Corporate Presentation

Financial Statements 30.06.2017



WWW.SKYLINEINVESTMENTS.COM

August, 2017

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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.

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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, 2017) is 2.7234 CAD

Corporate Overview

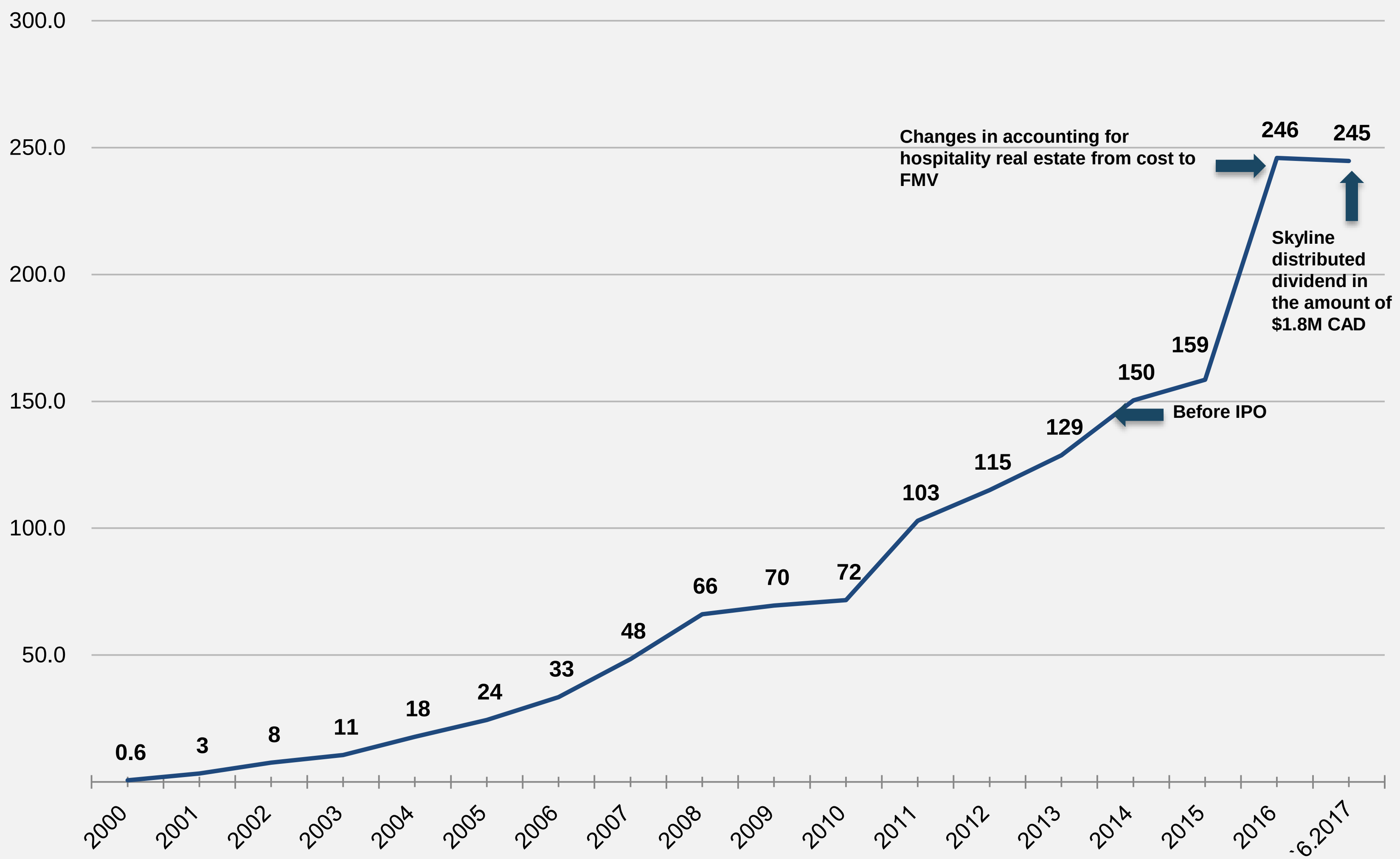



- Skyline specializes in hospitality real estate investments in Canada and the US, with a focus on income producing assets
- As of June 30, 2017 the Company's assets totaled approx. $514M and the shareholders' equity totaled approximately $286M with capital to balance ratio of 56%
- Skyline continues to invest in its assets and works to improve operational efficiency. This is expected to increase NOI in the coming years.
- Ongoing development assets such as Lakeside Lodge, Slopeside Lodge and Blue Mountain are expected to realize $94M in revenue and receive $29M in free cash flow by 2019.
- Current Net Debt to Net Assets ratio is merely 22%, whereas Skyline's debt duration is 4.4 years.
- Taken together, Skyline's strong balance sheet, low leverage and cash flow allows us to acquire new properties and diversify our asset base

Recent Activity

- **August 2017:** Skyline has signed a conditional agreement to purchase 13 Courtyard Marriott hotels for $135M USD. The hotels consist of 1,913 rooms and generated revenues of approximately $51.1M USD and NOI of $14.5M USD in 2016.
- **July 2017:** The company completed the sale of Port McNicoll for $42M CAD and received the first payment of $4.2M CAD. This sale will provide a stable cash-flow over the next 6 years.
- **July 2017:** The Company signed a conditional agreement for the sale of land near Horseshoe Resort in Canada for $6.25M CAD. The transaction closing date is October 25, 2017.
- **June 2017:** Skyline signed an agreement to sell land parcels at Blue Mountain for $3.45M CAD. The Company is expected to complete this transaction in the next six months and receive a cash flow of $2.5M CAD.
- **April 2017:** Skyline distributed its first ever corporate dividend in the amount of $1.8M CAD.
- **March 2017:** The Company signed a 5-year agreement for a credit line of $20M CAD baring an interest rate of prime + 2% (current interest rate is 4.7%), using Horseshoe Resort as collateral. This credit line enhances Skyline's financial flexibility.
- **March 2017:** The Company received a $17M USD loan at 3.4% interest over 5 years for Hyatt hotel in Cleveland. This loan refinanced a prior US $11.7M loan with a higher interest rate of 4.76%.

Development of Equity
(attributed to the shareholders, in millions of CAD$)*



* During last 15 years, the company raised approximately $70M CAD in private placements and IPO on Israeli stock exchange
** As a result of change in accounting policy for the Company's operating assets, equity increased by $83.7M

Current Ownership Structure

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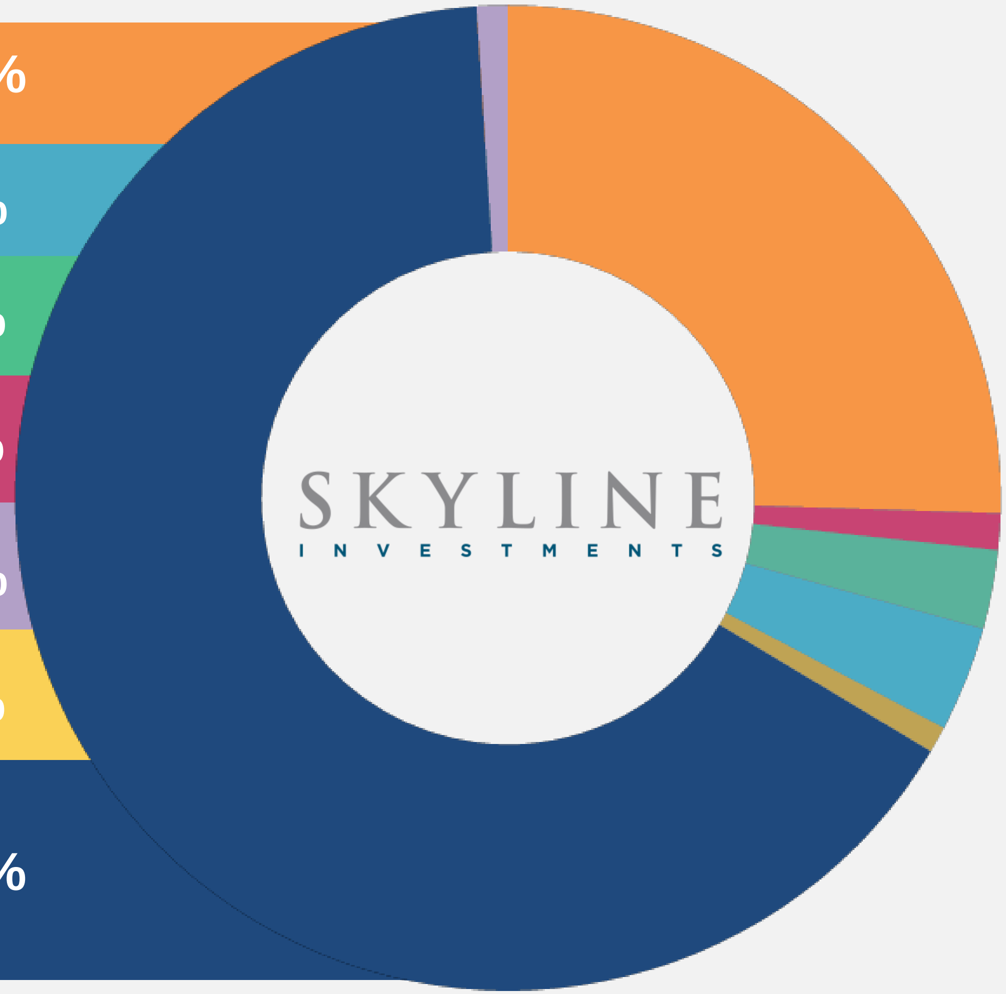
Shareholder	Ownership
Public	25.48%
MISHORIM INVESTMENTS	3.46%
Gil Blutrich	2.58%
Blake Lyon	1.20%
Alex Shnaider	1.02%
ILDC	0.86%
SKYLINE CANADA ISRAEL LTD. (70.31% MISHORIM INVESTMENTS; 29.69% ILDC)	65.36%



* 74% of Mishorim is owned by Alex Shnaider and Gil Blutrich through a joint voting arrangement
** Mishorim holds directly and indirectly 50% of Skyline INvestments Inc. shares.

Senior Team

Gil Blutrich

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

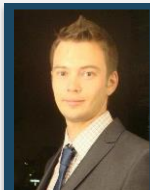
CEO

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 assets totalling $9B, and was CFO at Brookfield.

Vadim Shub CA, CPA

CFO

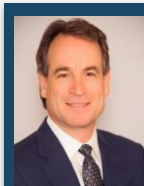
Over 20 years of experience in managing funds for public companies. CPA in Canada, Israel and the US



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.



Chris Lund

Senior VP Hotels and Resorts

Chris Lund has an extensive experience in managing hotels. Serving as the GM of the Deerhurst Resort for more than 4 years. Prior to joining the company served as regional vice president of the Delta hotels.

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)

Business Strategy – Increased Acquisition Program Using Low Leveraged Balance Sheet

Skyline's Strategy:

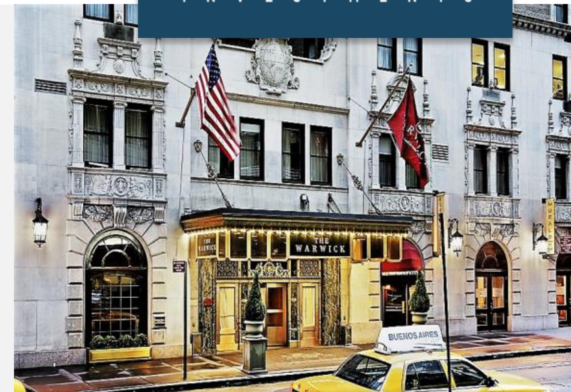
- Optimization of cash flow from existing assets through our experience in operations
- Acquisition of accommodation properties to decrease seasonality and diversify our geographic presence
- Decreasing our land bank holding to less than 10% of asset holdings
- Active asset management

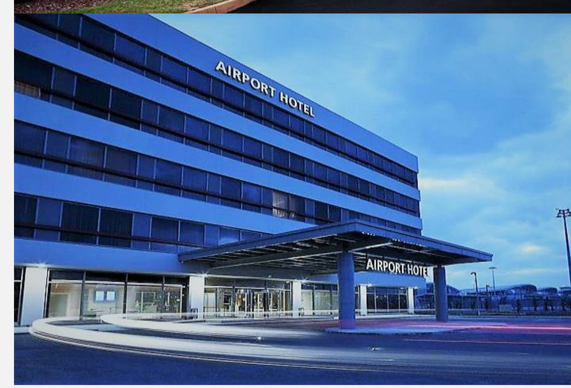
Acquisition Targets:

- New markets in Canada and US, primarily the US east coast.
- Non-seasonal locations

Primary Type of Acquisitions:

- Suburban limited service hotels
- Downtown full service hotels
- Focused service hotels (eg. airport hotels)





Business Markets

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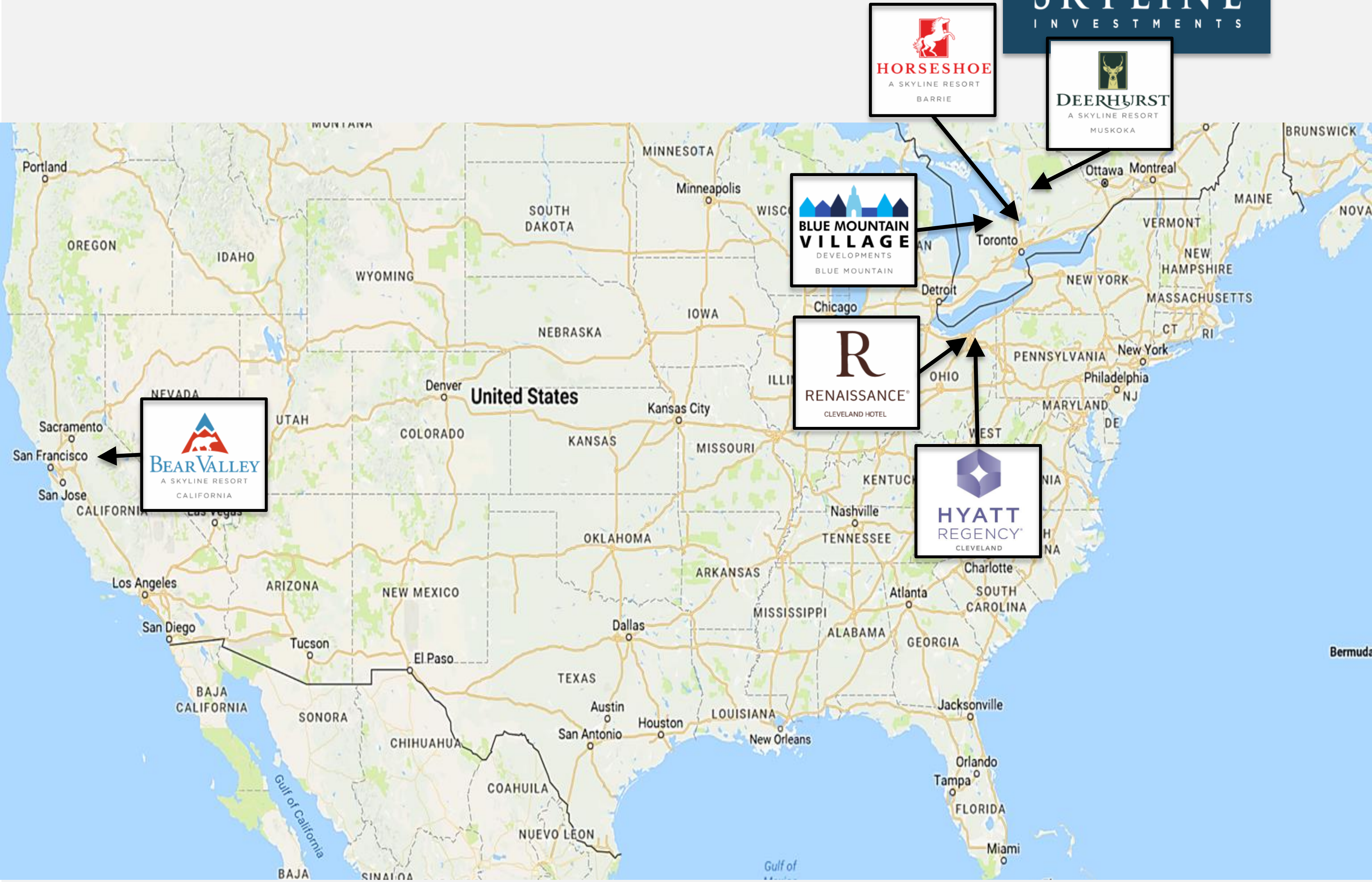

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Main Operating Assets in Canada

Canada Overview

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- Canada is the second largest country by land mass with a population of 35 million
- One of the top 10 largest economies of the world and a member of the Organization for Economic Co-operation and Development (OECD)
- Considered a top country for quality of life with a specific focus on work-life balance
- (S&P) Rating: AAA
- Government support for immigration brings about 300,000 new middle class and above people per year, of which 100,000 settle in the Greater Toronto Area
- The capital of Ontario is Toronto, the economic, financial, and banking capital of Canada
- Ontario is the most populous province in Canada with 13.7 million citizens, growing at 0.8% a year, and makes up close to 40% of Canada’s GDP primarily from manufacturing and financial services
- The population of the Greater Toronto Area is 6.4 million residents, making it the 4th largest megalopolis in North America after New York, Los Angeles, and Mexico City
- Toronto housing prices continue to rise while remaining significantly below other North American major cities such as New York, Vancouver, and San Francisco

Deerhurst Resort

Overview:

- Luxury year round resort in the district of Muskoka, two hours from Toronto.
- The Resort includes approx. 315 rooms (101 rooms owned by Skyline, 214 managed), two golf courses, conference rooms, spa, swimming pools, restaurants, and a private airport.
- With approximately 800 acres owned, the site hosted the G-8 Summit.
- The Resort is a collateral for bonds series A.
- The resort is expanding with the construction of the new 162 room Lakeside condo/hotel.
- Recently received approval of a secondary plan for 640 units & 4,500 sq.m. retail space (Zoning-by-law).

Future Potential:

- Increase NOI through improving operations efficiency and utilizing additional condominium inventory
- Focus on the off-peak traveler market with increased marketing to international traveller
- Continued sale and select development of adjacent land

Deerhurst Resort

Horseshoe Resort

HORSESHOE
A SKYLINE RESORT
BARRIE

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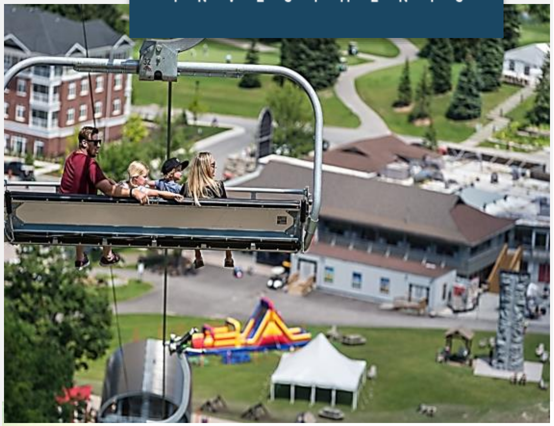
<u>Overview:</u>

- A ski, golf, adventure park and hospitality resort operating year round, located one hour drive from Toronto.
- The site includes a leading golf course in Canada, 25 alpine ski runs and 40km of cross-country trails, 163 hotel rooms (141 owned, 22 managed), and 5 restaurants.
- The resort sits on approximately 220 acres
- The company recently completed the $20M Copeland House condo/hotel adding a significant number of new rooms to the resort.
- In 2016 Skyline invested $5M in a new high-speed chairlift
- In July 2017, the Company began a significant renovation of the 44-unit Slopeside Lodge. As of today Skyline has already sold 21 units. Additionally, some of these new, upscale units are expected to join the resort rental program, creating additional value.

<u>Future Potential:</u>

- Increase NOI through improved operational efficiency and additional condominium inventory (Slopeside Lodge, Copeland House, etc.)
- Enhance summer business with the introduction of the new Horseshoe Lake. This lake will also serve as a water reservoir for artificial snow production in the winter.
- Continued sale and select development of adjacent land



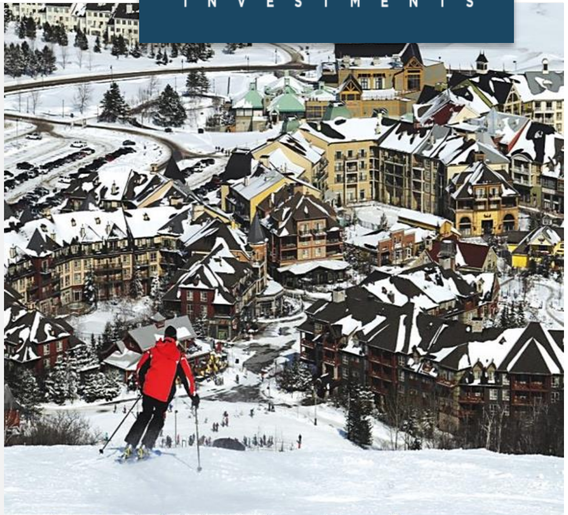
Blue Mountain Village

<u>Overview:</u>

- The Village includes Ontario's largest ski resort, retail shops, and restaurants operating throughout the four seasons.
- Blue Mountain is located near Collingwood and Georgian Bay, two hours away from Toronto.
- The Company, together with a partner (40%), holds half of the retail space in the village (but manages 100%) as well as 600* units with development rights for residential construction (including infrastructure).

<u>Future Potential:</u>

- Sale of lots and land parcels to local developers
- Sale and/or development of retail spaces
- Hotel and condo development opportunities
- $21M lands sold. To be delivered between 2017-19



*Note: 124 units have been sold but have not yet been delivered to their purchasers

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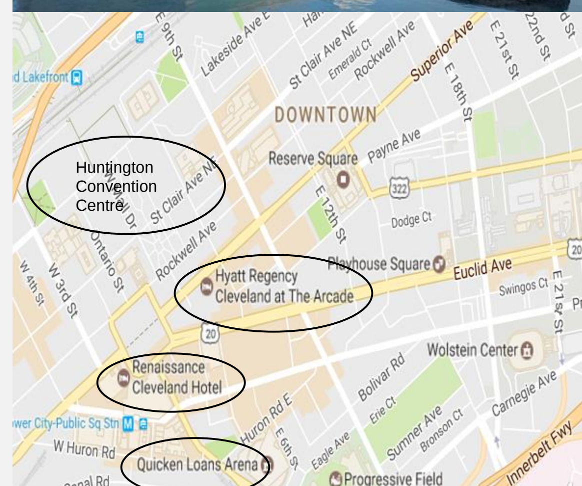
Main Operating Assets in the United States

Cleveland Overview

- Greater Cleveland is the 28th most populous metropolitan area (2.5 million people) and its GDP grew by 0.7% in 2016 and is projected to grow a further 4.1% in 2017.
- Home of seven Fortune 500 firms including Goodyear Tire, Progressive Insurance, and FirstEnergy.
- Cleveland's economic backbone is its healthcare sector, the fastest growing in the US. Highlights include the world-famous Cleveland Clinic.
- Home to three successful sports franchises that attract guests and attention throughout North America including the NBA Champions Cleveland Cavaliers.
- Recently completed Huntington Convention Center and Global Center for Health Innovation with 390,000 total sq. ft. attracts over 25,000 visitors a year.
- Local government invested $425M USD to build the Center and is committed to Cleveland as a tourist destination.
- Altogether, Cleveland sees about 16.9 million visitors a year.
- S&P Rating: AA Moody's Rating: Aa2 Fitch Rating: AA



Hyatt Regency Arcade

Overview:

- Historical heritage site built in 1890. Located in the central business district of Cleveland. The property includes a 293-room hotel,, an indoor mall of about 4,200 sq.m., and conference rooms, spa, fitness club and restaurants.
- Hyatt is currently under a 10-year contract as the manager and brand of the property.
- The property was purchased by Skyline in February 2012 for $7.6M USD (a net acquisition cost of $3.1M USD, after deduction of cash available in the hotel's accounts at the time of purchase). Property appraised at $46.6M USD on December 31, 2016.
- Recently completed renovation of the remaining 170 rooms. As of now, all rooms have been substantially renovated which will improve the hotel's competitive advantage.
- The renovation was mostly funded by the Property Renovation Reserve*
- In March 2017, the Company refinanced the property with a loan bearing a 3.4% interest rate.
- The hotel is a well-known wedding destination, hosting 60-70 weddings a year.

Future Potential:

- Increasing NOI from completion of room renovations, continued lease ups of its retail mall and Cleveland's continued growth.

* A restricted cash store not reported under cash and cash equivalent balances

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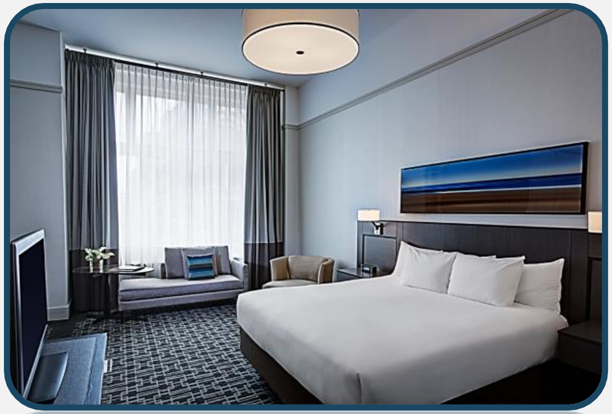
Active Asset Management – Hyatt Room Renovations

HYATT REGENCY CLEVELAND



Renaissance Cleveland Hotel

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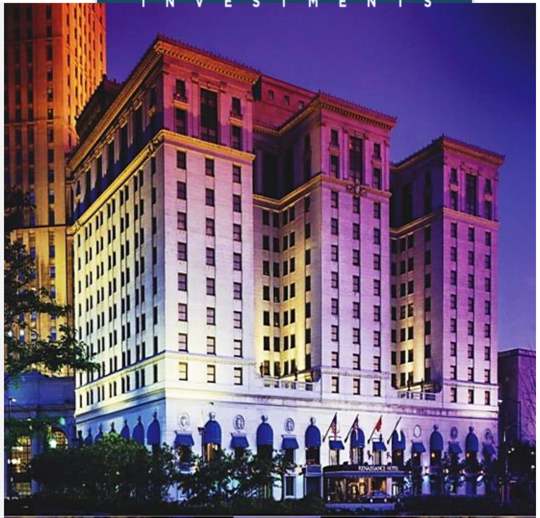
RENAISSANCE® CLEVELAND HOTEL

Overview:

- Historical heritage asset built in 1918. The property is located in the business center of downtown Cleveland US, near the city's main square. (sized 860,000 sq.f)
- The property was purchased by Skyline for $19.1M USD, for which Skyline received a $3.5M USD from partner. The property was appraised at $55.5M USD on December 31, 2016.
- 491 room, 34 conference spaces (64,000 sq.f well positioned in the area) and more than 300 parking stalls.
- Public square underwent a significant renovation of approx. $40M USD.
- A 20 year franchise agreement was signed with Marriott and the hotel is managed by Aimbridge which manages over 450 hotels in the United States.
- The hotel is co-owned 50% by Skyline.
- Skyline has begun the first phase of a significant 3-year renovation, which will upgrade the property and is expected to improve its performance.

Future Potential:

- Increase NOI through the recently started renovation program.
- Continue lease ups of retail space
- Cleveland's continued growth.



Bear Valley

Overview:

- Ski resort located in California
- The resort acquisition was purchased in 2014 for a total consideration of $3.7M USD. The property was appraised at $11.5M USD on December 31, 2016.
- Skyline management invested significant efforts to reduce operational costs, invested close to $3M USD in improvements, which along with a return to normal snowfall levels has resulted in an NOI of approx. $2.3M USD.
- Recently began Installation of a new ski lift which will be ready for the new ski season, improving visitor experience.

Future Potential:

- Additional NOI growth as ski visits increase to historical levels
- Investment is new equipment will yield higher ticket pricing
- Opportunities to develop and sell adjacent lands

Land Sales and Development Assets

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Lakeside Lodge (Deerhurst):

- 162-unit development on Deerhurst land to be used for sale and inventory for Deerhurst Resort.
- As of today, 114 (70%) units have been sold for a revenue of $41M.
- Total revenue and gross profit are expected to be $55M and $13M respectively.
- Delivery is expected in Q3/2018.
- Closed a favorable construction loan agreement at a rate of 4.45%.

Slopeside Lodge (Horseshoe):

- The resort is renovating the Slopeside Lodge to convert 44 rooms to condominium units which will be made available for sale and inventory for Horseshoe Resort.
- As of today, 21 units have been sold for a revenue of $8M.
- By 2018, expected revenue from the project is $15M and profit of $5M+.

Land Sales and Development Assets

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Blue Mountain:

- As of December 2016, the Company delivered 74 lots bringing in approx. $9M in revenue
- As of today, the Company has sold **124** units at $21M. The revenue and cash flow from these units will be recognized in financial statements over the next 3 years

Port McNicoll:

- In July 2017, Skyline completed the sale of Port McNicoll for $42M CAD and received the first payment of $4.2M CAD. This sale will provide a stable cash-flow over the next 6 years.
- The Port McNicoll Project - revenue and profit calculation:

The Port McNicoll Project Sale	
Purchase price and acquisitions	$7,070
Improvements and investments	$7,600
Total Investment in Port McNicoll	**$14,670**
New Agreement	$41,965
Cash Profit	$27,295
ROI	186%

*After the new sale agreement of Port McNicoll, several land parcels and the museum ship remain under the ownership of the Company. The total value of the remaining assets is $7.1M

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Financial Information ($CAD 000)

Financial Strength and Flexibility

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Strong Balance Sheet

- Capital to balance ratio of 56%
- Net Debt to Net Assets ratio is merely 22%

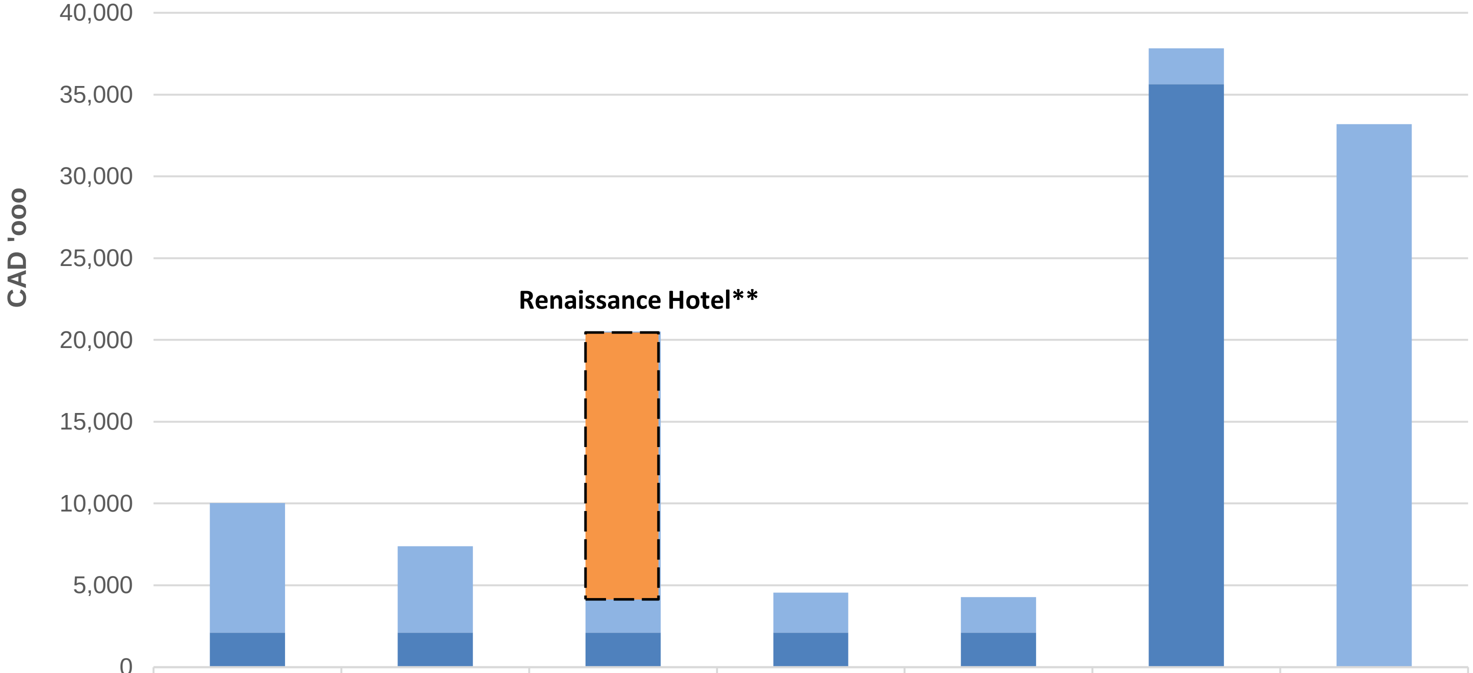
Flexibility

- As of June 30, 2017 the Company has:
  - A cash balance of $18M
  - An unutilized low cost credit line of $21M
  - Effective average loan duration of 4.4 years, and an average interest rate of 4.95%
  - Low LTV (34% for the income producing assets and 8% for the lands)
  - A total value of unencumbered assets is $166.5M

Cash Flow and Debt Maturities

- The Company has no significant principal payments in the next 5 years except for the Renaissance loan which we expect to refinance due to its very low 22% LTV.
- Cash flow from income producing assets is able to serve the financial debt in the next five years even without debt refinancing except for the Renaissance loan which we expect to refinance due to its very low 22% LTV.
- In the next three years, Skyline is expected to receive a net cash flow of $22M from development projects.
- In July 2017**,** the company completed the sale of Port McNicoll for $42M CAD and received the first payment of $4.2M CAD. This sale will provide a stable cash-flow over the next 6 years.
- Renovations and expansions of the existing properties are expected to increase the NOI significantly in the coming years

Well-Staggered Term Debt Maturities



	Q2/17-Q2/18	Q2/18-Q2/19	Q2/19-Q2/20	Q2/20-Q2/21	Q2/21-Q2/22	Q2/22-Q2/23	Q2/23-Q2/24
Mortgages	7,918	5,282	18,413	2,443	2,177	2,191	33,200
Bond A	2,101	2,101	2,105	2,103	2,107	35,639	

Bond A Mortgages

*Not including the construction credit lines in amount of $7.7M for Lakeside Lodge and Blue Mountain. The debt is expected to be paid by the proceeds from the sale of these projects.
**The bank loan for the Renaissance Hotel of $16.5M constitutes a major part of the principal payment in the third year. This loan has very low LTV of 22%.

Net Asset Value

	Ownership	BV	2015 NOI	2016 NOI	NOI - LTM	NOI – LTM/BV	Loan Balance 6/2017 (6)	LTV	Equity
Revenue generating assets									
Deerhurst Resort (1)	100%	72,600	4,390	3,885	4,958	6.8%	41,598	57%	31,002
Horseshoe Resort (2)	100%	54,000	4,078	2,747	4,118	7.6%	-	0%	54,000
Blue Mountain Retail	60%	28,980	1,671	1,750	1,782	6.1%	14,462	50%	14,518
Hyatt Regency Arcade (3)	100%	62,570	4,689	5,463	4,854	7.8%	25,430	41%	37,140
Renaissance Hotel (4)	50%	74,520	331	7,072	6,686	9.0%	16,027	22%	58,493
Bear Valley Resort	100%	15,441	(188)	2,771	2,328	15.1%	-	0%	15,441
Total Revenue generating assets		308,111	14,971	23,689	24,727	8.0%	97,517	32%	
Adjustment to consolidated FS (5) (5a)		1,565	599	(2,868)	(4,070)		6,550		
Total Revenue generating assets consolidated FS		309,676	15,570	20,821	20,657		104,066	34%	210,594
Average Interest rate (6)							4.89%		
Lands									
Deerhurst lands	100%	29,606					9,336		20,270
Horseshoe lands	100%	19,079							19,079
Blue Mountain lands	60%	22,757							22,757
Port McNicoll	100%	5,331							5,331
Port McNicoll- sold in July 2017	100%	40,237							40,237
Total lands		**117,010**					**9,336**	8%	107,674
Projects under construction and other		26,431					10,376		16,055
Total Real Estate		**453,117**	453,117				**123,778**	27%	334,323
Cash and cash equivalents (7)		18,192							
Receivables & Other		36,032					4,930		
Deferred tax		7,154							
Total Assets per Financial Statements		514,495					**128,708**		**334,323**
Debt, including bonds		(128,708)					4.95%		
Payables & Other		(38,113)							
Deferred tax		(61,227)							
Total liabilities		**(228,048)**							
Non-controlling interest		(41,713)							
Equity attributable to shareholders of the company		244,734							**244,734**
Number of Shares, 000		16,737							
Equity per Share (CAD)		**14.62**							
Equity per Share (NIS)		**39.35**							

FX 1 CAD to NIS as of June 30, 2017
(1) Loan balance: Series A bonds net of hedge
(2) Horseshoe resort NOI for 2016 was negatively impacted by extremely poor weather conditions, resulting in 1,500 CAD loss of NOI
(3) The Loan was refinanced in March 2017, new amount is 17,000 USD at variable 3.40%
(4) Renaissance was acquired on Oct 28, 2015, full 2015 year NOI was $6,601
(5) Primarily severance payments due to restructuring and (5a) lease obligations; prior year prop taxes
(6) Average Interest rate is calculated by multiplying the loan stated interest rate by loan balance and divided by total loan balances
(7) Not including available lines of Credit totaling 21,000 CAD
(8) additions since Dec 2016 and FX changes

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Summary of Periodic Results (in 000's CAD)

Section	2016	H1/16	H1/17
Revenue from revenue generating assets	122,197	61,966	59,405
Revenue from sale of residential real estate and other	25,797	18,533	1,420
Total Revenue*	**147,994**	**80,549**	**60,825**
NOI from revenue generating assets	20,821	10,582	10,418
Total EBITDA**	19,455	10,078	7,867
FFO**	9,771	5,592	4,535
Same Property Revenue		58,061	59,901
Same Property NOI		10,213	11,281

*Most of the decline in revenues stemmed from a decrease in the number of housing units delivered and a decrease in revenues as a result of the sale of the Pantages Hotel in August 2016.
**See explanation for the FFO and EBITDA calculation in MD&A. The decrease in both parameters in the first quarter of 2017 was mainly due to the delivery of land parcels at Blue Mountain during the corresponding quarter last year, which generated a profit of CAD $2M.

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Main Balance Sheet Parameters (in 000's CAD)

Section	31.12.2016	31.03.2017	30.06.2017
Total Assets	**519,753**	**512,692**	**514,495**
Gross financial debt	130,985	123,997	128,708
Cash and equivalents	29,961	24,903	18,192
Net Debt	**101,024**	**99,094**	**110,516**
Shareholders equity	245,968	247,600	244,734
Non-controlling interest	32,021	31,735	41,713
Total Equity	**277,989**	**279,335**	**286,447**
Net Debt to Net Assets	20.6%	20.3%	22.3%
Equity to balance ratio	53.5%	54.5%	55.7%

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Appendix

List of Assets with no Financial Debt (in 000's CAD)

Name	**FMV(5) 30.06.2017**
Bear Valley Resort	14,241
Horseshoe Resort (3)	49,000
Excluded Lands surrounding Deerhurst Resort (1)	15,480
Excluded Lands surrounding Horseshoe resort (2)	19,079
Lands at Blue Mountain (60%)	14,898
Lands at and around Port McNicoll (4)	46,557
Slopeside 40 condo building at Horseshoe resort	7,300
Total	**166,555**

(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 parcellation process

(2) Similar terms and conditions

(3) Constitutes collateral for an unutilized credit facility of $20M CAD

(4) Approx. $39.1M CAD is related to the sale of Port McNicoll in July 2017

(5) There was no significant change in the fair market value of these assets since the end of 2016.

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Thank You!

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Questions? Please contact Ben Novo-Shalem, Head of M&A and IR
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