SKYLINE ANNOUNCES OPERATIONAL RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

- **Cash and cash equivalents increased by $7.7 million during the first 9 months of 2020 despite the challenging economic environment;**
- **Q3 2020 revenue from Skyline's hotels and resorts was $25.3 million compared to $53.3 million in Q3 2019, a decline of 53% due to the impact of COVID-19;**
- **Skyline's operating expenses from hotels and resorts also declined by 53% including the effect of subsidies received in response to the crisis;**
- **Achieved positive EBTIDA in Q3 2020 of $4.5 million, compared to negative EBITDA in Q2 2020 of $6.8 million;**
- **Q3 2020 NOI from Canadian resorts improved by 11% over Q3 2019 due to a focus on local travel;**
- **Unrestricted cash and available lines of credit as at September 30, 2020 totalled approximately $37 million;**
- **Occupancy of all of the Company's US hotels and Canadian resorts show a steady improvement from their lows in April; and**
- **Skyline announced the sale of the Port McNicoll development lands under a power of sale agreement, which is expected to close in early 2021.**

Toronto, Ontario – November 13, 2020. Skyline Investments Inc. (the "Company" or "Skyline") (TASE: SKLN), a Canadian company that specializes in hospitality real estate investments in the United States and Canada, published its results for the three and nine months ended September 30, 2020.

"*The first nine months of 2020 presented new and unprecedented challenges to the world economy, which directly affected Skyline's properties. Nonetheless, Skyline was able to increase its cash reserves during this period and continues to manage through this world event*" commented Blake Lyon, Skyline's Chief Executive Officer. "*During Q1 2020, Skyline had strong performance from the Courtyard portfolio, had near-record results at our ski resorts, and completed the sale of a significant development project. During Q2 2020, Skyline, along with the entire hospitality industry, experienced a material downturn in occupancy at all of our hotels and resorts, including the temporary closure of Bear Valley, Deerhurst, and Horseshoe. On June 12th, Horseshoe and Deerhurst reopened, in time for Deerhurst's summer high season. Activity at our Canadian resorts was strong during Q3 2020, and our US hotels showed significant improvement over Q2 2020, with Deerhurst and Horseshoe achieving higher NOI than Q3 2019. Our balance sheet strength, combined with Government relief programs are assisting Skyline in its efforts to reduce the effects of COVID-19 and the Company is making all required interest and principal payments.*"

SUMMARY OF FINANCIAL RESULTS

C$000's	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
NOI from Hotels & Resorts	**6,567**	**13,264**	**9,299**	**35,271**
NOI from Hotels & Resorts Margin	26%	25%	13%	24%
Same Asset NOI	6,567	13,264	9,299	34,781
Same Asset NOI Margin	26%	23%	13%	23%
Adjusted EBITDA	**4,531**	**12,481**	**6,814**	**36,239**
Adjusted EBITDA Margin	18%	21%	6%	19%
FFO	**1,531**	**7,008**	**(3,444)**	**20,002**

INCOME STATEMENT HIGHLIGHTS

All amounts in millions of Canadian dollars unless otherwise stated

Third Quarter 2020 Results

- **Total revenue for Q3 2020** was $27.9, compared to $59.2 in Q3 2019. Revenue from hotels and resorts decreased by 53% to $25.3 due to the impact of COVID-19. At the same time, Skyline reduced its operating expenses from hotels and resorts by 53% in response to the crisis including the effect of government subsidies. Revenue from the sale of residential real estate was $2.6.
- **Same asset NOI for Q3 2020** was $9.3 compared to $34.5 in Q3 2019. The decrease was driven mainly by the impact of COVID-19 as discussed above.
- **Adjusted EBITDA for Q3 2020** was $4.5 compared to $12.5 in Q3 2019. The decrease is attributable to the impact of COVID-19 on the Company's hotels and resorts as discussed above.
- **Net financial expense for Q3 2020** totalled $3.1, compared to $4.8 in Q3 2019. Interest expense of $3.8 was $0.2 lower relative to $4.0 Q3 2019 due to the repayment of construction debt in 2019 and lower interest rates. Interest rates decreased during 2020 due to stimulative measures taken by central banks in response to the COVID-19 pandemic. Skyline benefited from this as the majority of its mortgages bear variable interest rates. The decline in interest expense was coupled with positive net foreign exchange movement of $1.0, which was the result of appreciation of the Canadian dollar relative to the US dollar.
- **FFO for Q3 2020** was $1.5 compared to $7.0 in Q3 2019. The decrease was due to the impact of COVID-19 on earnings at hotels and resorts.
- **Net loss for Q3 2020** amounted to $2.5, compared to net income of $2.6 in Q3 2019. Excluding minority interests, the Company had a net loss of $2.0 in Q3 2020, compared to net income of $2.2 in Q3 2019.
- **Total comprehensive loss for Q3 2020** was $5.3 compared to total comprehensive loss of $0.7 in Q3 2019. The Q3 2020 loss includes non-cash foreign exchange losses.

Year to Date ("YTD") 2020 Results

- **Total revenue for YTD 2020** was $106.9, compared to $189.8 in YTD 2019. Revenue from hotels and resorts decreased by 51% to $73.8 due to the impact of COVID-19. Revenue from the sale of residential real estate was $33.0. During Q1 2020, the Company completed the sale of phases 2 and 3 of the Second Nature development project located near Blue Mountain. Upon final closing of the transaction, the Company recorded revenue of $28.9, received net cash proceeds of $5.4, and repaid construction debt in the amount of $2.4. As part of the transaction, the Company gave the purchaser a 3-year vendor take back loan in the amount of $23.7.
- **Same asset NOI for YTD 2020** was $9.3, a decrease of 74% compared to $34.7 in YTD 2019. The decrease was driven mainly by the impact of COVID-19 as discussed above.
- **Adjusted EBITDA for YTD 2020** was $6.8, a decrease of 81% compared to $36.2 in YTD 2019. The decrease is attributable to the impact of COVID-19 on the Company's hotels and resorts as discussed above.
- **Net financial expense for YTD 2020** totalled $15.2, compared to $13.9 in YTD 2019. Interest expense was $3.5 lower relative to YTD 2019 due to the repayment of construction debt and lower interest rates. Interest rates decreased during YTD 2020 due to stimulative measures taken by central banks in response to the COVID-19 pandemic. The decline in interest expense was offset by net foreign exchange movement of $3.1, which was the result of depreciation of the Canadian dollar relative to the US dollar. This impacted the valuation of the Company's bonds. $5.1 million of non-cash FX gains were also realized, however these gains are included in the Company's other comprehensive income in accordance with IFRS.
- **FFO for YTD 2020** was negative $3.4 compared to $20.0 in YTD 2019. The decrease was due to the impact of COVID-19 on earnings at hotels and resorts.
- **Net loss for YTD 2020** amounted to $15.7, compared to net income of $4.2 in YTD 2019. Excluding minority interests, the Company had a net loss of $14.8 in YTD 2020, compared to net income of $4.7 in YTD 2019.
- **Total comprehensive loss for YTD 2020** was $31.5 compared to total comprehensive loss of $16.6 in YTD 2019. The YTD 2020 loss was driven by revaluation of the Company's property, plant and equipment, offset by foreign exchange gains.

BALANCE SHEET HIGHLIGHTS

- **Total assets** as at September 30, 2020 were $645 compared to $676 as at December 31, 2019. The decrease was a result of a revaluation of the Company's property, plant and equipment during Q2 2020 that resulted in a decline in value, offset by an increase in the fair value of the Company's investment property and an increase in cash and cash equivalents.
- **Cash and cash equivalents** were $35 as at September 30, 2020 compared to $27 as at December 31, 2019. The increase is driven by the Company accessing its available credit facilities and receipt of funds from the Canadian and US governments, offset by property capital improvements and repayment of bond and loan principal.

- **Net debt** as at September 30, 2020 totalled $290, an increase of $14 compared to net debt of $276 as at December 31, 2019, driven by FX movement in the Company's US dollar-denominated debt. In addition, the Company has received property-level covenant relief from its lenders for between the next one and five quarters, where required.
- **Total Equity** was $245 ($222 attributable to shareholders), representing 38% of total assets. As at September 30, 2020 equity per share attributable to shareholders was 34.04 NIS ($13.25), compared to the closing share price of 10.86 NIS ($4.22), a discount of 68%. As of this date, the Company's shares were trading at 12.54 NIS, implying a discount of 63%.

A breakdown of the change in fair value described above is summarized in the table below:

C$000's	**YTD Fair Value Change**	**Tax Impact**	**Net Change – OCI**	**Net Change – Net Income**
Property, Plant & Equipment				
Courtyard by Marriott hotels	(22,597)	5,154	(17,443)	-
Renaissance	(1,070)	122	(948)	-
Hyatt Arcade	(1,576)	360	(1,216)	-
Bear Valley	-	-	-	-
Deerhurst	(950)	252	(698)	-
Horseshoe	(710)	188	(522)	-
Total – PP&E	**(26,903)**	**6,076**	**(20,827)**	**-**
Investment Properties	4,803	(1,273)	-	3,530
Total Change	**(22,045)**	**4,803**	**(20,827)**	**3,530**

COVID-19 RECAP AND UPDATE

At the end of 2019, the COVID-19 virus began spreading rapidly, and during Q1 2020, the virus was declared a global pandemic by the World Health Organization ("WHO"). This had wide-ranging implications, including international and domestic travel restrictions, temporary closure of businesses, and an immediate contraction in overall global economic activity. The North American hospitality industry has not been immune and has witnessed a slowdown in activity, beginning in March 2020. In response to the crisis, the Company implemented immediate countermeasures, including the temporary closure of Horseshoe Valley Resort ("Horseshoe"), Bear Valley Resort ("Bear Valley"), and Deerhurst Resort ("Deerhurst") (collectively, the "Resorts"), staff reductions, and other cost containment measures. While Bear Valley will remain closed until the start of the 2020/2021 ski season, Horseshoe and Deerhurst both opened on June 12th in accordance with local public health guidelines.

The Company's hotels located in the United States (the "US Properties") are all open and are seeing a relatively steady improvement in occupancies, which have significantly improved from the lows in April and May 2020. During Q3 2020, the Company's full-service hotels experienced average occupancy of 23%, from a low of 8% in Q2 2020 (Q3 2019: 72%). The Company's select service hotels experienced occupancy of 34% during Q3 2020, from a low of 18% in Q2 2020 (Q3 2019: 70%), with certain properties achieving full occupancy on certain nights. Looking forward, there is significant uncertainty around the timing of a full resolution to the COVID-19 crisis. Given that the majority of the US Properties are primarily located in "drive-to" secondary markets that are not dependant on international air travel, the Company expects that as the recovery unfolds, its US Properties will see continued increases in occupancy.

In response to the COVID-19 crisis, the Canadian and US Governments unveiled multiple stimulus measures for which the Company qualified. In the US, Skyline received loans under the Paycheque Protection Program ("PPP") of $9.3 million (US$6.7 million) during Q2 2020. As part of this program, the portion of any of these loans spent on payroll, utilities, interest and other specified costs may be forgiven by the US Government under certain circumstances. During the three and nine months ended September 30, 2020, the Company recorded an offset to its operating expenses from hotels and resorts in the amount of $3.6 million and $5.6 million, respectively, to account for this government assistance on the basis that it will be forgiven. The Company is not yet in a position to determine the exact amount of eventual forgiveness; however, any unforgiven portion is repayable over 5 years, with interest payable based on an annual rate of 1%.

In Canada, the Company received the Canada Employment Wage Subsidy ("CEWB"), which covered up to 75% of the first CAD $58.7 thousand normally paid to eligible employees, representing a benefit of up to CAD $847 per week, per eligible employee, between March 15, 2020 and at least December 31, 2020. Legislation has been proposed that would extend CEWS through June 2021, however this legislation has not yet been passed and details are still being finalized. For the three and nine months ended September 30, 2020, the Company recorded an offset to operating expenses from hotels and resorts of $2.3 million and $3.7 million, respectively, and to administrative and general expenses of $0.1 million and $0.3 million, respectively.

The effect of the COVID-19 virus had a materially negative impact on the economy and businesses, in general, and on the Company's operating and financial results during the second and third quarters of 2020. Should there be no further relief in the restrictions and/or should government restrictions be renewed, the financial and operating results of the Company could be materially affected. The foregoing update of the Company is based on Management's current assessment of the business and the North American hospitality industry as a whole, and may be considered forward-looking information for purposes of applicable Canadian and Israeli securities legislation. Readers are cautioned that actual results may vary. Refer to the section "Forward-Looking Statements" below.

About Skyline

Skyline is a Canadian company that specializes in hospitality real estate investments in the United States and Canada. The Company currently owns 18 income-producing assets with 3,297 hotel rooms and 89,869 square feet of commercial space, and development lands with rights for approximately 2,315 residential units located in three main areas north of Toronto, Canada.

The Company is traded on the Tel Aviv Stock Exchange (ticker: SKLN) and is a reporting issuer in Canada.

For more information:

Rob Waxman, CPA CA, CFA
Chief Financial Officer
robw@skylineinvestments.com
1 (647) 207-5312

Ben Novo-Shalem
VP, Asset Management & Investor Relations
benn@skylineinvestments.com
1 (416) 368-2565 ext 2222

Non-IFRS Measures

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). However, the following measures: NOI, NOI Margin, FFO, FFO per share and Adjusted EBITDA are not measures recognized under 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, NOI Margin, FFO, FFO per share and Adjusted EBITDA as computed by the Company, may differ from similar measures as reported by other companies in similar or different industries. 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, 2020 and available on the Company's profile on SEDAR at www.sedar.com or MAGNA at www.magna.isa.gov.il

Forward-Looking Statements

This release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the business of the Company. In some cases, forward-looking statements can be identified by 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. Such statements involve a number of known and unknown risks and uncertainties, many of which are outside our control that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include the extent of the impact of the COVID-19 virus on our business, operations and financial performance, the imposition (or relaxation) of government restrictions (including the duration and terms of such restrictions), expected consumer and commercial behaviour, as well as other risks detailed in our public filings with the Canadian and Israeli Securities Administrators. 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 these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, we undertake no obligation to update any forward-looking or other statements herein whether as a result of new information, future events or otherwise.