



The Future of Horse Racing in Ontario is Bright

Thank you for an incredible 2018 thoroughbred meet. As the season concludes and the holidays near, it's an ideal time to reflect on the year that was while pondering what the future may bring. For the horse racing industry in Ontario, the future is bright. Here is why we strongly believe that:

The Quality of Our Horse Racing

The quality of horse racing at Woodbine and Mohawk Park is second to none. This is a reflection of the quality of the horsepeople involved in both breeds. Through dedication to your craft, tireless work effort and the talent you all bring each day, we collectively offer a world-class product.

Focus: Woodbine Entertainment's Mandate

Woodbine Entertainment's sole mandate is to benefit horse racing; we have no shareholders and invest with the single purpose of improving our racing today and in the future.

Diverse and Experienced Board of Directors

Woodbine Entertainment is governed by a Board of Directors comprised of 12 members who all bring expertise in different areas of business that are most relevant to the growth of the sport. Ten of those members also have significant experience in the horse racing or gaming industries, providing Woodbine Entertainment with a unique and powerful blend of business expertise and industry leadership that enables us to seize the opportunities in front of us.

Leadership of Ontario Racing

To help provide further leadership to the industry, the newly structured Ontario Racing (OR) is now positioned to truly be a unified voice for all horse racing interests across the Province. OR is governed by an independent Board of Directors, with equal representation from industry associations and racetracks throughout Ontario. OR is established and working extremely well to represent the interests of its members and for the betterment of racing across the Province.

Woodbine's Investment in Ontario Racing Management

Ontario Racing Management (ORM) executes Ontario Racing's vision. In 2018, Woodbine Entertainment invested \$4.5M in ORM to help sustain the entire horse racing industry in Ontario and will continue to support the organization and its mandate in this manner for years to come.

Historic Funding Agreement

Earlier this year, Ontario Racing and Woodbine Entertainment partnered to secure a historic 19-year funding agreement with the Ontario Government. This agreement will allot up to \$105M annually to the horse racing industry stakeholders. The funding provides the industry stability it hasn't seen in years and will be used for purse management, operational expenses and capital improvements.

WOODBINE ENTERTAINMENT GROUP

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Sustainability Through Gaming Expansion at Woodbine

To bring further sustainability to the horse racing industry, Woodbine Entertainment secured a long-term lease agreement with the gaming company who now operates Casino Woodbine and the approved future casino resort complex at Woodbine Racetrack.

This long-term lease, combined with other emerging property development opportunities, is expected to enable Woodbine Entertainment to be fully self-sufficient and not require the government funding within approximately five years. Self-sufficiency will provide Ontario's horse racing industry with stability for decades.

Significant Investment in Horse Racing

Over the past five years, Woodbine Entertainment has invested more than \$50M directly into horse racing as part of our commitment to developing world-class facilities and attracting new customers through advancements in technology. Some examples of our investments include \$9M for a state-of-the-art new turf track at Woodbine which will be ready for the 2019 thoroughbred meet, \$6.3M for a new Tapeta track, and millions of dollars in facility improvements, including nearly \$1M in upgrades to the dormitories in the backstretch. At Mohawk Park, we have invested \$10M in facility upgrades to accommodate year-round harness racing and \$6M in the paddock expansion to improve the experience on race days for our horsepeople while also allowing us to host signature events like the Breeders Crown.

Additionally, Woodbine Entertainment is recognized throughout the horse racing world as a leader in innovation and technology. Over the past five years, the company has invested more than \$15M in technology, including the introduction of new 20 new teletheatres, and funding vital projects that will attract new, online wagering customers.

Property Development to Fuel Growth of Horse Racing

Property Development will be the catalyst that leads Woodbine Entertainment to self-sufficiency, providing the horse racing industry with stability and growth opportunities for decades to come. Unlocking the value of the lands at Woodbine Racetrack and Mohawk Park is entirely motivated to ensure the long-terms stability of the Ontario horse racing industry. As previously expressed, 200 of the nearly 700-acres at Woodbine Racetrack will remain dedicated exclusively to supporting horse racing operations.

Our Important Role in Employment

In the past year, Woodbine Entertainment has added more than 600 jobs and now employs close to 2,000 employees, while hosting an additional 3,000 people that work on the backstretch. Overall, Woodbine Entertainment, through its leadership position in horse racing in Ontario, has close to 15,000 people that rely on us for work and we do not take this lightly. This is why we are so focused on growing the sport and industry for decades to come.

It's Time to Work Together to Take Advantage of Our Opportunities

Overall, we couldn't be more excited about the bright future of the horse racing industry in Ontario, as we have tremendous opportunities in front of us. We are confident that by working together, with the common goal of growing horse racing throughout the Province, we will take advantage of the opportunities before us, and take horse racing to the next level.

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