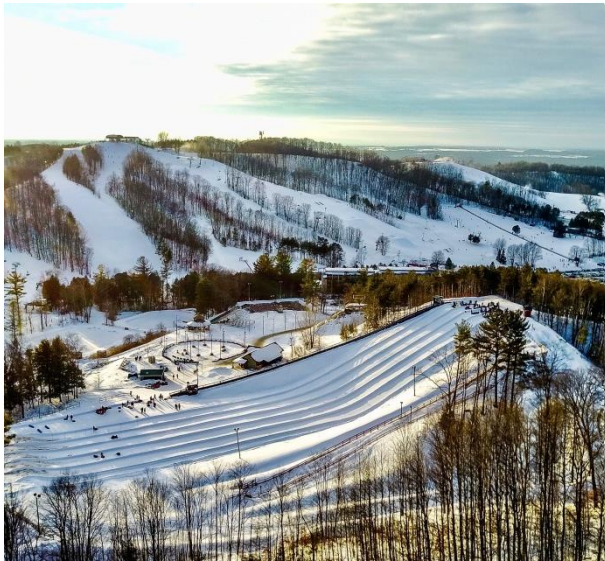


Corporate Presentation

Financial Statements
31.03.2018

SKYLINE
I N V E S T M E N T S



Cautionary Statement

This presentation has been prepared by Skyline Investments Inc. (the "Company") as a general presentation about the Company.

This presentation is not intended to replace the need to review the formal reports published by the Company to the public on the Tel-Aviv Stock Exchange. In the event of a conflict between this presentation and the contents of the reports of the Company as required by law, the provisions of said reports shall prevail. Additional information about the Company is available on SEDAR at www.sedar.com.

The information included in this presentation does not constitute any advice, recommendation, opinion or suggestion about the Company and does not replace an independent examination and independent advice in light of the specific data of each reader.

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This presentation may include forward-looking information within the meaning of applicable Canadian and Israeli securities legislation, including forecasts, evaluations, estimates and other information regarding future events and issues. In some cases, forward-looking information can be identified by using terms such as "expects", "thinks", "believes", "may", "estimates", "expects", "intends", "continues", "could", "plans", "predicts" and similar terms and phrases.

Forward-looking information in this presentation is based on current estimates and assumptions made by the Company's management, including, without limitation, a reasonably stable North American economy, the strength of the U.S. lodging industry, and the competitive ability of the Company. Although the forward-looking information contained in this presentation is based on what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with such information. Forward-looking information involves risks and uncertainties, including factors that are not within the Company's control, each of which, or a combination of them, may materially affect the Company's operating results and cause the actual results to substantially differ from the forward-looking information.

All forward-looking information set forth herein reflects the Company's expectations as at the date of this presentation and is subject to change after such date. Except for the obligation to disclose information as required by the securities laws applicable to the Company, the Company has no obligation and does not undertake to update or revise any information contained in this presentation, whether as a result of new information, future events or for other reasons. For greater certainty, the Company's strategy and plans contained in this presentation as of the date of publication may change depending on the resolutions of the Board of Directors of the Company, as may be held from time to time.

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NOI (EBITDA) is a non-GAAP defined as Profit from Operations, after rent payment to condo owners, before depreciation.

Note: All amounts are in thousands of Canadian Dollars unless indicated otherwise.

Exchange rate to NIS (as of March 31, 2018) is 2.7238 CAD

Exchange rate to USD (as of March 31, 2018) is 0.7756 CAD

Skyline's Vision & Mission

SKYLINE
INVESTMENTS

We're creating one of North America's leading hospitality real estate investment companies, with a focus on income producing properties.

Skyline seeks to create shareholder value and deliver superior risk adjusted returns through the acquisition of income producing properties and select development projects within the hospitality sector, with a focus on active asset management and creativity.



Corporate Profile

SKYLINE
INVESTMENTS

19

Income Producing Assets

3,180

Guestrooms

\$728M/\$299M

Total Assets/Equity

41%

Equity to Total Assets
Ratio

Baa1.il

Credit Rating

3,000

Units for Development

First Quarter EBITDA increased by **45%** to approx. **CAD \$9.8M**

Strengthened our senior management team with a new **Chief Operating Officer, Bruce Riggins**, and a new **Chief Financial Officer, Robert Waxman**

The largest acquisition in Skyline history of **13 Courtyard** by Marriott hotels for **USD \$135M**

The largest purchase loan of **USD \$89.5M** and capital credit line of **USD \$31M** for potential properties improvements

First unsecured corporate bond (Series B) of **NIS 164M** linked to USD (approx. **CAD \$59.5M***)

Initial rating Baa1.il from Midroog, Moody's Israeli subsidiary

Sale of Port McNicoll lands for **CAD \$42M** and additional land sales in Horseshoe and Blue Mountain of approx. **CAD \$10M**. All the sales were at or above their book values

Recent Asset Upgrades:

- Room renovation at Hyatt Regency Cleveland,
- Begun the first phase of a 3-year renovation at Renaissance Cleveland
- New ski lift at Bear Valley
- Finalizing significant renovation and sale of the 44-unit Slopeside Lodge at Horseshoe
- Creation of new artificial lake at Horseshoe



*Exchange rate to NIS (as of March 31, 2018) is 2.7238 CAD

INCREASED ACQUISITION PROGRAM OF INCOME PRODUCING ASSETS

Skyline's Strategy

Acquisition of hospitality properties to further decrease seasonality and diversify our geographic presence.

Continued monetization of land assets to less than 10% of total asset.

Active asset management and optimization of cash flow from existing hotel assets:

- Continual analysis of properties performance
- Research of the operation markets
- Implementations of properties upgrades
- Intensive site visits

Acquisition Targets

Focus on the US and Canada

Stabilized in-place income

Strong potential growth

Strong demand generators

Limited new supply

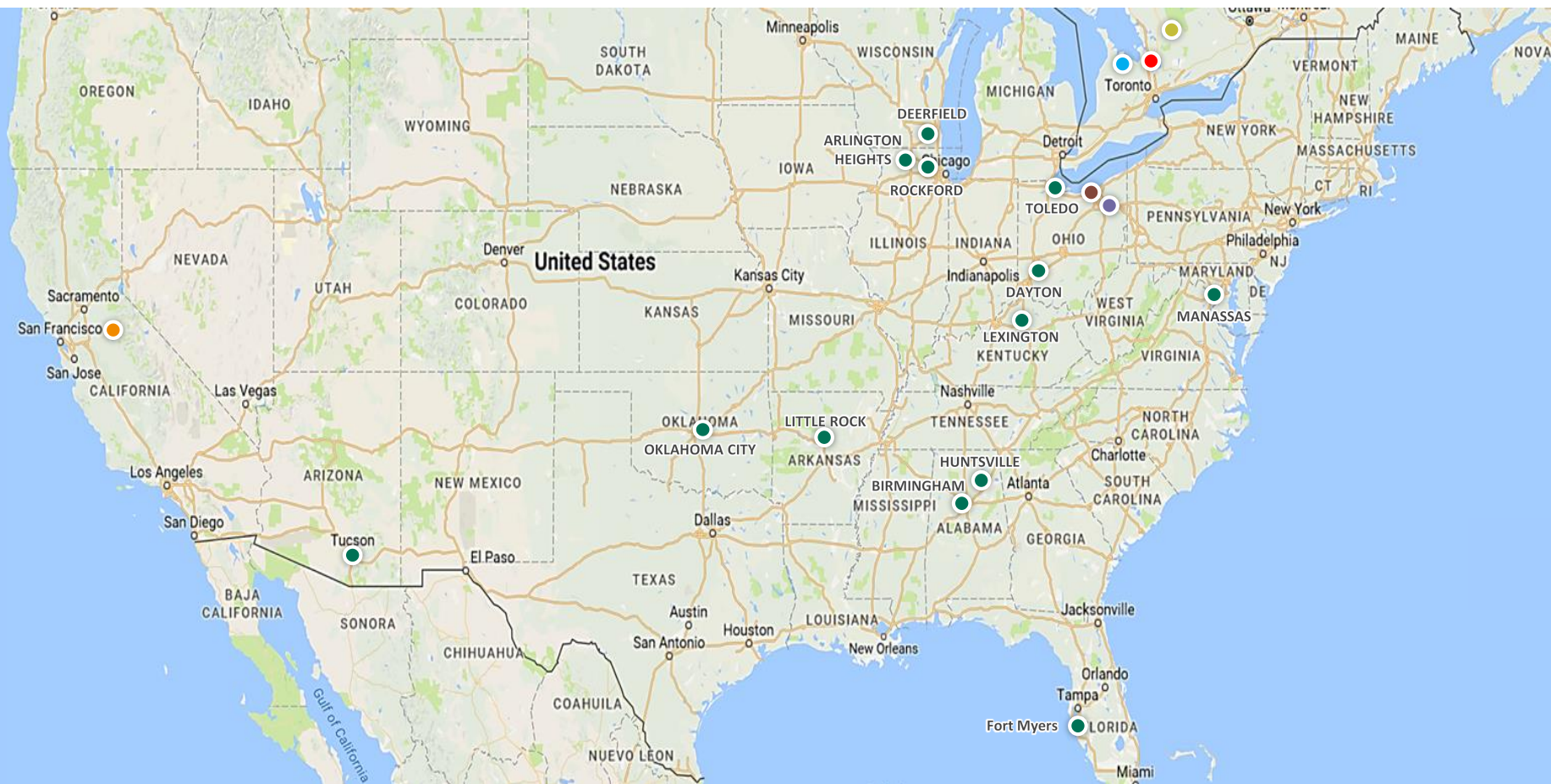
Low seasonality

Acquisition cost below replacement cost



Portfolio Map

SKYLINE
INVESTMENTS



18 CITIES IN THE US AND CANADA | 19 INCOME PRODUCING ASSETS | 3,180 HOTEL ROOMS

Senior Team

Gil Blutrigh
Chairman and President



Founded Mishorim in 1990 and Skyline in 1998. Chairman, President and Main Business Development Officer. In 2004, he was awarded Ernst & Young's Entrepreneur of the Year in Ontario.

Blake Lyon CA, CPA
CEO



Blake Lyon has an extensive experience in hotel and resort asset management in Canada and Internationally. Before joining Skyline, Mr. Lyon served as the CEO of some of the largest family offices in Canada and was responsible for the management of real estate assets totaling \$9B, and was CFO at Brookfield.

Robert Waxman
CFO



Robert Waxman has over 20 years of experience in accounting, finance, and real estate. Prior to this appointment, Mr. Waxman led Deloitte's Real Estate Practice's Finance Modernization & Effectiveness advisory group.

Bruce Riggins
COO



Mr. Riggins was the Chief Financial Officer for LaSalle Hotel Properties, a leading public hotel REIT. Prior to joining LaSalle, Mr. Riggins served as Chief Financial Officer at Interstate Hotels & Resorts, one of the leading global third-party hotel management companies.

Paul Mondell
Senior VP
Development



In the last 6 years, served as VP Business Development in two leading companies (Brookvalley Development and Management, and Walton Development).

Ben Novo-Shalem
Head of M&A/IR



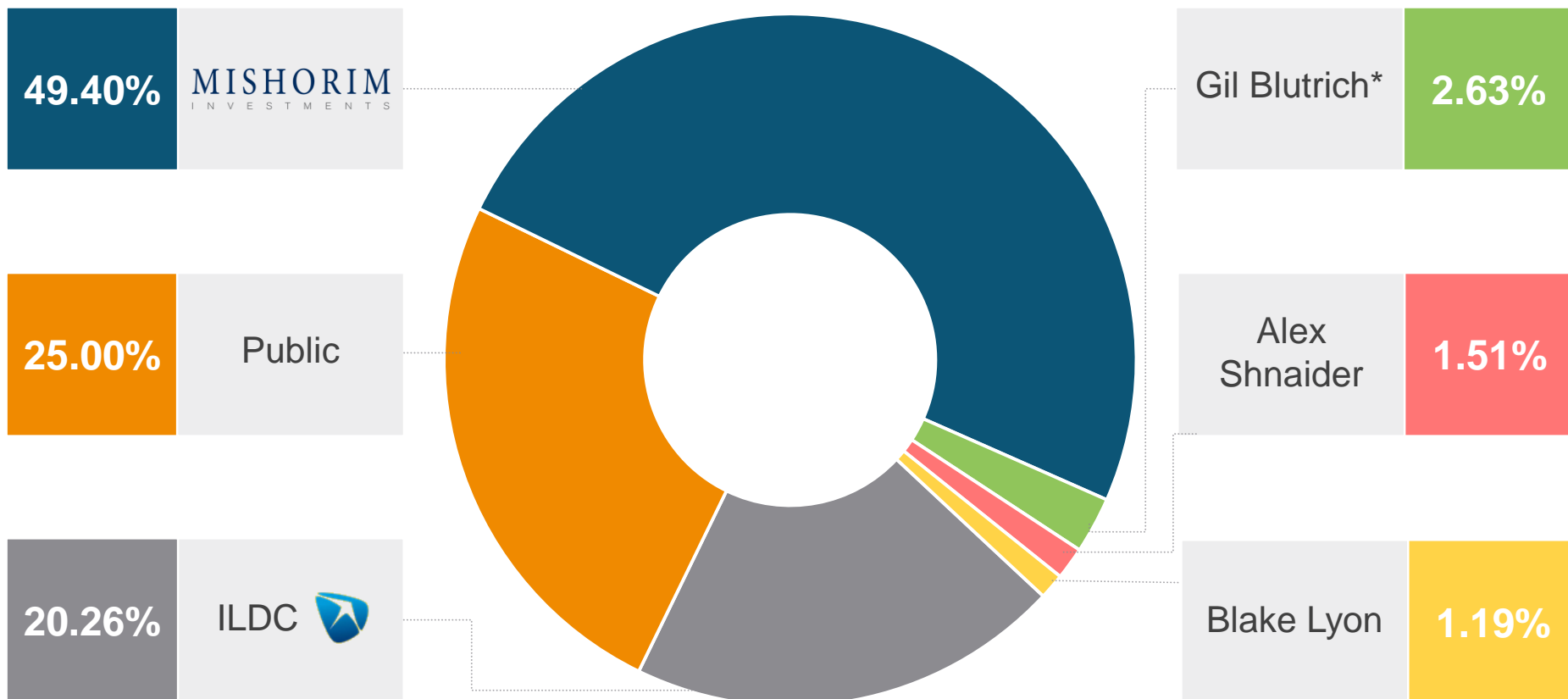
In his previous position, Ben Novo-Shalem served as the head of the research department and was in charge of the income-producing real estate sector at Epsilon Investment House.

Vadim Shub CA, CPA
Executive VP



Over 20 years of experience in managing funds for public companies. CPA in Canada, Israel and the US. Vadim was CFO of Skyline for 10 years.

Current Ownership Structure



* 74% of Mishorim is owned by Alex Shnaider and Gil Blutrich through a joint voting arrangement.

** Mishorim holds directly and indirectly 49.40% of Skyline Investments Inc. shares.

Summary of Periodic Results (in 000's CAD)

| Section | Q1-18 | Q1-17 | 2017 |
|--|---------------|---------------|----------------|
| Revenue from revenue generating assets | 47,073 | 33,755 | 121,794 |
| Revenue from sale of residential real estate and other | 200 | 958 | 30,769 |
| Total Revenue | 47,273 | 34,713 | 152,563 |
| NOI from revenue generating assets | 11,099 | 7,516 | 22,006 |
| Total EBITDA* | 9,800 | 6,751 | 22,968 |
| FFO* | 5,377 | 5,056 | 14,237 |
| Same Property Revenue* | 31,248 | 33,755 | |
| Same Property NOI* | 6,047 | 7,516 | |



*See explanation for calculation in the MDA

Main Balance Sheet Parameters (in 000's CAD)

| Section | 31.03.2018 | 31.12.2017 |
|--------------------------------|----------------|----------------|
| Total Assets | 728,064 | 714,139 |
| Gross financial debt | 328,977 | 316,462 |
| Cash and equivalents | 23,127 | 25,897 |
| Net Debt | 305,850 | 290,565 |
| Shareholders equity | 257,786 | 255,020 |
| Non-controlling interest | 40,925 | 40,977 |
| Total Equity | 298,711 | 295,997 |
| Net Debt to Net Assets | 43.4% | 42.2% |
| Equity to balance ratio | 41.0% | 41.4% |



Net Asset Value (in 000's CAD)

| | Ownership | BV | 2017 NOI | TTM 3/18 | Proforma 2017 NOI ⁽⁶⁾ | Proforma NOI/BV | Loan Balance 3.31.2018 ⁽⁵⁾ | LTV | Equity |
|---|-----------|----------------|---------------|---------------|-------------------------------------|------------------------------------|--|---------------|----------------|
| Revenue generating assets | | | | | | | | | |
| Deerhurst Resort ⁽¹⁾ | 100% | 73,665 | 5,566 | 5,627 | 5,566 | 7.6% | 50,762 | 69% | 22,903 |
| Horseshoe Resort | 100% | 53,933 | 4,219 | 3,696 | 4,219 | 7.8% | - | 0% | 53,933 |
| Blue Mountain Retail | 60% | 32,750 | 1,850 | 1,853 | 1,850 | 5.6% | 15,182 | 46% | 17,568 |
| Hyatt Regency Arcade ⁽²⁾ | 100% | 66,926 | 3,918 | 4,066 | 3,918 | 5.9% | 26,072 | 39% | 40,854 |
| Renaissance Hotel ⁽²⁾ | 50% | 69,990 | 5,671 | 5,572 | 5,671 | 8.1% | 15,924 | 23% | 54,066 |
| Courtyard Hotels | 100% | 172,632 | 755 | 5,494 | 20,311 | 11.8% | 115,408 | 67% | 57,224 |
| Bear Valley Resort | 100% | 22,403 | 2,092 | 996 | 2,092 | 9.3% | - | 0% | 22,403 |
| Total Revenue generating assets | | 492,299 | 24,071 | 27,304 | 43,627 | 8.9% | 223,348 | 45% | |
| Adjustment to consolidated FS ⁽³⁾ | | 1,044 | (2,065) | (1,715) | | | 17,718 ^(3a) | | |
| Total Revenue generating assets consolidated FS | | 493,343 | 22,006 | 25,589 | | | 241,066 | 49% | 268,951 |
| Average Interest rate ⁽⁴⁾ | | | | | | | 5.15% | | |
| Lands | | | | | | | | | |
| Deerhurst lands | 100% | 29,233 | | | | | 8,652 | | 20,581 |
| Horseshoe lands | 100% | 18,633 | | | | | | | 18,633 |
| Blue Mountain lands | 60% | 28,946 | | | | | | | 28,946 |
| Port McNicoll | 100% | 5,899 | | | | | | | 5,899 |
| Total lands | | 82,711 | | | | | 8,652 | 10% | 74,059 |
| Projects under construction and other | | 42,451 | | | | | 21,048 | | 21,403 |
| Total Real Estate | | 618,505 | | | | | 270,765 | 44% | 364,414 |
| Cash and cash equivalents ⁽⁵⁾ | | 23,127 | | | | | | | |
| Vendor's take back against Port McNicoll lands | | 34,971 | | | | | | | |
| Receivables & Other | | 44,162 | | | | | | | |
| Deferred tax | | 7,299 | | | | | | | |
| Total Assets per Financial Statements | | 728,064 | | | | | 270,765 | 37% | 364,414 |
| Debt, including bonds | | (328,977) | | | | | 58,212 | | |
| Payables & Other | | (48,444) | | | | | 5.65% | | |
| Deferred tax | | (51,932) | | | | | | | |
| Total liabilities | | (429,353) | | | | | | | |
| Non-controlling interest | | (40,925) | | | | | | | |
| Equity attributable to shareholders of the company | | 257,786 | | | | Total Debt, including bonds | 328,977 | Equity | 257,786 |
| Number of Shares, 000 | | 16,737 | | | | | 5.27% ⁽⁴⁾ | | |
| Equity per Share (CAD) | | 15.40 | | | | | | | |
| Equity per Share (NIS) | | 41.74 | | | | | | | |

FX 1 CAD to NIS as of March 31, 2017 2.7238 CAD

(1) Loan balance: Series A bonds .

(2) NOI for 2017 was negatively affected by a decrease in the number of events and conferences and the absorption of new hotel room supply in Cleveland. Hyatt Regency Arcade was further affected by displacement during room renovations.

(3) Primarily severance payments due to restructuring, prior year prop taxes, third party non operational costs (3a) Debt consists of equipment lease obligations

(4) Average Interest rate is calculated by multiplying the loan stated interest rate by loan balance and divided by total loan balances.

(5) Not including available lines of credit totaling \$16,500.

(6) All the numbers are based on actual 2017 NOI (except the Courtyard Hotels). The Courtyard Hotels were purchased on November 14 2017 and the Proforma NOI represents ownership throughout all of year 2017 based on numbers presented by the seller.

Strong Balance Sheet

- Equity to Total Assets ratio of 41%
- Net Debt to Net CAP ratio of 50.6%

Flexibility

- A cash balance of CAD \$23M
- Undrawn low cost credit lines of CAD \$16.5M
- Effective average loan duration of 4.1 years*, and an average interest rate of 5.27%
- Low LTV (45% for income producing assets and 10% for lands)
- Total value of assets without debt is CAD ~\$95M

Expected Increase in Cash Flow

- Expected increase in revenues and cash flow due to the acquisition of 13 Courtyard by Marriott hotels in November 2017.
- Development projects in advanced stage of sale are expected to contribute CAD \$41.5M** cash flow over the coming years
- Skyline completed the sale of land reserves in Port McNicoll for CAD \$42M and will receive approx. CAD \$4.2M per year over the next several years
- Increased efficiency, renovations, upgrades and expansions of existing properties is expected to improve NOI

* Excluding construction loans

**Expected net cash proceeds including equity invested in development projects, before tax

Unencumbered Assets

| Name | Book Value (000's CAD) |
|---|---------------------------|
| Bear Valley Resort | 14,578 |
| Excluded Lands surrounding Deerhurst Resort (1) | 15,480 |
| Excluded Lands surrounding Horseshoe resort (2) | 12,422 |
| Lands at Blue Mountain (60%) | 10,897 |
| Vendor's take back against Port McNicoll lands | 35,499 |
| Remaining Port McNicoll lands | 5,899 |
| Total | 94,775 |



(1) In accordance with the terms of the trust deed, a first-level technical lien will be registered on these lands in favor of the bondholders, which will be released in the future upon the completion of the percolation process.

(2) Similar terms and conditions.

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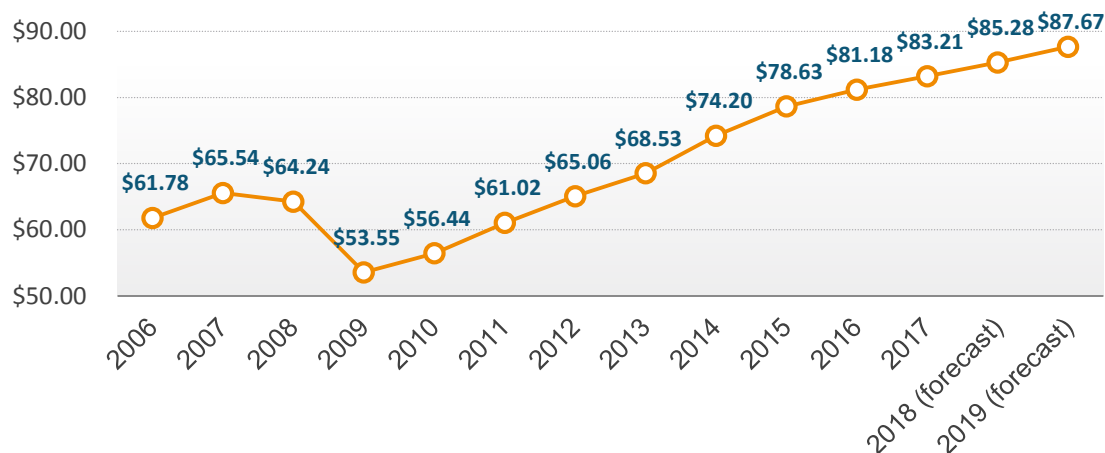
Main Operating Assets in the United States



The Hyatt Regency Arcade,
Cleveland, OH

- In 2017, **GDP grew by 2.3%**, the highest growth rate since 2014. 2018 **GDP is expected to grow by an additional 2.6%**.
- In 2017, the U.S. **hotel industry recorded record growth** according to STR.
- In 2017, **Occupancy increased 0.9% to 65.9%**, and a **2.1% ADR increase to \$126.72** drove **RevPAR up 3% to \$83.57** over 2016 numbers.
- Based on percentage growth for the year, **demand (+2.7%) significantly outpaced supply (+1.8%)**. This trend is expected to continue into 2018.
- 18 of the Top 25 Hotel Markets recorded **year-over-year RevPAR growth in 2017**.
- 2018 is expected to increase **Occupancy by 0.3%, ADR by 2.4%, and RevPAR by 2.7%** over 2017.

United States RevPAR



2018 Growth Forecast

| | CBRE | PwC | STR |
|-----------|------|------|------|
| ADR | 2.5% | 2.4% | 2.4% |
| Occupancy | 0.0% | 0.2% | 0.3% |
| RevPAR | 2.5% | 2.7% | 2.7% |

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13 Courtyard by Marriott Hotels



Courtyard Birmingham Hoover,
Hoover, AL



Courtyard Manassas Battlefield Park
Manassas, Virginia



Courtyard Toledo Airport, OH



Courtyard Tucson Airport
Tucson, AZ



Deerfield

Courtyard by Marriott Hotels

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PROPERTIES OVERVIEW (USD)

Location

9 States

Brand

Courtyard by
Marriott

Management

Aimbridge

Service Level

Select Service

Date of Acquisition

November
14th, 2017

Number of Hotels

13

Number of Rooms

1,913

Acquisition Price

\$135,000,000

Price Per Room

\$70,500

Five Year Mortgage

\$89,500,000

Capital Credit Line

\$31,000,000



2015

2016

2017

Revenue

49,236 51,127 52,937

NOI

13,121 14,508 15,641

NOI/Revenue

27% 28% 30%

HISTORICAL
PERFORMANCE
(000's USD)*

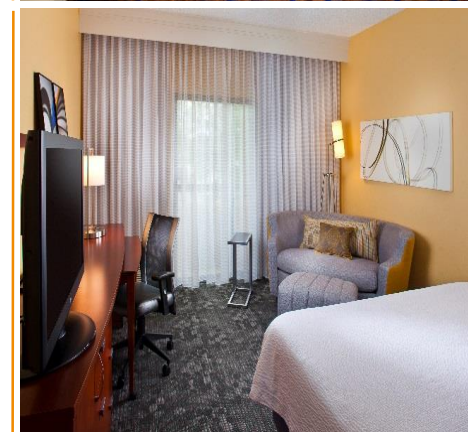
*As presented by sellers

Acquisition Rationale

- The 13 almost identical hotels totaling 1,913 rooms are spread over 9 US states and are geographically diverse with strong locations in key Midwest, Southeast and Southwest markets.
- Previous owner invested USD \$40M in renovations between 2012-2014.
- In the last three years the hotels maintained a stable occupancy and showed stable increases in ADR (Average Daily Rate).
- More than 90% of revenue comes from room operations.
- The Courtyard hotels were chosen based on risk/rewards factors, simplicity in management, location, liquidity of the assets and the readiness of banks to provide attractive financing.

Skyline Changes

- Skyline signed a new 20-years franchise agreement for the Courtyard by Marriott brand with Marriott International.
- Received a new USD \$89.5M acquisition loan and secured USD \$31M capital credit line for potential improvements and upgrades from one of the biggest banks in the world.
- Transitioned all the 13 assets from the previous Marriott brand management to Aimbridge Hospitality* a third-party management.



*Aimbridge currently manages Skyline's Renaissance Hotel and is the largest third party manager of Marriott hotels in the US, and, in particular, the largest third party manager of Courtyard hotels.

All 13 Courtyard by Marriott Hotels are nearly identical

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Huntsville



Tucson



Chicago-Arlington Heights



Hyatt Regency Arcade

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HYATT
REGENCY®
CLEVELAND



Overview

The historical Cleveland Arcade was built by John D. Rockefeller in 1890.

The hotel is an attractive event destination and hosts 60 to 70 weddings and other event a year.

Details

Location | Cleveland, USA

Number of Rooms | 293

Meeting Space | 7,000 Sf

Franchise | Hyatt Regency

Management Company | Hyatt

Financial Information 2017 (in 000's CAD)

Book Value | \$64,391

NOI | \$3,918

Improvements

- Recently completed renovations of all rooms. The renovation is expected to improve the hotel's competitive advantage.
- The renovation was mostly funded by the property renovation reserve*.

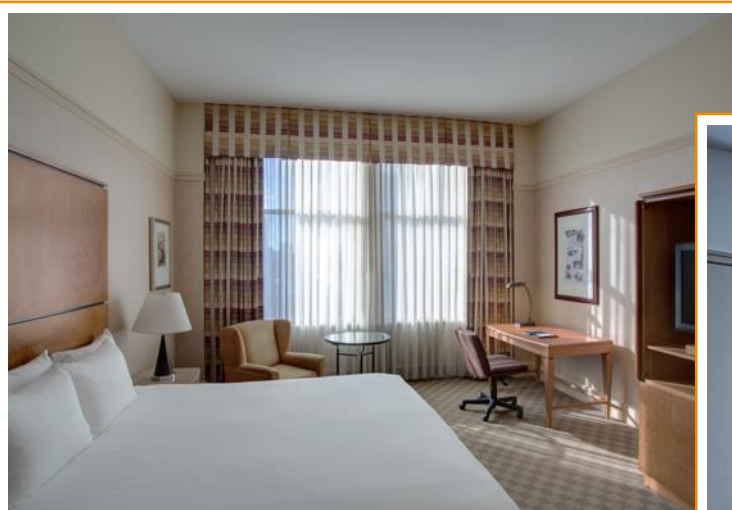
Future Potential

- Increasing NOI as the USD \$465M Cleveland Convention Center is expected to grow in popularity.
- Continued rental of the commercial areas.
- Expectation of growth in the Cleveland economy leading to an increased number of visitors.

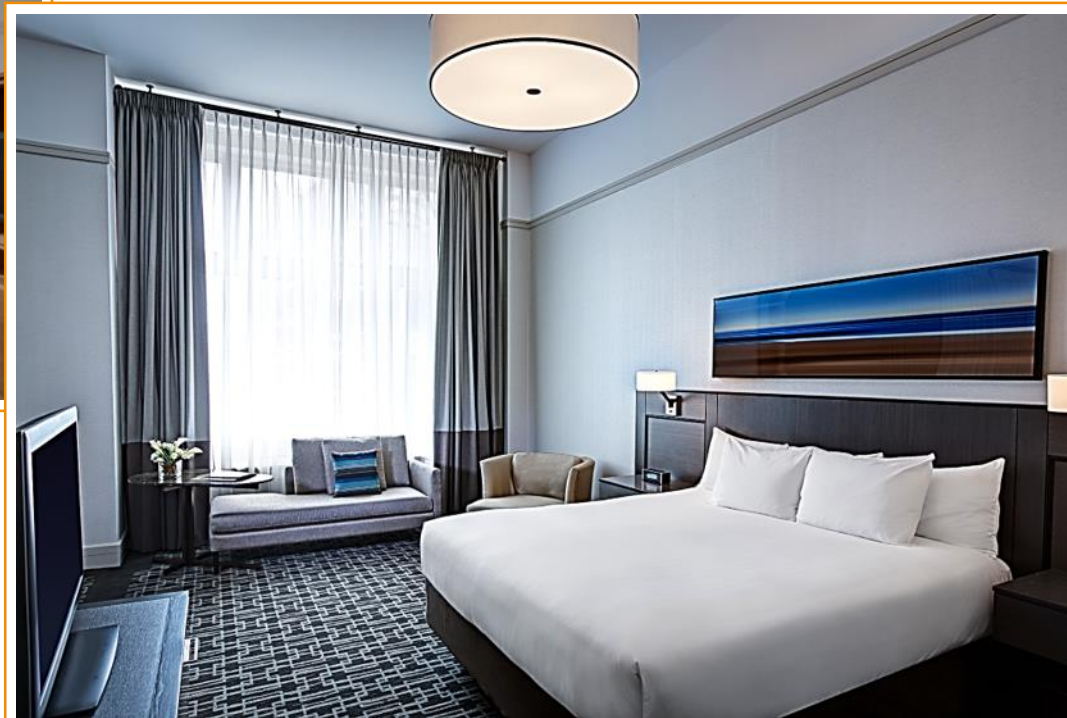


* Property Renovation Reserve: Restricted cash not reported under cash and cash equivalents balances

Active Asset Management – Hyatt Room Renovations



Before Renovation



After Renovation

Renaissance Cleveland Hotel

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R
RENAISSANCE®
CLEVELAND HOTEL



Renaissance Cleveland Hotel

Overview

Historical Heritage asset established in 1918 as The Cleveland Hotel.

Notable visitors in the hotel's history: Dwight D. Eisenhower, Gerald Ford, Martin Luther King and The Beatles.

The hotel is located in the City's CBD near the main square.

The city invested about USD \$40M in the renovations of the public square as part of an urban renewal strategy.

Details

| | |
|----------------------|--------------------------------------|
| Location | Cleveland, USA |
| Number of Rooms | 491 |
| Meeting Space | 34 conference rooms, about 65,000 Sf |
| Owned Parking Spaces | 300 Spaces |
| Franchise | Renaissance |
| Management Company | Aimbridge |
| Ownership | 50% |

Financial Information 2017 (in 000's CAD)*

Book Value | \$67,321

NOI | \$5,671

Improvements

- Skyline has begun the 1st phase of significant renovations which will continue for the next 3 years. The renovation will upgrade the hotel and is expected to improve performance.
- Renovation will be mostly financed by the in-place USD \$17M line of credit and partner loan.

Future Potential

- Increasing NOI as the USD \$465M Cleveland Convention Center is expected to grow in popularity.
- Continued rental of the commercial areas.
- Expectation of growth in the Cleveland economy leading to an increased number of visitors.



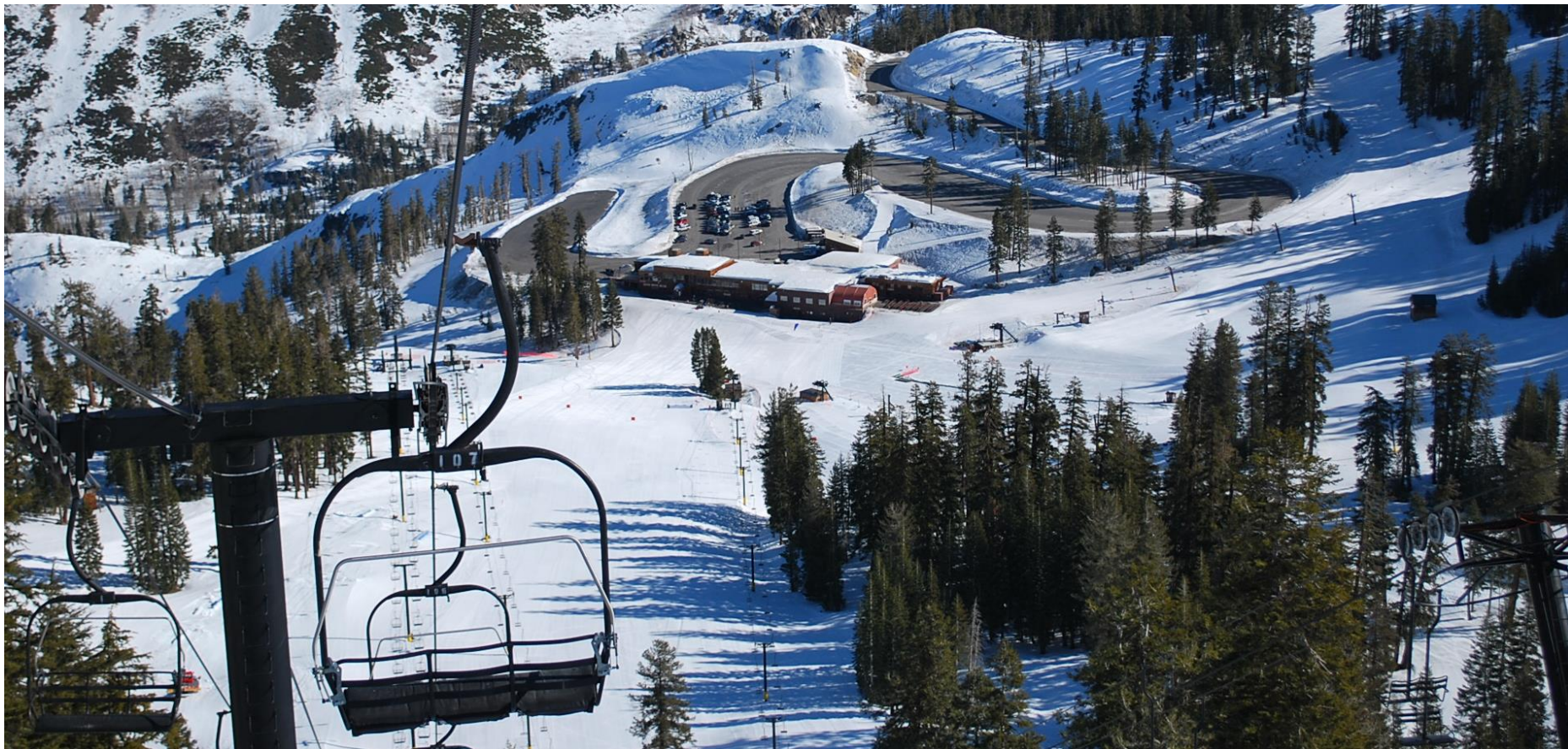
*Skyline owns 50% while financial information is representative of 100% of the asset

Bear Valley

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BEAR VALLEY
A SKYLINE RESORT
CALIFORNIA



Overview

A ski resort in Southern California, three and a half hours from San Francisco.

Acquired on December 2014 for USD \$3.7M from the Company's own resources.

Details

Location | 3.5 hours from San Francisco

Asset Type | Ski Resort

Numbers of Rooms | 53

Land Area | Approx. 1700 Acres

Amenities | 75+ Ski Trails

Financial Information 2017 (in 000's CAD)

Book Value | \$21,927

NOI | \$2,092

Improvements

- In 2017, a new modern ski lift was added for USD \$5.5M.
- Since the acquisition invested USD \$3.2M in equipment and improvements

Future Potential

- Continued growth of NOI by returning the number of visitors to historical levels.
- The new ski lift will support higher prices for tickets.
- Opportunity to develop land near the property.

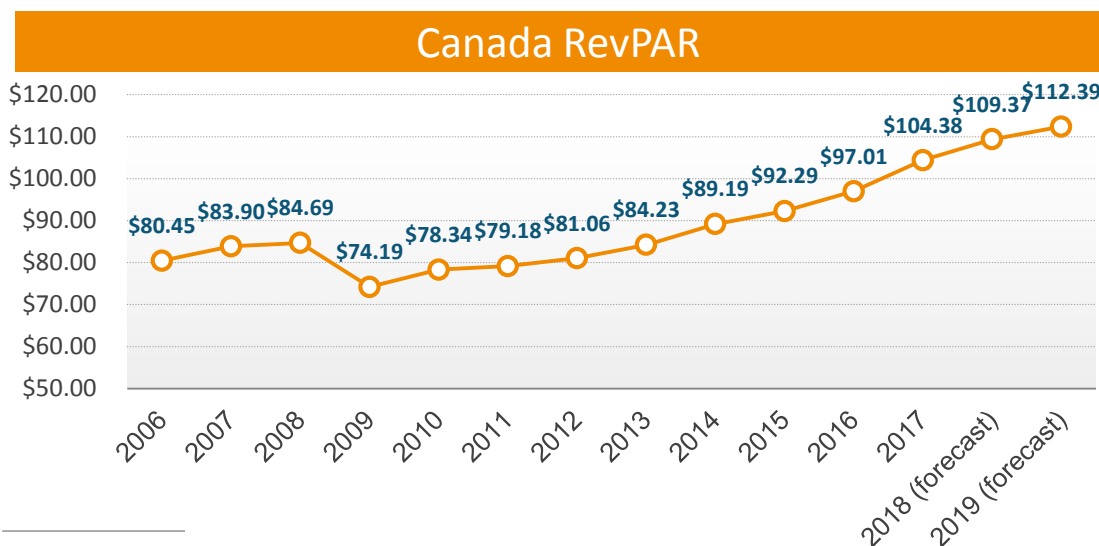


SKYLINE
I N V E S T M E N T S

Main Operating Assets in Canada



- Canada's **GDP grew by 3% in 2017**, the fastest pace since 2011.
- Hotel **occupancy reached 65.9%**, the most since 1999.
- The weak Canadian dollar and rising occupancy rates are giving hoteliers **more latitude to push for ADR increases**
- According to HVS, **2018 RevPAR is forecast to reach \$109.4**.
- 2017 demand growth was double the supply growth**, and demand is expected to continue growing faster than supply in 2018
- An October report from Destination Canada showed **total international arrivals to the country were up 4.4%** year-to-date



| Hotel Metric Growth | | | |
|---------------------|----------|----------|---------------|
| | 2016 | 2017 | 2018 Forecast |
| Occupancy | 64.5% | 65.9% | 67.8% |
| ADR | \$149.19 | \$156.73 | \$161 |
| RevPAR | \$96.25 | \$103.31 | \$109.4 |

Deerhurst

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DEERHURST
A SKYLINE RESORT
MUSKOKA



Overview

World-class four-season resort located in Muskoka near Toronto, Canada.

The new 150-room* Lakeside Lodge is currently under construction.

Details

Location | Muskoka (2 Hours from Toronto)

Number of Rooms | 313 (102 Owned / 211 Managed)

Meeting Space | 40,000 Sf

Land Area | 790 Acres

Amenities | Golf Courses, 10 Event Halls, Spa, 5 Restaurant, Private Airport

Financial Information 2017 (in 000's CAD)

Book Value | \$74,326

NOI | \$5,566

Future Potential

- Increasing NOI by streamlining operations.
- Construction of a new 150-room* lodge will increase room inventory.
- Improving occupancy during off-season by marketing to new audiences.
- Existing approved zoning plan for 640 housing units and 48,500 sq.f of retail space for development.



*During Q1, 2018 some one-bedroom units at Deerhurst were consolidated into larger units and, as a result, the total number of units in the project decreased from 162 to 150 units.

Horseshoe Resort

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HORSESHOE

A SKYLINE RESORT

BARRIE



Overview

An all-season resort based around the Horseshoe Ski Mountain, one of the closest Ski Resort to Toronto, Canada.

The Horseshoe Adventure Park and Horseshoe Lake are at the center of summer activities.

Details

| | |
|-------------------------|---|
| Location | Barrie (1.5 hours from Toronto) |
| Numbers of Rooms | 117 (101 Owned / 16 Managed) |
| Meeting Spaces | 14,500 Sf |
| Land Area | 220 Acres |
| Amenities | 25 Ski Trails, 2 Golf Courses, Spa, 5 restaurants |

Financial Information 2017 (in 000's CAD)

| | |
|-------------------|----------|
| Book Value | \$54,237 |
| NOI | \$4,219 |

Improvements

- In 2016, a new modern ski lift was added for CAD \$5M.
- The Company began renovating the 44-unit Slopeside Lodge in July 2017.
- Recently completed the 68-room Copeland House residential building.
- Officially opened the new Horseshoe Lake in August 2017. The Lake doubles Horseshoe's snowmaking capacity.

Future Potential

- Increasing NOI by adding rental units (Slopeside Lodge and Copeland House).
- The new lake will improve off-season amenities.
- The lake will also serve as a significant water reservoir for artificial snow.
- Continued sale and development of land within Horseshoe.



Blue Mountain Village

SKYLINE
INVESTMENTS




**BLUE MOUNTAIN
VILLAGE**
DEVELOPMENTS
BLUE MOUNTAIN



Blue Mountain Village

Overview

A ski resort, hotel and leisure destination near Toronto, Canada; continuously active throughout the year; Blue Mountain is the 3rd busiest ski resort in Canada.

Blue Mountain Village is a pedestrian village that allows ski-in accommodations for food and beverage, shopping, and lodging.

The Company is partner in an entity which controls 50%** of the Village commercial area and all of the development land.

Details

| | |
|-----------------|---|
| Location | Collingwood (2 Hours from Toronto) |
| Commercial Area | 26 Commercial Units on about 62,000 Sf |
| Land | Building Rights to About 730* Housing Units |
| Ownership | 60%** |

Financial Information 2017 (in 000's CAD)

| | |
|----------------------|----------|
| Book Value of Retail | \$32,750 |
| Book Value of Land | \$28,903 |
| NOI of Retail | \$1,850 |

Future Potential

- Selling land to local developers.
- Sale and/or development of commercial space.
- Construction of residential buildings or hotels
- The Company sold land for a total amount of CAD \$32M with an expected cash flow of CAD \$13.8M.
- Revenue from sold land is expected to be received over the next 3 years.



*194 units were sold but not yet delivered to purchasers

** Skyline is a 60% partner in a private entity which controls 50% of the Village commercial area and all the development land. Additionally, the Company manages all retail in the Blue Mountain Village and benefits from management fees.

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Land Sales and Development



Lakeside Lodge
Huntsville, ON

Projects in Advanced Stage of Sale⁽¹⁾

Main Projects Under Development (CAD 000's)

| Project | Location | Type | Number of Units | Ownership | Number of Units Sold ⁽⁴⁾ | Sales Rate | Expected Revenue | Expected Gross Profit | Revaluation Gains ⁽²⁾ | Gross Profit Including Revaluation ⁽²⁾ | Gross Profit Rate Including Revaluation | Expected Net Cash Proceeds upon completion of Project ⁽³⁾ | Date of Completion |
|-----------------|---------------|----------------------|--------------------|-----------|-------------------------------------|------------|------------------|-----------------------|----------------------------------|---|---|--|--------------------|
| Lakeside | Deerhurst | Residential Building | 150 ⁽⁵⁾ | 100% | 124 | 83% | 57,722 | 13,112 | - | 13,112 | 22.7% | 16,266 | Oct 2018 |
| Slopeside | Horseshoe | Residential Building | 44 | 100% | 27 | 61% | 17,949 | 5,036 | - | 5,036 | 28.1% | 8,245 | July 2018 |
| Second Nature 1 | Blue Mountain | Land | 37 | 60% | 37 | 100% | 6,480 | (540) | 1,850 | 1,310 | 20.2% | 3,104 | Apr 2018 |
| Second Nature 2 | Blue Mountain | Land | 54 | 60% | 54 | 100% | 8,910 | 141 | 2,700 | 2,841 | 31.9% | 2,940 | Dec 2018 |
| Second Nature 3 | Blue Mountain | Land | 70 | 60% | 70 | 100% | 3,450 | 827 | 1,350 | 2,177 | 63.1% | 2,148 | Apr 2018 |
| Monterra 3 | Blue Mountain | Land | 33 | 60% | 33 | 100% | 5,610 | 442 | 1,980 | 2,422 | 43.2% | 2,206 | Dec 2019 |
| Total | | | 388 | | 345 | 89% | 100,121 | 19,018 | 7,880 | 26,898 | 26.9% | 34,909 | |

Main Sold and Delivered Projects, Currently Under VTB Loan Terms (CAD 000's)

| Project | Location | Type | Ownership | Sales Rate | Recognized Revenue | Recognized Gross Profit | Recognized Gross Profit Including Revaluation ⁽²⁾ | Gross Profit Rate Including Revaluation ⁽²⁾ | Remained Net Cash Proceeds upon full repayment of VTB ⁽³⁾ | Year of full VTB payment |
|------------------|---------------|------|-----------|-------------|--------------------|-------------------------|--|--|--|--------------------------|
| Port McNicoll | Port McNicoll | Land | 100% | 100% | 39,690 | - | 25,013 | 63.0% | 33,915 | 2023 |
| Horseshoe Golf 1 | Horseshoe | Land | 100% | 100% | 6,250 | 5,341 | 5,341 | 85.5% | 3,250 | 2019 |
| Plateau East | Blue Mountain | Land | 60% | 100% | 5,528 | 239 | 2,239 | 40.5% | 1,857 | 2018 |
| Snowbridge | Blue Mountain | Land | 60% | 100% | 2,168 | 113 | 2,063 | 95.2% | 1,500 | 2018 |
| Total | | | | 100% | 53,636 | 5,693 | 34,656 | 64.6% | 40,522 | |

(1) Numbers as of December 31, 2017

(2) Skyline recognizes lands assets based on a revaluation method before reclassification of these assets from investment properties to inventory. Gross profit including the revaluation gains represents the gross profit based on the cost method.

(3) including Equity Invested in the Project, before income tax

(4) Units sold as of March 31, 2018

(5) During Q1, 2018 some one-bedroom units at Deerhurst were consolidated into larger units and, as a result, the total number of units in the project decreased from 162 to 150 units.

Lakeside Lodge

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Slopeside Lodge

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A man wearing a white helmet, a green t-shirt, and camouflage shorts is ziplining through a lush green forest. He is smiling and holding onto the zipline handle with both hands. The background is a dense forest of green trees.

Thank You!

Questions?

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WWW.SKYLINEINVESTMENTS.COM

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Asset Ownership Breakdown

| Property | Property Owner | Manager | Brand/Franchise | Leased |
|--------------------------------|----------------|-----------|-----------------------|--------|
| Deerhurst | Skyline | Skyline | Independent | None |
| Horseshoe Valley | Skyline | Skyline | Independent | None |
| Bear Valley | Skyline | Skyline | Independent | None |
| Hyatt Regency Cleveland | Skyline | Hyatt | Hyatt Regency | None |
| Marriott Renaissance Cleveland | Skyline | Aimbridge | Marriott Renaissance | None |
| Marriott Courtyard Hotels | Skyline | Aimbridge | Courtyard by Marriott | None |

| | Owned | Managed | Franchised | Leased |
|-----------------------|---|---|--|--|
| Description | Owned and operated by an owner who bears all the costs associated with the hotel but also benefits from all of the income | Owner of a hotel uses a third-party manager to operate the hotel on its behalf and pays the manager management fees | Owned and operated by an owner under a third-party brand name, and the owner pays a brand licensing fee to the brand owner | Owner-operator of a hotel does not have outright ownership of the hotel but pays rental fees to the ultimate owner of the property |
| Owner's Income | All revenues and profits after management and franchise fees | Fee % of revenue plus success fee | Fee % of room revenue | Rental Fee to Property Owner |

Primary Reasons for the Rating

- “ Properties that have been active for many years in relevant markets contribute to a company's business profile. Skyline's Canadian resorts have existed for decades which strengthens their durability, giving them an advantage.”
- “ The Company's conservative financing strategy and related financial ratios stand out and show the Company's stability for the sake of this rating. The acquisition of the Courtyard by Marriott Portfolio is expected to change these ratios significantly, but, even with this change, they would stand out in favor for this rating.”
- “ The Company's total equity attributable to its shareholders is appropriate to this rating and amounts to approximately \$245 million as of June 30, 2017.”
- “ Good liquidity and the Company's low LTV rate for its assets reflects some financial flexibility which gives the Company the ability to generate additional liquidity from leveraging its assets, reducing the exposure to debt refinancing.”
- “ The FFO volume (including profits from the sale of land) creates coverage ratios that stand out favorably for this rating level.”
- “ Midroog views positively the diversification of the Company's financing sources, which reduces the Company's exposure to the capital market as it isn't dependent on a single financing source.”