Vail Resorts to Acquire Majority Stake in and Operate Andermatt-Sedrun Sport AG, a Leading Swiss Resort

BROOMFIELD, Colo. – March 27, 2022 – Vail Resorts, Inc. (NYSE: MTN) announced today that it has entered into an agreement to purchase a majority stake in Andermatt-Sedrun Sport AG from Andermatt Swiss Alps AG ("ASA"), marking the company's first strategic investment in, and opportunity to operate, a ski resort in Europe. Andermatt-Sedrun is a renowned destination ski resort in Central Switzerland, located less than 90 minutes from three of Switzerland's major metropolitan areas (Zurich, Lucerne and Lugano) and approximately two hours from Milan, Italy.

Vail Resorts, Inc. ("Vail Resorts") is acquiring a 55-percent ownership stake in Andermatt-Sedrun Sport AG, which controls and operates all of the resort's mountain and ski-related assets, including lifts, most of the restaurants and a ski school operation. ASA will retain a 40-percent ownership stake in Andermatt-Sedrun Sport AG, with a group of existing shareholders comprising the remaining 5-percent ownership.

Andermatt-Sedrun is one of the most ambitious resort development opportunities in Europe. Since originally investing in the resort in 2007, ASA's majority shareholder, Samih Sawiris, has invested over CHF 1.3 billion into the surrounding base area and over CHF 150 million into the ski resort, creating one of the leading luxury resorts in Switzerland. ASA's extensive investments in high end lodging in the base area include The Chedi Andermatt, a world class 5-star luxury hotel, the Radisson Blu Reussen, luxury condos, studios and apartments, as well as the development of a concert hall, an 18-hole championship golf course, and three Michelin star restaurants.

Vail Resorts' CHF 149 million investment is comprised of a CHF 110 million investment into Andermatt-Sedrun Sport AG for use in capital investments to enhance the guest experience on the mountain and CHF 39 million which will be paid to ASA and fully reinvested into the real estate developments in the base area. Vail Resorts will assume operating and marketing responsibility for Andermatt-Sedrun Sport AG, with ASA and local stakeholders continuing as key members of the board of directors.

"Entering the European ski market has been a long-term strategic priority for Vail Resorts. We are excited to be partnering with ASA and investing our capital and resources to support the ongoing development of Andermatt-Sedrun into one of the premier alpine destination resorts in Europe, with integrated operations in lifts, food and ski school," said Kirsten Lynch, Chief Executive Officer of Vail Resorts. "The extensive investments that ASA and the Sawiris family have made in both the base area and the mountain have created a high-end experience with significant capacity for growth from guests from Switzerland, the United Kingdom, other parts of Europe and around the world. We plan to rely heavily on, and learn from, our partners, community members and the Andermatt-Sedrun team as we gain experience and understanding of the resort, its guests and operations."

"We are proud to add this incredible Swiss destination to our network of world-class resorts and to welcome Vail Resorts' Epic Pass, Epic Day Pass and Epic Local pass holders to experience the resort's charming villages, alpine terrain and extensive amenities as we look to create an even stronger offering for skiers and riders in Europe," Lynch continued.

The SkiArena Andermatt-Sedrun offers over 120km of varied terrain and a top elevation of 3000 meters across the mountains of Andermatt, Sedrun and Gemsstock, with connected access to Disentis which is owned independently. The ski area spans over 10 miles of scenic high alpine terrain between Andermatt and Sedrun, including the iconic Oberalp Pass, and is connected by the Matterhorn Gotthard Bahn that operates year-round. Vail Resorts' CHF 110 million capital investment will be utilized for strategic projects that will significantly enhance the guest experience by increasing uphill capacity with lift upgrades and replacements; improving the quality of the snow surface through snowmaking upgrades; and improvements and expansions to dining outlets on-mountain. The partners anticipate working closely with local municipalities and stakeholders on the capital investment plans to secure the requisite approval and permits for the resort improvements.

The companies' partnership goes beyond a shared commitment to elevating the guest experience. Both Vail Resorts and ASA value safety, sustainability, and contributing to the success of their local communities. Notably, both companies have existing individual commitments to protect and preserve the great outdoors —Vail Resorts through its *Commitment to Zero* (zero net emissions and zero waste footprint across all resorts by 2030) and ASA through *Andermatt Responsible* (the company's campaign for sustainable, climate-friendly tourism in the Andermatt region with a target of zero CO2-emissions from operations by 2030).

"Vail Resorts is the ideal partner for our goal of developing Andermatt into The Prime Alpine Destination," said Samih Sawiris, majority owner of ASA. "With Vail Resorts' additional capital investment in the resort, deep expertise in successful operations of integrated mountain destinations, and the company's impressive marketing capabilities and destination guest reach, Vail

Resorts will provide a significant boost to the development of Andermatt-Sedrun."

The transaction is expected to close prior to the 2022-23 ski and ride season, subject to certain third-party consents. Subject to the timing of closing, Vail Resorts plans to include unlimited and unrestricted access to Andermatt-Sedrun on the 2022-23 Epic Pass. Epic Day Pass holders with All Resorts Access will be able to use any of their days at Andermatt, and Epic Local Pass holders will receive five days of unrestricted access to the resort. The Epic Pass also provides European access to partner resorts including five days at Verbier4Vallées in Switzerland, seven days at Les 3 Vallées in France, seven days at Skirama Dolomiti in Italy and three days at Ski Arlberg in Austria, with specific details available at www.epicpass.com.

The partnership between Vail Resorts and ASA is expected to drive significant growth to Andermatt-Sedrun through the ongoing investments in the resort, further development in the base area and the inclusion of the resort on the Epic Pass products, attracting a broader population of international guests to the resort who are seeking a high-end destination resort experience in the Swiss Alps. Subject to closing adjustments, the pre-investment valuation for the full resort is expected to be CHF 215 million, including CHF 54 million of debt that will remain in place, with Vail Resorts acquiring a 55-percent equity ownership stake. Vail Resorts anticipates that the resort will generate over CHF 5 million of EBITDA in its fiscal year ending July 31, 2024, the first full year of operations following the expected closing later in calendar year 2022. Vail Resorts anticipates significant EBITDA growth over time from the expansion of the village bed base, the mountain investments and capacity expansions, and the inclusion of the resort on the Epic Pass products. Subject to the timing of capital project approvals and completion, Vail Resorts anticipates that with its CHF 110 million investment and the inclusion on the Epic Pass, the resort is expected to generate over CHF 20 million of annual EBITDA in five to seven years, including the impact from incremental Epic Pass sales. After closing the transaction, annual maintenance capital expenditures for Andermatt-Sedrun are expected to be approximately CHF 2 million. This represents Vail Resorts' first investment to operate a resort in Europe, the world's largest ski market, and the company expects to drive significant growth over time from Andermatt-Sedrun and more broadly across the network from the addition of this premier European resort.

Vail Resorts and ASA plan to continue to operate Andermatt-Sedrun with a local, independent focus by retaining all employees, the existing operational infrastructure, and local expertise. Vail Resorts will selectively incorporate areas of expertise from its business strategy, including enhancements to data-driven marketing and analytics capabilities, accessibility with the Epic Pass product lineup, and best practice sharing from its portfolio of operations.

A representative of Vail Resorts will assume the chair of the Board of Directors of Andermatt-Sedrun Sport AG, and ASA will appoint the vice chair. Winter operations for 2021/2022 will continue as planned.

About Vail Resorts, Inc. (NYSE: MTN)
Vail Resorts, Inc., through its subsidiaries, is the leading global mountain resort operator. Vail Resorts' subsidiaries currently operate 40 destination mountain resorts and regional ski areas, including Vail, Beaver Creek, Breckenridge, Keystone and Crested Butte in Colorado; Park City in Utah; Heavenly, Northstar and Kirkwood in the Lake Tahoe area of California and Nevada; Whistler Blackcomb in British Columbia, Canada; Perisher, Falls Creek and Hotham in Australia; Stowe, Mount Snow, Okemo in Vermont; Hunter Mountain in New York; Mount Sunapee, Attitash, Wildcat and Crotched in New Hampshire; Stevens Pass in Washington; Seven Springs, Hidden Valley, Laurel Mountain, Liberty, Roundtop, Whitetail, Jack Frost and Big Boulder in Pennsylvania; Alpine Valley, Boston Mills, Brandywine and Mad River in Ohio; Hidden Valley and Snow Creek in Missouri; Wilmot in Wisconsin; Afton Alps in Minnesota; Mt. Brighton in Michigan; and Paoli Peaks in Indiana. Vail Resorts owns and/or manages a collection of casually elegant hotels under the Rock Resorts brand, as well as the Grand Teton Lodge Company in Jackson Hole, Wyo. Vail Resorts Development Company is the real estate planning and development subsidiary of Vail Resorts, Inc. Vail Resorts is a publicly held company traded on the New York Stock Exchange (NYSE: MTN). The Vail Resorts company website is www.vailresorts.com and consumer website is www.snow.com.

Andermatt Swiss Alps
Andermatt Swiss Alps AG, with registered office in Andermatt, plans, builds, and develops the year-round destination of Andermatt. In 2009 Andermatt Reuss came into being, with apartment buildings, hotels, and chalets. The Andermatt Swiss Alps Group also owns Andermatt-Sedrun Sport AG with its cableways, the catering brand Mountain Food, the Swiss Snowsports School Andermatt, an 18-hole, par-72 championship golf course, and the Andermatt Concert Hall. With the hotels, the sports infrastructure, the wide range of events on offer, and the properties, Andermatt Swiss Alps is pursuing the vision of becoming the prime Alpine destination. In doing so, it is committed to an intact environment and a sustainable future that will enable coming generations to have an extraordinary home. During high season, the Andermatt Swiss Alps Group has more than 1,000 employees working at the locations in Altdorf, Andermatt and Sedrun. andermatt-swissalps.ch / andermatt-facts.ch / andermatt-responsible.ch

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https://stage.mediaroom.com/vailresorts/2022-03-27-Vail-Resorts-to-Acquire-Majority-Stake-in-and-Operate-Andermatt-Sedrun-Sport-AG,-a-Leading-Swiss-Resort