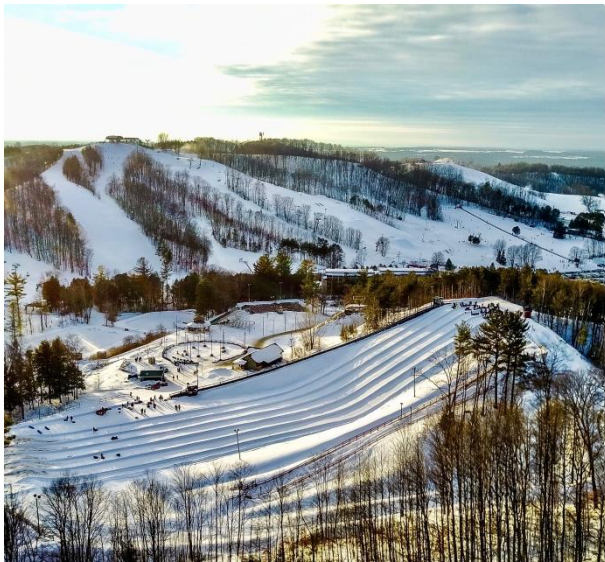




Corporate Presentation

14.11.2018

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



Cautionary Statement

General

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. This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in the said reports. 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.

This presentation does not constitute or embody any offer or invitation to purchase securities of the Company and does not constitute or is a part of an invitation to receive such offers. This presentation is for information purposes only and shall not be construed as a prospectus, an offering memorandum, an advertisement, an offer, an invitation or a solicitation to enter into a transaction with the Company.

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Forward-Looking Information

This presentation may include forward-looking information within the meaning of applicable Canadian and Israeli securities legislation relating to the business of the Company, 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 "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts.

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.

There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in the forward-looking statements. Further, all forward-looking information set forth herein reflects the Company's expectations as at the date of this presentation, and, except as expressly required by applicable law, the Company undertakes no obligation to update any forward-looking or other statements herein whether as a result of new information, future events or otherwise.

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.

Non-IFRS Measures

In this presentation, the Company uses certain non-IFRS financial measures, which include net operating income ("NOI"), funds from operations ("FFO"), adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and NOI (EBITDA) which are not measures recognized under International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS, and should not be compared to or construed as alternatives to profit/loss, cash flow from operating activities or other measures of financial performance determined in accordance with IFRS. NOI, FFO, Adjusted EBITDA and NOI (EBITDA), as computed by the Company, may differ from similar measures as reported by other companies in similar or different industries. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. However, these non-IFRS measures are recognized supplemental measures of performance for real estate issuers widely used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties, and the Company believes they provide useful supplemental information to both management and readers in measuring the financial performance of the Company. Further details on non-IFRS measures are set out in the Company's Management's Discussion and Analysis for the period ended September 30, 2018 and available on the Company's profile on SEDAR at www.sedar.com or MAGNA at www.magna.isa.gov.il

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

Exchange rate CAD/NIS (as of Sept 30, 2018) is 2.7869

Exchange rate USD/CAD (as of Sept 30, 2018) is 1.295

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

3,196

Guestrooms

\$749M/\$297M

Total Assets/Equity

40%

Equity to Total Assets
Ratio

Baa1.il

Bond Rating With
Positive Outlook

3,000

Units for Development

Highlights for the 3rd Quarter of 2018:

- NOI from income-producing assets increased 78.3% year over year as a result of the acquisition of the Courtyard by Marriott portfolio and Same Property NOI growth
- Same property NOI increased by 17.6% to CAD \$8.3M mainly as a result of improved operating performance at the Hyatt Arcade, Deerhurst and Bear Valley
- Adjusted EBITDA increased by 28% to CAD \$10M

Highlights for the first 9 months of 2018:

- Revenue increased by 40.6% to CAD \$162.8M
- NOI from income-producing assets was CAD \$34.4M, an increase of 96.7%
- Adjusted EBITDA increased by 111.9% to CAD \$33.2M
- FFO increased by 115.8% to \$19M

In August, Midroog (Israeli subsidiary of Moody's) approved Skyline's **Baa1.il** bond rating and changed the **rating outlook from Stable to Positive**.

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***)

Development Highlights:

- In November 2018, Skyline signed an agreement to sell **88 lots** outside of the Blue Mountain Village for total proceeds of **\$20M**.
- This sale joins the last year sale of Port McNicoll lands for **CAD \$42M** and additional land sales in Horseshoe and Blue Mountain of **CAD \$10M**.
- All sales were at or above their book values

*Exchange rate CAD/NIS (as of Sept 30, 2018) is 2.7869

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 assets.

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

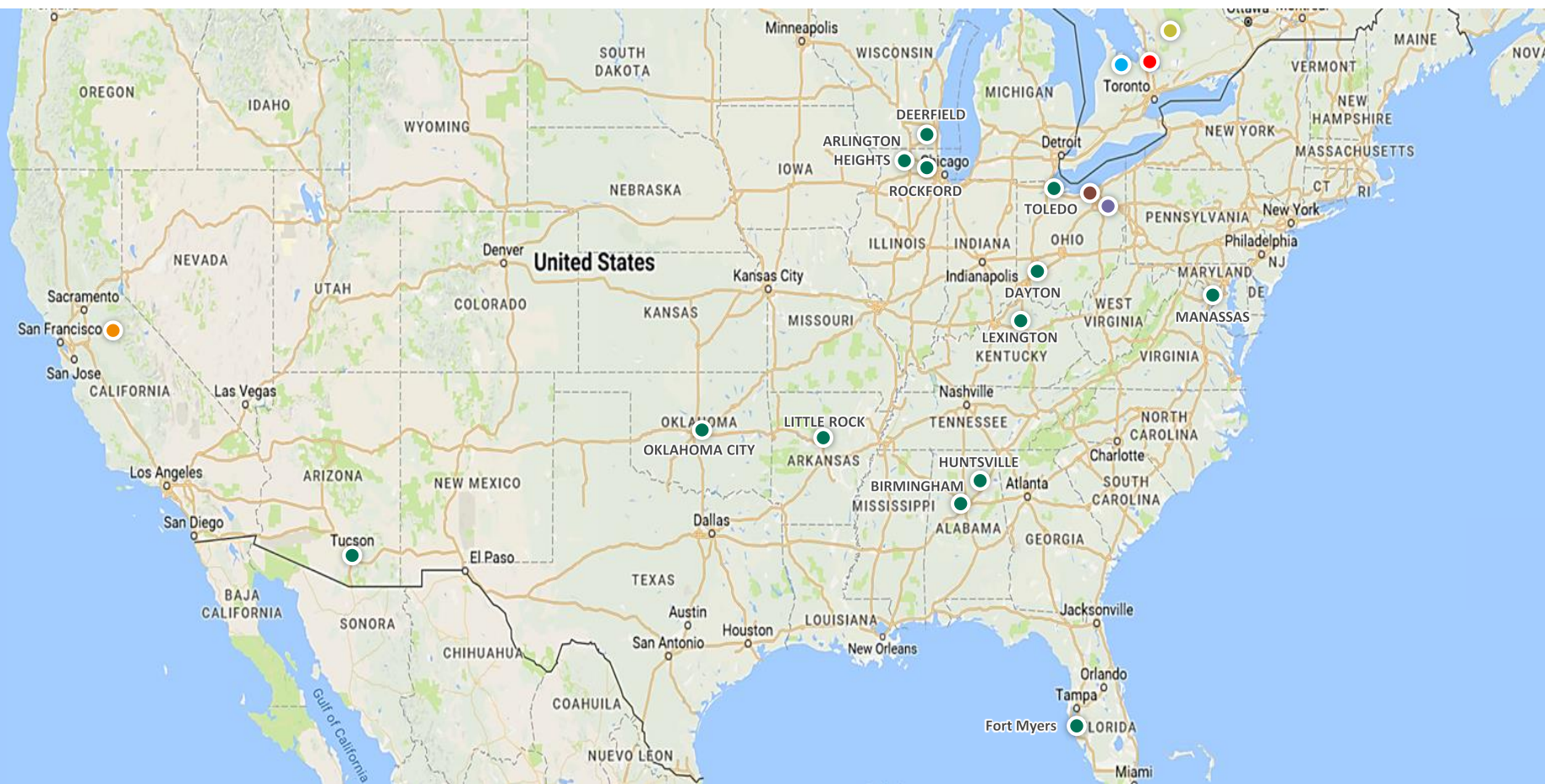
Low seasonality

Acquisition cost below replacement cost



Portfolio Map

SKYLINE
INVESTMENTS



18 CITIES IN THE US AND CANADA | 19 INCOME PRODUCING ASSETS | 3,196 HOTEL ROOMS

Senior Team

Gil Blutrach

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.

Ben Novo-Shalem

Head of M&A and 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.

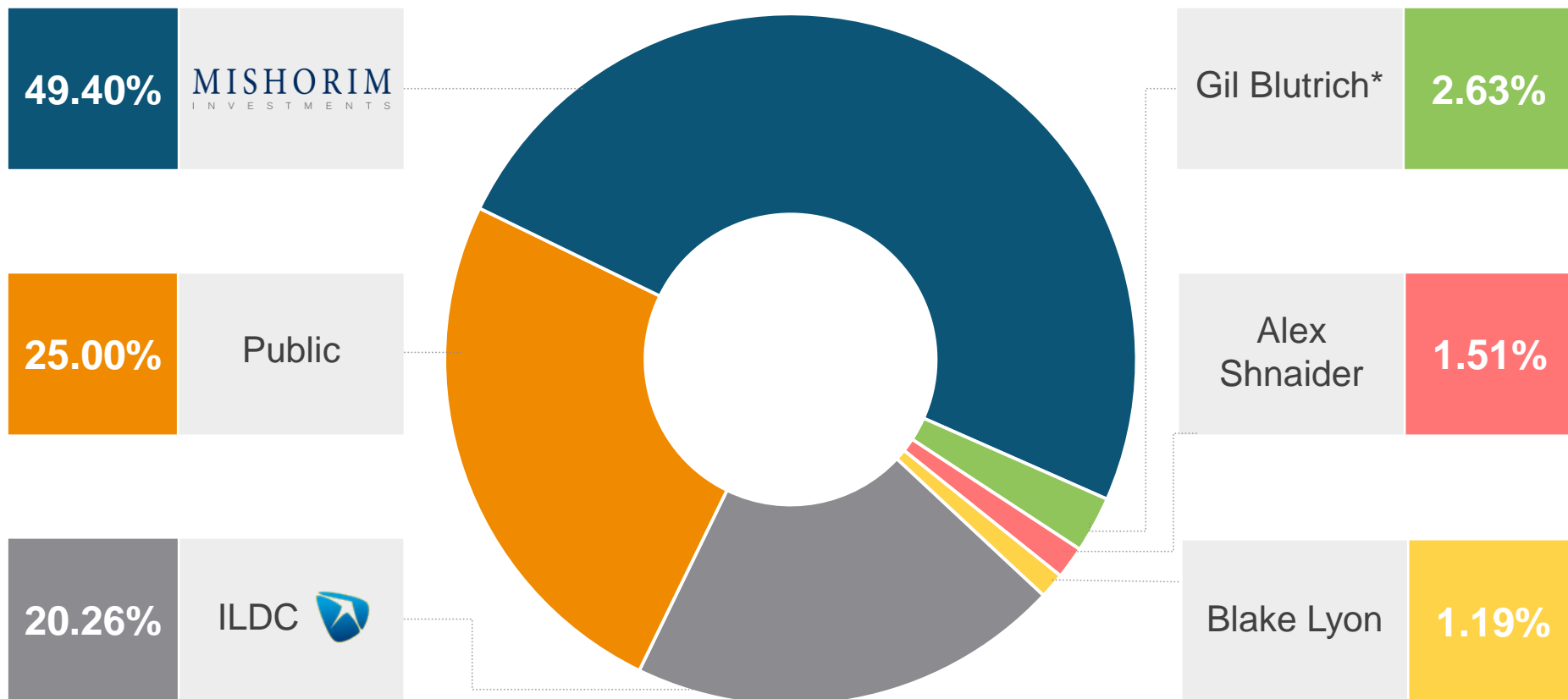
Paul Mondell

Senior VP Development



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

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/Q3-18	Q1/Q3-17	2017
Revenue from revenue generating assets	143,419	91,378	121,794
Revenue from sale of residential real estate and other	19,392	24,452	30,769
Total Revenue	162,811	115,830	152,563
NOI from revenue generating assets	34,443	17,506	22,006
Total Adjusted EBITDA*	33,247	15,689	22,968
FFO*	19,051	8,830	14,237
Same Property Revenue*	92,399	91,378	
Same Property NOI*	18,861	17,506	



*See explanation for calculation in the MDA

Main Balance Sheet Parameters (in 000's CAD)

Section	30.09.2018	31.12.2017
Total Assets	748,572	714,139
Gross Debt	344,308	316,462
Cash and Equivalents	25,576	25,897
Net Debt	318,732	290,565
Shareholders Equity	256,863	255,020
Non-Controlling Interest	40,543	40,977
Total Equity	297,406	295,997
Net Debt to Net Assets	44.1%	42.2%
Equity to Balance Ratio	39.7%	41.4%



Net Asset Value (in 000's CAD)

	Ownership	BV	2017 NOI	TTM 9/18	Proforma 2017 NOI ⁽⁵⁾⁽⁶⁾	Proforma NOI/BV	Loan Balance 9.30.2018 ⁽⁴⁾	LTV	Equity
Revenue generating assets									
Deerhurst Resort ⁽¹⁾	100%	73,152	5,566	6,378	5,566	7.6%	48,372	66%	24,780
Horseshoe Resort	100%	54,145	4,219	3,246	4,219	7.8%	-	0%	54,145
Blue Mountain Retail	60%	32,750	1,850	1,901	1,850	5.6%	15,039	46%	17,711
Hyatt Regency Arcade	100%	68,283	3,918	5,169	3,918	5.7%	26,175	38%	42,108
Renaissance Hotel	50%	74,827	5,671	5,984	5,671	7.6%	20,114	27%	54,713
Courtyard Hotels	100%	173,363	755	15,939	19,375	11.2%	117,304	68%	56,059
Bear Valley Resort	100%	21,991	2,092	974	2,092	9.5%	-	0%	21,991
Total Revenue generating assets		498,511	24,071	39,591	42,691	8.6%	227,004	46%	271,507
Adjustment to consolidated FS ⁽²⁾		2,692	(2,065)	(648)			18,969		
Total Revenue generating assets consolidated FS		501,203	22,006	38,943			245,973	49%	271,507
Average Interest rate ⁽³⁾							5.19%		
Lands									
Deerhurst lands	100%	28,904					7,936	27%	20,968
Horseshoe lands	100%	18,422							18,422
Blue Mountain lands	60%	21,409							21,409
Port McNicoll	100%	5,899							5,899
Total lands		74,634					7,936	11%	66,698
Projects under construction and other		44,736					31,005		13,731
Total Real Estate		620,573					284,914	46%	351,936
Cash and cash equivalents ⁽⁴⁾		25,576							
Vendor's take back against Port McNicoll lands		34,747							
Receivables & Other		59,888							
Deferred tax		7,788							
Total Assets per Financial Statements		748,572					284,914	38%	351,936
Debt, including bonds		286,242					58,905		
Payables & Other		114,580					5.65%		
Deferred tax		50,344							
Total liabilities		451,166							
Non-controlling interest		40,543							
Equity attributable to shareholders of the company		256,863					343,819	Equity	256,863
Number of Shares, 000		16,737					5.32% ⁽⁴⁾		
Equity per Share (CAD)		15.35							
Equity per Share (NIS)		42.8							

FX 1 CAD to NIS as of Sept 30, 2018 is 2.7869

(1) Loan balance: Series A bonds .

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

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

(4) Not including available lines of credit totaling \$16,500 at September 30, 2018

(5) 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.

(6) Aimbridge has re-examined the numbers provided by the seller and decided to update the NOI for 2017 adjusting for various items including Marriott chain services and change of control expenses resulting in a net reduction of \$700k to 2017 NOI. This change was made to make the historical number more comparable after transaction from full Marriott management to third party Aimbridge management.

Strong Balance Sheet

- Equity to Total Assets ratio of 39.7%
- Net Debt to Net CAP ratio of 51.7%

Flexibility

- A cash balance of CAD \$26M
- Undrawn low cost credit lines of CAD \$17.5M
- Effective average loan duration of 3.7 years, and an average interest rate of 5.32%
- Low LTV (46% for income producing assets and less than 11% for lands)
- Total value of assets without debt is CAD ~\$91M

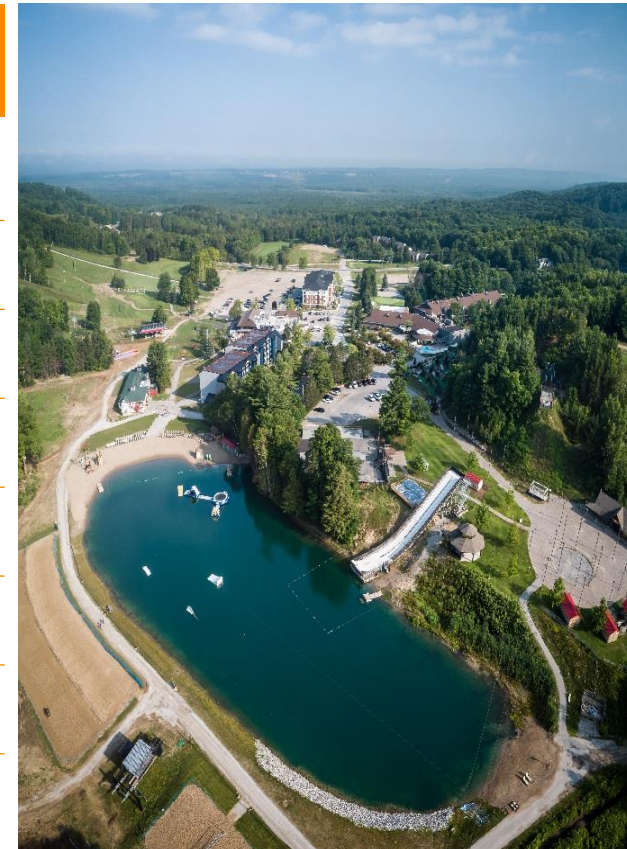
Expected Increase in Cash Flow

- 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 significant 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

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

Unencumbered Assets

Name	Book Value (000's CAD)
Bear Valley Resort	14,884
Excluded Lands surrounding Deerhurst Resort (1)	15,480
Excluded Lands surrounding Horseshoe resort (2)	12,422
Lands at Blue Mountain (60%)	8,397
Vendor's take back against Port McNicoll lands	33,922
Remaining Port McNicoll lands	5,899
Total	91,004



(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

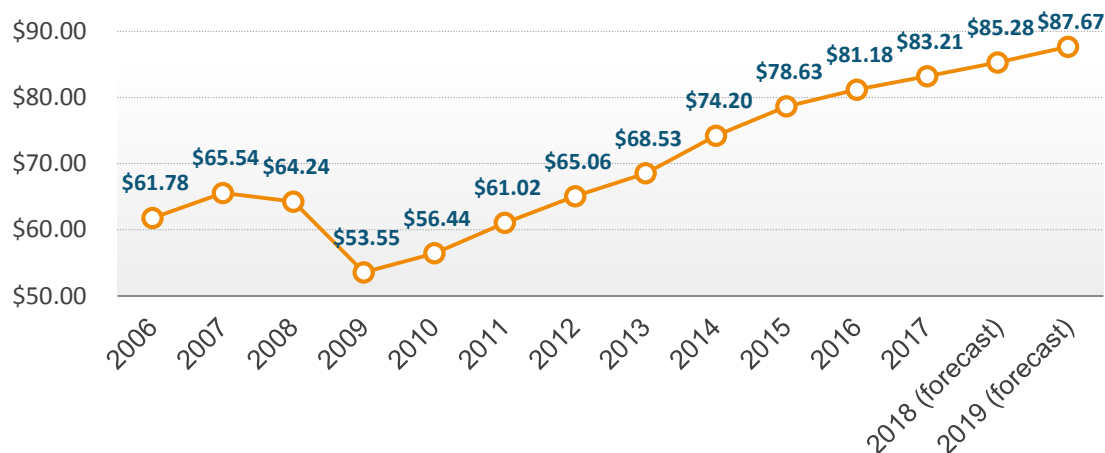


The Hyatt Regency Arcade,
Cleveland, OH

USA - Economy and Hotel Market

- 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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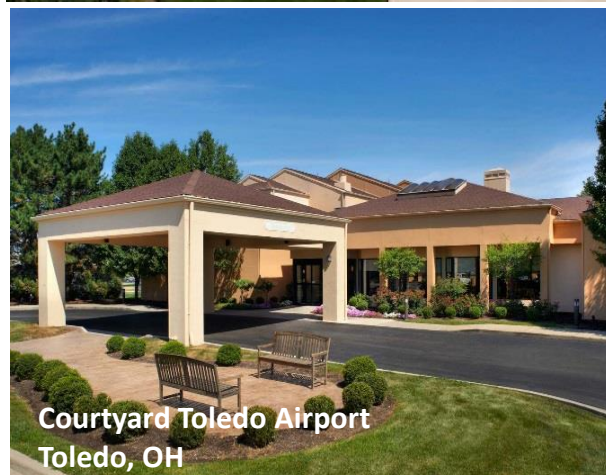
13 Courtyard by Marriott Hotels



Courtyard Birmingham Hoover,
Hoover, AL



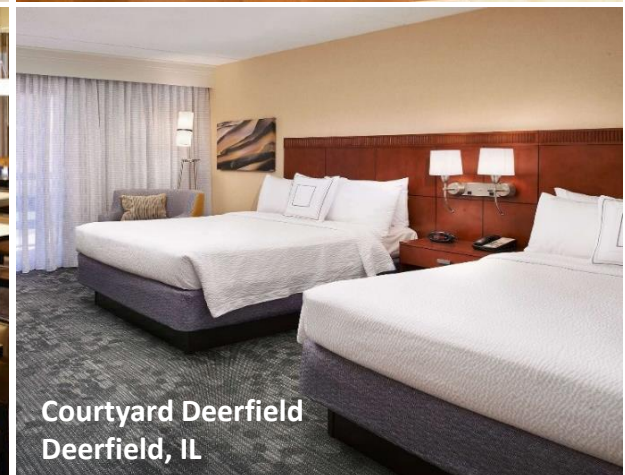
Courtyard Manassas Battlefield Park
Manassas, Virginia



Courtyard Toledo Airport
Toledo, OH



Courtyard Tucson Airport
Tucson, AZ



Courtyard Deerfield
Deerfield, IL

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 14,920

NOI/Revenue

27% 28% 28%

HISTORICAL
PERFORMANCE
(000's USD)*

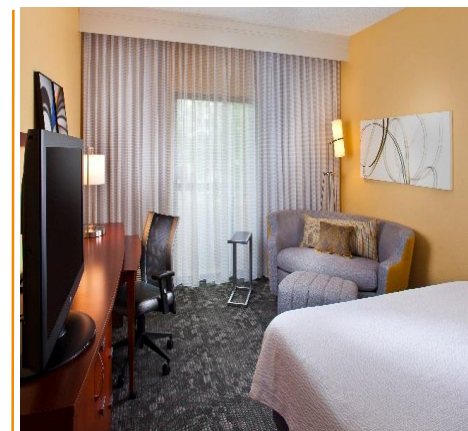
*Aimbridge has re-examined the numbers provided by the seller and decided to update the NOI for 2017 adjusting for various items including Marriott chain services and change of control expenses resulting in a net reduction of \$700k to 2017 NOI. This change was made to make the historical number more comparable after transaction from full Marriott management to third party Aimbridge management.

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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INVESTMENTS



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.

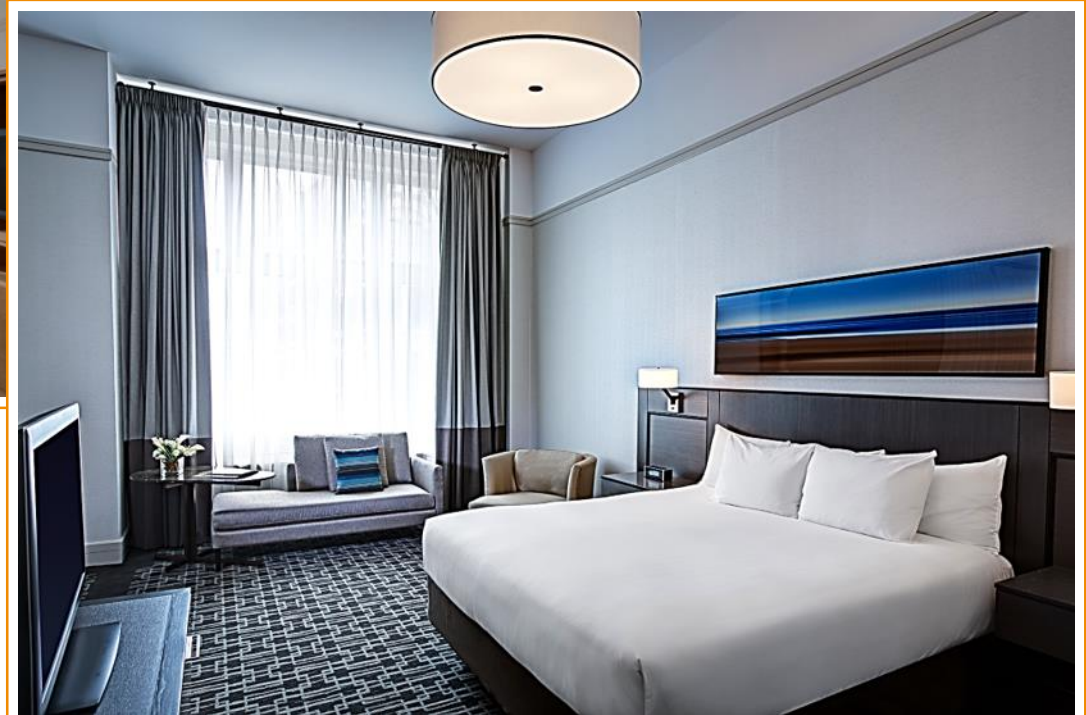


* Property Renovation Reserve: Restricted cash reported separately from cash and cash equivalents balances

Active Asset Management – Hyatt Room Renovations



Before Renovation



After Renovation

Renaissance Cleveland Hotel

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R
RENAISSANCE®
CLEVELAND HOTEL



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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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 | 51

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.

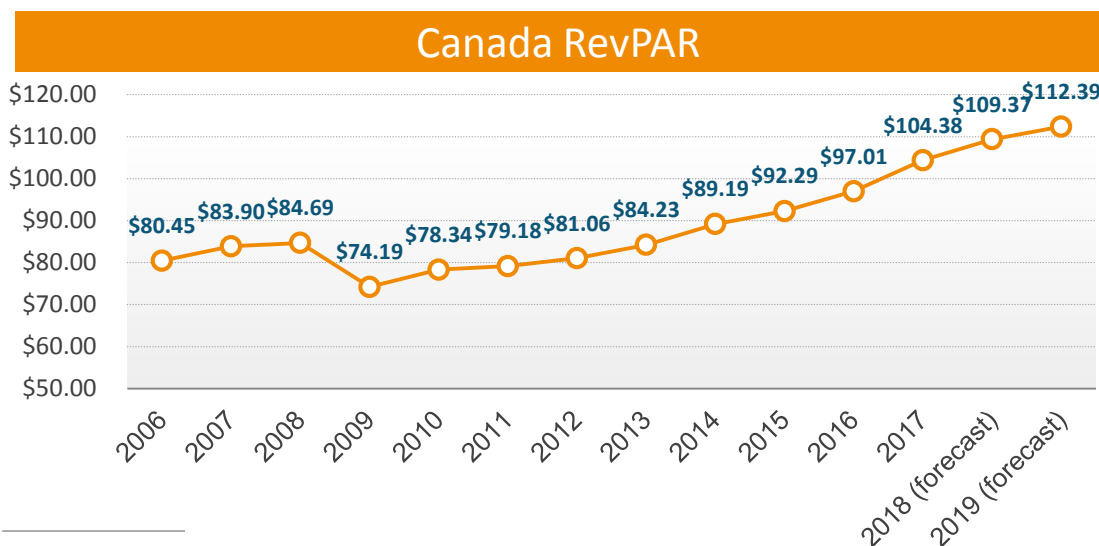


SKYLINE
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Main Operating Assets in Canada



- 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 | 308 (102 Owned / 206 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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INVESTMENTS



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	140 (101 Owned / 39 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

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**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



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 ⁽²⁾	Sales Rate	Expected Revenue	Expected Gross Profit	Revaluation Gains ⁽³⁾	Gross Profit Including Revaluation ⁽³⁾	Gross Profit Rate Including Revaluation	Expected Net Cash Proceeds upon completion of Project ⁽⁴⁾	Date of Completion
Lakeside	Deerhurst	Residential Building	150 ⁽⁵⁾	100%	137	91%	57,722	13,112	-	13,112	22.7%	16,266	March 2019 ⁽⁶⁾
Slopeside	Horseshoe	Residential Building	44	100%	40	91%	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	May 2019
Second Nature 4	Blue Mountain	Land	70	60%	70	100%	3,450	827	1,350	2,177	63.1%	2,148	Apr 2018
Monterra Phase 2	Blue Mountain	Land	33	60%	33	100%	5,610	442	1,980	2,422	43.2%	2,206	Dec 2019
Total			388		371	96%	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 ⁽³⁾	Gross Profit Rate Including Revaluation ⁽³⁾	Remained Net Cash Proceeds upon full repayment of VTB ⁽⁴⁾	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) All the numbers are as of December 31, 2017 unless stated otherwise.

(2) Units sold as of Sept 30, 2018

(3) 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.

(4) Including Equity Invested in the Project, before income tax

(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.

(6) The building will be delivered in stages to buyers over several months starting in October 2018

Lakeside Lodge

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Slopeside Lodge

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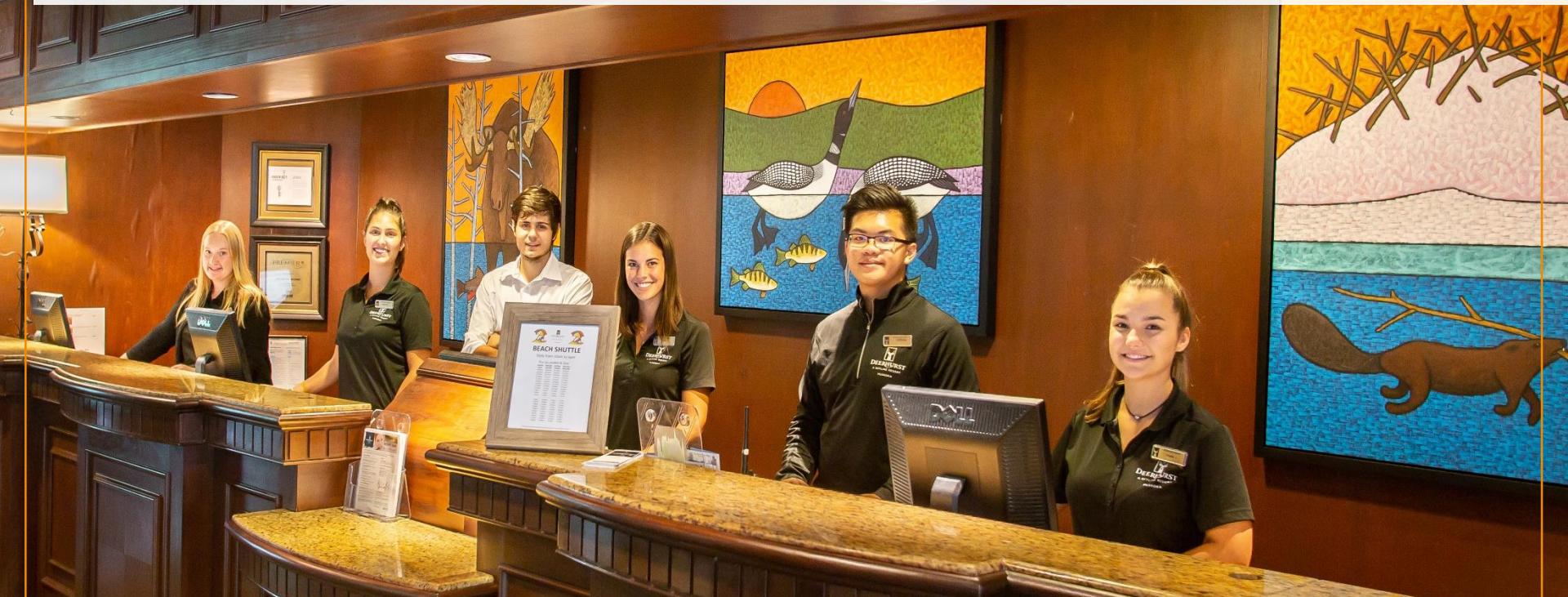


Blue Mountain Development Lands

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Thank You!

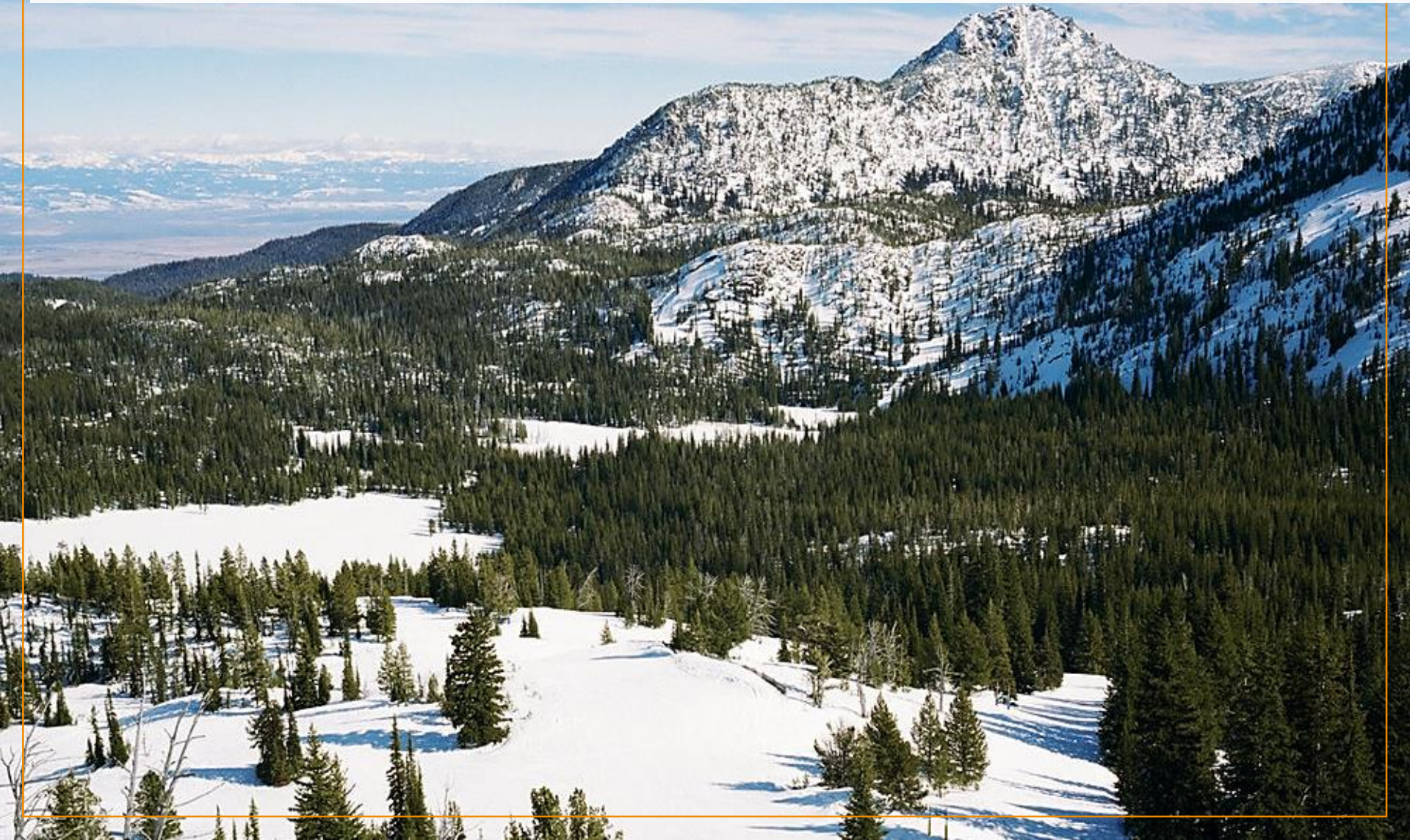


Questions?

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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