Corporate Presentation

June 30, 2022

SKYLINE
INVESTMENTS

Designed by: www.7design.co.il

Cautionary Statement

SKYLINE
INVESTMENTS

General

This presentation has been prepared by Skyline Investments Inc. (the "Company“ or “Skyline”) 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.

Except for Company-owned trademarks, the trademarks mentioned in this presentation are the property of their owners and are solely used in this presentation in order to understand the context. Use of the trademarks should not be interpreted as an approval or corroboration in relation to the Company's programs, the Company's services or the Company’s securities.

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 June 30, 2022 and available on the Company’s profile on SEDAR at www.sedar.com or MAGNA at www.magna.isa.gov.il and are incorporated by reference into this presentation.

Note: All amounts are in thousands of Canadian Dollars as at June 30, 2022 unless otherwise indicated.
Exchange rate NIS/CAD (as at June 30, 2022): 0.37
Exchange rate CAD/NIS (as at June 30, 2022): 2.71

Skyline's Vision & Mission

SKYLINE
INVESTMENTS

We're creating one of North America's leading hospitality real estate investment companies, with a focus on value-add income producing select-service hotels mainly in suburbs of major metropolitan areas.

Skyline seeks to create shareholder value and deliver superior risk adjusted returns through the acquisition of income producing hotel properties and with some select repositioning investments, with a focus on active asset management and creativity.

Select Service Hotels

SKYLINE INVESTMENTS

- Select service is a segment of the hotel industry that focuses on mid-market business travelers during the week and family travel on the weekend, providing stable and predictable cash flow
- Select service hotels are typically smaller properties that are located in suburban markets and are not considered luxury services, resulting in less volatility during economic downturns
- Select service hotels include "extended stay" hotels, which are typically used by business travelers who travel to a particular location for multiple weeks or months, and feature the benefits of apartment-style living with the convenience of a hotel stay

Corporate Profile

SKYLINE INVESTMENTS

16
Income Producing Assets

2,749
Guestrooms

$581m/$310m
Total Assets/Equity

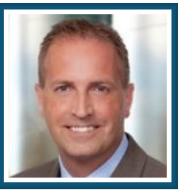
53%
Equity to Total Assets Ratio

Baa1.il
(Stable Outlook)
Bond Rating

Select Senior Management

SKYLINE INVESTMENTS

Blake Lyon CA, CPA
CEO



Blake Lyon has 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 CAD $9B, and was VP Finance and CFO at Brookfield.

Robert Waxman, CPA
CFO

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

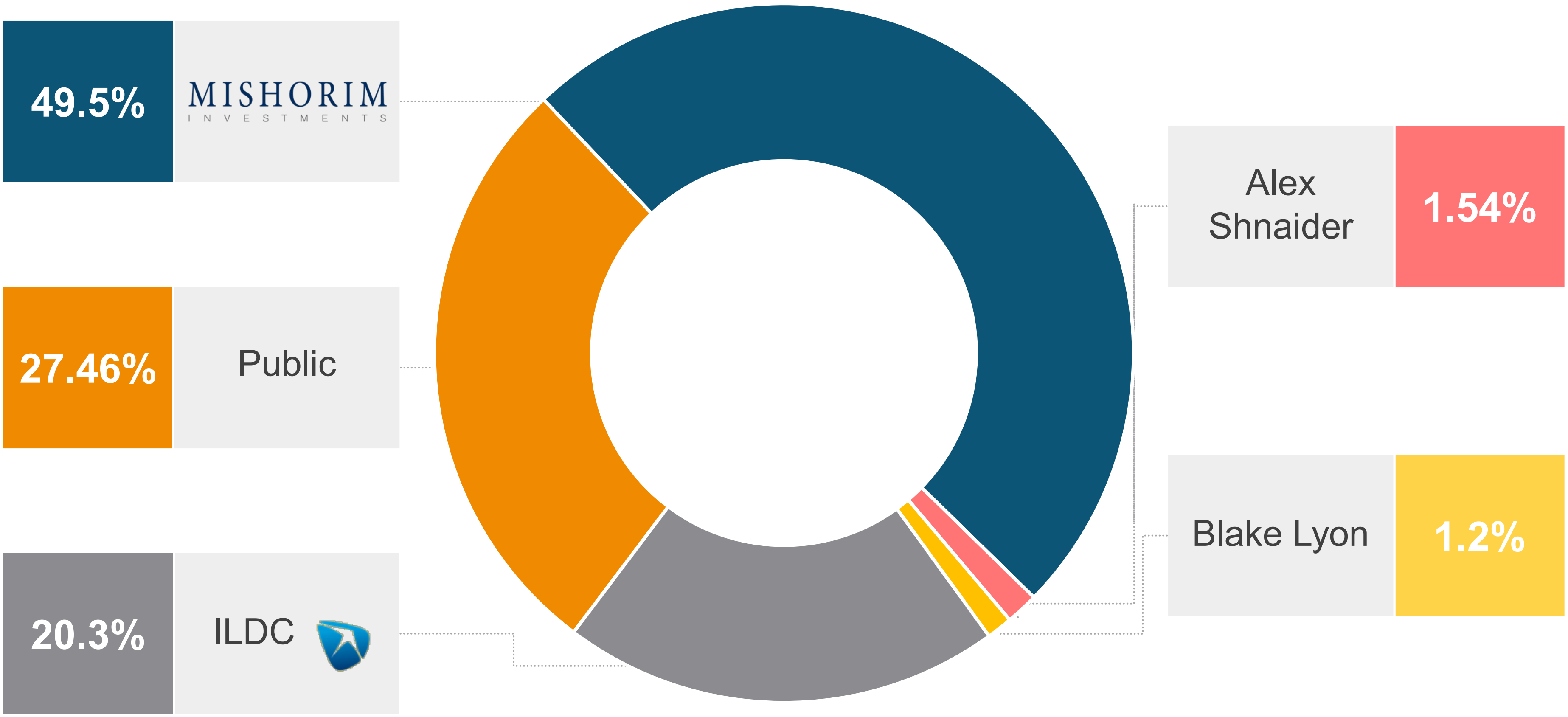
Ben Novo-Shalem
VP, Asset Management

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.

Neha Kapelus, CPA, CA, CBV
VP, Finance

Neha Kapelus has over 15 years of diverse experience leading financial operations and the financial close process, hedge accounting, accounting policy, and IT implementations. Neha's notable positions were with Home Capital Group, TD Bank and Deloitte.

Current Ownership Structure



Business Strategy

SKYLINE INVESTMENTS

Skyline's Strategy

Acquisition of value-add, income producing select-service hotel properties

Investment in hotel renovations to improve earnings, cash flow and value

Continued monetization of non-hotel assets as a source of equity to fuel growth

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

Acquisition Targets

Focus on the US and Canada

Stabilized in-place income

Strong potential growth

Strong demand generators

Limited new supply

Low seasonality

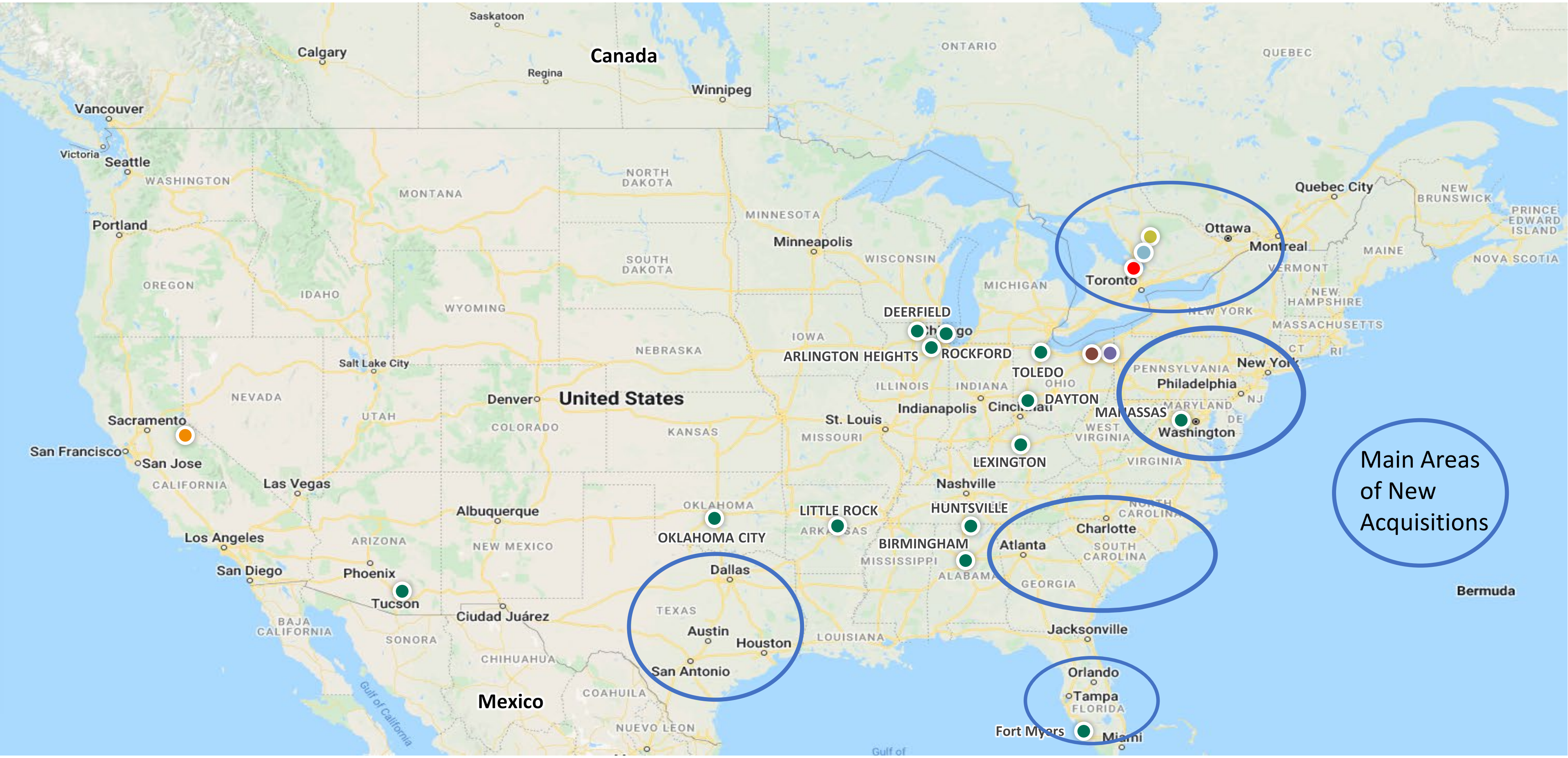
Acquisition cost below replacement cost

Value add repositioning with JV partners

Portfolio Map and Acquisition Focus

SKYLINE INVESTMENTS

BEAR VALLEY A SKYLINE RESORT CALIFORNIA | RENAISSANCE® CLEVELAND HOTEL | HYATT REGENCY® CLEVELAND | HORSESHOE A SKYLINE RESORT BARRIE | DEERHURST A SKYLINE RESORT MUSKOKA | COURTYARD® Marriott | MUSKOKA BAY RESORT



16 INCOME PRODUCING ASSETS | 2,749 HOTEL ROOMS | 15 CITIES IN THE US AND CANADA

SKYLINE
INVESTMENTS

Main Operating Assets in the United States

The Hyatt Regency Arcade,
Cleveland, OH

13 Courtyard by Marriott Hotels

SKYLINE INVESTMENTS

PROPERTIES OVERVIEW (USD)

Location	Brand	Management	Service Level	Date of Acquisition
9 States	Courtyard by Marriott	Aimbridge, Urgo	Select Service	November 14th, 2017

Number of Hotels	Number of Rooms	Acquisition Price	Price Per Room	New Mortgage – April 2022	Capital Credit Line
13	1,913	$135,000,000	$70,500	$92,125,000	$30,000,000

HISTORICAL PERFORMANCE (000's USD)

	2019	2020	2021
Revenue	52,098	22,347	36,464
NOI	14,085	3,052	7,979
NOI/Revenue	27%	14%	22%

Hyatt Regency Arcade

SKYLINE
INVESTMENTS

HYATT
REGENCY®
CLEVELAND

Hyatt Regency Arcade

SKYLINE INVESTMENTS

Overview

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

The hotel is an attractive event destination and hosts 60 to 80 weddings and other events a year

Details

Location	Cleveland, USA
Number of Rooms	293
Meeting Space	7,000 Sf
Franchise	Hyatt Regency
Management Company	Hyatt

Improvements

- Recently completed renovations of all rooms and meeting spaces. The renovation has improved the hotel's competitive advantage
- The renovation was mostly funded by the property renovation reserve[1]

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

(1) Property renovation reserve: restricted cash reported separately from cash and cash equivalents

Renaissance Cleveland Hotel

SKYLINE
INVESTMENTS

RENAISSANCE®
CLEVELAND HOTEL

Renaissance Cleveland Hotel

SKYLINE INVESTMENTS

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[1]	50%

Improvements

- Skyline completed the full HVAC replacement. This was the top complaint from hotel guests and is also expected to contribute to energy savings
- Skyline has started the next two phases of hotel renovations which will include updates to the meeting space and rooms
- 1st phase renovations were mostly financed by the in-place USD $17M credit line

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

(1) Skyline owns 50% while financial information is representative of 100% of the asset.

Transformational Transaction – Sale of Canadian Resorts

- Skyline completed the majority sale of its Canadian resorts for an aggregate purchase price of CAD $210M in December 2021
- Freed Corp, through a newly formed subsidiary, Resort Communities LP ("Resort LP") then combined these assets with Muskoka Bay Resort based on an agreed value of CAD $90M
- Skyline received approximately CAD $104M in net cash inflows on closing, as well as CAD $68M in loans receivable and an equity investment of 29%
- The transaction represents a 20% premium to IFRS book value as of June 30, 2021

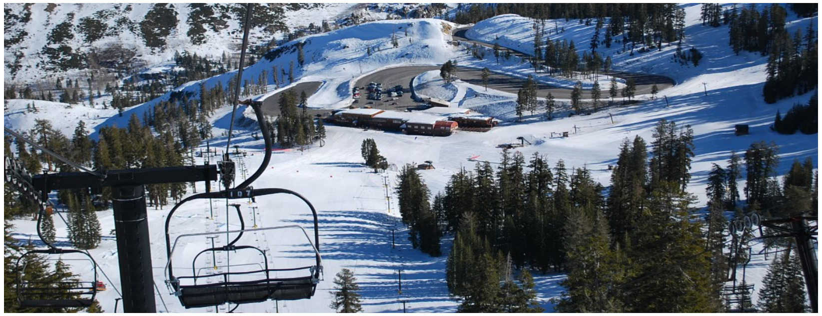



Other Legacy Assets Totaling CAD $165M

SKYLINE INVESTMENTS

Bear Valley Resort, California – CAD $25M gross book value

- 3 hours from San Francisco; 1,700 acres, 52 room hotel, expansion options



Short-term equity and 29% interest in Resorts Communities LP – CAD $35M book value	Residual interest in Deerhurst, Horseshoe, Muskoka Bay resorts and Blue Mountain lands
Vendor Take Back Loans – CAD $95M book value	
▪ CAD $61M from Freed Corp for sale of Canadian resorts	Payable over four years at 5% interest rate
▪ CAD $29M from buyer of Port McNicoll land	Payable over five years at 2.5% interest rate
▪ CAD $5M from other legacy projects	Staggered repayment between 2022 and 2024
Other assets - CAD $10M book value	Residual land and Keewatin Historical Ship

Second Quarter 2022 Operating Results

SKYLINE INVESTMENTS

- **Q2 2022 same asset revenue**[1] increased by **50%** to **CAD $30.8M** compared to CAD $20.5M in Q2 2021, due to continued improvement in demand and a relaxation in operating restrictions related to COVID-19
- **Q2 2022 same asset NOI**[1] decreased to **CAD $5.3M** compared to CAD $7.2M in Q2 2021, driven by increased costs at Bear Valley as it opens for full capacity in Q2 2022 vs the prior year, and the end of all government subsidies.
- **Q2 2022 adjusted EBITDA**[1] was **CAD $3.4M** compared to CAD $4.5M in Q2 2021. 2021 figures include earnings from the Canadian resorts, which were sold in December 2021 and are not included in 2022 figures
- **Q2 2022 net loss attributable to shareholders** was **CAD $5.5M** compared to net income of CAD $0.8M in Q2 2021
- **Q2 2022 FFO**[1] decreased to negative **CAD $0.1M** compared to Q2 2021 positive FFO CAD $1.4M
- **Unrestricted cash and cash equivalents** was **CAD $40.6M**, a decrease of CAD $3.8M in Q2 2022, compared to an increase of CAD $5.7M in Q2 2021

(1) This is a non-IFRS measure. See "Non-IFRS Measures" for additional information.

Recent Non-Operating Events

SKYLINE INVESTMENTS

- Skyline announced that it had entered into an agreement to purchase the Courtyard by Marriott hotel in Ithaca, New York for USD $11.3M plus customary closing costs; closing was executed during Q3 2022
- Completed the largest corporate transaction in its 20-year history with the sale of Deerhurst, Horseshoe, and the remaining development lands at Blue Mountain for **CAD $210M** in Q4 2021
- Closed a new 5-year term loan in April 2022 with a large financial company to refinance the mortgage on 12 of Skyline's Courtyard by Marriott hotels
- **In April 2022, Skyline announced a share repurchase plan, which will be in effect until March 31, 2023, and has a maximum purchase amount of CAD $5 million**
- Midroog rating agency reconfirmed the Company's debt rating at Baa1, and upgraded their outlook for the Company from negative to stable

Summary of Periodic Results

SKYLINE INVESTMENTS

CAD '000	H1 2022	H1 2021	YE 2021
Revenue from Hotels and Resorts	62,849	53,110	129,293
Sale of Residential Real Estate	1,321	4,314	7,453
Total Revenue	**64,170**	**57,424**	**136,746**
NOI from Hotels and Resorts	13,496	14,752	33,081
Total Adjusted EBITDA	**9,593**	**11,260**	**24,501**
FFO	**5,137**	**4,682**	**12,312**
Same Asset Revenue	62,817	40,540	90,150
Same Asset NOI	13,465	11,666	22,260

Balance Sheet Highlights

SKYLINE INVESTMENTS

CAD '000, except where noted	June 30, 2022	June 30, 2021	December 31, 2021
Total Assets	**581,556**	**641,276**	**579,704**
Gross Debt[1]	221,680	293,100	223,602
Cash and Equivalents	40,607	29,819	61,489
Net Debt	**181,073**	**263,281**	**162,113**
Shareholders' Equity	278,933	230,791	266,249
Non-Controlling Interest	30,659	31,055	30,827
Total Equity	**309,592**	**261,846**	**297,076**
Shareholders' Equity Per Share	$16.70	$13.78	$15.90
Net Debt to Net Assets Ratio[2]	**33%**	**43%**	**31%**
Total Equity to Total Assets Ratio	**53%**	**41%**	**51%**

(1) Gross debt is defined as total current and non-current loans payable and bonds, net of unamortized deferred financing costs as presented on the Company's balance sheet.
(2) Net assets represents total assets per the Company's balance sheet, less cash and cash equivalents.

Skyline Going Forward

SKYLINE INVESTMENTS

New capital focus in 2022/2023 and thereafter:

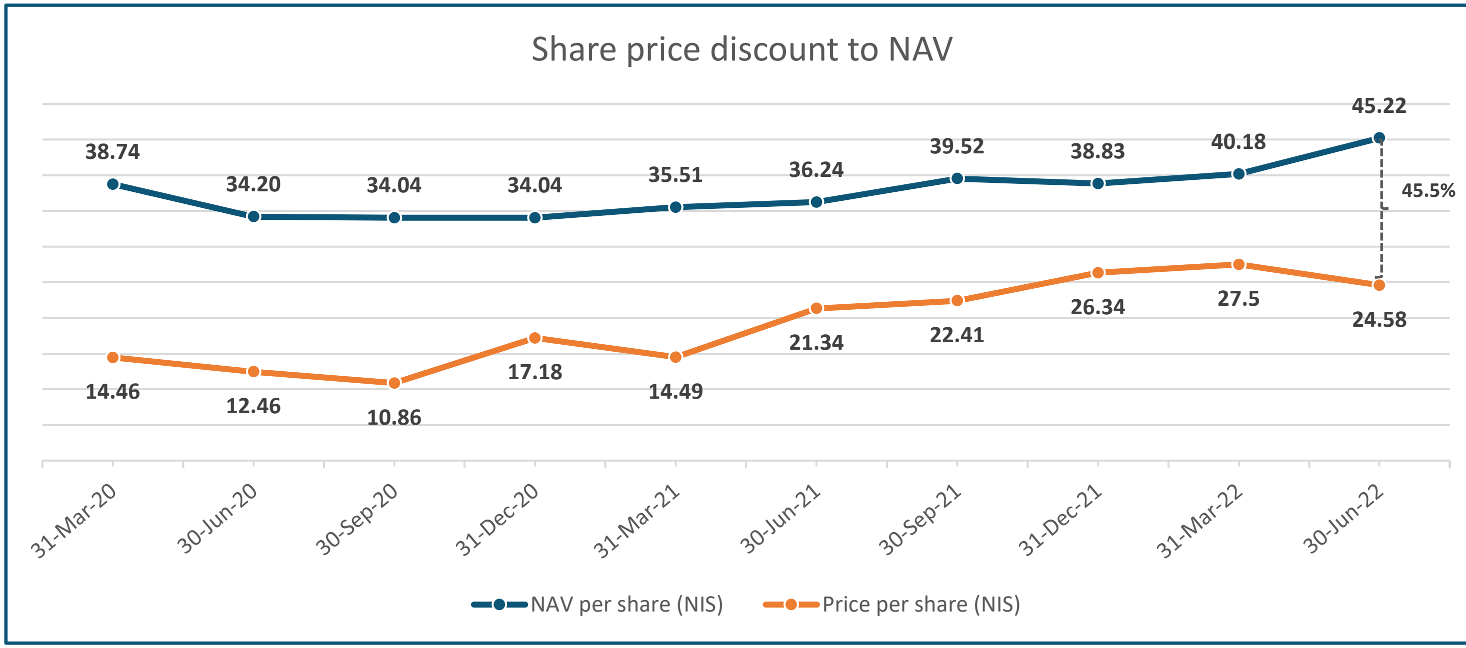
- Acquiring select-service hotels, which will provide more stable and predictable earnings and cash flow growth
- Select-service hotels are much more predicable due to their stable customer base of business travelers during the week, and family travel on the weekend
- Select-service hotels are not luxury services and therefore are less discretionary in difficult economic times
- Skyline will continue to examine opportunities in both Canada and the US, mainly in suburbs of select metropolitan areas
- Skyline will continue to support its other legacy assets while it continues to opportunistically monetize this asset base and rotate capital toward the select-service segment

Focus	New Capital Allocation	Existing Assets and Future Acquisitions
Select-Service Hotels	90%	▪ 13 Courtyard Hotels ▪ New Acquisitions in US and Canada
Other Assets	10%	▪ VTB Collections ▪ 29% Interest in Freed Resort ▪ Bear Valley Resort ▪ Share buyback ▪ Special JV Hotel Acquisitions

Share Price Discount to NAV

SKYLINE INVESTMENTS

NAV was 45.22 NIS per share[1] compared to the share price on June 30, 2022 of 24.58 NIS, a discount of 45.5%



(1) Excluding non-controlling interest.

Financial Strength and Opportunities

SKYLINE INVESTMENTS

- Total equity to total assets ratio of 53%
- Low LTV (48% for hotels and resorts)
- Cash balance of CAD $40.6M
- Additional net cash flow of CAD $106M during the next 5 years from VTBs
- In December 2021, Skyline completed the largest corporate transaction in its 20-year history with the sale of Deerhurst, Horseshoe, and the remaining development lands at Blue Mountain for CAD $210M, which was approximately CAD $30M in excess of IFRS book value[1], demonstrating the true value of the assets
- Annual cash flow from the Freed Transaction VTB and corporate overhead cost savings will be similar to normalized adjusted cash flow previously being received from the resorts being sold
- Reinvestment of the proceeds from the Freed transaction is expected to increase Skyline's cash flow
- Skyline expects good opportunities in 2022-2023 to redeploy cash from the Freed Transaction and other VTBs
- Sale is a significant, game-changing event for Skyline and has lowered the company's risk profile substantially

(1) As of June 30, 2021.

Skyline's Value Proposition

- Select-service focus on properties in both Canada and US
- Proven and experienced internal management team
- Strong relationship with Marriott
- Strategic partnerships providing ability to renovate assets in any state or province
- Diversified third-party hotel management relationships
- Management's broad expertise in hospitality ownership
- Diversified lender relationships
- Israel bond market access and knowledge
- Dual TASE/TSX listing potential
- Management's ability to execute on corporate transactions

Thank You!

Questions?

Please contact Rob Waxman | Chief Financial Officer

647-207-5312 | robw@skylineinvestments.com

WWW.SKYLINEINVESTMENTS.COM

SKYLINE INVESTMENTS

SKYLINE INVESTMENTS

Appendix

Net Asset Value (in 000's CAD)

SKYLINE INVESTMENTS

	Ownership	BV	2021 NOI	TTM NOI	NOI/BV	Loan Balance June 30, 2022	LTV	Equity
Hotels and Resorts								
Hyatt Regency Arcade	100%	70,280	4,556	4,500	6.4%	22,072	31%	48,208
Renaissance Hotel	50%	65,847	3,957	3,632	5.5%	26,428	40%	39,419
Courtyard Hotels	100%	202,130	9,938	13,246	6.6%	119,291	59%	82,839
Bear Valley Resort	100%	25,269	3,448	2,154	8.5%	-	0%	25,269
Total Hotels and Resorts		**363,526**	**21,899**	**23,532**	**6.5%**	**167,791**	**46%**	**195,735**
Other		261	1,487	1,309		6,242		(5,981)
Total Hotels and Resorts per Consolidated FS		**363,787**	**23,386**	**24,841**	**6.8%**	**174,033**	**48%**	**189,754**
Average Interest Rate (1)						5.88%		
Lands								
Deerhurst Lands	100%	6,110				1,630	**27%**	4,480
Port McNicoll	100%	3,612						3,612
Total Lands		**9,722**				**1,630**	**17%**	**8,092**
Total Real Estate		**373,509**	**23,386**	**24,841**	**6.6%**	**175,663**	**47%**	**197,846**
Cash and Cash Equivalents		40,607						
Vendor Take Back Loans		94,982						
Equity Investment		26,140						
Receivables & Other		46,318						
Total Assets per Financial Statements		**581,556**				**175,663**		
Debt (incl. Bonds)		221,680	Including Unsecured Series B Bonds			46,017		
Payables & Other		31,257				**5.65%**		
Deferred Tax		19,027						
Total Liabilities		**271,964**						
Non-Controlling Interest		30,659						
Equity Attributable to Shareholders of the Company		278,933						
Total Equity		**309,592**	**Total Debt, incl. bonds**			**221,680**		**309,592**
Number of Shares, 000		**16,700**				**5.83%**		
Equity per Share (CAD)		**16,70**						
Equity per Share (NIS)		**45,22**						

Exchange rate NIS/CAD (as of June 30, 2022) is 0.37

(1) Average interest rate is calculated by multiplying the loan stated interest rate by loan balance and dividing by total loan balance.

Debt Composition and Maturities

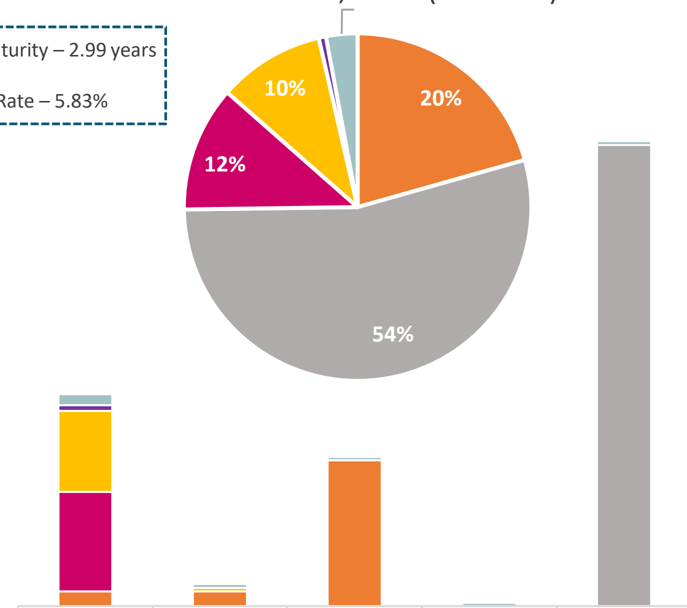
SKYLINE INVESTMENTS

- **Bond B** – Payments are current
- **Renaissance Loan** – due September 16, 2022. The Company is in the process of negotiating a long-term extension with its current lender, who has agreed to extend the existing term in order to allow the parties to finalize such extension
- **Hyatt Loan** – Due March 16, 2023. The Company is in the process of securing long-term financing for the Hyatt
- **Courtyard Portfolio Loan** – Closed on a new 5-year loan bearing interest at SOFR +5.54%. Proceeds on close were USD $92.13M, with USD $30.0M available as a line of credit to finance future renovations
- **Development loans** – Multi-year revolvers tied to a project and classified as short-term because the development cycle is greater than 1 year
- **Property level** mortgage debt can be refinanced or sold at maturity

As of June 30, 2022 (CAD’000)

Weighted Average Term Maturity – 2.99 years

Weighted Average Interest Rate – 5.83%



	Year 1	Year 2	Year 3	Year 4	Year 5 and thereafter	Total Gross	Deferred Fin. Cost	Total Net
Bond B	3,918	3,918	38,839	-	-	46,675	(710)	45,965
Courtyard 12 Loan	-	-	-	-	122,578	122,578	(3,284)	119,294
Renaissance Loan	26,493	-	-	-	-	26,493	(66)	26,427
Hyatt Loan and TIF	21,453	986	-	-	-	22,439	(366)	22,073
Development Loans	1,530	-	-	-	-	1,530	-	1,530
Cap. Leases, Gov. Loans	2,887	985	848	878	1,018	6,616	(225)	6,391
Total Gross	**56,281**	**5,889**	**39,687**	**878**	**123,596**	**226,331**	**(4,651)**	**221,680**
Deferred Fin. Costs	(1,439)	(1,006)	(864)	(723)	(619)	(4,651)		
Total Net	**54,842**	**4,883**	**38,823**	**155**	**122,977**	**221,680**		

Asset Ownership Breakdown

Property	Property Owner	Manager	Brand/Franchise	Leased
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, Urgo	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

Expected Net Cash Flow from Vendor Take-Back Loans (VTB)

SKYLINE INVESTMENTS

VTB Loans (CAD'000)	Q3 – Q4 2022	2023	2024 and thereafter	Total
Port McNicoll	1,200	2,400	27,768	31,368
Blue Mountain Retail	-	-	3,800	3,800
Vetta Spa	-	-	804	804
Total - Development	**1,200**	**2,400**	**32,372**	**35,972**
Freed Transaction VTB	**742**	**1,483**	**67,378**	**69,603**
Total VTB Inflows	**1,942**	**3,883**	**99,750**	**105,575**