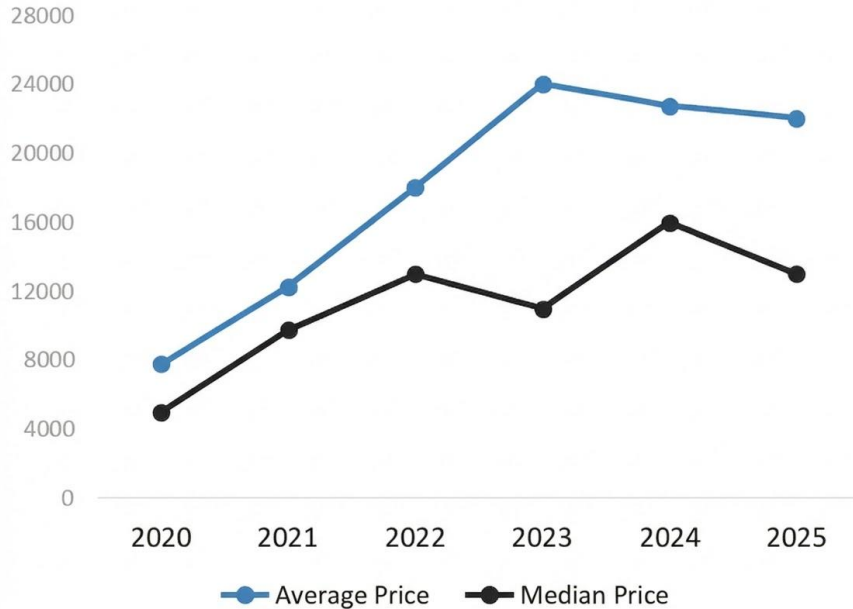
2025 Total Sales

\$1,216,000

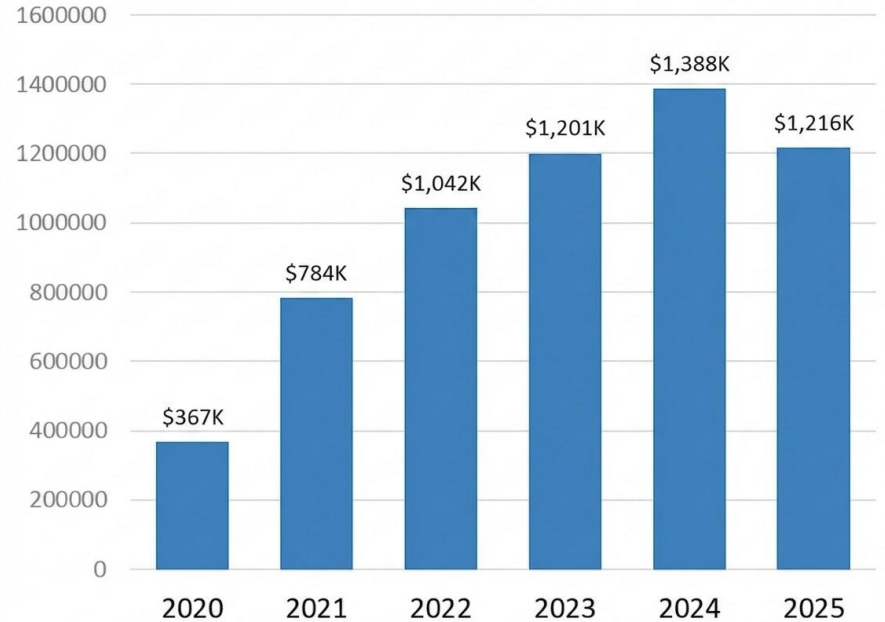
2025 Head Sold

59

Average & Median Price



Total Sales



2026 YEARLING SALE

Preview night

Saturday, October 24 | 5pm to 8pm

Sale Day

Sunday, October 25 | 2PM



[VIDEO TOUR](#)



COMMUNITY ENGAGEMENT PLANS 2026



April 24 to 26, 2026 Red Deer



Canada Day Celebration July 1st



VR Booth Stampede Pre Game:
June 20 | Jul 2 | Aug 13



Stampede Parade
July 3rd

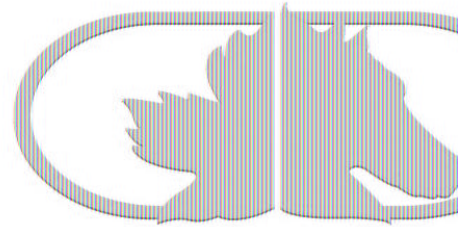
NEW! HOMESTRETCH ASSISTANCE PROGRAM



HOMESTRETCH — ASSISTANCE PROGRAM —

Following the success of last year's Bid for the Boys fundraiser, ASHA recognized the need to create a more sustainable, long-term way to support our own. The ASHA Homestretch Assistance Program is a member-funded initiative designed to help members in good standing facing unexpected hardship, including medical emergencies, loss of essential equipment, accidents, or sudden financial strain. Applications are reviewed by the ASHA Board within 5 business days, with support of **up to \$2,500** provided based on need and available funds. Fully funded through ASHA fundraisers and donations, this program reflects our commitment to showing up for one another—last year alone, we were able to give back over **\$9,000** to members in need.

CANADIAN HORSE RACING HALL OF FAME



Canadian Horse Racing Hal

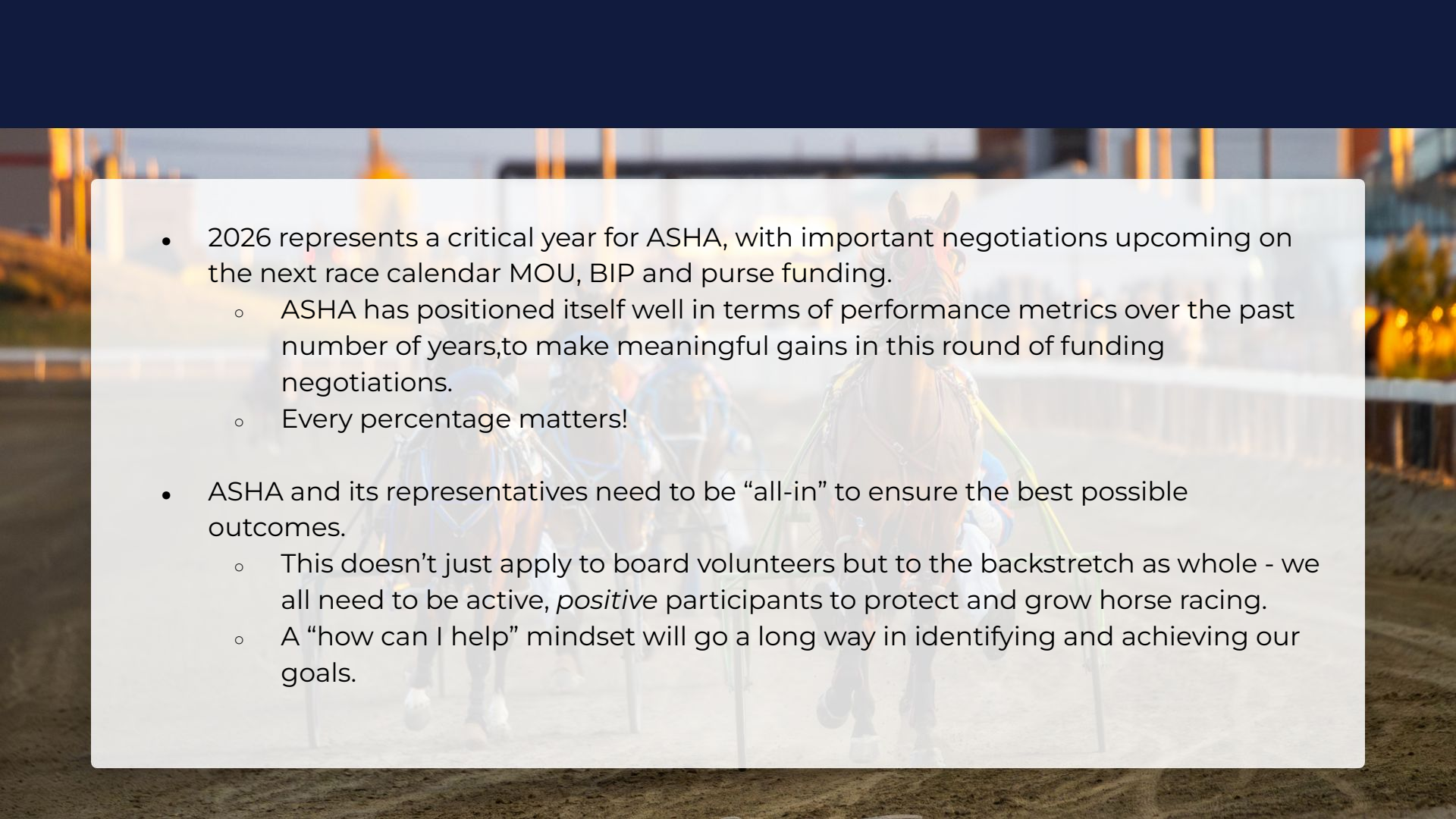
**CONGRATULATIONS
DR. STEWART**

A group of harness racing horses running on a dirt track, wearing colorful blinkers and pulling sulky carts. The horses are in motion, and the background is slightly blurred, emphasizing the race. The text "PRESIDENT'S REPORT" is overlaid in a white box in the center of the image.

PRESIDENT'S REPORT

PRESIDENT'S REPORT

- 2025 represented a year with the most racehorses, highest handle, and highest purses we have seen for several years.
 - Despite these strong performance metrics, 2025 was also a year of challenge, with purse money being stretched across more horses/trainers/owners, multiple race day cancellations, and a reduction in slot performance for the year.
 - This highlights important considerations for ASHA as it relates to relying on third party performance (slots, track maintenance), as well as scaling growth going forward.
- How does ASHA continue to grow (purses, horses, membership, race days, etc.), while facing relatively flat slot revenues and continued competition from sports betting?
 - ASHA likely needs to take a more active role in sponsorship procurement, as well as integration with new-age betting platforms.

- 
- 2026 represents a critical year for ASHA, with important negotiations upcoming on the next race calendar MOU, BIP and purse funding.
 - ASHA has positioned itself well in terms of performance metrics over the past number of years, to make meaningful gains in this round of funding negotiations.
 - Every percentage matters!
 - ASHA and its representatives need to be “all-in” to ensure the best possible outcomes.
 - This doesn’t just apply to board volunteers but to the backstretch as whole - we all need to be active, *positive* participants to protect and grow horse racing.
 - A “how can I help” mindset will go a long way in identifying and achieving our goals.

PRESIDENT'S REPORT

- ASHA and its membership also need to be cautious and prepared moving forward amid recent track closures across Canada and North America as a whole.
 - Alberta horse racing is uniquely positioned compared to most jurisdictions due to the establishment of the Horse Racing Alberta Act as a piece of legislation, and HRA's close ties to government.
 - Despite this, it is *critical* for ASHA to continue to grow/maintain horse population (racehorse + breeding), while also bringing new fans to the racetrack.
 - Community integration and on-track events are as important as ever before to build our public licence and education.
- The current slot agreement with the Government of Alberta expires in 2031, meaning the next few years are vitally important in ensuring *our industry* is strongly positioned to lock in a strong extension.

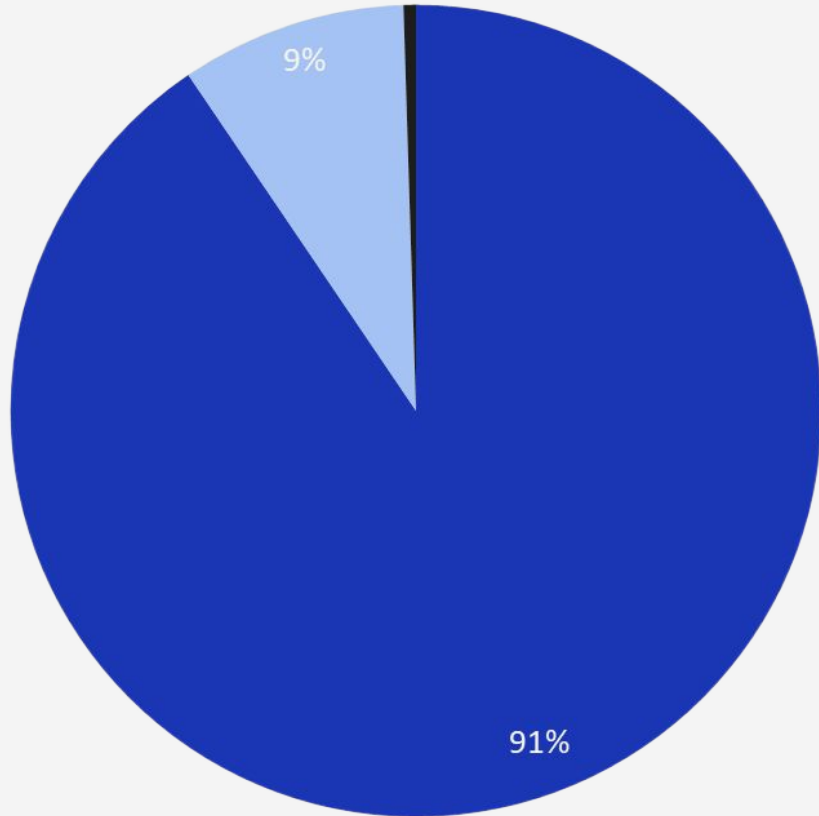
PRESIDENT'S REPORT

- I am very much appreciative and honored to have had the opportunity to serve this membership as President over the past two years.
- The circumstances leading into my Presidency lended itself to some unique challenges, but I had great people around to support me and lean on for their experience.
- I think we made some great gains in terms of handle, marketing, and event growth, with some lessons learned along the way that Nancy, along with the next board of directors, can use to shape the future of ASHA.
- I will not be running for re-election, but am grateful to see so many interested members who do plan on running for the board.
- Additionally, the new ASHA Board of Directors will select my replacement on the HRA board, to complete the last year of my three year term.

A photograph of a harness race in progress. Two dark brown horses are pulling a sulky on a dirt track. The driver on the left wears a blue and green uniform and a blue helmet with a yellow and green design. The driver on the right wears a blue uniform and a blue helmet with an American flag pattern. The horses are wearing blinkers and harnesses. A white rectangular overlay is centered over the image, containing the text "HRA REPORT" in a bold, dark blue, sans-serif font. The background shows a grassy area and a body of water.

HRA REPORT

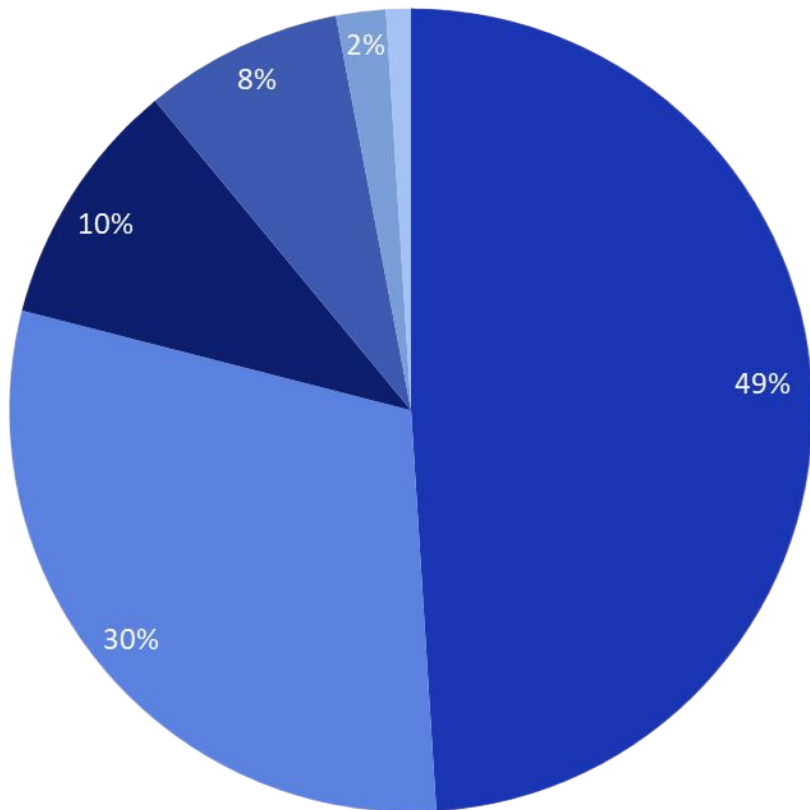
HRA Sources of Revenue









 Slots	\$48,390,038	90.6%
 Handle	\$4,784,741	9.0%
 Licencing, Interest & Other	\$263,208	0.5%

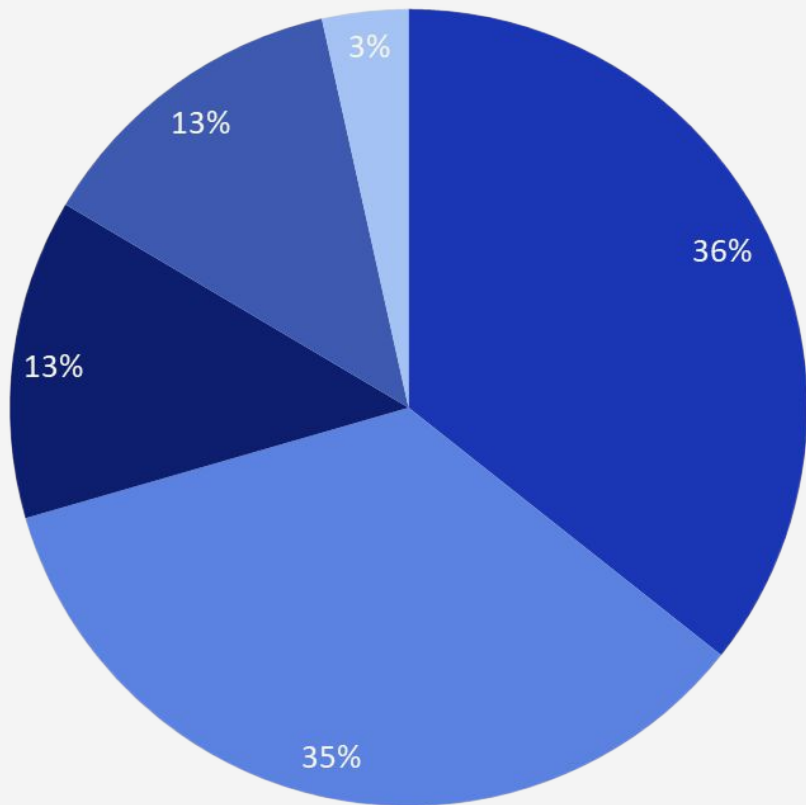
Total Revenue \$53,437,987

HRA Funding Allocation



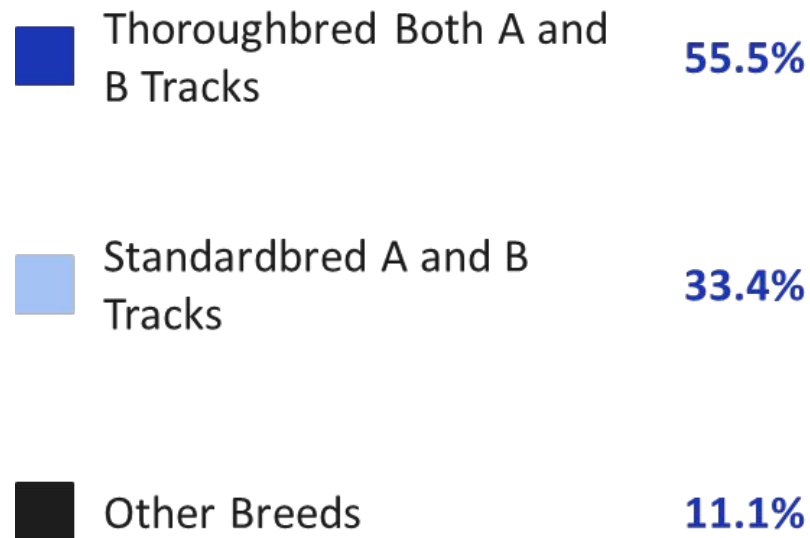
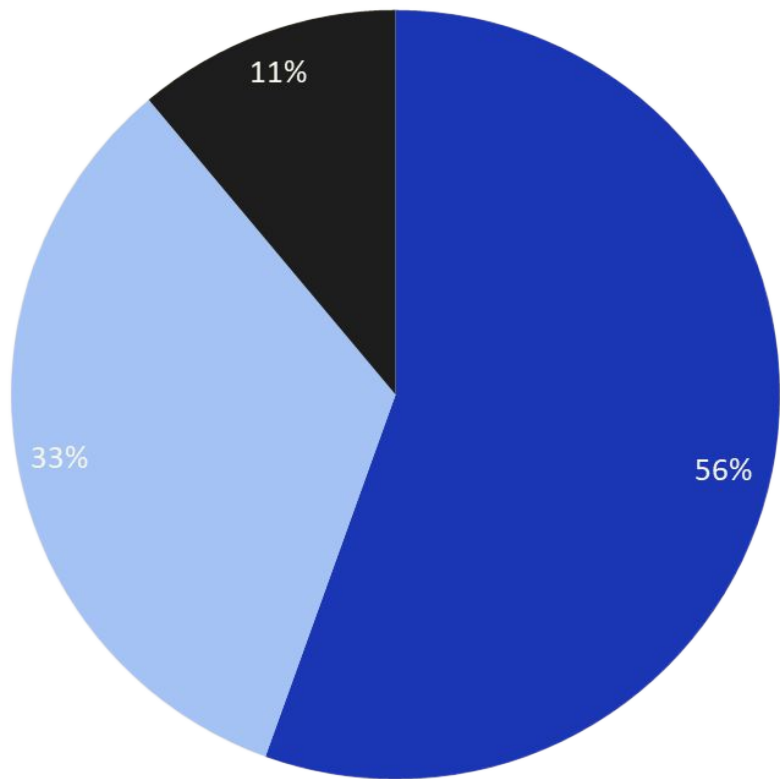
	Racetrack Funding	49%
	Purse Grants	30%
	BIP & Incentive Programs	10%
	Regulatory/Admin	8%
	Marketing and Promotions	2%
	Backstretch Benefits	1%

Purse Allocation



	A Track Tbred	35.7%
	A Track Sbred	34.9%
	B Track Sbred	13.0%
	B Tbred / Quarter	13.0%
	A Track Quarter Horse	3.5%

BREED IMPROVEMENT ALLOCATION



2026 AGM

ELECTED BOARD MEMBERS – 2026

President (two-year term) – Don McDougall

Vice President (two-year term) – Jackson Wittup

Breeders Chair (two-year term) – Wally Slopinko

Owners Chair (two-year term) – Chris Lambie

Director (One-Year Term) – Bret Litke

Director (Two-Year Term) – Jamie Gray

Director (Two-Year Term) – Sam Johnson

Director (Two-Year Term) – Kelly Hoerdt

ELECTED BREEDERS COMMITTEE MEMEBRS 2026

Breeders Committee

Donna Wyse

Jane Rickard

Nick Sass

Carl Archibald



THANK YOU!