

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-39245



SPHERE ENTERTAINMENT CO.
(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

Two Penn Plaza New York , NY

(Address of principal executive offices)

84-3755666

(I.R.S. Employer
Identification No.)

10121

(Zip Code)

Registrant's telephone number, including area code: (725) 258-0001

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock	SPHR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

Accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Number of shares of common stock outstanding as of April 30, 2026:

Class A Common Stock par value \$0.01 per share — 28,925,449

Class B Common Stock par value \$0.01 per share — 6,866,754

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

**SPHERE ENTERTAINMENT CO.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except per share data)**

	As of	
	March 31, 2026	December 31, 2025
ASSETS		
Current Assets:		
Cash, cash equivalents, and restricted cash	\$ 630,151	\$ 521,264
Accounts receivable, net	181,549	171,630
Related party receivables, current	20,215	24,457
Prepaid expenses and other current assets	71,655	92,824
Total current assets	903,570	810,175
Non-Current Assets:		
Investments	37,650	38,725
Property and equipment, net	2,629,439	2,710,643
Right-of-use lease assets	88,851	91,372
Goodwill	344,772	344,772
Intangible assets, net	20,161	21,817
Other non-current assets	198,243	192,404
Total assets	\$ 4,222,686	\$ 4,209,908
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	\$ 36,484	\$ 24,593
Accrued expenses and other current liabilities	427,060	431,477
Related party payables, current	11,404	14,301
Current portion of long-term debt, net	57,690	63,009
Operating lease liabilities, current	16,515	17,186
Deferred revenue	193,510	192,808
Total current liabilities	742,663	743,374
Non-Current Liabilities:		
Long-term debt, net	752,700	767,439
Operating lease liabilities, non-current	111,463	113,824
Deferred tax liabilities, net	166,661	172,111
Other non-current liabilities	201,272	179,921
Total liabilities	1,974,759	1,976,669
Commitments and contingencies (see Note 9)		
Equity:		
Class A Common Stock ^(a)	299	297
Class B Common Stock ^(b)	69	69
Additional paid-in capital	2,480,705	2,470,120
Treasury stock, at cost, 1,054 shares as of March 31, 2026 and December 31, 2025, respectively	(50,024)	(50,024)
Accumulated deficit	(181,981)	(186,441)
Accumulated other comprehensive loss	(1,141)	(782)
Total stockholders' equity	2,247,927	2,233,239
Total liabilities and equity	\$ 4,222,686	\$ 4,209,908

(a) Class A Common Stock, \$0.01 par value per share, 120,000 shares authorized; 29,921 and 28,629 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively.

(b) Class B Common Stock, \$0.01 par value per share, 30,000 shares authorized; 6,867 shares issued and outstanding as of March 31, 2026 and December 31, 2025.

See accompanying notes to the unaudited condensed consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	Three Months Ended March 31,	
	2026	2025
Revenues ^(a)	\$ 386,412	\$ 280,574
Operating expenses:		
Direct operating expenses ^(a)	169,647	158,323
Selling, general and administrative expenses ^(a)	121,703	114,269
Depreciation and amortization	84,367	84,229
Impairments and other losses, net	79	521
Restructuring charges	3,414	1,841
Operating income (loss)	7,202	(78,609)
Other income (expense):		
Loss on extinguishment of debt	(2,071)	—
Interest income	3,951	3,878
Interest expense	(8,039)	(26,206)
Other expense, net	(1,424)	(1,340)
Loss from continuing operations before income taxes	(381)	(102,277)
Income tax benefit	4,841	20,323
Net income (loss)	4,460	(81,954)
Less: Net income attributable to participating securities	6,053	—
Net loss attributable to Sphere Entertainment Co.'s stockholders	\$ (1,593)	\$ (81,954)
Basic loss per common share attributable to Sphere Entertainment Co.'s stockholders	\$ (0.04)	\$ (2.27)
Diluted loss per common share attributable to Sphere Entertainment Co.'s stockholders	\$ (0.04)	\$ (2.27)
Weighted-average number of common shares outstanding:		
Basic	35,878	36,110
Diluted	35,878	36,110

^(a) See Note 14. Related Party Transactions, for further information on related party revenues and expenses.

See accompanying notes to the unaudited condensed consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(in thousands)

	Three Months Ended March 31,	
	2026	2025
Net income (loss)	\$ 4,460	\$ (81,954)
Other comprehensive (loss) income, before income taxes:		
Pension plans and postretirement plans:		
Amortization of net actuarial loss and prior service credit included in net periodic benefit cost, net	109	85
Net unamortized loss arising during the period	(481)	(318)
Cumulative translation adjustments	(111)	1,941
Other comprehensive (loss) income, before income taxes	(483)	1,708
Income tax benefit	124	277
Other comprehensive (loss) income, net of income taxes	(359)	1,985
Comprehensive income (loss)	<u>\$ 4,101</u>	<u>\$ (79,969)</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Three Months Ended March 31,	
	2026	2025
OPERATING ACTIVITIES:		
Net income (loss)	\$ 4,460	\$ (81,954)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	84,367	84,229
Impairments and other losses, net	79	521
Amortization of debt discount and deferred financing costs	1,024	676
Amortization of deferred production content	11,058	7,243
Deferred income tax benefit	(5,326)	(20,641)
Share-based compensation expense	13,910	21,595
Net unrealized and realized (gain) loss on equity investments with readily determinable fair value and loss in nonconsolidated affiliates	1,080	(811)
Loss on extinguishment of debt	(2,071)	—
Other non-cash adjustments	85	747
Change in assets and liabilities:		
Accounts receivable, net	(9,919)	(7,604)
Related party receivables and payables, net	1,345	(4,275)
Prepaid expenses and other current and non-current assets	4,274	(36,393)
Accounts payable	11,891	258
Accrued and other current and non-current liabilities	8,716	27,300
Deferred revenue	11,779	16,004
Right-of-use lease assets and operating lease liabilities	(511)	(547)
Net cash provided by operating activities	136,241	6,348
INVESTING ACTIVITIES:		
Capital expenditures, net	(4,889)	(17,492)
Other investing activities	(116)	(78)
Net cash used in investing activities	(5,005)	(17,570)
FINANCING ACTIVITIES:		
Repayment of debt	(135,000)	—
Proceeds from issuance of debt	135,000	—
Principal repayments on debt	(18,851)	(25,000)
Taxes paid in lieu of shares issued for share-based compensation	(5,919)	(1,307)
Proceeds from exercise of stock options	2,507	—
Net cash used in financing activities	(22,263)	(26,307)
Effect of exchange rates on cash, cash equivalents, and restricted cash	(86)	98
Net increase (decrease) in cash, cash equivalents, and restricted cash	108,887	(37,431)
Cash, cash equivalents, and restricted cash at beginning of period	521,264	515,633
Cash, cash equivalents, and restricted cash at end of period	\$ 630,151	\$ 478,202
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Capital expenditures incurred but not yet paid	\$ 1,230	\$ 1,654
Share-based compensation capitalized in property and equipment	\$ 89	\$ 326

See accompanying notes to the unaudited condensed consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands)

	Common Stock Issued	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance as of December 31, 2025	\$ 366	\$ 2,470,120	\$ (50,024)	\$ (186,441)	\$ (782)	\$ 2,233,239
Net income	—	—	—	4,460	—	4,460
Other comprehensive loss, net of taxes	—	—	—	—	(359)	(359)
Share-based compensation expense	—	13,999	—	—	—	13,999
Stock options exercised	—	2,507	—	—	—	2,507
Tax withholding associated with shares issued for share-based compensation	2	(5,921)	—	—	—	(5,919)
Balance as of March 31, 2026	<u>\$ 368</u>	<u>\$ 2,480,705</u>	<u>\$ (50,024)</u>	<u>\$ (181,981)</u>	<u>\$ (1,141)</u>	<u>\$ 2,247,927</u>
Balance as of December 31, 2024	\$ 359	\$ 2,428,414	\$ —	\$ (219,846)	\$ (7,508)	\$ 2,201,419
Net loss	—	—	—	(81,954)	—	(81,954)
Other comprehensive income, net of taxes	—	—	—	—	1,985	1,985
Share-based compensation expense	—	21,921	—	—	—	21,921
Tax withholding associated with shares issued for share-based compensation	—	(1,307)	—	—	—	(1,307)
Balance as of March 31, 2025	<u>\$ 359</u>	<u>\$ 2,449,028</u>	<u>\$ —</u>	<u>\$ (301,800)</u>	<u>\$ (5,523)</u>	<u>\$ 2,142,064</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

All amounts included in the following notes to condensed consolidated financial statements (unaudited) are presented in USD and in thousands, except per share data or as otherwise noted.

Note 1. Description of Business and Basis of Presentation

Description of Business

Sphere Entertainment Co. (together with its subsidiaries, the “Company” or “Sphere Entertainment”) is a leader in immersive experiences, technology and media and is comprised of two reportable segments, Sphere and MSG Networks. Sphere® is an experiential medium powered by advanced technologies, and MSG Networks operates two regional sports and entertainment networks, as well as a direct-to-consumer (“DTC”) and authenticated streaming product.

Sphere: This segment reflects Sphere, an experiential medium powered by advanced technologies that bring storytelling to a new level. The Company’s first Sphere venue opened in Las Vegas on September 29, 2023. The entire exterior surface of Sphere, referred to as the Exosphere®, is covered with nearly 580,000 square feet of fully programmable LED lighting, creating the largest LED screen in the world and an impactful display for artistic and branded content. Inside, the venue features a 16K x 16K interior display plane – the world’s highest-resolution LED screen that wraps up, over, and around the audience creating a fully immersive visual environment. In addition, Sphere’s advanced technologies include Sphere Immersive Sound™ – Sphere’s proprietary audio system – as well as haptic seating and 4D environmental effects. The venue can accommodate up to 20,000 guests and hosts a wide variety of events year-round, including The Sphere Experience™, which features original immersive productions, as well as concerts and residencies from renowned artists, and marquee sports and brand events (formerly referred to as corporate events). Production efforts for Sphere events are supported by Sphere Studios™, an immersive content studio dedicated to creating multi-sensory experiences exclusively for Sphere, using proprietary technology, tools and production facilities. Sphere Studios is home to a team of creative, production, technology and software engineering experts who provide full in-house creative and production services. The studio campus in Burbank includes a 68,000-square-foot development facility, as well as Big Dome, a 28,000-square-foot, 100-foot high custom dome, with a quarter-sized version of the interior display plane at Sphere in Las Vegas, that serves as a specialized screening, production facility, and lab for content at Sphere.

The Company is focused on creating a global network of Spheres. The Company is working with the Department of Culture and Tourism – Abu Dhabi (“DCT Abu Dhabi”) to bring Sphere to Abu Dhabi, United Arab Emirates. In January 2026, the Company, the State of Maryland, Prince George’s County, and Peterson Companies announced the Company’s intent to develop a new Sphere venue at National Harbor, Maryland.

MSG Networks: This segment is comprised of the Company’s regional sports and entertainment networks, MSG Network and MSG Sportsnet, as well as its DTC and authenticated streaming offering, MSG+ (which is included in the Gotham Sports streaming product). MSG Networks serves the New York designated market area, as well as other portions of New York, New Jersey, Connecticut and Pennsylvania and features a wide range of sports content, including exclusive live local games and other programming of the New York Knicks of the National Basketball Association (the “NBA”) and the New York Rangers, New York Islanders, New Jersey Devils and Buffalo Sabres of the National Hockey League (the “NHL”), as well as significant coverage of the New York Giants and the Buffalo Bills of the National Football League.

The Company was originally organized under the laws of the State of Delaware and, on June 4, 2025, redomesticated to the State of Nevada by conversion. The Company conducts substantially all of its business activities presented in the accompanying condensed consolidated financial statements through Sphere Entertainment Group, LLC (“Sphere Entertainment Group”) and MSG Networks Inc. (together with its subsidiaries, “MSG Networks”), and each of their direct and indirect subsidiaries.

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and the instructions of Rule 10-01 of Regulation S-X of the Securities and Exchange Commission (the “SEC”). The condensed consolidated financial statements herein should be read in conjunction with the consolidated financial statements and the notes thereto as of December 31, 2025 and 2024 and for the year ended December 31, 2025, the six-month transition period ended December 31, 2024 and the fiscal years ended June 30, 2024 and 2023 (the “Audited Consolidated Annual Financial Statements”) included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 12, 2026 (the “Form 10-K”).

In the opinion of the Company, the accompanying condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the Company’s financial position as of March 31, 2026 and its results of operations for the three months ended March 31, 2026 and 2025, and cash flows for the three months ended March 31, 2026 and 2025. The condensed consolidated balance sheet as of December 31, 2025 and the accompanying notes were derived from the

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

Audited Consolidated Financial Statements, but do not contain all of the footnote disclosures from the Audited Consolidated Financial Statements.

The results of operations for the periods presented are not necessarily indicative of the results that might be expected for future interim periods or for the full year. For example, our MSG Networks segment earns a higher share of its annual revenues in the first and fourth quarters as a result of MSG Networks' advertising revenue being largely derived from the sale of inventory in its live NBA and NHL professional sports programming.

Reclassifications

For purposes of comparability, certain prior period amounts have been reclassified to conform to the current year presentation in accordance with GAAP.

Note 2. Accounting Policies

Principles of Consolidation

The condensed consolidated financial statements of the Company include the accounts of Sphere Entertainment Co. and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of the accompanying condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the provision for credit losses, valuation of investments, goodwill, intangible assets, deferred production content costs, other long-lived assets, deferred tax assets, pension and other postretirement benefit obligations and the related net periodic benefit cost, ultimate revenue, and other liabilities. In addition, estimates are used in revenue recognition, rights fees expense, performance and share-based compensation, depreciation and amortization, litigation matters and other matters. Management believes its use of estimates in the condensed consolidated financial statements to be reasonable.

Management evaluates its estimates on an ongoing basis using historical experience and other factors, including the general economic environment and actions it may take in the future. The Company adjusts such estimates when facts and circumstances dictate. However, these estimates may involve significant uncertainties and judgments and cannot be determined with precision. In addition, these estimates are based on management's best judgment at a point in time and, as such, these estimates may ultimately differ from actual results. Changes in estimates resulting from weakness in the economic environment or other factors beyond the Company's control could be material and would be reflected in the Company's condensed consolidated financial statements in future periods.

Recently Issued and Adopted Accounting Pronouncements

Recently Issued Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Disaggregation of Income Statement Expenses*, requiring additional disclosures about specified categories of expenses included in certain expense captions presented on the face of the income statement. This standard will be effective for the Company as of and for the annual period ending December 31, 2027, and may be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company continues to evaluate the impact of adopting this guidance on the Company's condensed consolidated financial statements and disclosures.

In November 2024, the FASB issued ASU 2024-04, *Induced Conversions of Convertible Debt Instruments*, providing clarification on the requirements for determining whether certain settlements of convertible debt should be accounted for as induced conversions. This ASU will be effective for the Company as of and for the annual period ending December 31, 2026, and may be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company does not expect the adoption of this guidance to have a material impact on the Company's condensed consolidated financial statements and disclosures.

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*, clarifying and modernizing the accounting for costs related to internal-use software. The ASU removes the consideration of software project development stages. Under the new guidance, cost capitalization would begin when (i) management has authorized and committed to

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

funding the software project, and (ii) it is probable that the project will be completed and the software will be used to perform its intended function (referred to as the “probable-to-complete recognition threshold”). This standard will be effective for the Company in the first quarter of the annual period ending December 31, 2028 and early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance on the Company’s condensed consolidated financial statements and disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which provides a comprehensive list within Topic 270 of required interim disclosures, establishes a principle requiring disclosure of events or changes occurring after the end of the most recent annual reporting period that have a material impact on interim results and clarifies the form and content requirements applicable to interim financial statements. According to the ASU, the FASB does not intend to change the fundamental nature of interim reporting or expand or reduce current interim disclosure requirements but rather provide clarity and improve navigability of the existing interim reporting requirements. The update will be effective for the Company for interim reporting periods within the year ending December 31, 2028. The Company does not expect the adoption to have a material impact on the Company’s condensed consolidated financial statements and disclosures.

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements*, to (i) clarify, (ii) correct errors in, or (iii) make other minor improvements to a variety of topics in the Accounting Standards Codification (“ASC”). The amendments are intended to make the Accounting Standards Codification easier to understand and apply. The standard is effective for the Company’s year ending December 31, 2027, including interim periods within the year. The Company does not expect the adoption to have a material impact on the Company’s condensed consolidated financial statements and disclosures.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This ASU provides all entities with a practical expedient that allows for the assumption that current conditions as of the balance sheet date do not change for the remaining life of the asset when estimating credit losses for such assets. This standard was effective for the Company in the first quarter of the annual period ending December 31, 2026 and early adoption is permitted. The Company early adopted ASU 2025-05 as of the fourth quarter of 2025. Adoption of the ASU did not have a material impact on the Company’s consolidated financial statements.

Note 3. Revenue Recognition

Contracts with Customers

See Note 2. Summary of Significant Accounting Policies and Note 5. Revenue Recognition, to the Audited Consolidated Financial Statements included in the Form 10-K, for more information regarding the details of the Company’s revenue recognition policies. All revenue recorded in the condensed consolidated statements of operations is considered to be revenue from contracts with customers in accordance with ASC Topic 606, *Revenue From Contracts with Customers*, except for revenues from subleases that are accounted for in accordance with ASC Topic 842, *Leases*.

Disaggregation of Revenue

The following tables disaggregate the Company’s consolidated revenues by segment and type of goods or services for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31, 2026		
	Sphere	MSG Networks	Total
Ticketing and venue license fee revenues ^(a)	\$ 198,304	\$ —	\$ 198,304
Sponsorship, signage, Exosphere advertising, and suite license revenues ^(b)	27,065	—	27,065
Food, beverage, and merchandise revenues ^(c)	33,718	—	33,718
Media networks revenues ^(b)	—	120,447	120,447
Other	6,439	—	6,439
Total revenues from contracts with customers	265,526	120,447	385,973
Revenues from subleases	439	—	439
Total revenues	<u>\$ 265,965</u>	<u>\$ 120,447</u>	<u>\$ 386,412</u>

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

	Three Months Ended March 31, 2025		
	Sphere	MSG Networks	Total
Ticketing and venue license fee revenues ^(a)	\$ 107,327	\$ —	\$ 107,327
Sponsorship, signage, Exosphere advertising, and suite license revenues ^(b)	24,174	—	24,174
Food, beverage, and merchandise revenues ^(c)	19,889	—	19,889
Media networks revenues ^(b)	—	123,029	123,029
Other	5,651	—	5,651
Total revenues from contracts with customers	157,041	123,029	280,070
Revenues from subleases	504	—	504
Total revenues	<u>\$ 157,545</u>	<u>\$ 123,029</u>	<u>\$ 280,574</u>

(a) Amounts include ticket sales, other ticket-related revenue, and venue license fees from the Company's events such as (i) concerts, (ii) The Sphere Experience, (iii) brand events and (iv) other live entertainment and sporting events. These revenues are generally recognized at a point in time.

(b) Sponsorship and signage, Exosphere advertising, suite licenses, and media related revenues are generally recognized over time.

(c) Food, beverage, and merchandise revenues are generally recognized at a point in time.

Contract Balances

The following table provides information about contract balances from the Company's contracts with customers as of March 31, 2026 and December 31, 2025:

	As of	
	March 31, 2026	December 31, 2025
Receivables from contracts with customers, net ^(a)	\$ 182,133	\$ 173,525
Contract assets, current ^(b)	311	445
Deferred revenue, including non-current portion ^(c)	261,949	250,170

(a) As of March 31, 2026 and December 31, 2025, the Company's receivables from contracts with customers, net above included \$584 and \$1,895, respectively, related to various related parties. See Note 14. Related Party Transactions for further details on these related party arrangements.

(b) Contract assets, current and Contract assets, non-current, which are reported as Prepaid expenses and other current assets and Other non-current assets, respectively, in the Company's condensed consolidated balance sheets, primarily relate to the Company's rights to consideration for goods or services transferred to customers, for which the Company does not have an unconditional right to bill as of the reporting date. Contract assets are transferred to accounts receivable once the Company's right to consideration becomes unconditional.

(c) Deferred revenue primarily relates to the Company's receipt of consideration from customers in advance of the Company's transfer of goods or services to the customers. Deferred revenue is reduced and the related revenue is recognized once the underlying goods or services are transferred to a customer. Revenue recognized for the three months ended March 31, 2026 relating to the deferred revenue balance as of December 31, 2025 was \$124,173.

Transaction Price Allocated to the Remaining Performance Obligations

As of March 31, 2026, the Company's remaining performance obligations were \$384,141, of which 51% is expected to be recognized over the next two years and 49% of the balance is expected to be recognized thereafter. This includes performance obligations under sponsorship agreements and the Company's agreements with DCT Abu Dhabi that have original expected durations longer than one year and for which the respective consideration is not variable. In developing the estimated revenue, the Company applies the allowable practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Note 4. Restructuring Charges

During the three months ended March 31, 2026, the Company recognized restructuring charges of \$3,414, primarily related to termination benefits provided as part of a voluntary exit program the Company implemented during the period. These charges were recorded in Accrued expenses and other current liabilities on the accompanying condensed consolidated balance sheet. During the three months ended March 31, 2025, the Company recognized restructuring charges of \$1,841, related to termination benefits for certain executives and employees, which were recorded in Accrued expenses and other current liabilities on the accompanying condensed consolidated balance sheets.

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Changes to the Company's restructuring liability through March 31, 2026 were as follows:

	Restructuring Liability
Balance as of December 31, 2025	\$ 8,218
Restructuring charges	3,414
Payments	(5,035)
Balance as of March 31, 2026	\$ 6,597

Note 5. Investments

As of March 31, 2026 and December 31, 2025, the Company's investments are included within Investments in the accompanying condensed consolidated balance sheets and consisted of the following:

	Ownership Percentage as of March 31, 2026	Investment As of	
		March 31, 2026	December 31, 2025
Equity method investments:			
SACO Technologies Inc. ("SACO")	30%	\$ 16,894	\$ 16,981
Gotham Advanced Media and Entertainment, LLC ("GAME")	50%	8,284	9,354
Equity investments without readily determinable fair values		8,722	8,721
Other equity investments with readily determinable fair values held in trust under the Company's Executive Deferred Compensation Plan ^(a)		3,750	3,669
Total investments		\$ 37,650	\$ 38,725

(a) The Company's investments with readily determinable fair values are classified within Level I of the fair value hierarchy as they are valued based on quoted prices in active markets. Refer to Note 11. Pension Plans and Other Postretirement Benefit Plan, for further detail on the Company's Executive Deferred Compensation Plan.

The Company had unrealized gains on equity investments with and without readily determinable fair values of \$34 and \$21 for the three months ended March 31, 2026 and 2025, respectively, which are recorded in Other expense, net.

Note 6. Property and Equipment, net

As of March 31, 2026 and December 31, 2025, Property and equipment, net consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
Buildings	\$ 2,272,944	\$ 2,270,557
Equipment, furniture, and fixtures	1,234,321	1,231,690
Leasehold improvements	23,896	23,896
Construction in progress	2,211	5,873
Total property and equipment, gross	3,533,372	3,532,016
Less accumulated depreciation and amortization	(903,933)	(821,373)
Property and equipment, net	\$ 2,629,439	\$ 2,710,643

The property and equipment balances above include \$127,512 and \$130,061 of capital expenditure accruals (primarily related to Sphere construction) as of March 31, 2026 and December 31, 2025, respectively, which are reflected in Accrued expenses and other current liabilities in the accompanying condensed consolidated balance sheets. See Note 2. Summary of Significant Accounting Policies to the Audited Consolidated Financial Statements included in the Form 10-K for details on the Company's estimated useful lives for each major category of property and equipment.

The Company recorded depreciation expense on property and equipment of \$82,711 and \$82,629 for the three months ended March 31, 2026 and 2025, respectively, which is recognized in Depreciation and amortization in the accompanying condensed consolidated statements of operations.

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Note 7. Original Immersive Production Content

The Company's deferred production content costs for its original immersive productions are included within Other non-current assets in the accompanying condensed consolidated balance sheets.

As of March 31, 2026 and December 31, 2025, total deferred immersive production content costs consisted of the following:

	March 31, 2026	As of December 31, 2025
Production content:		
Released, less amortization	\$ 126,827	\$ 133,915
In-process	41,747	36,877
Total production content	<u>\$ 168,574</u>	<u>\$ 170,792</u>

The following table summarizes the Company's amortization of production content costs, which are reported in Direct operating expenses in the accompanying condensed consolidated statements of operations for the three months ended March 31, 2026 and 2025 as follows:

	Three Months Ended March 31, 2026	2025
Production content costs ^(a)	\$ 11,058	\$ 7,243

^(a) For purposes of amortization and impairment, each deferred immersive production content cost is classified based on its predominant monetization strategy. The Company's current original immersive productions are monetized individually. Refer to Note 2. Summary of Significant Accounting Policies, Production Costs for the Company's Original Immersive Productions, to the Audited Consolidated Financial Statements included in the Form 10-K for further explanation of the monetization strategy.

Note 8. Goodwill and Intangible Assets

The carrying amounts of goodwill as of March 31, 2026 were as follows:

	Sphere	MSG Networks	Consolidated
Goodwill	\$ 46,864	\$ 424,508	\$ 471,372
Accumulated impairment losses	—	(126,600)	(126,600)
Balance at December 31, 2025	<u>\$ 46,864</u>	<u>\$ 297,908</u>	<u>\$ 344,772</u>
Acquisitions	—	—	—
Impairments	—	—	—
Balance at March 31, 2026	<u>\$ 46,864</u>	<u>\$ 297,908</u>	<u>\$ 344,772</u>

During the quarterly period ended September 30, 2025, the Company performed its annual impairment tests of goodwill. With respect to the Sphere segment, the Company performed a qualitative assessment and determined that, as of the annual impairment test date, there was no impairment of the Sphere segment's goodwill.

With respect to the MSG Networks' segment, the Company could not support the conclusion that it is not more likely than not that the fair value of the reporting unit is greater than its carrying amount as of the annual impairment testing date and thus elected to perform a quantitative goodwill impairment test to identify potential impairment by comparing the fair value of the reporting unit with its carrying amount, including goodwill. In doing so, the Company estimated the fair value of the MSG Networks reporting unit based on a discounted cash flow model (income approach). This approach relied on numerous assumptions and judgments within the model that were subject to various risks and uncertainties. Principal assumptions utilized, all of which are considered Level III inputs under the fair value hierarchy, include the Company's estimates of future revenue, estimates of future operating cost, margin assumptions, terminal growth rates and the discount rate applied to estimate future cash flows.

Based upon the results of the Company's annual quantitative impairment test, the Company concluded that the carrying value of the MSG Networks reporting unit exceeded its estimated fair value as of the annual impairment testing date and recorded a non-cash goodwill impairment charge of \$65,400 as a result of projected declines in the reporting unit's business. No additional indicators of impairment were identified through March 31, 2026.

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The Company continues to closely monitor the performance and fair value of its MSG Networks reporting unit. A significant adverse change in market factors or the business outlook for the MSG Networks reporting unit could negatively impact the fair value of the MSG Networks reporting unit and result in an additional goodwill impairment charge at that time.

The Company's intangible assets subject to amortization as of March 31, 2026 and December 31, 2025 were as follows:

	As of					
	March 31, 2026		Intangible assets, net	December 31, 2025		Intangible assets, net
	Gross carrying amount	Accumulated amortization		Gross carrying amount	Accumulated amortization	
Affiliate relationships	\$ 83,044	\$ (73,700)	\$ 9,344	\$ 83,044	\$ (72,921)	\$ 10,123
Technology	15,508	(5,945)	9,563	15,508	(5,169)	10,339
Trade name	2,032	(778)	1,254	2,032	(677)	1,355
Total	<u>\$ 100,584</u>	<u>\$ (80,423)</u>	<u>\$ 20,161</u>	<u>\$ 100,584</u>	<u>\$ (78,767)</u>	<u>\$ 21,817</u>

The Company recognized amortization expense on intangible assets of \$1,656 and \$1,600 for the three months ended March 31, 2026 and 2025, respectively, which is recorded in Depreciation and amortization in the accompanying condensed consolidated statements of operations.

Note 9. Commitments and Contingencies

Commitments

As of March 31, 2026, commitments of the Company in the normal course of business were as follows:

	Commitments						
	2026 (Remainder)	2027	2028	2029	2030	Thereafter	Total
Sphere							
Event-related commitments	\$ 12,312	\$ 15,000	\$ —	\$ —	\$ —	\$ —	\$ 27,312
Letter of credit	916	—	—	—	—	—	916
Total Sphere Commitments	<u>\$ 13,228</u>	<u>\$ 15,000</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 28,228</u>
MSG Networks							
Broadcast rights	\$ 150,596	\$ 208,334	\$ 201,493	\$ 113,008	\$ 26,262	\$ 13,131	\$ 712,824
Purchase commitments	21,244	17,149	4,085	559	—	—	43,037
Total MSG Networks Commitments	<u>\$ 171,840</u>	<u>\$ 225,483</u>	<u>\$ 205,578</u>	<u>\$ 113,567</u>	<u>\$ 26,262</u>	<u>\$ 13,131</u>	<u>\$ 755,861</u>
Total Commitments	<u>\$ 185,068</u>	<u>\$ 240,483</u>	<u>\$ 205,578</u>	<u>\$ 113,567</u>	<u>\$ 26,262</u>	<u>\$ 13,131</u>	<u>\$ 784,089</u>

See Note 11. Leases to the Audited Consolidated Financial Statements included in the Form 10-K for more information regarding the Company's contractually obligated minimum lease payments for operating leases having an initial noncancelable term in excess of one year.

See Note 10. Credit Facilities and Convertible Notes for details of the principal repayments required under the Company's various credit facilities.

Legal Matters

Fifteen complaints were filed in connection with the merger between a subsidiary of the Company and MSG Networks Inc. (the "Networks Merger") by purported stockholders of the Company and MSG Networks Inc.

Nine of these complaints involved allegations of materially incomplete and misleading information set forth in the joint proxy statement/prospectus filed by the Company and MSG Networks Inc. in connection with the Networks Merger. As a result of supplemental disclosures made by the Company and MSG Networks Inc. on July 1, 2021, all of the disclosure actions were voluntarily dismissed with prejudice prior to or shortly following the consummation of the Networks Merger.

Six complaints involved allegations of fiduciary breaches in connection with the negotiation and approval of the Networks Merger and were consolidated into two remaining litigations.

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On September 10, 2021, the Court of Chancery of the State of Delaware (the “Court”) entered an order consolidating two derivative complaints filed by purported Company stockholders. The consolidated action is captioned: *In re Madison Square Garden Entertainment Corp. Stockholders Litigation*, C.A. No. 2021-0468-KSJM (the “MSG Entertainment Litigation”). The consolidated plaintiffs filed their Verified Consolidated Derivative Complaint on October 11, 2021. The complaint, which named the Company as only a nominal defendant, retained all of the derivative claims and alleged that the members of the board of directors and controlling stockholders violated their fiduciary duties in the course of negotiating and approving the Networks Merger. Plaintiffs sought, among other relief, an award of damages to the Company including interest, and plaintiffs’ attorneys’ fees. Pursuant to the indemnity rights in its bylaws and Delaware law, the Company advanced the costs incurred by defendants in this action, and defendants asserted indemnification rights in respect of any adverse judgment or settlement of the action.

On March 14, 2023, the parties to the MSG Entertainment Litigation reached an agreement in principle to settle the MSG Entertainment Litigation, without admitting liability, on the terms and conditions set forth in a binding term sheet, which was incorporated into a long-form settlement agreement (the “MSG Settlement Agreement”) that was filed with the Court on April 20, 2023. The MSG Settlement Agreement provided for, among other things, the final dismissal of the MSG Entertainment Litigation in exchange for a settlement payment to the Company of approximately \$85,000, subject to customary reduction for attorneys’ fees and expenses, in an amount to be determined by the Court. The settlement’s amount was fully funded by the other defendants’ insurers. The MSG Settlement Agreement was approved by the Court on August 14, 2023, which constituted the final judgment in the action. During the quarter ended September 30, 2023, a realized gain of approximately \$62,600 was recorded in Other income (expense), net on the accompanying condensed consolidated statements of operations in connection with the settlement payment to the Company.

On September 27, 2021, the Court entered an order consolidating four complaints filed by purported former stockholders of MSG Networks Inc. The consolidated action is captioned: *In re MSG Networks Inc. Stockholder Class Action Litigation*, C.A. No. 2021-0575-KSJM (the “MSG Networks Litigation”). The consolidated plaintiffs filed their Verified Consolidated Stockholder Class Action Complaint on October 29, 2021. The complaint asserted claims on behalf of a putative class of former MSG Networks Inc. stockholders against each member of the board of directors of MSG Networks Inc. and the controlling stockholders prior to the Networks Merger. Plaintiffs alleged that the MSG Networks Inc. board of directors and controlling stockholders breached their fiduciary duties in negotiating and approving the Networks Merger. The Company was not named as a defendant but was subpoenaed to produce documents and testimony related to the Networks Merger. Plaintiffs sought, among other relief, monetary damages for the putative class and plaintiffs’ attorneys’ fees. Pursuant to the indemnity rights in its bylaws and Delaware law, the Company advanced the costs incurred by defendants in this action, and defendants asserted indemnification rights in respect of any adverse judgment or settlement of the action.

On April 6, 2023, the parties to the MSG Networks Litigation reached an agreement in principle to settle the MSG Networks Litigation, without admitting liability, on the terms and conditions set forth in a binding term sheet, which was incorporated into a long-form settlement agreement (the “MSGN Settlement Agreement”) that was filed with the Court on May 18, 2023. The MSGN Settlement Agreement provided for, among other things, the final dismissal of the MSG Networks Litigation in exchange for a settlement payment to the plaintiffs and the class of approximately \$48,500, of which approximately \$28,000 has been paid by the Company and approximately \$20,500 has been paid to the plaintiffs by insurers (who agreed to advance these costs subject to final resolution of the parties’ insurance coverage dispute). The MSGN Settlement Agreement was approved by the Court on August 14, 2023, which constituted the final judgment in the action. MSG Networks Inc. has a dispute with its insurers over whether and to what extent there is insurance coverage for the settlement (and has settled with one of the insurers). As of March 31, 2026 and December 31, 2025, approximately \$18,000 has been accrued in Accrued expenses and other current liabilities (reduced from approximately \$20,500 accrued as of March 31, 2024 in connection with the aforementioned settlement). Unless MSG Networks Inc. and the remaining insurers settle that insurance dispute, it is expected to be finally resolved in a pending Delaware insurance coverage action.

The Company is a defendant in various other lawsuits. Although the outcome of these other lawsuits cannot be predicted with certainty (including the extent of available insurance, if any), management does not believe that resolution of these other lawsuits will have a material adverse effect on the Company.

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Note 10. Credit Facilities and Convertible Notes

The following table summarizes the presentation of the outstanding balances under the Company's credit agreements and convertible notes as of March 31, 2026 and December 31, 2025:

	March 31, 2026			As of December 31, 2025		
	Principal	Unamortized Deferred Financing Costs	Net	Principal	Unamortized Deferred Financing Costs	Net
Current portion						
MSG Networks term loan facility ^(a)	\$ 57,690	\$ —	\$ 57,690	\$ 63,009	\$ —	\$ 63,009
Current portion of long-term debt, net	\$ 57,690	\$ —	\$ 57,690	\$ 63,009	\$ —	\$ 63,009

(a) The March 31, 2026 carrying amount of the MSG Networks term loan facility is calculated pursuant to the troubled debt restructuring guidance as further discussed below in this Note 10.

	March 31, 2026				As of December 31, 2025			
	Principal	Debt Discount	Unamortized Deferred Financing Costs	Net	Principal	Debt Discount	Unamortized Deferred Financing Costs	Net
Non-current portion								
MSG Networks term loan facility ^(a)	\$ 227,162	\$ —	\$ —	\$ 227,162	\$ 240,695	\$ —	\$ —	\$ 240,695
2026 LV Sphere Term Loan Facility	275,000	—	(3,779)	271,221	—	—	—	—
2022 LV Sphere Term Loan Facility	—	—	—	—	275,000	—	(2,151)	272,849
3.50% Convertible Senior Notes	258,750	(3,816)	(617)	254,317	258,750	(4,168)	(687)	253,895
Long-term debt, net	\$ 760,912	\$ (3,816)	\$ (4,396)	\$ 752,700	\$ 774,445	\$ (4,168)	\$ (2,838)	\$ 767,439

(a) The March 31, 2026 carrying amount of the MSG Networks term loan facility is calculated pursuant to the troubled debt restructuring guidance, as further discussed below in this Note 10.

MSG Networks Credit Facilities

General. MSGN Holdings, L.P. ("MSGN L.P."), MSGN Eden, LLC, an indirect wholly-owned subsidiary of the Company and the general partner of MSGN L.P. ("MSGN Eden"), Regional MSGN Holdings LLC, an indirect, wholly-owned subsidiary of the Company and the limited partner of MSGN L.P. ("Regional MSGN"), and certain subsidiaries of MSGN L.P. had senior secured credit facilities pursuant to a credit agreement (as amended and restated on October 11, 2019, and as further amended from time to time prior to June 27, 2025, the "Prior MSGN Credit Agreement") consisting of: (i) an initial \$1,100,000 term loan facility (the "Prior MSGN Term Loan Facility") and (ii) a \$250,000 revolving credit facility (together, the "Prior MSGN Credit Facilities"). The outstanding principal amount under the Prior MSGN Credit Agreement of \$829,125 matured without repayment on October 11, 2024, and an event of default occurred pursuant to the Prior MSGN Credit Agreement due to MSGN L.P.'s failure to make payment on the outstanding principal amount on the maturity date.

On June 27, 2025, MSG Networks, MSGN L.P., MSGN Eden, Regional MSGN, Rainbow Garden Corp., a wholly-owned subsidiary of MSG Networks (collectively with MSG Networks, MSGN Eden and Regional MSGN, the "MSGN Holdings Entities"), and certain subsidiaries of MSGN L.P. entered into a second amended and restated credit agreement (the "A&R MSGN Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (the "MSGN Lenders"). The A&R MSGN Credit Agreement amended and restated the Prior MSGN Credit Agreement in its entirety.

Pursuant to the A&R MSGN Credit Agreement, the Prior MSGN Credit Facilities were replaced with a \$210,000 term loan facility (the "MSGN Term Loan Facility"), which matures on December 31, 2029. The outstanding balance under the MSGN Term Loan Facility was \$143,469 as of March 31, 2026.

Interest Rates. Borrowings under the A&R MSGN Credit Agreement bear interest at a rate per annum, which at the option of MSGN L.P., may be equal to either (i) adjusted Term SOFR (i.e., Term SOFR as defined in the A&R MSGN Credit Agreement, plus 0.10%) plus 5.00% or (ii) Alternate Base rate, as defined in the A&R MSGN Credit Agreement, plus 4.00%. Upon a payment default in respect of principal, interest or other amounts due and payable under the A&R MSGN Credit Agreement or related loan documents,

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default interest will accrue on all overdue amounts at an additional rate of 2.00% per annum. The interest rate on the MSGN Term Loan Facility as of March 31, 2026 was 8.77%.

Covenants. The A&R MSGN Credit Agreement and the related security agreement contain certain customary representations and warranties, and certain affirmative covenants and events of default. The A&R MSGN Credit Agreement contains significant restrictions (and in some cases prohibitions) on the ability of MSGN L.P. and the MSGN Subsidiary Guarantors (as defined below) to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the A&R MSGN Credit Agreement, including without limitation the following: (i) incurring additional indebtedness and contingent liabilities; (ii) creating or granting liens on certain assets; (iii) making investments, loans or advances in or to other persons; (iv) paying dividends and distributions or repurchasing capital stock; (v) changing its lines of business; (vi) engaging in certain transactions with affiliates; (vii) amending specified agreements; (viii) with respect to restricted subsidiaries, issuing shares of stock such that MSGN L.P.'s ownership of any such restricted subsidiary is reduced; (ix) merging, dissolving, liquidating, consolidating, or disposing of all or substantially all of its assets; (x) making certain dispositions; (xi) making certain changes to its accounting practices; (xii) entering into agreements that restrict the granting of liens; (xiii) requesting any borrowing the proceeds of which are used in violation of anti-corruption laws or sanctions; (xiv) engaging in a liability management transaction; and (xv) limiting certain operating expenses incurred by MSGN L.P. and the MSGN Guarantors (as defined below). The MSGN Holdings Entities are subject to the restrictions described in the foregoing clauses (iv) and (xv), as well as customary passive holding company covenants.

Principal Repayments. Subject to customary notice and minimum amount conditions, MSGN L.P. may voluntarily prepay outstanding loans under the A&R MSGN Credit Agreement at any time, in whole or in part, without premium or penalty (except for customary breakage costs with respect to Term Benchmark (as defined in the A&R MSGN Credit Agreement) loans). The MSGN Term Loan Facility has a fixed amortization of \$10,000 per quarter, which commenced on September 30, 2025. During the three months ended March 31, 2026, MSGN L.P. made a fixed amortization payment of \$10,000. MSGN L.P. is required to make mandatory prepayments pursuant to a mandatory cash sweep, determined at the end of each fiscal quarter, that requires 100% of MSGN L.P.'s and the MSGN Subsidiary Guarantors' excess balance sheet cash over certain thresholds (subject to certain exclusions) to be used to repay the principal amount outstanding. In April 2026, MSGN L.P. made a \$17,837 mandatory cash sweep payment based on excess cash as of March 31, 2026. MSGN L.P. is further required to make mandatory prepayments in certain circumstances, including from the net cash proceeds of certain dispositions of assets or casualty insurance and/or condemnation awards (subject to a threshold below which payments are not required, as well as certain reinvestment, repair and replacement rights) and upon the incurrence of indebtedness (subject to certain exceptions).

In connection with the execution of the A&R MSGN Credit Agreement, the Limited Partnership Agreement of MSGN L.P. was amended to provide for the issuance of contingent interest units (the "Contingent Interest Units") to the MSGN Lenders. Beginning with the fiscal calendar year-end following the repayment in full of the MSGN Term Loan Facility, the Contingent Interest Units entitle the MSGN Lenders to receive annual payments in an amount equal to 50% of the difference between MSGN L.P.'s balance sheet cash (subject to certain exclusions) and certain minimum cash balances, specified with respect to the applicable measurement date, until the earlier of (i) December 31, 2029 and (ii) payment of \$100,000 in the aggregate to the MSGN Lenders. The Contingent Interest Units are also entitled to receive 50% of the proceeds of a merger and/or acquisition event related to MSG Networks and its subsidiaries occurring prior to December 31, 2029, subject to an aggregate cap of \$100,000 considered together with the annual payments of excess cash described in the previous sentence.

Guarantors and Collateral. All obligations under the A&R MSGN Credit Agreement are guaranteed by the MSGN Holdings Entities and MSGN L.P.'s direct and indirect domestic subsidiaries that are not designated as unrestricted subsidiaries (the "MSGN Subsidiary Guarantors" and, together with the MSGN Holdings Entities, the "MSGN Guarantors"). All obligations under the A&R MSGN Credit Agreement, including the guarantees of those obligations, are secured by certain of the assets of MSGN L.P. and each MSGN Guarantor (collectively, "MSGN Collateral"), including, but not limited to, a pledge of the equity interests in MSGN L.P. held directly by the MSGN Holdings Entities and the equity interests in each MSGN Subsidiary Guarantor held directly or indirectly by MSGN L.P. Sphere Entertainment Co., Sphere Entertainment Group and the subsidiaries of Sphere Entertainment Group (collectively, the "Non-Credit Parties") are not legally obligated to repay the outstanding borrowings under the MSGN Term Loan Facility, nor are the assets of the Non-Credit Parties pledged as security under the MSGN Term Loan Facility.

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Based on conditions at MSGN L.P. and the terms of the A&R MSGN Credit Agreement, the entry into the A&R MSGN Credit Agreement met the criteria to be accounted for as a troubled debt restructuring. The troubled debt restructuring accounting model requires the inclusion of future principal, interest and potential contingent payments as part of the carrying amount of the modified debt to prevent recognizing a gain at the time of restructuring that may be offset by future expenses. As such, the original carrying amount of the MSGN Term Loan Facility includes the \$210,000 principal amount, along with expected interest payments (based on interest rates in effect on June 27, 2025) and potential contingent payments of future excess cash flows from the Contingent Interest Units. ASC Topic 470-60 does not allow the consideration of the probability of occurrence of the contingencies when including contingent payments as part of the carrying amount. The gain on extinguishment was also further offset by fees, expenses and other direct costs incurred to effect the troubled debt restructuring.

Interest payments reduce the carrying amount of the debt. Consistent with the initial application of the troubled debt restructuring guidance, for subsequent accounting purposes, fluctuations in variable interest rate will not result in immediate gains that could be offset by future cash payments.

2026 LV Sphere Facilities

General. On January 29, 2026, MSG LV entered into a credit agreement with JPMorgan Chase Bank, N.A., as Administrative Agent and L/C Issuer, and the lenders party thereto, which refinanced in full the 2022 LV Sphere Term Loan Facility (as defined and described below). The new credit agreement provides for (i) a \$275,000 senior secured term loan facility (the “2026 LV Sphere Term Loan Facility”), the proceeds of which were used to refinance the 2022 LV Sphere Term Loan Facility, and (ii) a senior secured revolving credit facility in the maximum principal amount of \$275,000 (the “2026 LV Sphere Revolving Credit Facility” and collectively, the “2026 LV Sphere Facilities”), the proceeds of which are available to be used for working capital and general corporate purposes, including distributions to Sphere Entertainment Group. All obligations under the 2026 LV Sphere Facilities are guaranteed by Sphere Entertainment Group. None of Sphere Entertainment Co., MSG Networks, MSGN L.P. or any of the subsidiaries of MSGN L.P. are parties to the 2026 LV Sphere Facilities. As a result of the partial repayment of the 2022 LV Sphere Term Loan Facility, the Company wrote off \$2,071 of deferred financing costs during the quarter ended March 31, 2026, which is presented as a loss on extinguishment on the Company’s condensed consolidated statements of operations.

Financial Covenants. The 2026 LV Sphere Facilities include financial covenants requiring MSG LV to maintain a minimum debt service coverage ratio of 2.50:1.00 and a maximum total leverage ratio of 3.50:1.00. Both covenants are tested quarterly based on the four consecutive fiscal quarters of MSG LV then most recently ended. As of March 31, 2026, MSG LV was in compliance with the financial covenants of the 2026 LV Sphere Facilities.

Principal Repayments. The 2026 LV Sphere Facilities will mature on January 29, 2031. Commencing with the fiscal quarter ending March 31, 2028, the principal obligations under the 2026 LV Sphere Term Loan Facility will be subject to amortization payments of 5% per annum, paid in quarterly installments, with the remainder of the term loans due at maturity. Under certain circumstances, MSG LV is required to make mandatory prepayments on the loans, including prepayments in an amount equal to the net cash proceeds of casualty insurance and/or condemnation recoveries (subject to certain reinvestment, repair or replacement rights), subject to certain exceptions.

Interest Rates. Borrowings under the 2026 LV Sphere Facilities bear interest at a floating rate, which at the option of MSG LV may be either (i) Term SOFR (as defined in the 2026 LV Sphere Facilities) plus a margin that ranges from 2.50% to 3.00% based on MSG LV’s total leverage ratio or (ii) the Alternative Base Rate (as defined in the 2026 LV Sphere Facilities) plus a margin that ranges from 1.50% to 2.00% based on MSG LV’s total leverage ratio. The interest rate on the LV Sphere Term Loan Facility as of March 31, 2026 was 6.42%.

Guarantors and Collateral. All obligations under the 2026 LV Sphere Facilities are guaranteed by Sphere Entertainment Group. All obligations under the 2026 LV Sphere Facilities, including the guarantees of those obligations, are secured by all of the assets of MSG LV, including, but not limited to, MSG LV’s leasehold interest in the land on which the Sphere in Las Vegas is located and a pledge of the equity interests in MSG LV held directly by Sphere Entertainment Group.

Covenants. In addition to the financial covenants described above, the 2026 LV Sphere Facilities and the related guaranty and security and pledge agreements contain certain customary representations and warranties, affirmative and negative covenants and events of default. The 2026 LV Sphere Facilities contain certain restrictions on the ability of MSG LV to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the 2026 LV Sphere Facilities, including the following: (i) incurring additional indebtedness; (ii) incurring liens on its assets; (iii) making investments, loans or advances in or to other persons; (iv) paying dividends and distributions to the extent a default or event of default under the 2026 LV Sphere Facilities is in effect at such time or the debt service reserve account is not funded to the extent required; (v) changing its lines of business; (vi) engaging in certain transactions with affiliates; (vii) amending organizational documents; (viii) merging or consolidating; and (ix) making certain dispositions.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
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2022 LV Sphere Term Loan Facility

General. On December 22, 2022, MSG Las Vegas, LLC (“MSG LV”), an indirect, wholly-owned subsidiary of the Company, entered into a credit agreement with JP Morgan Chase Bank, N.A., as administrative agent and the lenders party thereto, providing for a five-year, \$275,000 senior secured term loan facility (as amended, the “2022 LV Sphere Term Loan Facility”).

Interest Rates. Borrowings under the 2022 LV Sphere Term Loan Facility bore interest at a floating rate, which at the option of MSG LV may have been either (i) a base rate plus a margin of 3.375% per annum or (ii) adjusted Term SOFR (i.e., Term SOFR plus 0.10%) plus a margin of 4.375% per annum. The interest rate on the LV Sphere Term Loan Facility as of December 31, 2025 was 8.19%.

Principal Repayments. The 2022 LV Sphere Term Loan Facility would have matured on December 22, 2027.

Covenants. The 2022 LV Sphere Term Loan Facility and related guaranty by Sphere Entertainment Group included financial covenants requiring MSG LV to maintain a specified minimum debt service coverage ratio and requiring Sphere Entertainment Group to maintain a specified minimum liquidity level.

Guarantors and Collateral. All obligations under the 2022 LV Sphere Term Loan Facility were guaranteed by Sphere Entertainment Group. All obligations under the LV Sphere Term Loan Facility, including the guarantees of those obligations, were secured by all of the assets of MSG LV and certain assets of Sphere Entertainment Group including, but not limited to, MSG LV’s leasehold interest in the land on which Sphere in Las Vegas is located and a pledge of all of the equity interests held directly by Sphere Entertainment Group in MSG LV.

3.50% Convertible Senior Notes

On December 8, 2023, the Company completed a private unregistered offering of \$258,750 in aggregate principal amount of its 3.50% Convertible Senior Notes due 2028 (the “3.50% Convertible Senior Notes”), which amount includes the full exercise of the initial purchasers’ option to purchase additional 3.50% Convertible Senior Notes. See Note 14. Credit Facilities and Convertible Notes to the Audited Consolidated Financial Statements included in the Form 10-K for details on the 3.50% Convertible Senior Notes.

Debt Maturities

Debt maturities over the next five years for the outstanding principal balance under the MSGN Term Loan Facility, 2026 LV Sphere Term Loan Facility and 3.50% Convertible Senior Notes as of March 31, 2026 were as follows:

	MSGN Term Loan Facility ^(a)	2026 LV Sphere Term Loan Facility	3.50% Convertible Senior Notes	Total
Year ending December 31, 2026	\$ 47,837	\$ —	\$ —	\$ 47,837
Year ending December 31, 2027	40,000	—	—	40,000
Year ending December 31, 2028	40,000	13,750	258,750	312,500
Year ending December 31, 2029	15,632	13,750	—	29,382
Year ending December 31, 2030	—	13,750	—	13,750
Thereafter	—	233,750	—	233,750
Total debt	<u>\$ 143,469</u>	<u>\$ 275,000</u>	<u>\$ 258,750</u>	<u>\$ 677,219</u>

^(a) The carrying amount of the MSGN Term Loan Facility, which is calculated by applying the troubled debt restructuring guidance as discussed above, was \$284,852 as of March 31, 2026. Due to uncertainty in amounts payable and timing, Contingent Interest Units and undiscounted interest payments are excluded from the table above. Furthermore, the debt maturities shown above do not reflect potential acceleration from quarterly mandatory cash sweeps other than the quarterly cash flow sweep paid in April 2026.

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

Interest payments and loan principal repayments made by the Company under the credit agreements and convertible notes for the three months ended March 31, 2026 and 2025 were as follows:

	Interest Payments		Loan Principal Repayments	
	Three Months Ended		Three Months Ended	
	March 31,		March 31,	
	2026	2025	2026	2025
MSG Networks term loan facility ^(a)	\$ 3,383	\$ 18,559	\$ 15,468	\$ 25,000
2026 LV Sphere Term Loan Facility	4,808	—	—	—
2022 LV Sphere Term Loan Facility	—	6,257	—	—
3.50% Convertible Senior Notes	—	—	—	—
Total Payments	\$ 8,191	\$ 24,816	\$ 15,468	\$ 25,000

(a) As a result of the June 27, 2025 refinancing, the MSG Networks term loan facility is accounted for under the troubled debt restructuring guidance. For purposes of this disclosure and for comparability to prior periods, interest payments and principal payments are presented based on the contractual nature of the cash flows.

The carrying value and fair value of the Company's debt recorded in the accompanying condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025 were as follows:

	As of			
	March 31, 2026		December 31, 2025	
	Carrying Value ^(a)	Fair Value	Carrying Value ^(a)	Fair Value
Liabilities:				
MSG Networks term loan facility ^(a)	\$ 284,852	\$ 137,013	\$ 303,704	147,811
2026 LV Sphere Term Loan Facility	275,000	270,875	—	—
2022 LV Sphere Term Loan Facility	—	—	275,000	270,875
3.50% Convertible Senior Notes	254,934	872,686	254,582	711,097
Total debt	\$ 814,786	\$ 1,280,574	\$ 833,286	\$ 1,129,783

(a) The total carrying value of the Company's debt as of March 31, 2026 and December 31, 2025 is equal to the current and non-current principal payments for the Company's debt, excluding unamortized deferred financing costs of \$4,396 and \$2,838, respectively.

The Company's debt is classified within Level II of the fair value hierarchy as it is valued using quoted indices of similar instruments for which the inputs are readily observable.

Note 11. Pension Plans and Other Postretirement Benefit Plan

The Company sponsors (i) both funded and unfunded and qualified and non-qualified pension plans, including the Networks 1212 Plan (as defined below), Networks Excess Cash Balance Plan, and the Networks Excess Retirement Plan (together, the "Networks Plans"), (ii) an excess savings plan and (iii) a postretirement benefit plan (the "Postretirement Plan"). In connection with the distribution of approximately 67% of the outstanding common stock of MSGE Spinco, Inc. (now known as Madison Square Garden Entertainment Corp. and referred to herein as "MSG Entertainment") to the Company's stockholders on April 20, 2023 (the "MSGE Distribution"), the Company established an unfunded non-contributory, non-qualified frozen excess cash balance plan (the "Sphere Excess Plan") covering certain employees who participated in the pre-MSGE Distribution cash balance plan, which was transferred to MSG Entertainment in connection with the MSGE Distribution. The Networks Plans and Sphere Excess Plan are collectively referred to as the "Pension Plans." Prior to the MSGE Distribution, the Company sponsored two contributory welfare plans which provided certain postretirement healthcare benefits to certain employees hired prior to January 1, 2001.

The sponsorship of the Postretirement Plan covering Networks employees was retained by the Company while the postretirement plan covering MSG Entertainment employees was transferred to MSG Entertainment in connection with the MSGE Distribution. In addition, the liabilities associated with the postretirement plan for MSG Entertainment employees were transferred from the Company to MSG Entertainment in connection with the MSGE Distribution. See Note 15. Pension Plans and Other Postretirement Benefit Plan to the Audited Consolidated Financial Statements included in the Form 10-K for more information regarding these plans.

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

Defined Benefit Pension Plans and Postretirement Benefit Plan

The following tables present components of net periodic benefit cost for the Pension Plans and Postretirement Plan included in the accompanying condensed consolidated statements of operations for the three months ended March 31, 2026 and 2025. Service cost is recorded in Direct operating expenses and Selling, general and administrative expenses. All other components of net periodic benefit cost are recorded in Other expense, net.

	Pension Plans		Postretirement Plan	
	Three Months Ended		Three Months Ended	
	March 31,		March 31,	
	2026	2025	2026	2025
Service cost	\$ 47	\$ 48	\$ 4	\$ 4
Interest cost	486	494	22	24
Expected return on plan assets	(246)	(238)	—	—
Recognized actuarial loss	99	85	10	—
Net periodic benefit cost	<u>\$ 386</u>	<u>\$ 389</u>	<u>\$ 36</u>	<u>\$ 28</u>

Contributions for Qualified Defined Benefit Plans

The Company sponsors one non-contributory, qualified defined benefit pension plan covering certain of its union employees, the “Networks 1212 Plan.” During the three months ended March 31, 2026 and 2025, the Company did not contribute any amounts to the Networks 1212 Plan.

Defined Contribution Plans

The Company sponsors the MSGN Holdings, L.P. Excess Savings Plan and the Sphere Entertainment Excess Savings Plan, and participates in the Madison Square Garden 401(k) Savings Plan (collectively, the “Savings Plans”). Expenses related to the Savings Plans included in the accompanying condensed consolidated statements of operations were \$1,614 and \$1,596 for the three months ended March 31, 2026 and 2025, respectively.

Executive Deferred Compensation

See Note 15. Pension Plans and Other Postretirement Benefit Plan to the Company’s Audited Consolidated Financial Statements included in the Form 10-K for more information regarding the Company’s Executive Deferred Compensation Plan (the “Executive Deferred Compensation Plan”). The Company recorded compensation expense of \$34 and \$21 for the three months ended March 31, 2026 and 2025, respectively, within Selling, general and administrative expenses in the accompanying condensed consolidated statements of operations to reflect the remeasurement of the Executive Deferred Compensation Plan liability. In addition, the Company recorded a gain of \$34 and \$21 for the three months ended March 31, 2026 and 2025, respectively, within Other expense, net in the accompanying condensed consolidated statements of operations to reflect remeasurement of the fair value of assets under the Executive Deferred Compensation Plan.

The following table summarizes amounts recognized related to the Executive Deferred Compensation Plan in the accompanying condensed consolidated balance sheets:

	March 31, 2026	As of December 31, 2025
Non-current assets (included in Investments)	\$ 3,749	\$ 3,669
Non-current liabilities (included in Other non-current liabilities)	\$ (3,770)	\$ (3,680)

Note 12. Share-based Compensation

The Company has three share-based compensation plans: the 2020 Employee Stock Plan, the 2020 Stock Plan for Non-Employee Directors and the MSG Networks Inc. 2010 Employee Stock Plan, in each case as amended from time to time. See Note 16. Share-based Compensation to the Audited Consolidated Financial Statements included in the Form 10-K for more detail on these plans.

Share-based compensation expense for the Company’s restricted stock units (“RSUs”), performance stock units (“PSUs”), stock options and/or cash-settled stock appreciation rights (“SARs”) are recorded in the condensed consolidated statements of operations as a component of direct operating expenses or selling, general and administrative expenses.

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

The following table summarizes the Company's share-based compensation expense:

	Three Months Ended March 31,	
	2026	2025
Share-based compensation ^(a)	\$ 23,735	\$ 21,421
Fair value of awards vested	\$ 11,614	\$ 2,612

(a) Share-based compensation excludes costs that have been capitalized of \$90 and \$326 for the three months ended March 31, 2026 and 2025, respectively.

As of March 31, 2026, there was \$98,318 of unrecognized compensation cost related to unvested RSUs, PSUs, stock options and SARs held by the Company's employees. The cost is expected to be recognized over a weighted-average period of approximately 1.9 years.

For the three months ended March 31, 2026 and 2025, all RSUs, PSUs and stock options were excluded from the calculation of diluted loss per share because the Company reported a net loss attributable to Sphere Entertainment Co.'s stockholders for the periods and, therefore, their impact on reported loss per share would have been anti-dilutive.

Award Activity

RSUs

During the three months ended March 31, 2026, approximately 145 RSUs were granted, and approximately 107 RSUs vested.

PSUs

During the three months ended March 31, 2026, approximately 120 PSUs were granted, and approximately 3 PSUs vested.

Stock options

During the three months ended March 31, 2026, there were no stock options granted or vested and approximately 279 options were exercised.

Note 13. Stockholders' Equity

Preferred Stock

The Company is authorized to issue 15,000 shares of preferred stock, par value \$0.01. As of March 31, 2026 and December 31, 2025, no shares of preferred stock were outstanding.

Stock Repurchase Program

On March 31, 2020, the Company's Board of Directors authorized a share repurchase program to repurchase up to \$350,000 of the Company's Class A Common Stock. The program was re-authorized by the Company's Board of Directors on March 29, 2023. Under the authorization, shares of Class A Common Stock may be purchased from time to time in open market or private transactions, block trades or such other manner as the Company may determine, in accordance with applicable insider trading and other securities laws and regulations. The timing and amount of purchases will depend on market conditions and other factors. During the three months ended March 31, 2026, the Company did not engage in any share repurchase activities under its share repurchase program. As of March 31, 2026, the Company had approximately \$300,000 remaining available for repurchases of the Company's Class A Common Stock.

Accumulated Other Comprehensive Loss

The following tables detail the components of accumulated other comprehensive loss:

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

	Pension Plans and Postretirement Plan	Cumulative Translation Adjustments	Accumulated Other Comprehensive Loss
Balance as of December 31, 2025	\$ (6,854)	\$ 6,072	\$ (782)
Other comprehensive loss:			
Other comprehensive loss before reclassifications	—	(111)	(111)
Amounts reclassified from accumulated other comprehensive loss (a)	(372)	—	(372)
Income tax benefit	96	28	124
Other comprehensive loss, total	(276)	(83)	(359)
Balance as of March 31, 2026	<u>\$ (7,130)</u>	<u>\$ 5,989</u>	<u>\$ (1,141)</u>

	Pension Plans and Postretirement Plan	Cumulative Translation Adjustments	Accumulated Other Comprehensive Loss
Balance as of December 31, 2024	\$ (5,877)	\$ (1,631)	\$ (7,508)
Other comprehensive (loss) income:			
Other comprehensive income before reclassifications	—	1,941	1,941
Amounts reclassified from accumulated other comprehensive loss (a)	(233)	—	(233)
Income tax benefit	62	215	277
Other comprehensive (loss) income, total	(171)	2,156	1,985
Balance as of March 31, 2025	<u>\$ (6,048)</u>	<u>\$ 525</u>	<u>\$ (5,523)</u>

(a) Amounts reclassified from accumulated other comprehensive loss represent the amortization of net actuarial loss and net unrecognized prior service credit included in net periodic benefit cost, which is reflected under Other expense, net in the accompanying condensed consolidated statements of operations (see Note 11. Pension Plans and Other Postretirement Benefit Plan).

Note 14. Related Party Transactions

As of March 31, 2026, certain members of the Dolan family, including certain trusts for the benefit of members of the Dolan family (collectively, the “Dolan Family Group”), collectively beneficially owned 100% of the Company’s outstanding Class B Common Stock, par value \$0.01 per share (“Class B Common Stock”) and approximately 6.3% of the Company’s outstanding Class A Common Stock (inclusive of options exercisable within 60 days after March 31, 2026) for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended. Such shares of the Company’s Class A Common Stock and Class B Common Stock, collectively, represent approximately 72.1% of the aggregate voting power of the Company’s outstanding common stock. Members of the Dolan family are also the controlling stockholders of MSG Entertainment, Madison Square Garden Sports Corp. (“MSG Sports”) and AMC Global Media Inc. (formerly AMC Networks Inc., “AMC Networks”).

See Note 19. Related Party Transactions, to the Audited Consolidated Financial Statements included in the Form 10-K for a description of the Company’s related party arrangements. There were no material changes in such related party arrangements during the three months ended March 31, 2026.

Accrued liabilities associated with other equity method investment nonconsolidated affiliates were \$18,204 as of March 31, 2026 and December 31, 2025, and are reported under Accrued expenses and other current liabilities in the accompanying condensed consolidated balance sheets.

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

Revenues and Operating Expenses

The following table summarizes the composition and amounts of the transactions with the Company's related parties. These amounts are reflected in revenues and operating expenses in the accompanying condensed consolidated statements of operations for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
	2026	2025
Revenues	\$ 1,342	\$ 1,284
Operating expenses:		
Media fees	34,271	44,943
Corporate general and administrative expenses, net - MSG Entertainment Services Agreement	16,463	17,334
Origination, master control and technical services	1,184	1,161
Other operating expenses, net ^(a)	4,019	3,480
Total operating expenses, net ^(b)	\$ 55,937	\$ 66,918

(a) Other operating expenses, net, includes reimbursements to MSG Entertainment for aircraft-related expenses, professional and payroll fees, and CPC commissions, as well as AMC Global Media consulting service fees.

(b) Of the total operating expenses, net \$35,447 and \$46,287 for the three months ended March 31, 2026 and 2025, respectively, are included in Direct operating expenses in the accompanying condensed consolidated statements of operations. Of the total operating expenses, net, \$20,491 and \$20,631 for the three months ended March 31, 2026 and 2025, respectively, are included in Selling, general and administrative expenses in the accompanying condensed consolidated statements of operations.

Note 15. Segment Information

As of March 31, 2026, the Company was comprised of two reportable segments: Sphere and MSG Networks. The Company takes into account whether two or more operating segments can be aggregated together as one reportable segment as well as the type of discrete financial information that is available and regularly reviewed by its Chief Operating Decision Maker ("CODM"). The CODM is the Company's Executive Chairman and Chief Executive Officer.

The CODM evaluates segment performance and determines how to allocate resources based on the Company's key financial measure of adjusted operating income ("AOI"), a non-GAAP financial measure. The Company defines AOI as operating income excluding:

- (i) depreciation, amortization and impairments of property and equipment, goodwill and intangible assets,
- (ii) amortization for capitalized cloud computing arrangement costs,
- (iii) share-based compensation expense,
- (iv) restructuring charges or credits,
- (v) merger, debt work-out, and acquisition-related costs, including merger-related litigation expenses, net of insurance recoveries,
- (vi) gains or losses on sales or dispositions of businesses and associated settlements,
- (vii) the impact of purchase accounting adjustments related to business acquisitions, and
- (viii) gains and losses related to the remeasurement of liabilities under the Company's Executive Deferred Compensation Plan (which was established in November 2021).

The Company believes that the exclusion of share-based compensation expense or benefit allows investors to better track the performance of the Company's business without regard to the settlement of an obligation that is not expected to be made in cash. The Company eliminates merger, debt work-out, and acquisition-related costs, including merger-related litigation expenses, net of insurance recoveries, when applicable, because the Company does not consider such costs to be indicative of the ongoing operating performance of the Company as they result from an event that is of a non-recurring nature, thereby enhancing comparability. In addition, management believes that the exclusion of gains and losses related to the remeasurement of liabilities under the Company's Executive Deferred Compensation Plan provides investors with a clearer picture of the Company's operating performance given that, in accordance with GAAP, gains and losses related to the remeasurement of liabilities under the Company's Executive Deferred Compensation Plan are recorded in Operating (loss) income whereas gains and losses related to the remeasurement of the assets under the Company's Executive Deferred Compensation Plan, which are equal to and therefore fully offset the gains and losses related to the remeasurement of liabilities, are recorded in Other (expense) income, net, which is not reflected in Operating (loss) income.

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

The CODM uses AOI for each segment predominantly throughout the annual budget and forecasting process. The CODM also considers budget-to-actual variances in AOI, at least quarterly, when making decisions about the allocation of operating and capital resources to each segment. Management believes AOI is an appropriate measure for evaluating the operating performance of its business segments and the Company on a consolidated basis. AOI and similar measures with similar titles are common performance measures used by investors and analysts to analyze the Company's performance. The Company uses revenues and AOI measures as the most important indicators of its business performance, and evaluates management's effectiveness with specific reference to these indicators.

Adjusted operating income (loss) should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), cash flows from operating activities, and other measures of performance and/or liquidity presented in accordance with GAAP. Since adjusted operating income (loss) is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies. The Company has presented the components that reconcile operating income (loss), the most directly comparable GAAP financial measure, to adjusted operating income (loss).

Information as to the operations of the Company's reportable segments is set forth below.

	Three Months Ended March 31, 2026		
	Sphere	MSG Networks	Total
Revenues	\$ 265,965	\$ 120,447	\$ 386,412
Operating expenses:			
Event-related expenses ^(a)	94,426	—	94,426
Rights fee expense	—	50,646	50,646
Network programming and production costs	—	19,775	19,775
Other direct operating expenses ^(a)	4,800	—	4,800
Overhead expenses ^(b)	106,596	15,107	121,703
Other segment expenses ^(c)	85,026	2,834	87,860
Operating (loss) income	\$ (24,883)	\$ 32,085	\$ 7,202
Other income (expense):			
Loss on extinguishment of debt			(2,071)
Interest income			3,951
Interest expense			(8,039)
Other expense, net			(1,424)
Loss from operations before income taxes			<u>\$ (381)</u>
Reconciliation of operating (loss) income to adjusted operating income:			
Operating (loss) income	\$ (24,883)	\$ 32,085	\$ 7,202
Adjustments:			
Share-based compensation expense	13,143	767	13,910
Depreciation and amortization	82,274	2,093	84,367
Restructuring charges	2,673	741	3,414
Impairment and other losses, net	79	—	79
Merger, debt work-out, and acquisition related costs, net of insurance recoveries	87	—	87
Amortization for capitalized cloud computing arrangement costs	917	—	917
Adjusted operating income	<u>\$ 74,290</u>	<u>\$ 35,686</u>	<u>\$ 109,976</u>

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

	Three Months Ended March 31, 2025		
	Sphere	MSG Networks	Total
Revenues	\$ 157,545	\$ 123,029	\$ 280,574
Operating expenses:			
Event-related expenses ^(a)	62,497	—	62,497
Rights fee expense	—	67,146	67,146
Network programming and production costs	—	20,641	20,641
Other direct operating expenses ^(a)	8,039	—	8,039
Overhead expenses ^(b)	96,404	17,865	114,269
Other segment expenses ^(c)	84,367	2,224	86,591
Operating (loss) income	<u>\$ (93,762)</u>	<u>\$ 15,153</u>	<u>\$ (78,609)</u>
Other income (expense):			
Interest income			3,878
Interest expense			(26,206)
Other expense, net			(1,340)
Loss from operations before income taxes			<u>\$ (102,277)</u>
Reconciliation of operating (loss) income to adjusted operating income:			
Operating (loss) income	\$ (93,762)	\$ 15,153	\$ (78,609)
Adjustments:			
Share-based compensation expense	19,954	1,641	21,595
Depreciation and amortization	82,005	2,224	84,229
Restructuring charges	1,841	—	1,841
Impairment and other losses, net	521	—	521
Merger, debt work-out, and acquisition related costs, net of insurance recoveries	988	3,803	4,791
Amortization for capitalized cloud computing arrangement costs	1,579	—	1,579
Remeasurement of deferred compensation plan liabilities	21	—	21
Adjusted operating income	<u>\$ 13,147</u>	<u>\$ 22,821</u>	<u>\$ 35,968</u>

- (a) Event-related expenses include, but are not limited to, day-of-event costs, direct operating expenses for The Sphere Experience, venue operating expenses, and other event-related direct operating expenses. Other direct operating expenses include, but are not limited to, expenses related to sponsorship, signage, Exosphere advertising, suite licenses, and other operating expenses. In total, these expenses when combined with MSG Networks rights fee expense and network programming and production costs represent the Company's Direct operating expenses as presented on the accompanying condensed consolidated statements of operations.
- (b) For each reportable segment, Overhead expenses currently include selling, general and administrative costs.
- (c) For each reportable segment, Other segment expenses include all other expenses that do not meet the definition of other previously disclosed expenses, primarily depreciation and amortization, impairment and other losses, net and restructuring charges.

Concentration of Risk

Accounts receivable, net in the accompanying condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025 include amounts due from the following individual customers, which accounted for the noted percentages of the gross balance:

	As of	
	March 31, 2026	December 31, 2025
Customer A	11 %	11 %
Customer B	8 %	9 %
Customer C	7 %	8 %

SPHERE ENTERTAINMENT CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(continued)

Revenues in the accompanying condensed consolidated statements of operations for the three months ended March 31, 2026 and 2025 include amounts from the following individual customers, derived from the MSG Networks segment, which accounted for the noted percentages of the total:

	Three Months Ended March 31,	
	2026	2025
Customer 1	8 %	11 %
Customer 2	5 %	— %
Customer 3	5 %	8 %

Note 16. Additional Financial Information

The following table provides a summary of the amounts recorded as cash, cash equivalents and restricted cash.

	March 31, 2026	As of December 31, 2025
Cash and cash equivalents	\$ 629,108	\$ 507,776
Restricted cash	1,043	13,488
Total cash, cash equivalents and restricted cash	<u>\$ 630,151</u>	<u>\$ 521,264</u>

The Company's cash equivalents consist of money market accounts, time deposits and U.S. treasury bills of \$604,525 and \$99,433 as of March 31, 2026 and December 31, 2025, respectively. Cash, cash equivalents, and restricted cash are measured at fair value within Level I of the fair value hierarchy on a recurring basis using observable inputs that reflect quoted prices for identical assets in active markets. The Company's restricted cash includes cash deposited in escrow accounts. The Company has deposited cash in interest-bearing escrow accounts related to collateral for its operating leases, and general liability insurance obligations.

Prepaid expenses and other current assets consisted of the following:

	March 31, 2026	As of December 31, 2025
Prepaid expenses	\$ 26,370	\$ 38,543
Other receivables	7,301	10,839
Inventory	18,342	14,453
Deferred costs, current	9,872	17,627
Other	9,770	11,362
Total prepaid expenses and other current assets	<u>\$ 71,655</u>	<u>\$ 92,824</u>

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2026	As of December 31, 2025
Accrued payroll and employee related liabilities	\$ 33,687	\$ 63,542
Cash due to promoters	187,414	163,499
Capital expenditure accruals	127,512	130,061
Accrued legal fees	20,031	19,361
Other accrued expenses	58,416	55,014
Total Accrued expenses and other current liabilities	<u>\$ 427,060</u>	<u>\$ 431,477</u>

Income Taxes

During the three months ended March 31, 2026 and 2025, the Company made income tax payments, net of refunds, of \$882 and \$627, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

All dollar amounts included in the following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") are presented in thousands, except as otherwise noted.

This MD&A contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In this MD&A, there are statements concerning the future operating and future financial performance of Sphere Entertainment Co. and its direct and indirect subsidiaries (collectively, "we," "us," "our," "Sphere Entertainment," or the "Company"), including (i) the success of Sphere and The Sphere Experience and development of new immersive productions content, (ii) our plans to bring Sphere to Abu Dhabi, United Arab Emirates, under a franchise model, and to National Harbor, Maryland, (iii) our ability to reduce or defer certain discretionary capital projects, (iv) our plans for possible additional debt financing, and (v) MSG Networks subscriber declines. Words such as "expects," "anticipates," "believes," "estimates," "may," "will," "should," "could," "potential," "continue," "intends," "plans," and similar words and terms used in the discussion of future operating and future financial performance identify forward-looking statements. Investors are cautioned that such forward-looking statements are not guarantees of future performance, results or events and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors. Factors that may cause such differences to occur include, but are not limited to:

- the substantial amount of debt we have incurred, the ability of our subsidiaries to make payments on, or repay or refinance, such debt under their respective credit facilities (including MSG Networks' ability to make its quarterly principal amortization payments pursuant to its term loan facility), and, if unsuccessful, the implications thereof;
- our ability to make payments on our 3.50% Convertible Senior Notes (as defined below);
- our ability to obtain additional financing, to the extent required, on terms favorable to us or at all;
- the popularity of The Sphere Experience, as well as our ability to continue to attract brands, advertisers and marketing partners, audiences to attend, and artists, entertainers and athletes to perform at, residencies, concerts and other events at Sphere in Las Vegas and other future Sphere venues;
- the successful development of The Sphere Experience and related original immersive productions and the investments associated with such development, as well as investment in personnel, content and technology for Sphere;
- our ability to successfully provide design, construction and pre- and post-opening services to Sphere partners, including the Department of Culture and Tourism – Abu Dhabi ("DCT Abu Dhabi") in connection with Sphere Abu Dhabi™;
- DCT Abu Dhabi's ability to complete construction of Sphere Abu Dhabi;
- our ability to negotiate and execute definitive agreements for the development of a Sphere venue at National Harbor, Maryland, as well as the receipt of certain governmental incentives and approvals from Prince George's County and the State of Maryland related to the development and construction of the venue;
- our ability to construct, finance and operate new Sphere venues, and the investments, costs and timing associated with those efforts, including obtaining financing, the impact of inflation and tariffs, and any construction delays and/or cost overruns;
- general economic conditions, especially in the Las Vegas and New York City metropolitan areas where we have significant business activities, including the impact of a recession or a government shutdown on our business;
- geopolitical risks, including the direct and indirect impacts of foreign wars and conflicts, including the conflict with Iran and related unrest in the Middle East, on international, domestic and local economies;
- our ability to successfully implement cost reductions and reduce or defer certain discretionary capital projects, if necessary;
- the level of our expenses and our operational cash burn rate, including our corporate expenses;
- the demand for MSG Networks programming among cable, satellite, fiber-optic and other platforms that distribute its networks ("Distributors") and the number of subscribers thereto, and our ability to enter into and renew affiliation agreements with Distributors, including the terms of any such renewals, as well as the impact of consolidation among Distributors;

- our ability to successfully execute MSG Networks’ strategy for its direct-to-consumer (“DTC”) and authenticated streaming offering, MSG+ (which is included in the Gotham Sports streaming product), the success of such offering and our ability to adapt to new content distribution platforms or changes in consumer behavior resulting from emerging technologies;
- the ability of our Distributors to minimize declines in subscriber levels;
- any adverse changes in the distribution of our networks or the impact of subscribers selecting Distributors’ packages that do not include our networks or distributors that do not carry our networks at all;
- MSG Networks’ ability to renew, renegotiate or replace its media rights agreements with professional sports teams and its ability to perform its obligations thereunder;
- the relocation or insolvency of professional sports teams with which we have a media rights agreement;
- the demand for advertising and marketing partnership offerings at Sphere and advertising sales and viewer ratings for our networks;
- competition, for example, from other venues (including the construction of new competing venues) and other regional sports and entertainment offerings;
- our ability to effectively manage any impacts of future pandemics or public health emergencies, as well as renewed actions taken in response by governmental authorities or certain professional sports leagues, including ensuring compliance with rules and regulations imposed upon our venues, to the extent applicable;
- the effect of any postponements or cancellations of events by third-parties or the Company as a result of future pandemics, due to operational challenges, force majeure events and other health and safety concerns;
- the extent to which attendance at Sphere in Las Vegas or future Sphere venues may be impacted by government actions, health concerns of potential attendees or reduced tourism;
- the security of our MSG Networks program signal and electronic data;
- the on-ice and on-court performance and popularity of the professional sports teams whose games we broadcast on our networks;
- changes in laws, guidelines, bulletins, directives, policies and agreements, and regulations under which we operate;
- any economic, social or political actions, such as boycotts, protests, work stoppages or campaigns by labor organizations, including the unions representing players and officials of the National Basketball Association (the “NBA”) and the National Hockey League (the “NHL”), artists or employees involved in our productions or other work stoppages that may impact us or our business partners;
- seasonal fluctuations and other variations in our operating results and cash flow from period to period;
- business, reputational and litigation risk if there is a cyber or other security incident resulting in loss, disclosure or misappropriation of stored personal information, disruption of our Sphere or MSG Networks businesses or disclosure of confidential information or other breaches of our information security;
- activities or other developments (including pandemics, such as the COVID-19 pandemic) that discourage or may discourage congregation at prominent places of public assembly, including our venue;
- the level of our capital expenditures and other investments (and any impairment charges related thereto);
- the acquisition or disposition of assets or businesses and/or the impact of, and our ability to successfully pursue, acquisitions or other strategic transactions;
- our ability to successfully integrate acquisitions, new venues or new businesses into our operations and secure intellectual property rights in territories where such businesses operate and/or conduct business;
- the operating and financial performance of our strategic acquisitions and investments, including those we do not control, and the impact of goodwill and other impairments with respect to businesses (including as a result of changes to the MSG Networks business);

- our internal control environment and our ability to identify and remedy any future material weaknesses;
- the costs associated with, and the outcome of, litigation and other proceedings to the extent uninsured, including litigation or other claims against companies we invest in or acquire;
- the impact of governmental regulations or laws, changes in these regulations or laws or how those regulations and laws are interpreted, as well as our ability to maintain necessary permits, licenses and easements;
- the impact of sports league rules, regulations and/or agreements and changes thereto;
- financial community perceptions of our business, operations, financial condition and the industries in which we operate;
- the performance by our affiliated entities of their obligations under various agreements with us, as well as our performance of our obligations under such agreements and ongoing commercial arrangements;
- the tax-free treatment of the distribution of Madison Square Garden Entertainment Corp. (“MSG Entertainment”) from the Company in 2023 and the distribution from Madison Square Garden Sports Corp. (“MSG Sports”) in 2020; and
- the additional factors described under “Risk Factors” included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission (the “SEC”) on February 12, 2026 (the “Form 10-K”).

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in “Risk Factors” in the Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Form 10-Q to conform these statements to actual results or to changes in our expectations.

Introduction

This MD&A is provided as a supplement to, and should be read in conjunction with, the Company’s unaudited condensed consolidated financial statements (the “financial statements”) and accompanying notes thereto included in “— Item 1. Financial Statements” of this Form 10-Q, as well as the Company’s audited consolidated financial statements and notes thereto as of and for the period ended December 31, 2025 (the “Audited Consolidated Financial Statements”) included in the Form 10-K to help provide an understanding of our financial condition, changes in financial condition and results of operations. The Company was originally organized under the laws of the State of Delaware and, on June 4, 2025, redomesticated to the State of Nevada by conversion. The Company conducts substantially all of its business activities presented in the financial statements through Sphere Entertainment Group, LLC (“Sphere Entertainment Group”) and MSG Networks Inc. (together with its subsidiaries, “MSG Networks”), and each of their direct and indirect subsidiaries.

Business Overview

The Company is a leader in immersive experiences, technology and media and is comprised of two reportable segments, Sphere and MSG Networks. Sphere® is an experiential medium powered by advanced technologies, and MSG Networks operates two regional sports and entertainment networks, as well as a DTC and authenticated streaming product.

Sphere: This segment reflects Sphere, an experiential medium powered by advanced technologies that bring storytelling to a new level. The Company’s first Sphere venue opened in Las Vegas on September 29, 2023. The entire exterior surface of Sphere, referred to as the Exosphere®, is covered with nearly 580,000 square feet of fully programmable LED lighting, creating the largest LED screen in the world and an impactful display for artistic and branded content. Inside, the venue features a 16K x 16K interior display plane – the world’s highest-resolution LED screen that wraps up, over, and around the audience creating a fully immersive visual environment. In addition, Sphere’s advanced technologies include Sphere Immersive Sound™ – Sphere’s proprietary audio system – as well as haptic seating and 4D environmental effects. The venue can accommodate up to 20,000 guests and hosts a wide variety of events year-round, including The Sphere Experience™, which features original immersive productions, as well as concerts and

residencies from renowned artists, and marquee sports and brand events (formerly referred to as corporate events). Production efforts for Sphere events are supported by Sphere Studios™, an immersive content studio dedicated to creating multi-sensory experiences exclusively for Sphere, using proprietary technology, tools and production facilities. Sphere Studios is home to a team of creative, production, technology and software engineering experts who provide full in-house creative and production services. The studio campus in Burbank includes a 68,000-square-foot development facility, as well as Big Dome, a 28,000-square-foot, 100-foot high custom dome, with a quarter-sized version of the interior display plane at Sphere in Las Vegas, that serves as a specialized screening, production facility, and lab for content at Sphere.

The Company is focused on creating a global network of Spheres. The Company is working with DCT Abu Dhabi to bring Sphere to Abu Dhabi, United Arab Emirates. In January 2026, the Company, the State of Maryland, Prince George's County, and Peterson Companies announced the Company's intent to develop a new Sphere venue at National Harbor, Maryland.

MSG Networks: This segment is comprised of the Company's regional sports and entertainment networks, MSG Network and MSG Sportsnet, as well as its DTC and authenticated streaming offering, MSG+ (which is included in the Gotham Sports streaming product). MSG Networks serves the New York designated market area, as well as other portions of New York, New Jersey, Connecticut and Pennsylvania and features a wide range of sports content, including exclusive live local games and other programming of the New York Knicks of the NBA and the New York Rangers, New York Islanders, New Jersey Devils and Buffalo Sabres of the NHL, as well as significant coverage of the New York Giants and the Buffalo Bills of the National Football League.

Our MD&A is organized as follows:

Results of Operations. This section provides an analysis of our unaudited results of operations for the three months ended March 31, 2026 and 2025 on both a (i) consolidated basis and (ii) segment basis.

Liquidity and Capital Resources. This section provides a discussion of our financial condition and liquidity, an analysis of our cash flows for the three months ended March 31, 2026 and 2025, as well as certain contractual obligations and off-balance sheet arrangements.

Seasonality of Our Business. This section discusses the seasonal performance of our business.

Recently Issued Accounting Pronouncements and Critical Accounting Policies. This section discusses accounting pronouncements that have been adopted by the Company, recently issued accounting pronouncements not yet adopted by the Company, as well as the results of the Company's impairment testing of goodwill. This section should be read together with our critical accounting policies, which are discussed in the Form 10-K under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Recently Issued Accounting Pronouncements and Critical Accounting Estimates" and in the notes to the Audited Consolidated Financial Statements included therein.

Factors Affecting Operating Results

The operating results of our Sphere segment are largely dependent on our ability to continue to attract (i) audiences to The Sphere Experience, (ii) advertisers and marketing partners, and (iii) guests to attend, and artists, entertainers and athletes, to perform at, residencies, concerts and other events at our venue. The operating results of our MSG Networks segment are largely dependent on (i) the terms of MSG Networks' affiliation agreements with Distributors (including renewals thereof), (ii) the number of subscribers of MSG Networks' Distributors, (iii) the terms of MSG Networks' media rights agreements (including renewals thereof), (iv) the ability of MSG Networks to make its required debt service payments, including quarterly principal amortization payments pursuant to the terms of its term loan facility, (v) the success of MSG+, MSG Networks' DTC and authenticated streaming offering (which is included in the Gotham Sports streaming product), and (vi) the advertising rates MSG Networks charges advertisers. Certain of these factors in turn depend on the popularity and/or performance of the professional sports teams whose games MSG Networks broadcasts on its networks.

Our Company's future performance is dependent in part on general economic conditions and the effect of these conditions on our customers. Weak economic conditions may lead to lower tourism and lower demand for our entertainment offerings (including The Sphere Experience) and programming content, which would also negatively affect concession and merchandise sales, and could lead to lower levels of advertising, sponsorship and venue signage. Recent developments relating to geopolitical events, including, foreign wars and conflicts, as well as tariffs, have intensified concerns over the global macroeconomic environment, which has resulted in a rise in volatility across financial markets and concerns over the prospect of a U.S. recession. These conditions may also affect the number of immersive productions, concerts, residencies and other events that take place in the future. An economic downturn could adversely affect our business and results of operations. The Company continues to explore additional opportunities to expand our presence in the entertainment industry, both domestically and internationally. Any new investment may not initially contribute to operating income, but is intended to contribute to the success of the Company over time. Our results will also be affected by

investments in, and the success of, new immersive productions.

Condensed Consolidated Results of Operations

Comparison of the Three Months Ended March 31, 2026 versus the Three Months Ended March 31, 2025

The tables below set forth, for the periods presented, certain historical financial information.

	Three Months Ended March 31,		Change	
	2026	2025	Amount	Percentage
Revenues	\$ 386,412	\$ 280,574	\$ 105,838	38 %
Operating expenses:				
Direct operating expenses	169,647	158,323	11,324	7 %
Selling, general and administrative expenses	121,703	114,269	7,434	7 %
Depreciation and amortization	84,367	84,229	138	— %
Impairments and other losses, net	79	521	(442)	(85)%
Restructuring charges	3,414	1,841	1,573	85 %
Operating income (loss)	7,202	(78,609)	85,811	NM
Other income (expense):				
Loss on extinguishment of debt	(2,071)	—	(2,071)	NM
Interest income	3,951	3,878	73	2 %
Interest expense	(8,039)	(26,206)	18,167	(69)%
Other expense, net	(1,424)	(1,340)	(84)	6 %
Loss from continuing operations before income taxes	(381)	(102,277)	101,896	(100)%
Income tax benefit	4,841	20,323	(15,482)	(76)%
Net income (loss)	\$ 4,460	\$ (81,954)	\$ 86,414	(105)%
Less: Net income attributable to participating securities	6,053	—	6,053	NM
Net loss attributable to Sphere Entertainment Co.'s stockholders	\$ (1,593)	\$ (81,954)	\$ 80,361	(98)%

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

The following is a summary of changes in our segments' operating results for the three months ended March 31, 2026 as compared to the three months ended March 31, 2025, which are discussed below under "—Business Segment Results."

Changes attributable to	Three Months Ended March 31, 2026						
	Revenues	Direct operating expenses	Selling, general and administrative expenses	Depreciation and amortization	Impairments and other losses, net	Restructuring charges	Operating income (loss)
Sphere segment	\$ 108,420	\$ 28,690	\$ 10,192	\$ 269	\$ (442)	\$ 832	\$ 68,879
MSG Networks segment	(2,582)	(17,366)	(2,758)	(131)	—	741	16,932
	\$ 105,838	\$ 11,324	\$ 7,434	\$ 138	\$ (442)	\$ 1,573	\$ 85,811

Depreciation and amortization

For the three months ended March 31, 2026, depreciation and amortization increased \$138 as compared to the prior year period due to the increase in total property and equipment, gross in 2026 as compared to 2025.

Impairments and other losses, net

During the three months ended March 31, 2026, the Company recognized impairments and other losses, net of \$79. During the three months ended March 31, 2025, the Company recognized impairments and other losses, net of \$521 relating to fixed assets at Sphere Las Vegas that were removed from the venue and were impaired.

Restructuring charges

For the three months ended March 31, 2026, the Company recorded restructuring charges of \$3,414, as compared to restructuring

charges of \$1,841 in the three months ended March 31, 2025, respectively, primarily related to termination benefits provided as part of a voluntary exit program the Company implemented during the period.

Loss on extinguishment of debt

For the three months ended March 31, 2026, the Company recorded a loss on extinguishment of debt of \$2,071, related to the write-off of deferred financing costs in connection with the partial repayment of its 2022 LV Term Loan Facility.

Interest income

For the three months ended March 31, 2026, interest income increased \$73 as compared to the prior year period, primarily due to higher average cash and cash equivalent balances.

Interest expense

For the three months ended March 31, 2026, interest expense decreased \$18,167 as compared to the prior year period primarily due to (i) a reduction in the average outstanding principal balance of the MSGN Term Loan Facility as compared to the prior year period and (ii) the application of troubled debt restructuring for interest expense recognition for the MSGN Term Loan Facility as described in Note 10. Credit Facilities and Convertible Notes to the condensed consolidated financial statements included in “— Item 1. Financial Statements” of this Form 10-Q.

Other expense, net

For the three months ended March 31, 2026, other expense, net increased \$84 as compared to the prior year period, primarily due to smaller losses on equity method investments and foreign exchange.

Income tax expense

In general, the Company is required to use an estimated annual effective tax rate to measure the tax benefit or expense recognized in an interim period. The estimated annual effective tax rate is revised on a quarterly basis.

Income tax benefit for the three months ended March 31, 2026 of \$4,841 reflects an effective tax rate of 1,271%. The estimated annual effective tax rate exceeds the statutory federal tax rate of 21% primarily due to excess tax benefit related to shared-based compensation.

Income tax benefit for the three months ended March 31, 2025 of \$20,323 reflects an effective tax rate of 20%. The estimated annual effective tax rate is lower than the statutory federal tax rate of 21% primarily due to income tax expense related to nondeductible officer’s compensation, partially offset by income tax benefit from state and local taxes.

Adjusted operating income

The following is a reconciliation of operating income (loss) to adjusted operating income (as defined in Note 15. Segment Information to the condensed consolidated financial statements included in “— Item 1. Financial Statements” of this Form 10-Q) for the three months ended March 31, 2026 as compared to the prior year period:

	Three Months Ended		Change	
	2026	2025	Amount	Percentage
Operating income (loss)	\$ 7,202	\$ (78,609)	\$ 85,811	(109)%
Share-based compensation	13,910	21,595	(7,685)	(36)%
Depreciation and amortization	84,367	84,229	138	— %
Restructuring charges	3,414	1,841	1,573	85 %
Impairments and other losses, net	79	521	(442)	(85)%
Merger, debt work-out, and acquisition-related costs, including merger-related litigation expenses, net of insurance recoveries	87	4,791	(4,704)	(98)%
Amortization for capitalized cloud computing arrangement costs	917	1,579	(662)	(42)%
Remeasurement of deferred compensation plan liabilities	—	21	(21)	(100)%
Adjusted operating income	<u>\$ 109,976</u>	<u>\$ 35,968</u>	<u>\$ 74,008</u>	<u>NM</u>

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

Adjusted operating income for the three months ended March 31, 2026 increased \$74,008 as compared to the prior year period adjusted operating income of \$109,976. The changes in adjusted operating income were attributable to the Company's segments as follows:

Changes attributable to	Three Months Ended March 31, 2026
Sphere segment	\$ 61,143
MSG Networks segment	12,865
	<u>\$ 74,008</u>

For a discussion of these variances, see “—Business Segment Results” below.

Business Segment Results

Sphere

The tables below set forth, for the periods presented, certain historical financial information and a reconciliation of operating loss to adjusted operating income for the Company's Sphere segment.

	Three Months Ended March 31,		Change	
	2026	2025	Amount	Percentage
Revenues	\$ 265,965	\$ 157,545	\$ 108,420	69 %
Operating expenses:				
Direct operating expenses	99,226	70,536	28,690	41 %
Selling, general and administrative expenses	106,596	96,404	10,192	11 %
Depreciation and amortization	82,274	82,005	269	— %
Impairments and other losses, net	79	521	(442)	(85)%
Restructuring charges	2,673	1,841	832	45 %
Operating loss	\$ (24,883)	\$ (93,762)	\$ 68,879	(73)%
Reconciliation to adjusted operating income:				
Share-based compensation	13,143	19,954	(6,811)	(34)%
Depreciation and amortization	82,274	82,005	269	NM
Restructuring charges	2,673	1,841	832	45 %
Impairments and other losses, net	79	521	(442)	(85)%
Merger, debt work-out, and acquisition-related costs, including merger-related litigation expenses, net of insurance recoveries	87	988	(901)	(91)%
Amortization for capitalized cloud computing arrangement costs	917	1,579	(662)	(42)%
Remeasurement of deferred compensation plan liabilities	—	21	(21)	(100)%
Adjusted operating income	<u>\$ 74,290</u>	<u>\$ 13,147</u>	<u>\$ 61,143</u>	NM

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

Revenues

For the three months ended March 31, 2026, revenues increased \$108,420 as compared to the prior year period. The change in revenues was attributable to the following:

	Three Months Ended March 31, 2026
Increase in revenues for The Sphere Experience	\$ 81,673
Increase in event-related revenues	24,430
Increase in revenues from sponsorship, signage, Exosphere advertising and suite license fee revenues	1,595
Other net increases	722
	<u>\$ 108,420</u>

For the three months ended March 31, 2026, the increase in revenues for The Sphere Experience primarily reflects higher average per-show revenue due to the impact of The Wizard of Oz at Sphere, which debuted on August 28, 2025. In the current year period, The Sphere Experience reflected 209 performances of The Wizard of Oz at Sphere (which generated per-show revenue of approximately \$746). In the prior year period, The Sphere Experience reflected 200 total performances, comprised of 166 performances of *Postcard From Earth* and 34 performances of *V-U2 An Immersive Concert Film* (with generated a combined per-show revenue of approximately \$371).

For the three months ended March 31, 2026, the increase in event-related revenues reflects (i) higher revenues from brand events, due to the impact of one additional brand event held during the three months ended March 31, 2026 and higher per-event revenues, and (ii) higher revenues from concerts, primarily due to six additional concert residency shows held at Sphere in Las Vegas during the period.

For the three months ended March 31, 2026, the increase in revenues from sponsorship, signage, Exosphere advertising and suite license fees primarily reflects higher sponsorship revenues (due to increased sales of existing sponsorship inventory) and suite license fee revenues.

Direct operating expenses

For the three months ended March 31, 2026, direct operating expenses increased by \$28,690 as compared to the prior year period. The change in direct operating expenses was attributable to the following:

	Three Months Ended March 31, 2026
Increase in direct operating expenses for The Sphere Experience	\$ 18,126
Increase in event-related direct operating expenses	10,778
Increase in venue operating expenses	3,026
Decrease in Holoplot expenses	(1,942)
Decrease in expenses from sponsorship, signage, Exosphere advertising, and suite license fees	(1,003)
Other net decreases	(295)
	<u>\$ 28,690</u>

For the three months ended March 31, 2026, the increase in direct operating expenses for The Sphere Experience was primarily due to higher per-show expenses, primarily due to the impact of The Wizard of Oz at Sphere, which debuted on August 28, 2025. In the current year period, The Sphere Experience reflected 209 performances of The Wizard of Oz at Sphere (which incurred per-show direct operating expenses of approximately \$213). In the prior year period, The Sphere Experience reflected 200 total performances, comprised of 166 performances of *Postcard From Earth* and 34 performances of *V-U2 An Immersive Concert Film* (with incurred combined per-show direct operating expenses of approximately \$130).

For the three months ended March 31, 2026, the increase in event-related direct operating expenses reflects (i) higher expenses from brand events, due to an increase in per-event expenses and the impact of one additional brand event held during the current year period, and (ii) higher expenses from concerts, primarily due to an increase in the number of concert residency shows held at Sphere in Las Vegas as compared to the prior year period, partially offset by lower per-concert expenses.

For the three months ended March 31, 2026, the increase in venue operating expenses was primarily related to an increase in employee compensation and benefits and repairs and maintenance expenses.

Selling, general and administrative expenses

For the three months ended March 31, 2026, selling, general, and administrative expenses increased \$10,192 as compared to the prior year period, primarily due to the impact of mark-to-market adjustments on certain share-based compensation awards as a result of the Company's stock price appreciation during the period.

Impairments and other losses, net

During the three months ended March 31, 2026, the Company recognized Impairments and other losses, net of \$79. During the three months ended March 31, 2025, the Company recognized Impairments and other losses, net of \$521 relating to fixed assets at Sphere Las Vegas that were removed from the venue and were impaired.

Depreciation and amortization

For the three months ended March 31, 2026, depreciation and amortization increased \$269 as compared to the prior year period primarily due to the increase in total property and equipment, gross.

Restructuring charges

For the three months ended March 31, 2026, the Company recognized restructuring charges of \$2,673 as compared to restructuring charges of \$1,841 for the three months ended March 31, 2025, primarily due to termination benefits provided as part of a voluntary exit program the Company implemented during the three months ended March 31, 2026.

Operating loss

For the three months ended March 31, 2026, operating loss improved by \$68,879 as compared to the prior year period, primarily due to an increase in revenue, offset by an increase in direct operating expenses and selling, general and administrative expenses.

Adjusted operating income

For the three months ended March 31, 2026, adjusted operating income improved by \$61,143 as compared to the prior year period, primarily due to an increase in revenue, partially offset by an increase in direct operating expenses and selling, general and administrative expenses.

MSG Networks

The tables below set forth, for the periods presented, certain historical financial information and a reconciliation of operating income to adjusted operating income for the Company's MSG Networks segment.

	Three Months Ended March 31,		Change	
	2026	2025	Amount	Percentage
Revenues	\$ 120,447	\$ 123,029	\$ (2,582)	(2)%
Operating expenses:				
Direct operating expenses	70,421	87,787	(17,366)	(20)%
Selling, general and administrative expenses	15,107	17,865	(2,758)	(15)%
Depreciation and amortization	2,093	2,224	(131)	(6)%
Restructuring charges	741	—	741	NM
Operating income	\$ 32,085	\$ 15,153	\$ 16,932	112 %
Reconciliation to adjusted operating income:				
Share-based compensation	767	1,641	(874)	(53)%
Depreciation and amortization	2,093	2,224	(131)	(6)%
Restructuring charges	741	—	741	NM
Merger, debt work-out, and acquisition-related costs, including merger-related litigation expenses, net of insurance recoveries	—	3,803	(3,803)	(100)%
Adjusted operating income	\$ 35,686	\$ 22,821	\$ 12,865	56 %

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

Revenues

For the three months ended March 31, 2026, revenues decreased \$2,582, as compared to the prior year period. The change in revenues was attributable to the following:

	Three Months Ended March 31, 2026
Decrease in advertising revenue	\$ (4,896)
Increase in distribution revenue	1,773
Other net increases	541
	<u>\$ (2,582)</u>

For the three months ended March 31, 2026, advertising revenue decreased \$4,896 primarily due to a lower number of live regular season professional sports telecasts.

On December 31, 2024, MSG Networks' affiliation agreement with Altice expired, subsequent to which the Company's programming networks were not carried by Altice from January 1, 2025 through February 21, 2025. On February 22, 2025, MSG Networks reached a multi-year renewal of the affiliation agreement and Altice resumed carriage of the Company's programming networks. Furthermore, MSG Networks has experienced significant ongoing subscriber declines and is expected to continue to experience significant subscriber declines in the future, which is expected to negatively impact MSG Networks' revenue, operating income and AOI in future periods.

For the three months ended March 31, 2026, distribution revenue increased \$1,773, primarily due to the absence of revenues from Altice during the non-carriage period in the prior year period, partially offset by a decrease in total subscribers of approximately 16.0% (excluding the impact of the Altice non-carriage period in the prior year period).

Direct operating expenses

For the three months ended March 31, 2026, direct operating expenses decreased by \$17,366 as compared to the prior year period. The change in direct operating expenses was attributable to the following:

	Three Months Ended March 31, 2026
Decrease in rights fees expense	\$ (16,500)
Decrease in other programming and production content costs	(866)
	<u>\$ (17,366)</u>

On June 27, 2025, MSG Networks completed the restructuring of its credit facilities and amended certain of its media rights agreements to, among other things, effect a reduction in the annual media rights fees payable under such agreements effective as of January 1, 2025, discussed in further detail in Note 10. Credit Facilities and Convertible Notes and Note 14. Related Party Transactions to the condensed consolidated financial statements included in Part I of this Form 10-Q. For the three months ended March 31, 2026, rights fees expense decreased by \$16,500, primarily reflecting reductions in media rights fees for certain professional sports teams as a result of such amendments. Although the reductions in media rights fees for the certain professional sports teams were effective as of January 1, 2025, the media rights fees recorded in the three months ended March 31, 2025 were not impacted by those amendments given that the retroactive adjustments for the 2024-25 NBA and NHL seasons were recorded during the three months ended June 30, 2025.

Selling, general and administrative expenses

For the three months ended March 31, 2026, selling, general and administrative expenses decreased \$2,758 as compared to the prior year period, primarily due to (i) lower professional fees of \$3,643, mainly due to the absence of costs associated with pursuing a work-out of the Prior MSGN Credit Facilities with its syndicate of lenders recorded in the prior year period, and (ii) lower employee compensation and related benefits of \$2,283, partially offset by (iii) higher advertising and marketing costs of \$2,995.

Operating income

For the three months ended March 31, 2026, operating income increased by \$16,932 as compared to the prior year period, primarily due to a decrease in direct operating expenses and lower selling, general and administrative expenses, partially offset by a decrease in revenues.

Adjusted operating income

For the three months ended March 31, 2026, adjusted operating income increased by \$12,865 as compared to the prior year period, primarily due to a decrease in direct operating expenses, partially offset by a decrease in revenues and the absence of merger, debt work-out and acquisition related costs, net of insurance recoveries.

Liquidity and Capital Resources

Sources and Uses of Liquidity

The Company's primary sources of liquidity are cash and cash equivalents, cash flows from the operations of our businesses and available borrowings under the 2026 LV Sphere Revolving Credit Facility (as defined and described below). The Company's uses of cash over the next 12 months and thereafter are expected to be substantial and include working capital-related items (including funding its operations and satisfying its accounts payable and accrued liabilities), capital spending (including the creation of additional original content for Sphere), required debt service payments (including principal amortization payments and excess cash flow payments pursuant to the MSGN Term Loan Facility), and investments, including in connection with its Sphere initiative, and related loans and advances that the Company may fund from time to time. The Company may also use cash to repurchase its common stock. The Company's decisions as to the use of its available liquidity will be based upon the ongoing review of the funding needs of its businesses, the optimal allocation of cash resources, and the timing of cash flow generation. To the extent that the Company desires to access alternative sources of funding through the capital and credit markets, market conditions could adversely impact its ability to do so at that time.

As of March 31, 2026, the Company's unrestricted cash and cash equivalents balance was \$629,108, as compared to \$507,776 as of December 31, 2025. Included in unrestricted cash and cash equivalents as of March 31, 2026 was (1) \$380,923 in advance cash proceeds primarily from ticket sales, a portion of which the Company expects to pay to artists and promoters, and (2) \$32,979 of cash and cash equivalents at MSG Networks, which were not available for distribution to the Company pursuant to the terms of the A&R MSGN Credit Agreement. In April 2026, MSGN L.P. made a \$17,837 mandatory cash sweep payment based on excess cash as of March 31, 2026. In addition, as of March 31, 2026, the Company had \$36,484 of Accounts payable and \$427,060 of Accrued expenses and other current liabilities, including \$127,512 of capital expenditure accruals primarily related to Sphere construction (a significant portion of which is in dispute). The balance of the Company's total debt outstanding as of March 31, 2026 was \$810,390. We believe we have sufficient liquidity from cash and cash equivalents, cash flows from operations and available borrowings under the 2026 LV Sphere Revolving Credit Facility to fund our operations and service debt payments under our credit facilities for the foreseeable future.

The Company's ability to have sufficient liquidity to fund its operations, refinance its indebtedness and make investments, including in connection with its Sphere initiative, is dependent on the ability of Sphere to generate significant positive cash flow. Although Sphere has been embraced by guests, artists, promoters, advertisers and marketing partners, and the Company anticipates that Sphere will generate substantial revenue and adjusted operating income on an annual basis over time, there can be no assurance that guests, artists, promoters, advertisers and marketing partners will continue to embrace this platform. Original immersive productions, such as *Postcard From Earth*, *V-U2 An Immersive Concert Film* and *The Wizard of Oz at Sphere*, have not been previously pursued on the scale of Sphere, which increases the uncertainty of our operating expectations. To the extent that the Company's efforts do not result in viable shows, or to the extent that any such productions do not achieve expected levels of popularity among audiences, the Company may not generate the cash flows from operations necessary to fund its operations. To the extent the Company does not realize expected cash flows from operations from Sphere, it would have to take several actions to improve its financial flexibility and preserve liquidity, including significant reductions in both labor and non-labor expenses as well as reductions and/or deferrals in capital spending. Therefore, while the Company currently believes it will have sufficient liquidity from cash and cash equivalents, cash flows from operations (including expected cash flows from operations from Sphere) and available borrowings under the 2026 LV Sphere Revolving Credit Facility to fund its operations, no assurance can be provided that its liquidity will be sufficient in the event any of the preceding uncertainties facing Sphere are realized over the next 12 months. See "Part I —Item 1A. Risk Factors — Risks Related to Our Indebtedness, Financial Condition, and Internal Control — *We Have Substantial Indebtedness and Are Highly Leveraged, Which Could Adversely Affect Our Business*" in the Form 10-K.

For additional information regarding the Company's capital expenditures, including those related to Sphere in Las Vegas, see the Company's statements of cash flows included in the condensed consolidated financial statements in Part I — Item 1. of this Form 10-Q.

On March 31, 2020, the Company's Board of Directors authorized a share repurchase program to repurchase up to \$350,000 of the Company's Class A Common Stock. The program was re-authorized by the Company's Board of Directors on March 29, 2023. Under the authorization, shares of Class A Common Stock may be purchased from time to time in open market or private transactions, block trades or such other manner as the Company may determine, in accordance with applicable insider trading and other securities laws and regulations. The timing and amount of purchases will depend on market conditions and other factors. During the three months ended March 31, 2026, the Company did not engage in any share repurchase activities under its share repurchase program. As of March 31, 2026, the Company had approximately \$300,000 remaining available for repurchases of the Company's Class A Common Stock.

Sphere

The Company opened Sphere in Las Vegas in September 2023. See "Part I — Item 1. Our Business — Sphere" in the Form 10-K. The venue has a number of revenue streams, including The Sphere Experience (which includes original immersive productions), advertising and marketing partnerships, concert residencies, brand events and marquee sporting events, each of which the Company expects to become significant over time. As a result, we anticipate that Sphere in Las Vegas will generate substantial revenue and adjusted operating income on an annual basis over time.

On October 15, 2024, the Company and DCT Abu Dhabi announced that they would work together to bring Sphere to Abu Dhabi, United Arab Emirates. On July 25, 2025, Sphere Entertainment Group and DCT Abu Dhabi finalized and entered into a Franchise Agreement, a Joint Development and Partnership Agreement and a Pre-Opening Services Agreement relating to the construction, development and operation of Sphere Abu Dhabi. Under the terms of the Franchise Agreement, DCT Abu Dhabi has agreed to pay Sphere Entertainment Group a franchise initiation fee (a portion of which has been received) and royalties in connection with DCT Abu Dhabi's use of Sphere Entertainment Group's intellectual property (including The Sphere Experience content and other creative content). Pursuant to the terms of the Pre-Opening Services Agreement, Sphere Entertainment Group is providing pre-construction and construction related services to DCT Abu Dhabi, with construction being funded by DCT Abu Dhabi. Following the venue's opening, the Company will receive annual royalty fees for creative and artistic content licensed by Sphere Entertainment Group, such as The Sphere Experience content, and use of Sphere's intellectual property and other ancillary content. In addition, prior to the opening of Sphere Abu Dhabi, Sphere Entertainment Group and DCT Abu Dhabi expect to enter into an Operational Services Agreement, pursuant to which Sphere Entertainment Group will provide to be agreed upon operational services to DCT Abu Dhabi prior to and following the opening of Sphere Abu Dhabi. In January 2026, the Company, the State of Maryland, Prince George's County, and Peterson Companies announced the intent to develop a new Sphere venue at National Harbor, Maryland. Any construction, development, financing and operation of a Sphere venue at National Harbor is contingent upon, among other things, negotiation and execution of definitive agreements, as well as receipt of certain governmental incentives and approvals from Prince George's County and the State of Maryland.

The Company will continue to explore additional domestic and international markets where it believes Sphere venues can be successful. The Company's intention for any future venues is to utilize several options, such as joint ventures, equity partners, a managed venue or franchise model, sale-leaseback arrangements and debt financing, which could include guarantees thereof by Sphere Entertainment Co. or its subsidiaries.

Financing Agreements

See Note 10. Credit Facilities and Convertible Notes to the condensed consolidated financial statements included in Part I — Item 1. of this Form 10-Q for discussions of the Company's debt obligations and various financing arrangements.

MSGN Term Loan Facility

General. MSGN Holdings, L.P. ("MSGN L.P."), MSGN Eden, LLC ("MSGN Eden"), Regional MSGN Holdings LLC ("Regional MSGN"), and certain subsidiaries of MSGN L.P. had senior secured credit facilities pursuant to a credit agreement (as amended and restated on October 11, 2019, and as further amended from time to time prior to June 27, 2025, the "Prior MSGN Credit Agreement") consisting of (i) an initial \$1,100,000 term loan facility and (ii) a \$250,000 revolving credit facility (together, the "Prior MSGN Credit Facilities"). The outstanding principal amount under the Prior MSGN Credit Agreement of \$829,125 matured without repayment on October 11, 2024, and an event of default occurred pursuant to the Prior MSGN Credit Agreement due to MSGN L.P.'s failure to make payment on the outstanding principal amount on the maturity date.

On June 27, 2025, MSG Networks, MSGN L.P., MSGN Eden, Regional MSGN, Rainbow Garden Corp. and certain subsidiaries of MSGN L.P. entered into a second amended and restated credit agreement (the “A&R MSGN Credit Agreement”) with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (the “MSGN Lenders”). The A&R MSGN Credit Agreement amended and restated the Prior MSGN Credit Agreement in its entirety.

Pursuant to the A&R MSGN Credit Agreement, the Prior MSGN Credit Facilities were replaced with the MSGN Term Loan Facility, which had an original principal amount of \$210,000 and matures on December 31, 2029. The outstanding balance under the MSGN Term Loan Facility was \$284,852 as of March 31, 2026. In April 2026, MSGN L.P. made a mandatory cash sweep payment of \$17,837 based on excess cash as of March 31, 2026.

Interest Rates. Borrowings under the A&R MSGN Credit Agreement bear interest at a rate per annum, which at the option of MSGN L.P., may be equal to either (i) adjusted Term SOFR (i.e., Term SOFR as defined in the A&R MSGN Credit Agreement, plus 0.10%) plus 5.00% or (ii) Alternate Base rate, as defined in the A&R MSGN Credit Agreement, plus 4.00%. Upon a payment default in respect of principal, interest or other amounts due and payable under the A&R MSGN Credit Agreement or related loan documents, default interest will accrue on all overdue amounts at an additional rate of 2.00% per annum. The interest rate on the MSGN Term Loan Facility as of March 31, 2026 was 8.77%.

Covenants. The A&R MSGN Credit Agreement and the related security agreement contain certain customary representations and warranties, and certain affirmative covenants and events of default. The A&R MSGN Credit Agreement contains significant restrictions (and in some cases prohibitions) on the ability of MSGN L.P. and the MSGN Subsidiary Guarantors (as defined below) to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the A&R MSGN Credit Agreement, including without limitation the following: (i) incurring additional indebtedness and contingent liabilities; (ii) creating or granting liens on certain assets; (iii) making investments, loans or advances in or to other persons; (iv) paying dividends and distributions or repurchasing capital stock; (v) changing its lines of business; (vi) engaging in certain transactions with affiliates; (vii) amending specified agreements; (viii) with respect to restricted subsidiaries, issuing shares of stock such that MSGN L.P.’s ownership of any such restricted subsidiary is reduced; (ix) merging, dissolving, liquidating, consolidating, or disposing of all or substantially all of its assets; (x) making certain dispositions; (xi) making certain changes to its accounting practices; (xii) entering into agreements that restrict the granting of liens; (xiii) requesting any borrowing the proceeds of which are used in violation of anti-corruption laws or sanctions; (xiv) engaging in a liability management transaction; and (xv) limiting certain operating expenses incurred by MSGN L.P. and the MSGN Guarantors (as defined below). The MSGN Holdings Entities are subject to the restrictions described in the foregoing clauses (iv) and (xv), as well as customary passive holding company covenants.

Principal Repayments. Subject to customary notice and minimum amount conditions, MSGN L.P. may voluntarily prepay outstanding loans under the A&R MSGN Credit Agreement at any time, in whole or in part, without premium or penalty (except for customary breakage costs with respect to Term Benchmark (as defined in the A&R MSGN Credit Agreement) loans). The MSGN Term Loan Facility has a fixed amortization of \$10,000 per quarter, which commenced on September 30, 2025. During the three months ended March 31, 2026, MSGN L.P. made a fixed amortization payment of \$10,000. MSGN L.P. is required to make mandatory prepayments pursuant to a mandatory cash sweep, determined at the end of each fiscal quarter, that requires 100% of MSGN L.P.’s and the MSGN Subsidiary Guarantors’ excess balance sheet cash over certain thresholds (subject to certain exclusions) to be used to repay the principal amount outstanding. In April 2026, MSGN L.P. made a \$17,837 mandatory cash sweep payment based on excess cash as of March 31, 2026. MSGN L.P. is further required to make mandatory prepayments in certain circumstances, including from the net cash proceeds of certain dispositions of assets or casualty insurance and/or condemnation awards (subject to a threshold below which payments are not required, as well as certain reinvestment, repair and replacement rights) and upon the incurrence of indebtedness (subject to certain exceptions).

In connection with the execution of the A&R MSGN Credit Agreement, the Limited Partnership Agreement of MSGN L.P. was amended to provide for the issuance of contingent interest units (the “Contingent Interest Units”) to the MSGN Lenders. Beginning with the fiscal calendar year-end following the repayment in full of the MSGN Term Loan Facility, the Contingent Interest Units entitle the MSGN Lenders to receive annual payments in an amount equal to 50% of the difference between MSGN L.P.’s balance sheet cash (subject to certain exclusions) and certain minimum cash balances, specified with respect to the applicable measurement date, until the earlier of (i) December 31, 2029 and (ii) payment of \$100,000 in the aggregate to the MSGN Lenders. The Contingent Interest Units are also entitled to receive 50% of the proceeds of a merger and/or acquisition event related to MSG Networks and its subsidiaries occurring prior to December 31, 2029, subject to an aggregate cap of \$100,000 considered together with the annual payments of excess cash described in the previous sentence.

Guarantors and Collateral. All obligations under the A&R MSGN Credit Agreement are guaranteed by the MSGN Holdings Entities and MSGN L.P.’s direct and indirect domestic subsidiaries that are not designated as unrestricted subsidiaries (the “MSGN Subsidiary Guarantors” and, together with the MSGN Holdings Entities, the “MSGN Guarantors”). All obligations under the A&R MSGN Credit

Agreement, including the guarantees of those obligations, are secured by certain of the assets of MSGN L.P. and each MSGN Guarantor (collectively, “MSGN Collateral”), including, but not limited to, a pledge of the equity interests in MSGN L.P. held directly by the MSGN Holdings Entities and the equity interests in each MSGN Subsidiary Guarantor held directly or indirectly by MSGN L.P. Sphere Entertainment Co., Sphere Entertainment Group and the subsidiaries of Sphere Entertainment Group (collectively, the “Non-Credit Parties”) are not legally obligated to repay the outstanding borrowings under the MSGN Term Loan Facility, nor are the assets of the Non-Credit Parties pledged as security under the MSGN Term Loan Facility.

2026 LV Sphere Facilities

General. On January 29, 2026, MSG Las Vegas, LLC (“MSG LV”) entered into a credit agreement with JPMorgan Chase Bank, N.A., as Administrative Agent and L/C Issuer, and the lenders party thereto, which refinanced in full the 2022 LV Sphere Term Loan Facility (as defined and described in Note 10. Credit Facilities and Convertible Notes to the condensed consolidated financial statements included in Part I — Item 1. of this Form 10-Q). The new credit agreement provides for (i) a \$275,000 senior secured term loan facility (the “2026 LV Sphere Term Loan Facility”), the proceeds of which were used to refinance the 2022 LV Sphere Term Loan Facility, and (ii) a senior secured revolving credit facility in the maximum principal amount of \$275,000 (the “2026 LV Sphere Revolving Credit Facility” and collectively, the “2026 LV Sphere Facilities”), the proceeds of which are available to be used for working capital and general corporate purposes, including distributions to Sphere Entertainment Group. All obligations under the 2026 LV Sphere Facilities are guaranteed by Sphere Entertainment Group. None of Sphere Entertainment Co., MSG Networks, MSGN L.P. or any of the subsidiaries of MSGN L.P. are parties to the 2026 LV Sphere Facilities.

Financial Covenants. The 2026 LV Sphere Facilities include financial covenants requiring MSG LV to maintain a minimum debt service coverage ratio of 2.50:1.00 and a maximum total leverage ratio of 3.50:1.00. Both covenants are tested quarterly based on the four consecutive fiscal quarters of MSG LV then most recently ended. As of March 31, 2026, MSG LV was in compliance with the financial covenants of the 2026 LV Sphere Facilities.

Principal Repayments. The 2026 LV Sphere Facilities will mature on January 29, 2031. Commencing with the fiscal quarter ending March 31, 2028, the principal obligations under the 2026 LV Sphere Term Loan Facility will be subject to amortization payments of 5% per annum, paid in quarterly installments, with the remainder of the term loans due at maturity. Under certain circumstances, MSG LV is required to make mandatory prepayments on the loans, including prepayments in an amount equal to the net cash proceeds of casualty insurance and/or condemnation recoveries (subject to certain reinvestment, repair or replacement rights), subject to certain exceptions.

Interest Rates. Borrowings under the 2026 LV Sphere Facilities bear interest at a floating rate, which at the option of MSG LV may be either (i) Term SOFR (as defined in the 2026 LV Sphere Facilities) plus a margin that ranges from 2.50% to 3.00% based on MSG LV’s total leverage ratio or (ii) the Alternative Base Rate (as defined in the 2026 LV Sphere Facilities) plus a margin that ranges from 1.50% to 2.00% based on MSG LV’s total leverage ratio. The interest rate on the LV Sphere Term Loan Facility as of March 31, 2026 was 6.42%.

Guarantors and Collateral. All obligations under the 2026 LV Sphere Facilities are guaranteed by Sphere Entertainment Group. All obligations under the 2026 LV Sphere Facilities, including the guarantees of those obligations, are secured by all of the assets of MSG LV, including, but not limited to, MSG LV’s leasehold interest in the land on which the Sphere in Las Vegas is located and a pledge of the equity interests in MSG LV held directly by Sphere Entertainment Group.

Covenants. In addition to the financial covenants described above, the 2026 LV Sphere Facilities and the related guaranty and security and pledge agreements contain certain customary representations and warranties, affirmative and negative covenants and events of default. The 2026 LV Sphere Facilities contain certain restrictions on the ability of MSG LV to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the 2026 LV Sphere Facilities, including the following: (i) incurring additional indebtedness; (ii) incurring liens on its assets; (iii) making investments, loans or advances in or to other persons; (iv) paying dividends and distributions to the extent a default or event of default under the 2026 LV Sphere Facilities is in effect at such time or the debt service reserve account is not funded to the extent required; (v) changing its lines of business; (vi) engaging in certain transactions with affiliates; (vii) amending organizational documents; (viii) merging or consolidating; and (ix) making certain dispositions.

3.50% Convertible Senior Notes

On December 8, 2023, the Company completed a private unregistered offering of \$258,750 in aggregate principal amount of its 3.50% Convertible Senior Notes due 2028 (the “3.50% Convertible Senior Notes”), which amount includes the full exercise of the initial purchasers’ option to purchase additional 3.50% Convertible Senior Notes. See Note 14. Credit Facilities and Convertible Notes to the Audited Consolidated Financial Statements included in the Form 10-K, for details on the 3.50% Convertible Senior Notes.

Letters of Credit

The Company uses letters of credit to support its business operations. The Company has letters of credit relating to operating leases which are supported by cash and cash equivalents that are classified as restricted.

Contractual Obligations

See Note 9. Commitments and Contingencies to the condensed consolidated financial statements included in “— Item 1. Financial Statements” of this Form 10-Q.

Cash Flow Discussion

As of March 31, 2026, cash, cash equivalents and restricted cash totaled \$630,151, as compared to \$521,264 as of December 31, 2025. The following table summarizes the Company’s cash flow activities for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
	2026	2025
Net cash provided by operating activities	\$ 136,241	\$ 6,348
Net cash used in investing activities	(5,005)	(17,570)
Net cash used in financing activities	(22,263)	(26,307)
Effect of exchange rates on cash, cash equivalents and restricted cash	(86)	98
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ 108,887</u>	<u>\$ (37,431)</u>

Operating Activities

Net cash provided by operating activities attributable to changes in assets and liabilities for the three months ended March 31, 2026 and 2025 equaled \$27,575 and \$(5,257), respectively, a net increase of \$32,832. The primary drivers of that net change are as follows.

The Company had increases in cash provided by operating activities related to (i) Prepaid expenses and other current and non-current assets of \$40,667, primarily due lower deferred production cost spending related to Experiences, and the amortization of deferred production costs related to residencies and brand events (ii) Accounts payable of \$11,633 due to the timing of payments to vendors, and (iii) Related party receivables and payables, net of \$5,620 due to the timing of related party settlements.

These increases in cash provided by operating activities were partially offset by increases in cash used in operating activities related to (i) Accrued and other current liabilities of \$18,584 for accrued expenses, including compensation and employee related benefits, (ii) Deferred revenue of \$4,225, primarily due to the timing and mix of events at the Sphere, and (iii) Accounts receivable of \$2,315, primarily due to the timing of billings and cash collections.

In addition to the net increase in cash used in operating activities driven by changes in assets and liabilities, the Company generated net income of \$4,460 in the current year period, compared to a net loss of \$81,954 in the prior year period, as adjusted by non-cash net amounts of \$104,206 in the current year period, compared to \$93,559 in the prior year period. Refer to “— Business Segment Results” for further detail pertaining to the Company’s operating results.

Investing Activities

Net cash used in investing activities for the three months ended March 31, 2026 decreased by \$12,565 as compared to the prior year period primarily due lower capital expenditures in the current year period.

Financing Activities

Net cash used in financing activities for the three months ended March 31, 2026 decreased by \$4,044 as compared to the prior year period, primarily due to (i) a \$6,149 decrease in principal repayments of debt in the current year period, and (ii) \$2,507 in cash proceeds from the exercise of stock options, partially offset by (iii) \$4,612 of taxes paid in lieu of shares issued for equity based compensation awards.

Seasonality of Our Business

Our MSG Networks segment generally earns a higher share of its annual revenues in the first and fourth quarters of the year as a result of MSG Networks’ advertising revenue being largely derived from the sale of inventory in its live NBA and NHL professional sports programming.

Recently Issued Accounting Pronouncements and Critical Accounting Estimates

Recently Issued and Adopted Accounting Pronouncements

See Note 2. Accounting Policies to the condensed consolidated financial statements included in “— Item 1. Financial Statements” of this Form 10-Q, for discussion of recently issued and adopted accounting pronouncements.

Critical Accounting Estimates

There have been no material changes to the Company’s critical accounting policies. The following discussion has been included to provide the results of our annual impairment testing of goodwill performed during the quarterly period ended September 30, 2025.

Impairment of Goodwill

Goodwill is tested annually for impairment as of August 31 and at any time upon the occurrence of certain events or substantive changes in circumstances. The Company performs its goodwill impairment test at the reporting unit level. At the time of the annual impairment test and as of March 31, 2026, the Company had two reportable segments and two reporting units, Sphere and MSG Networks, consistent with the way management makes decisions and allocates resources to the business.

The goodwill balance reported on the Company’s condensed consolidated balance sheets as of March 31, 2026 by reporting unit was as follows:

	As of March 31, 2026
Sphere	\$ 46,864
MSG Networks	297,908
Total Goodwill	\$ 344,772

The Company has the option to perform a qualitative assessment to determine if an impairment is more likely than not to have occurred. If the Company can support the conclusion that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company would not need to perform a quantitative impairment test for that reporting unit. If the Company cannot support such a conclusion or the Company does not elect to perform the qualitative assessment, a quantitative goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. The estimates of the fair value of the Company’s reporting units are primarily determined using discounted cash flows, comparable market transactions or other acceptable valuation techniques, including the cost approach. These valuations are based on estimates and assumptions including projected future cash flows, discount rates, cost-based assumptions, determination of appropriate market comparables and the determination of whether a premium or discount should be applied to comparables. Significant judgments inherent in a discounted cash flow analysis include the selection of the appropriate discount rate, the estimate of the amount and timing of projected future cash flows and identification of appropriate continuing growth rate assumptions. The discount rates used in the analysis are intended to reflect the risk inherent in the projected future cash flows.

In the event a quantitative goodwill impairment assessment is performed, the reporting unit’s amortizable intangible assets and other long-lived assets are first tested for impairment. In doing so, amortizable intangible assets and other long-lived assets are grouped and evaluated for impairment at the lowest level for which there are identifiable cash flows that are independent from cash flows from other assets and liabilities. In determining whether an impairment of long-lived assets has occurred, the Company considers both qualitative and quantitative factors. The quantitative analysis involves estimating the undiscounted future cash flows directly related to that asset group and comparing the resulting value against the carrying value of the asset group. If the carrying value of the asset group is greater than the sum of the undiscounted future cash flows, an impairment loss is recognized for the difference between the carrying value of the asset group and its estimated fair value, before recording any impairment of goodwill. The amount of any remaining goodwill impairment loss is subsequently measured as the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill.

The Company elected to perform the qualitative assessment of impairment for its Sphere reporting unit during the quarterly period ended September 30, 2025. This assessment considered qualitative factors such as:

- macroeconomic conditions;
- industry and market considerations;
- cost factors;
- overall financial performance of the reporting units;

- other relevant company-specific factors such as changes in management, strategy or customers; and
- relevant reporting unit specific events such as changes in the carrying amount of net assets.

No impairment of Sphere's goodwill was identified as a result of this assessment as the Company concluded that the reporting unit had a sufficient safety margin, representing the excess of the estimated fair value of the reporting unit, derived from the most recent quantitative assessments, less its respective carrying value (including goodwill). The Company believes that if the fair value of the reporting unit exceeds its carrying value by greater than 10%, a sufficient safety margin has been realized.

For the Company's MSG Networks reporting unit, the Company performed a quantitative assessment of impairment. In doing so, the Company estimated the fair value of the MSG Networks reporting unit based on a discounted cash flow model (income approach). This approach relied on numerous assumptions and judgments within the model that were subject to various risks and uncertainties. Principal assumptions utilized, all of which are considered Level III inputs under the fair value hierarchy, include the Company's estimates of future revenue, estimates of future operating cost, margin assumptions, terminal growth rates and the discount rate applied to estimate future cash flows. The assumptions utilized were subject to a high degree of judgment and complexity, particularly in light of economic and operational uncertainty relating to the MSG Networks business.

Based upon the results of the Company's annual quantitative impairment test, the Company concluded that the carrying value of the MSG Networks reporting unit exceeded its estimated fair value as of the annual impairment testing date. Based on the evaluation of amortizable intangible assets and other long-lived assets performed as of the annual impairment testing date, the Company did not record any impairments of such assets. The Company did however record a non-cash goodwill impairment charge of \$65,400 for the MSG Networks reporting unit as a result of the projected declines in the reporting unit's business. The goodwill impairment charge was calculated as the amount that the carrying value of the reporting unit, including any goodwill, exceeded its fair value as of the annual impairment testing date. No additional indicators of impairment were identified through March 31, 2026.

The Company continues to closely monitor the performance and fair value of its MSG Networks reporting unit. A significant adverse change in market factors or the business outlook for the MSG Networks reporting unit could negatively impact the fair value of the MSG Networks reporting unit and result in an additional goodwill impairment charge at that time.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to the disclosures regarding market risks in connection with our pension and postretirement plans. See Item 7A "Quantitative and Qualitative Disclosures About Market Risk" of the Form 10-K.

Potential Interest Rate Risk Exposure

The Company, through its subsidiaries, MSG Networks and MSG LV, is subject to potential interest rate risk exposure related to borrowings incurred under their respective credit facilities. Changes in interest rates may increase interest expense payments with respect to any borrowings incurred under these credit facilities. The effect of a hypothetical 200 basis point increase in floating interest rate prevailing as of March 31, 2026 and continuing for a full year would increase the Company's interest payments on the outstanding amounts under the credit facilities by \$11,197.

Foreign Currency Exchange Rate Exposure

We are exposed to market risk resulting from foreign currency fluctuations primarily related to our activities in the United Kingdom and Germany conducted in British pound sterling and Euros, respectively.

British pound sterling exposure was as a result of our net investment position initiated with our acquisition of land in Stratford, London in November 2017, which we expected would become home to a future Sphere, and through cash and invested funds which we expected would be deployed in the construction of our London venue prior to the Company's decision in November 2023 to no longer pursue the development of a Sphere in London and the subsequent sale of the land during the three months ended June 30, 2025. Subsequent to the sale of the Stratford land, the Company's activities in the United Kingdom primarily relate to entities supporting Sphere expansion efforts. During the twelve months ended March 31, 2026, the GBP/USD exchange rate ranged from 1.2735 to 1.3854 as compared to GBP/USD exchange rate of 1.3235 on March 31, 2026, a fluctuation range of approximately 4.30%. As of March 31, 2026, a uniform hypothetical 10% fluctuation in the GBP/USD exchange rate would have resulted in a change of approximately \$40 in the Company's net asset value.

Following the acquisition of Holoplot on April 25, 2024, which is based in Berlin, Germany, we are also exposed to market risk resulting from foreign currency fluctuations related to the Euro. During the twelve months ended March 31, 2026, the EUR/USD exchange rate ranged from 1.0795 to 1.2043 as compared to EUR/USD exchange rate of 1.1554 on March 31, 2026, a fluctuation range of approximately 5.63%. As of March 31, 2026, a uniform hypothetical 10% fluctuation in the EUR/USD exchange rate would have resulted in a change of approximately \$360 in the Company's net asset value.

We may evaluate and decide, to the extent reasonable and practical, to reduce the translation risk of foreign currency fluctuations by entering into foreign currency forward exchange contracts with financial institutions. If we were to enter into such hedging transactions, the market risk resulting from foreign currency fluctuations is unlikely to be entirely eliminated. We do not plan to enter into derivative financial instrument transactions for foreign currency speculative purposes.

Item 4. Controls and Procedures

Our management, with the participation of our Executive Chairman and Chief Executive Officer and our Executive Vice President, Chief Financial Officer and Treasurer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on that evaluation, our Executive Chairman and Chief Executive Officer and our Executive Vice President, Chief Financial Officer and Treasurer concluded that the Company’s disclosure controls and procedures were effective as of March 31, 2026.

Changes in Internal Control over Financial Reporting

There were no changes in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Fifteen complaints were filed in connection with the Networks Merger by purported stockholders of the Company and MSG Networks Inc.

Nine of these complaints involved allegations of materially incomplete and misleading information set forth in the joint proxy statement/prospectus filed by the Company and MSG Networks Inc. in connection with the Networks Merger. As a result of supplemental disclosures made by the Company and MSG Networks Inc. on July 1, 2021, all of the disclosure actions were voluntarily dismissed with prejudice prior to or shortly following the consummation of the Networks Merger.

Six complaints involved allegations of fiduciary breaches in connection with the negotiation and approval of the Networks Merger and were consolidated into two remaining litigations.

On September 10, 2021, the Court of Chancery of the State of Delaware (the “Court”) entered an order consolidating two derivative complaints filed by purported Company stockholders. The consolidated action is captioned: *In re Madison Square Garden Entertainment Corp. Stockholders Litigation*, C.A. No. 2021-0468-KSJM (the “MSG Entertainment Litigation”). The consolidated plaintiffs filed their Verified Consolidated Derivative Complaint on October 11, 2021. The complaint, which named the Company as only a nominal defendant, retained all of the derivative claims and alleged that the members of the board of directors and controlling stockholders violated their fiduciary duties in the course of negotiating and approving the Networks Merger. Plaintiffs sought, among other relief, an award of damages to the Company including interest, and plaintiffs’ attorneys’ fees. Pursuant to the indemnity rights in its bylaws and Delaware law, the Company advanced the costs incurred by defendants in this action, and defendants asserted indemnification rights in respect of any adverse judgment or settlement of the action.

On March 14, 2023, the parties to the MSG Entertainment Litigation reached an agreement in principle to settle the MSG Entertainment Litigation, without admitting liability, on the terms and conditions set forth in a binding term sheet, which was incorporated into a long-form settlement agreement (the “MSG Settlement Agreement”) that was filed with the Court on April 20, 2023. The MSG Settlement Agreement provided for, among other things, the final dismissal of the MSG Entertainment Litigation in exchange for a settlement payment to the Company of approximately \$85 million, subject to customary reduction for attorneys’ fees and expenses, in an amount to be determined by the Court. The settlement’s amount was fully funded by the other defendants’ insurers. The MSG Settlement Agreement was approved by the Court on August 14, 2023, which constituted the final judgment in the action.

On September 27, 2021, the Court entered an order consolidating four complaints filed by purported former stockholders of MSG Networks Inc. The consolidated action is captioned: *In re MSG Networks Inc. Stockholder Class Action Litigation*, C.A. No. 2021-0575-KSJM (the “MSG Networks Litigation”). The consolidated plaintiffs filed their Verified Consolidated Stockholder Class Action Complaint on October 29, 2021. The complaint asserted claims on behalf of a putative class of former MSG Networks Inc. stockholders against each member of the board of directors of MSG Networks Inc. and the controlling stockholders prior to the Networks Merger. Plaintiffs alleged that the MSG Networks Inc. board of directors and controlling stockholders breached their fiduciary duties in negotiating and approving the Networks Merger. The Company was not named as a defendant but was subpoenaed to produce documents and testimony related to the Networks Merger. Plaintiffs sought, among other relief, monetary damages for the putative class and plaintiffs’ attorneys’ fees. Pursuant to the indemnity rights in its bylaws and Delaware law, the Company advanced the costs incurred by defendants in this action, and defendants asserted indemnification rights in respect of any adverse judgment or settlement of the action.

On April 6, 2023, the parties to the MSG Networks Litigation reached an agreement in principle to settle the MSG Networks Litigation, without admitting liability, on the terms and conditions set forth in a binding term sheet, which was incorporated into a long-form settlement agreement (the “MSGN Settlement Agreement”) that was filed with the Court on May 18, 2023. The MSGN Settlement Agreement provided for, among other things, the final dismissal of the MSG Networks Litigation in exchange for a settlement payment to the plaintiffs and the class of approximately \$48.5 million, of which approximately \$28 million has been paid by the Company and approximately \$20.5 million has been paid to the plaintiffs by insurers (who agreed to advance these costs subject to final resolution of the parties’ insurance coverage dispute). The MSGN Settlement Agreement was approved by the Court on August 14, 2023, which constituted the final judgment in the action. MSG Networks Inc. has a dispute with its insurers over whether and to what extent there is insurance coverage for the settlement (and has settled with one of the insurers). As of March 31, 2026, approximately \$18 million has been accrued in Accrued expenses and other current liabilities (reduced from approximately \$20.5 million accrued as of March 31, 2024 in connection with the aforementioned settlement). Unless MSG Networks Inc. and the remaining insurers settle that insurance dispute, it is expected to be finally resolved in a pending Delaware insurance coverage action.

The Company is a defendant in various other lawsuits. Although the outcome of these other lawsuits cannot be predicted with certainty (including the extent of available insurance, if any), management does not believe that resolution of these other lawsuits will have a material adverse effect on the Company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On March 31, 2020, the Company's Board of Directors authorized a share repurchase program to repurchase up to \$350 million of the Company's Class A Common Stock. The program was re-authorized by the Company's Board of Directors on March 29, 2023. Under the authorization, shares of Class A Common Stock may be purchased from time to time in open market or private transactions, block trades or such other manner as the Company may determine, in accordance with applicable insider trading and other securities laws and regulations. The timing and amount of purchases will depend on market conditions and other factors. During the three months ended March 31, 2026, the Company did not engage in any share repurchase activities under its share repurchase program. As of March 31, 2026, the Company had approximately \$300 million remaining available for repurchases of the Company's Class A Common Stock.

Item 5. Other Information

Director or Officer Adoption or Termination of Trading Agreements

On February 25, 2026, James L. Dolan, the Company's Executive Chairman and Chief Executive Officer, agreed to pledge 977,835 shares of Class A Common Stock of the Company (and certain trusts for the benefit of members of the Dolan family agreed to pledge 51,059 shares of Class A Common Stock of the Company) to JPMorgan Chase Bank, N.A. to secure obligations under a Secured Margin Line of Credit Note (the "Note") pursuant to a Margin Line of Credit Collateral Agreement (the "Collateral Agreement"). Extensions of credit under the Note shall be made from time to time for various tenors as set forth in the Note. The transactions contemplated by the Collateral Agreement are intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Securities Exchange Act of 1934.

Item 6. Exhibits

(a) Index to Exhibits

EXHIBIT

NO.	DESCRIPTION
<u>10.1</u>	<u>Form of Sphere Entertainment Co. Restricted Stock Units Agreement under the 2020 Employee Stock Plan, as amended (2026).</u> ‡
<u>10.2</u>	<u>Form of Sphere Entertainment Co. Performance Restricted Stock Units Agreement under the 2020 Employee Stock Plan, as amended (2026).</u> ‡
<u>10.3</u>	<u>Form of Sphere Entertainment Co. Option Agreement under the 2020 Employee Stock Plan, as amended (2026).</u> ‡
<u>10.4</u>	<u>Form of Sphere Entertainment Co. Performance Option Agreement under the 2020 Employee Stock Plan, as amended (2026).</u> ‡
<u>10.5</u>	<u>Form of Sphere Entertainment Co. Restricted Stock Units Agreement in respect of Restricted Stock Units granted under the MSG Networks Inc. 2010 Employee Stock Plan, as amended (2026).</u> ‡
<u>10.6</u>	<u>Form of Sphere Entertainment Co. Performance Restricted Stock Units Agreement in respect of Performance Restricted Stock Units granted under the MSG Networks Inc. 2010 Employee Stock Plan, as amended (2026).</u> ‡
<u>31.1</u>	<u>Certification by the Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>31.2</u>	<u>Certification by the Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>32.1</u> *	<u>Certification by the Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>32.2</u> *	<u>Certification by the Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101	The following materials from Sphere Entertainment Co. Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) condensed consolidated balance sheets, (ii) condensed consolidated statements of operations, (iii) condensed consolidated statements of comprehensive income (loss), (iv) condensed consolidated statements of cash flows, (v) condensed consolidated statements of stockholders' equity, and (vi) notes to condensed consolidated financial statements.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 formatted in Inline XBRL and contained in Exhibit 101.

‡ This exhibit is a management contract or a compensatory plan or arrangement.

* Furnished herewith. These exhibits shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 5th day of May 2026.

Sphere Entertainment Co.

By: /s/ ROBERT LANGER

Name: Robert Langer

Title: Executive Vice President, Chief
Financial Officer and Treasurer

FORM OF RESTRICTED STOCK UNITS AGREEMENT

Dear [Participant Name]:

Pursuant to the 2020 Employee Stock Plan, as amended (the “Plan”), you have been selected by the Compensation Committee of the Board of Directors (as more fully described in Section 11, the “Committee”) of Sphere Entertainment Co. (the “Company”), effective as of [Date] (the “Grant Date”) to receive [#RSUs] restricted stock units (“Units”). The Units are granted subject to the terms and conditions set forth below and in the Plan.

Capitalized terms used but not defined in this agreement (this “Agreement”) have the meanings given to them in the Plan. The Units are subject to the terms and conditions set forth below:

1. **Awards.** Each Unit shall represent an unfunded, unsecured promise by the Company to deliver to you one share of the Company’s Class A Common Stock, par value \$.01 per share (“Share”) on the Delivery Date. In accordance with Section 10(b) of the Plan, in the discretion of the Committee, in lieu of all or any portion of the Shares otherwise deliverable in respect of your Units, the Company may deliver a cash amount equal to the number of such Shares multiplied by the Fair Market Value of a Share on the date when Shares would otherwise have been issued, as determined by the Committee.

2. **Vesting.** [One-third of your Units will vest on each of March 15, [year], [year] and [year] (or the immediately preceding business day, if such date is not a business day) (each, a “Vesting Date”);¹ provided that you have remained in the continuous employ of the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) through the applicable Vesting Date; provided further that fractional Units eligible to vest on each of the first two Vesting Dates will be rounded down to the nearest whole Unit. Subject to Sections 3 and 4, you will forfeit any unvested Units if you do not remain continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) from the Grant Date through any Vesting Date.

For purposes of this Agreement, the “Sphere Entertainment Group” means the Company and any of its Subsidiaries. The “MSG Entertainment Group” means Madison Square Garden Entertainment Corp. (“MSG Entertainment”) and any of its Subsidiaries, so long as MSG Entertainment remains an Affiliate. The “MSG Sports Group” means Madison Square Garden Sports Corp. (“MSG Sports”) and any of its Subsidiaries, so long as MSG Sports remains an Affiliate.

For purposes of this Agreement, if you are employed by the Sphere Entertainment Group, your “Employer” means the Company; if you are employed by the MSG Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by the MSG Sports

¹ A different vesting schedule may be provided on a case-by-case basis as determined by the Committee in its sole discretion, subject to the terms and conditions of the Plan.

Group, your “Employer” means MSG Sports; if you are employed by both the MSG Entertainment Group and the Sphere Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by both the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means the Company; and if you are employed by each of the MSG Entertainment Group, the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means MSG Entertainment.

3. ***Vesting in the Event of Death, Disability², Retirement² and Other Circumstances.***

(A) If your employment is terminated as a result of your death, all of the unvested Units will vest as of the termination date.

(B) If your employment is terminated while you are Disabled, and Cause does not then exist, your unvested Units will immediately vest, and will become payable at such times as they would have otherwise vested pursuant to Section 2.

(C) [If your employment is terminated on or after the date that you achieve Retirement Eligibility, and Cause does not then exist, then so long as you enter into your Employer’s then-current form of separation agreement (which shall include, without limitation, a covenant not to compete), you will vest in your Units and such Units will become payable at such times as they would have otherwise vested pursuant to Section 2 regardless of whether or not you remain employed by your Employer on such dates; provided, however, that upon a termination for Cause, you will forfeit all Units that had not yet been paid.]³

(D) If your employment is terminated for other reasons, the Committee may, in its sole discretion determine to vest all or a portion of the unvested Units (but shall be under no obligation to consider doing so).

(E) For purposes of this Agreement:

- (i) “Disabled” means that you received short term disability income replacement payments for six (6) months, and thereafter (A) have been determined to be disabled in accordance with your Employer’s long term disability plan in which employees of your Employer are generally able to participate, if one is in effect at such time or (B) to the extent no such long term disability plan exists, have been determined to have a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months as determined by the department or

² To be included on a case-by-case basis as determined by the Committee in its sole discretion.

³ See footnote 2.

vendor directed by your Employer to determine eligibility for unpaid medical leave.

- (ii) “Cause” means, as determined by the compensation committee of your Employer, in its sole discretion, your (A) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (B) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.
- (iii) [“Retirement Eligibility” means that you are either (A) at least fifty-five (55) years old with at least ten (10) years of continuous service with the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group or (B) at least sixty (60) years old with at least five (5) years of continuous service with the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group.]⁴

4. ***Change of Control/Going-Private Transaction.*** As set forth in Appendix 1 attached hereto, your entitlement to the Units may be affected in the event of a MSG Entertainment Change of Control, a Sphere Entertainment Change of Control, a MSG Sports Change of Control or a going-private transaction with respect to the Company, MSG Entertainment or MSG Sports (each as defined in Appendix 1 attached hereto).

5. ***Transfer Restrictions.*** You may not transfer, assign, pledge or otherwise encumber the Units, other than to the extent provided in the Plan.

6. ***Right to Vote and Receive Dividends.*** You shall not be deemed to be the holder of, or have any of the rights of a stockholder with respect to, any Units unless and until the Company shall have issued and delivered Shares to you and your name shall have been entered as a stockholder of record on the books of the Company. Pursuant to Section 10(c) of the Plan, all ordinary (as determined by the Committee in its sole discretion) cash dividends that would have been paid upon any Shares underlying your Units had such Shares been issued will be retained by the Company for your account until your Units vest and such dividends will be paid to you (without interest) on the applicable Delivery Date to the extent that your Units vest.

7. ***Tax Representations and Tax Withholding.*** You hereby acknowledge that you have reviewed with your own tax advisors the federal, state and local tax consequences of receiving the Units. You hereby represent to MSG Entertainment, the Company, MSG Sports and each of their respective Subsidiaries that you are relying solely on such advisors and not on any statements or representations of MSG Entertainment, the Company, MSG Sports, any of

⁴ See footnote 2.

their respective Subsidiaries or affiliates or any of their respective agents. If, in connection with the Units, your Employer is required to withhold any amounts by reason of any federal, state or local tax, such withholding shall be effected in accordance with Section 16 of the Plan. If your Units vest prior to payment in accordance with Section 3(B)[or][.] (C)[or (D)]⁵, then you agree to cooperate with your Employer to satisfy any tax withholding obligations, in such manner as determined by the Committee in its sole discretion.

8. **Section 409A.** It is the intent that payments under this Agreement shall comply with Section 409A of the Internal Revenue Code (“Section 409A”) to the extent applicable, and that the Agreement be administered accordingly. Notwithstanding anything to the contrary contained in this Agreement or any employment agreement you have entered into with your Employer, to the extent that any payment or benefit under this Agreement is determined by your Employer to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to you by reason of termination of your employment, then (a) such payment or benefit shall be made or provided to you only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if you are a “specified employee” (within the meaning of Section 409A and as determined by your Employer), such payment or benefit shall not be made or provided before the date that is six (6) months after the date of your separation from service (or your earlier death). Each payment under this Agreement shall be treated as a separate payment under Section 409A.

9. **Delivery.** Subject to Sections 7, 10 and 13 and except as otherwise provided in this Agreement, the Shares will be delivered in respect of vested Units (if any) on the first to occur of the following events: (i) to you on or promptly after the applicable Vesting Date (but in no case more than fifteen (15) days after such date), (ii) in the event of your death to your estate after your death and during the calendar year in which your death occurs (or such later date as may be permitted under Section 409A) and (iii) in the event of any other termination of your employment (including pursuant to the provisions of Appendix 1) to you on the ninetieth (90th) day following termination of your employment (the “Delivery Date”). Unless otherwise determined by the Committee, delivery of the Shares at the Delivery Date will be by book-entry credit to an account in your name that the Company has established at a custody agent (the “custodian”). The Company’s transfer agent, EQ Shareowner Services, shall act as the custodian of the Shares; however, the Company may in its sole discretion appoint another custodian to replace EQ Shareowner Services. On the Delivery Date, if you have complied with your obligations under this Agreement and provided that your tax obligations with respect to the vested Units are appropriately satisfied, we will instruct the custodian to electronically transfer your Shares to a brokerage or other account on your behalf (or make such other arrangements for the delivery of the Shares to you as we reasonably determine).

10. **Right of Offset.** You hereby agree that the Company shall have the right to offset against its obligation to deliver shares of Class A Common Stock, cash or other property under this Agreement to the extent that it does not constitute “non-qualified deferred

⁵ See footnote 2.

compensation” pursuant to Section 409A, any outstanding amounts of whatever nature that you then owe to the Company or any of its Subsidiaries.

11. ***The Committee.*** For purposes of this Agreement, the term “Committee” means the Compensation Committee of the Board of Directors of the Company or any replacement committee established under, and as more fully defined in, the Plan.

12. ***Committee Discretion.*** The Committee has full discretion with respect to any actions to be taken or determinations to be made in connection with this Agreement, and its determinations shall be final, binding and conclusive.

13. ***Amendment.*** The Committee reserves the right at any time to amend the terms and conditions set forth in this Agreement, except that the Committee shall not make any amendment or revision in a manner unfavorable to you (other than if immaterial), without your consent. No consent shall be required for amendments made pursuant to Section 12 of the Plan, except that, for purposes of Section 19 of the Plan, Section 4 and Appendix 1 of this Agreement are deemed to be “terms of an Award Agreement expressly refer[ring] to an Adjustment Event.” Any amendment of this Agreement shall be in writing and signed by an authorized member of the Committee or a person or persons designated by the Committee.

14. ***Units Subject to the Plan.*** The Units covered by this Agreement are subject to the Plan.

15. ***Subsidiaries.*** For purposes of this Agreement, “Subsidiaries” means any entities that are controlled, directly or indirectly, by the Company, MSG Entertainment or MSG Sports, as applicable, or in which the Company, MSG Entertainment or MSG Sports, as applicable, owns, directly or indirectly, more than 50% of the equity interests.

16. ***Entire Agreement.*** Except for any employment agreement between you and the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group in effect as of the date of the grant hereof (as such employment agreement may be modified, renewed or replaced), this Agreement and the Plan constitute the entire understanding and agreement of you and the Company with respect to the Units covered hereby and supersede all prior understandings and agreements. Except as provided in Sections 8 and 15, in the event of a conflict among the documents with respect to the terms and conditions of the Units covered hereby, the documents will be accorded the following order of authority: the terms and conditions of the Plan will have highest authority followed by the terms and conditions of your employment agreement, if any, followed by the terms and conditions of this Agreement.

17. ***Successors and Assigns.*** The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Company and its successors and assigns.

18. **Governing Law.** This Agreement shall be deemed to be made under, and in all respects be interpreted, construed and governed by and in accordance with, the laws of the State of New York without regard to conflict of law principles.

19. **Jurisdiction and Venue.** You irrevocably submit to the jurisdiction of the courts of the State of New York and the Federal courts of the United States located in the Southern District of the State of New York in respect of the interpretation and enforcement of the provisions of this Agreement, and hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate. You agree that the mailing of process or other papers in connection with any action or proceeding in any manner permitted by law shall be valid and sufficient service.

20. **Waiver.** No waiver by the Company at any time of any breach by you of, or compliance with, any term or condition of this Agreement or the Plan to be performed by you shall be deemed a waiver of the same term or condition, or of any similar or any dissimilar term or condition, whether at the same time or at any prior or subsequent time.

21. **Severability.** The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any term or condition hereof shall not affect the validity or enforceability of the other terms and conditions set forth herein.

22. **Exclusion from Compensation Calculation.** By acceptance of this Agreement, you shall be deemed to be in agreement that the Units covered hereby shall be considered special incentive compensation and will be exempt from inclusion as “wages” or “salary” in pension, retirement, life insurance and other employee benefits arrangements of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, except as determined otherwise by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries. In addition, each of your beneficiaries shall be deemed to be in agreement that all such shares be exempt from inclusion in “wages” or “salary” for purposes of calculating benefits of any life insurance coverage sponsored by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries.

23. **No Right to Continued Employment.** Nothing contained in this Agreement or the Plan shall be construed to confer on you any right to continue in the employ of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, or derogate from the right of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, as applicable, to retire, request the resignation of, or discharge you, at any time, with or without cause.

24. **Headings.** The headings in this Agreement are for purposes of convenience only and are not intended to define or limit the construction of the terms and conditions of this Agreement.

25. **Effective Date.** Upon execution by you, this Agreement shall be effective from and as of the Grant Date.

26. ***Signatures.*** Execution of this Agreement by the Company may be in the form of an electronic, manual or similar signature (including, without limitation, an electronic acknowledgement of acceptance), and such signature shall be treated as an original signature for all purposes.

[Remainder of the page intentionally left blank]

SPHERE ENTERTAINMENT CO.

By:

Name:

Title:

By your electronic acknowledgement of acceptance, you (i) acknowledge that a complete copy of the Plan and an executed original of this Agreement have been made available to you and (ii) agree to all of the terms and conditions set forth in the Plan and this Agreement.

Appendix 1
RESTRICTED STOCK UNITS AGREEMENT

1. In the event of a “Sphere Entertainment Change of Control” or a “going-private transaction” with respect to the Company, each as defined below, your entitlement to Units shall be as follows:

(A) If the Company or the “Sphere Entertainment Surviving Entity,” as defined below (if any), has shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, the Committee shall, no later than the effective date of the transaction which results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company, either (i) convert your unvested Units into an amount of cash equal to (a) the number of your unvested Units multiplied by (b) the “offer price per share,” the “acquisition price per share” or the “merger price per share,” each as defined below, whichever of such amounts is applicable or (ii) arrange to have the Sphere Entertainment Surviving Entity grant to you an award of restricted stock units (or partnership units) for shares of the Sphere Entertainment Surviving Entity on the same terms and with a value equivalent to your unvested Units which will, in the good faith determination of the Committee, provide you with an equivalent profit potential.

(B) If the Company or the Sphere Entertainment Surviving Entity does not have shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, the Committee shall convert your unvested Units into an amount of cash equal to the amount calculated as per Paragraph 1(A)(i) above.

(C) Provided that you remain continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group, the MSG Sports Group or the Sphere Entertainment Surviving Entity through the date of the earliest event described in any of (i), (ii) or (iii) below, any award provided for in Paragraph 1(A)(i) or 1(B) shall become payable to you (or your estate), and any substitute restricted stock unit award of the Sphere Entertainment Surviving Entity provided in Paragraph 1(A)(ii) shall vest, at the earlier of (i) each applicable date on which your Units would otherwise have vested had they continued in effect, (ii) the date of your death, or (iii) if, immediately prior to termination you were an employee of the Sphere Entertainment Group, the date on which your employment with the Sphere Entertainment Group or the Sphere Entertainment Surviving Entity is terminated (a) by the Company, one of its Subsidiaries or the Sphere Entertainment Surviving Entity other than for Cause, (b) by you for “good reason,” as defined below or (c) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company; provided that clause (c) herein shall not apply in the event that your rights in the Units are converted into a right to receive an amount of cash in accordance with Paragraph 1(A)(i). The amount payable in

cash shall be payable together with interest from the effective date of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company, until the date of payment at (i) the weighted average cost of capital of the Company immediately prior to the effectiveness of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company or (ii) if the Company (or the Sphere Entertainment Surviving Entity) sets aside the funds in a trust or other funding arrangement, the actual earnings of such trust or other funding arrangement.

2. In the event of a “MSG Entertainment Change of Control” or a “going-private transaction” with respect to MSG Entertainment, each as defined below, and if (1) immediately prior to such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you were an employee of the MSG Entertainment Group and (2) at the time of such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you are not an employee of the Sphere Entertainment Group or the MSG Sports Group, your entitlement to the Units shall be as follows:

Your Units shall vest at the earlier of (A) the date on which your Units would otherwise have vested had they continued in effect, (B) the date of your death or (C) the date on which your employment with the MSG Entertainment Group or the “MSG Entertainment Surviving Entity,” as defined below, is terminated (i) by MSG Entertainment, one of its Subsidiaries or the MSG Entertainment Surviving Entity other than for Cause, (ii) by you for “good reason” or (iii) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the MSG Entertainment Change of Control or the going-private transaction with respect to MSG Entertainment.

3. In the event of a “MSG Sports Change of Control” or a “going-private transaction” with respect to MSG Sports, each as defined below, and if (1) immediately prior to such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you were an employee of the MSG Sports Group and (2) at the time of such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you are not an employee of the Sphere Entertainment Group or the MSG Entertainment Group, your entitlement to the Units shall be as follows:

Your Units shall vest at the earlier of (A) the date on which your Units would otherwise have vested had they continued in effect, (B) the date of your death or (C) the date on which your employment with the MSG Sports Group or the “MSG Sports Surviving Entity,” as defined below, is terminated (i) by MSG Sports, one of its Subsidiaries or the MSG Sports Surviving Entity other than for Cause, (ii) by you for “good reason” or (iii) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the MSG Sports Change of Control or the going-private transaction with respect to MSG Sports.

4. As used herein,

“*Acquisition price per share*” means the greater of (i) the highest price per share stated on the Schedule 13D or any amendment thereto filed by the holder of twenty percent (20%) or more of the Company’s voting power which gives rise to the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company.

“*Cause*” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

“*Going-private transaction*” means a transaction involving the purchase of Company, MSG Entertainment or MSG Sports, as applicable, securities described in Rule 13e-3 to the Securities and Exchange Act of 1934.

“*Good reason*” means

a. without your express written consent any reduction in your base salary or target bonus opportunity, or any material impairment or material adverse change in your working conditions (as the same may from time to time have been improved or, with your written consent, otherwise altered, in each case, after the Grant Date) at any time after or within ninety (90) days prior to the MSG Entertainment Change of Control, the Sphere Entertainment Change of Control or the MSG Sports Change of Control, as applicable, including, without limitation, any material reduction of your other compensation, executive perquisites or other employee benefits (measured, where applicable, by level or participation or percentage of award under any plans of the Company, MSG Entertainment or MSG Sports, as applicable), or material impairment or material adverse change of your level of responsibility, authority, autonomy or title, or to your scope of duties;

b. any failure by your Employer to comply with any of the provisions of this Agreement, other than an insubstantial or inadvertent failure remedied by your Employer promptly after receipt of notice thereof given by you;

c. your Employer’s requiring you to be based at any office or location more than thirty-five (35) miles from your location immediately prior to such event except for travel reasonably required in the performance of your responsibilities; or

d. with respect to the Company only, any failure by the Company to obtain the assumption and agreement to perform this Agreement by a successor as contemplated by Paragraph 1.

“Merger price per share” means, in the case of a merger, consolidation, sale, exchange or other disposition of assets that results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (a *“Merger”*), the greater of (i) the fixed or formula price for the acquisition of shares of common stock occurring pursuant to the Merger and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock pursuant to the Merger shall be valued in determining the merger price per share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity which is a party with the Company to the Merger or (B) the valuation placed on such securities or property by the Committee.

“MSG Entertainment Change of Control” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Entertainment, of the power to direct the management of MSG Entertainment or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“Sphere Entertainment Change of Control” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by the Company, of the power to direct the management of the Company or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“MSG Sports Change of Control” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Sports, of the power to direct the management of MSG Sports or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“MSG Entertainment Surviving Entity” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Entertainment’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock

exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Entertainment's assets shall be deemed to be the MSG Entertainment Surviving Entity.

"Sphere Entertainment Surviving Entity" means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of the Company's assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a "parent entity") which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the Sphere Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of the Company's assets shall be deemed to be the Sphere Entertainment Surviving Entity.

"MSG Sports Surviving Entity" means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Sports' assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a "parent entity") which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Sports Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Sports' assets shall be deemed to be the MSG Sports Surviving Entity.

"Offer price per share" means, in the case of a tender offer or exchange offer which results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (an *"Offer"*), the greater of (i) the highest price per share of common stock paid pursuant to the Offer or (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock in the Offer shall be valued in determining the Offer Price per Share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such offer or (B) the valuation placed on such securities or property by the Committee.

FORM OF PERFORMANCE RESTRICTED STOCK UNITS AGREEMENT

Dear [Participant Name]:

Pursuant to the 2020 Employee Stock Plan, as amended (the “Plan”), you have been selected by the Compensation Committee of the Board of Directors (as more fully described in Section 12, the “Committee”) of Sphere Entertainment Co. (the “Company”), effective as of [Date] (the “Grant Date”) to receive a performance restricted stock unit award (the “Award”). The Award is granted subject to the terms and conditions set forth below and in the Plan.

Capitalized terms used but not defined in this agreement (this “Agreement”) have the meanings given to them in the Plan. The Award is subject to the terms and conditions set forth below:

1. **Awards.** In accordance with the terms of this Agreement, the target amount of your contingent Award is [#RSUs] restricted stock units (the “Target Award”), which number of units may be increased or decreased to the extent the performance criteria (the “Objectives”) set forth in Appendix 2 attached hereto have been attained in respect of the period from January 1, [year] through December 31, [year] (the “Performance Period”). Each unit shall represent an unfunded, unsecured promise by the Company to deliver to you one share of the Company’s Class A Common Stock, par value \$.01 per share (“Share”) on the Delivery Date. [The Award, calculated in accordance with Appendix 2 attached hereto, will vest upon the later of (i) March 15, [year] (or the immediately preceding business day, if such date is not a business day) and (ii) the date on which the Committee (as defined in Section 12 below) determines the Company’s performance against the Objectives (the “Vesting Date”);]¹ provided that you have remained in the continuous employ of the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) from the Grant Date through the Vesting Date. In accordance with Section 10(b) of the Plan, in the discretion of the Committee, in lieu of all or any portion of the Shares otherwise deliverable in respect of your Award, the Company may deliver a cash amount equal to the number of such Shares multiplied by the Fair Market Value of a Share on the date when Shares would otherwise have been issued, as determined by the Committee.

2. **Vesting.** Subject to Sections 3 and 4, you will automatically forfeit all of your rights and interest in the Award if you do not remain continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) from the Grant Date through the Vesting Date, regardless of whether the Objectives are attained.

For purposes of this Agreement, the “Sphere Entertainment Group” means the Company and any of its Subsidiaries. The “MSG Entertainment Group” means Madison Square

¹ A different vesting schedule may be provided on a case-by-case basis as determined by the Committee in its sole discretion, subject to the terms and conditions of the Plan.

Garden Entertainment Corp. (“MSG Entertainment”) and any of its Subsidiaries, so long as MSG Entertainment remains an Affiliate. The “MSG Sports Group” means Madison Square Garden Sports Corp. (“MSG Sports”) and any of its Subsidiaries, so long as MSG Sports remains an Affiliate.

For purposes of this Agreement, if you are employed by the Sphere Entertainment Group, your “Employer” means the Company; if you are employed by the MSG Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by the MSG Sports Group, your “Employer” means MSG Sports; if you are employed by both the MSG Entertainment Group and the Sphere Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by both the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means the Company; and if you are employed by each of the MSG Entertainment Group, the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means MSG Entertainment.

3. ***Vesting in the Event of Death [or/[,] Disability], or Retirement].***²

(A) If your employment is terminated as a result of your death on or prior to the Vesting Date, then the Target Award will vest as of the termination date. If, after December 31, [year] *but* prior to the Vesting Date, your employment is terminated as a result of your death, then your estate will receive the Award, if any, to which you would have been entitled on the Vesting Date had your employment not been so terminated.

(B) If your employment is terminated while you are Disabled, and Cause does not then exist, the Award will remain subject to vesting on the Vesting Date in accordance with Section 1.

(C) [If your employment is terminated on or after the date that you achieve Retirement Eligibility, and Cause does not then exist, and you enter into your Employer’s then-current form of separation agreement (which shall include, without limitation, a covenant not to compete), the Award will remain subject to vesting on the Vesting Date in accordance with Section 1.]³

(D) For purposes of this Agreement:

- (i) “Disabled” means that you received short term disability income replacement payments for six (6) months, and thereafter (A) have been determined to be disabled in accordance with your Employer’s long term disability plan in which employees of your Employer are generally able to participate, if one is in effect at such time or (B) to the extent no such long term disability plan exists, have been determined to have a medically determinable

² To be included on a case-by-case basis as determined by the Committee in its sole discretion.

³ See footnote 2.

physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months as determined by the department or vendor directed by your Employer to determine eligibility for unpaid medical leave.

- (ii) “Cause” means, as determined by the compensation committee of your Employer, in its sole discretion, your (A) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (B) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.
- (iii) [“Retirement Eligibility” means that you are either (A) at least fifty-five (55) years old with at least ten (10) years of continuous service with the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group or (B) at least sixty (60) years old with at least five (5) years of continuous service with the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group.]⁴

4. ***Change of Control/Going-Private Transaction.*** As set forth in Appendix 1 attached hereto, your entitlement to the Award may be affected in the event of a MSG Entertainment Change of Control, a Sphere Entertainment Change of Control, a MSG Sports Change of Control or a going-private transaction with respect to the Company, MSG Entertainment or MSG Sports (each as defined in Appendix 1 attached hereto).

5. ***Transfer Restrictions.*** You may not transfer, assign, pledge or otherwise encumber the units, other than to the extent provided in the Plan.

6. ***Unfunded Obligation.*** The Plan will at all times be unfunded and, except as set forth in Appendix 1 attached hereto, no provision will at any time be required to be made with respect to segregating any assets of the Company or any of its Subsidiaries for payment of any benefits under the Plan, including, without limitation, those covered by this Agreement. Your right or that of your estate to receive delivery or payment under this Agreement shall be an unsecured claim against the general assets of the Company, including any rabbi trust established pursuant to Appendix 1. Neither you nor your estate shall have any rights in or against any specific assets of the Company other than the assets held by the rabbi trust established pursuant to Appendix 1.

⁴ See footnote 2.

7. ***Right to Vote and Receive Dividends.*** You shall not be deemed to be the holder of, or have any of the rights of a stockholder with respect to, any units unless and until the Company shall have issued and delivered Shares to you and your name shall have been entered as a stockholder of record on the books of the Company. Pursuant to Section 10(c) of the Plan, all ordinary (as determined by the Committee in its sole discretion) cash dividends that would have been paid upon any Shares underlying your units had such Shares been issued will be retained by the Company for your account until your units vest and such dividends will be paid to you (without interest) on the Delivery Date to the extent that your units vest.

8. ***Tax Representations and Tax Withholding.*** You hereby acknowledge that you have reviewed with your own tax advisors the federal, state and local tax consequences of receiving the units. You hereby represent to MSG Entertainment, the Company, MSG Sports and each of their respective Subsidiaries that you are relying solely on such advisors and not on any statements or representations of MSG Entertainment, the Company, MSG Sports, any of their respective Subsidiaries or affiliates or any of their respective agents. If, in connection with the units, your Employer is required to withhold any amounts by reason of any federal, state or local tax, such withholding shall be effected in accordance with Section 16 of the Plan. If your Units vest prior to payment in accordance with Section 3(B)[or (C)]⁵, then you agree to cooperate with your Employer to satisfy any tax withholding obligations, in such manner as determined by the Committee in its sole discretion.

9. ***Section 409A.*** It is the intent that payments under this Agreement shall comply with Section 409A of the Internal Revenue Code (“Section 409A”) to the extent applicable, and that the Agreement be administered accordingly. Notwithstanding anything to the contrary contained in this Agreement or any employment agreement you have entered into with your Employer, to the extent that any payment or benefit under this Agreement is determined by your Employer to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to you by reason of termination of your employment, then (a) such payment or benefit shall be made or provided to you only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if you are a “specified employee” (within the meaning of Section 409A and as determined by your Employer), such payment or benefit shall not be made or provided before the date that is six (6) months after the date of your separation from service (or your earlier death). Each payment under this Agreement shall be treated as a separate payment under Section 409A.

10. ***Delivery.*** Subject to Sections 8, 11 and 14 and Appendix 1 and except as otherwise provided in this Agreement, the Shares will be delivered in respect of vested units (if any) on the first to occur of the following events: (i) to you on or promptly after the Vesting Date (but in no case more than fifteen (15) days after such date) and (ii) in the event of your death to your estate after your death and during the calendar year in which your death occurs (or such later date as may be permitted under Section 409A) (the “Delivery Date”). Unless otherwise determined by the Committee, delivery of the Shares at the Delivery Date will be by book-entry

⁵ See footnote 2.

credit to an account in your name that the Company has established at a custody agent (the “custodian”). The Company’s transfer agent, EQ Shareowner Services, shall act as the custodian of the Shares; however, the Company may in its sole discretion appoint another custodian to replace EQ Shareowner Services. On the Delivery Date, if you have complied with your obligations under this Agreement and provided that your tax obligations with respect to the vested units are appropriately satisfied, we will instruct the custodian to electronically transfer your Shares to a brokerage or other account on your behalf (or make such other arrangements for the delivery of the Shares to you as we reasonably determine).

11. ***Right of Offset.*** You hereby agree that the Company shall have the right to offset against its obligation to deliver shares of Class A Common Stock, cash or other property under this Agreement to the extent that it does not constitute “non-qualified deferred compensation” pursuant to Section 409A, any outstanding amounts of whatever nature that you then owe to the Company or any of its Subsidiaries.

12. ***The Committee.*** For purposes of this Agreement, the term “Committee” means the Compensation Committee of the Board of Directors of the Company or any replacement committee established under, and as more fully defined in, the Plan.

13. ***Committee Discretion.*** The Committee has full discretion with respect to any actions to be taken or determinations to be made in connection with this Agreement, and its determinations shall be final, binding and conclusive.

14. ***Amendment.*** The Committee reserves the right at any time to amend the terms and conditions set forth in this Agreement, except that the Committee shall not make any amendment or revision in a manner unfavorable to you (other than if immaterial), without your consent. No consent shall be required for amendments made pursuant to Section 12 of the Plan, except that, for purposes of Section 19 of the Plan, Section 4 and Appendix 1 of this Agreement are deemed to be “terms of an Award Agreement expressly refer[ring] to an Adjustment Event.” Any amendment of this Agreement shall be in writing and signed by an authorized member of the Committee or a person or persons designated by the Committee.

15. ***Units Subject to the Plan.*** The units covered by this Agreement are subject to the Plan.

16. ***Subsidiaries.*** For purposes of this Agreement, “Subsidiaries” means any entities that are controlled, directly or indirectly, by the Company, MSG Entertainment or MSG Sports, as applicable, or in which the Company, MSG Entertainment or MSG Sports, as applicable, owns, directly or indirectly, more than 50% of the equity interests.

17. ***Entire Agreement.*** Except for any employment agreement between you and the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group in effect as of the date of the grant hereof (as such employment agreement may be modified, renewed or replaced), this Agreement and the Plan constitute the entire understanding and agreement of you and the Company with respect to the units covered hereby and supersede all

prior understandings and agreements. Except as provided in Sections 9 and 16, in the event of a conflict among the documents with respect to the terms and conditions of the units covered hereby, the documents will be accorded the following order of authority: the terms and conditions of the Plan will have highest authority followed by the terms and conditions of your employment agreement, if any, followed by the terms and conditions of this Agreement.

18. ***Successors and Assigns.*** The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Company and its successors and assigns.

19. ***Governing Law.*** This Agreement shall be deemed to be made under, and in all respects be interpreted, construed and governed by and in accordance with, the laws of the State of New York without regard to conflict of law principles.

20. ***Jurisdiction and Venue.*** You irrevocably submit to the jurisdiction of the courts of the State of New York and the Federal courts of the United States located in the Southern District of the State of New York in respect of the interpretation and enforcement of the provisions of this Agreement, and hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate. You agree that the mailing of process or other papers in connection with any action or proceeding in any manner permitted by law shall be valid and sufficient service.

21. ***Waiver.*** No waiver by the Company at any time of any breach by you of, or compliance with, any term or condition of this Agreement or the Plan to be performed by you shall be deemed a waiver of the same term or condition, or of any similar or any dissimilar term or condition, whether at the same time or at any prior or subsequent time.

22. ***Severability.*** The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any term or condition hereof shall not affect the validity or enforceability of the other terms and conditions set forth herein.

23. ***Exclusion from Compensation Calculation.*** By acceptance of this Agreement, you shall be deemed to be in agreement that the units covered hereby shall be considered special incentive compensation and will be exempt from inclusion as “wages” or “salary” in pension, retirement, life insurance and other employee benefits arrangements of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, except as determined otherwise by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries. In addition, each of your beneficiaries shall be deemed to be in agreement that all such shares be exempt from inclusion in “wages” or “salary” for purposes of calculating benefits of any life insurance coverage sponsored by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries.

24. ***No Right to Continued Employment.*** Nothing contained in this Agreement or the Plan shall be construed to confer on you any right to continue in the employ of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, or

derogate from the right of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, as applicable, to retire, request the resignation of, or discharge you, at any time, with or without cause.

25. **Headings.** The headings in this Agreement are for purposes of convenience only and are not intended to define or limit the construction of the terms and conditions of this Agreement.

26. **Effective Date.** Upon execution by you, this Agreement shall be effective from and as of the Grant Date.

27. **Signatures.** Execution of this Agreement by the Company may be in the form of an electronic, manual or similar signature (including, without limitation, an electronic acknowledgement of acceptance), and such signature shall be treated as an original signature for all purposes.

[Remainder of the page intentionally left blank]

SPHERE ENTERTAINMENT CO.

By: _____
Name:
Title:

By your electronic acknowledgement of acceptance, you (i) acknowledge that a complete copy of the Plan and an executed original of this Agreement have been made available to you and (ii) agree to all of the terms and conditions set forth in the Plan and this Agreement.

Appendix 1
PERFORMANCE RESTRICTED STOCK UNITS AGREEMENT

1. In the event of a “going-private transaction” with respect to the Company, as defined below, your entitlement to the Award shall be as follows:

(A) The Committee shall, no later than the effective date of the transaction which results in a going-private transaction with respect to the Company, deem the Objectives to be satisfied at the target level and convert your Target Award into an amount of cash equal to (i) the number of your unvested units multiplied by (ii) the “offer price per share,” the “acquisition price per share” or the “merger price per share,” each as defined below, whichever of such amounts is applicable.

(B) Provided that you remain continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group, the MSG Sports Group or the “Sphere Entertainment Surviving Entity,” as defined below, through the date of the earliest event described in any of (i), (ii) or (iii) below, any award provided for in Paragraph 1(A) shall become payable to you (or your estate) at or promptly after (but in no event more than fifteen (15) days after) the earlier of (i) the date on which your Award would otherwise have vested had it continued in effect, (ii) the date of your death or (iii) if, immediately prior to termination you were an employee of the Sphere Entertainment Group, the date on which your employment with the Sphere Entertainment Group or the Sphere Entertainment Surviving Entity is terminated (a) by the Company, one of its Subsidiaries or the Sphere Entertainment Surviving Entity other than for Cause (as defined below) or (b) by you for “good reason” (as defined below). Notwithstanding the foregoing, if you become entitled to payment of an award by virtue of a termination in accordance with (iii)(a) or (iii)(b) of this Paragraph 1(B) and are determined by the Company to be a “specified employee” within the meaning of Section 409A, the award shall be paid to you on the earlier of: (i) January 1, [year], (ii) the date that is six (6) months from your date of employment termination and (iii) any other date on which such payment or any portion thereof would be a permissible distribution under Section 409A. In the event of such a determination, the Company shall promptly following the date of your employment termination set aside such amount for your benefit in a “rabbi trust” that satisfies the requirements of Revenue Procedure 92-64, and on a monthly basis shall deposit into such trust interest in arrears (compounded quarterly at the rate provided below) until such time as such amount, together with all accrued interest thereon, is paid to you in full pursuant to the previous sentence; provided, that no payment will be made to such rabbi trust if it would be contrary to law or cause you to incur additional tax under Section 409A. The initial interest rate shall be the average of the one-year SOFR fixed rate equivalent for the ten (10) business days prior to the date of your employment termination.

2. In the event of a “Sphere Entertainment Change of Control,” as defined below, provided that you have remained continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group through the effective date of the

transaction that results in the Sphere Entertainment Change of Control, you will be entitled to the payment of the Target Award whether or not the Objectives have been attained.

(A) If the actual Sphere Entertainment Change of Control:

(i) is a permissible distribution event under Section 409A or payment of the Award promptly upon such event is otherwise permissible under Section 409A (including, for the avoidance of doubt, by reason of the inapplicability of Section 409A to the Award), then the Target Award shall be paid to you by the Company promptly following the Sphere Entertainment Change of Control; or

(ii) is not a permissible distribution event under Section 409A and payment of the Award promptly upon such event is not otherwise permissible under Section 409A, then:

(a) (1) if the Company or the Sphere Entertainment Surviving Entity has shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, then the Committee shall, no later than the effective date of the Sphere Entertainment Change of Control, either (i) convert your Target Award into an amount of cash equal to (a) the number of your unvested units multiplied by (b) the “offer price per share,” the “acquisition price per share” or the “merger price per share,” each as defined below, whichever of such amounts is applicable or (ii) arrange to have the Sphere Entertainment Surviving Entity grant to you an award of restricted stock units (or partnership units) for shares of the Sphere Entertainment Surviving Entity on the same terms and with a value equivalent to your Target Award which will, in the good faith determination of the Committee, provide you with an equivalent profit potential; or

(2) if the Company or the Sphere Entertainment Surviving Entity does not have shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, then the Award will be treated in accordance with Paragraph 1(A) above.

(b) Any cash award or substitute restricted stock unit award of the Sphere Entertainment Surviving Entity provided for in Paragraph 2(A)(ii)(a) will be fully vested and will be paid to you (or your estate), at the earliest to occur of: (1) if, immediately prior to termination you were an employee of the Sphere Entertainment Group, the date on which your employment with the Sphere

Entertainment Group or the Sphere Entertainment Surviving Entity terminates for any reason other than termination of your employment by one of such entities for Cause (provided that if you are determined by the Company to be a “specified employee” within the meaning of Section 409A, six (6) months from such date), (2) the date of your death, (3) any other date on which such payment or any portion thereof would be a permissible distribution under Section 409A or (4) January 1, [year].

- (c) The Company shall promptly following the Sphere Entertainment Change of Control set aside cash (or shares in the event a substitute restricted stock unit award is made) for your benefit in a “rabbi trust” that satisfies the requirements of Revenue Procedure 92-64, and on a monthly basis shall deposit into such trust interest in arrears (compounded quarterly at the rate provided below) until such time as such amount, together with all accrued interest thereon, is paid to you in full pursuant to Paragraph 2(A)(ii) (b) above); provided, that no payment will be made to such rabbi trust if it would be contrary to law or cause you to incur additional tax under Section 409A. The initial interest rate shall be the average of the one-year SOFR fixed rate equivalent for the ten (10) business days prior to the date of the Sphere Entertainment Change of Control and shall adjust annually based on the average of such rate for the ten (10) business days prior to each anniversary of the Sphere Entertainment Change of Control.

3. In the event of a “MSG Entertainment Change of Control” or a “going-private transaction” with respect to MSG Entertainment, each as defined below, and if (1) immediately prior to such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you were an employee of the MSG Entertainment Group and (2) at the time of such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you are not an employee of the Sphere Entertainment Group or the MSG Sports Group, your entitlement to the units shall be as follows:

Your units shall vest at the earlier of (A) the date on which your units would otherwise have vested had they continued in effect, (B) the date of your death (in which case the Target Award shall vest) or (C) the date on which your employment with the MSG Entertainment Group or the “MSG Entertainment Surviving Entity,” as defined below, is terminated (i) by MSG Entertainment, one of its Subsidiaries or the MSG Entertainment Surviving Entity other than for Cause, (ii) by you for “good reason” or (iii) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the MSG Entertainment Change of Control or the going-private transaction with respect to MSG Entertainment (in which case the Target Award shall vest).

4. In the event of a “MSG Sports Change of Control” or a “going-private transaction” with respect to MSG Sports, each as defined below, and if (1) immediately prior to such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you were an employee of the MSG Sports Group and (2) at the time of such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you are not an employee of the Sphere Entertainment Group or the MSG Entertainment Group, your entitlement to the units shall be as follows:

Your units shall vest at the earlier of (A) the date on which your units would otherwise have vested had they continued in effect, (B) the date of your death (in which case the Target Award shall vest) or (C) the date on which your employment with the MSG Sports Group or the “MSG Sports Surviving Entity,” as defined below, is terminated (i) by MSG Sports, one of its Subsidiaries or the MSG Sports Surviving Entity other than for Cause, (ii) by you for “good reason” or (iii) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the MSG Sports Change of Control or the going-private transaction with respect to MSG Sports (in which case the Target Award shall vest).

5. As used herein,

“*Acquisition price per share*” means the greater of (i) the highest price per share stated on the Schedule 13D or any amendment thereto filed by the holder of twenty percent (20%) or more of the Company’s voting power which gives rise to the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company.

“*Cause*” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

“*Going-private transaction*” means a transaction involving the purchase of Company, MSG Entertainment or MSG Sports, as applicable, securities described in Rule 13e-3 to the Securities and Exchange Act of 1934.

“*Good reason*” means

a. without your express written consent any reduction in your base salary or target bonus opportunity, or any material impairment or material adverse change in your working conditions (as the same may from time to time have been improved or, with your written consent, otherwise altered, in each case, after the Grant Date) at any time after or within ninety (90) days prior to the MSG Entertainment Change of Control, the Sphere Entertainment Change of Control or

the MSG Sports Change of Control, as applicable, including, without limitation, any material reduction of your other compensation, executive perquisites or other employee benefits (measured, where applicable, by level or participation or percentage of award under any plans of the Company, MSG Entertainment or MSG Sports, as applicable), or material impairment or material adverse change of your level of responsibility, authority, autonomy or title, or to your scope of duties;

b. any failure by your Employer to comply with any of the provisions of this Agreement, other than an insubstantial or inadvertent failure remedied by your Employer promptly after receipt of notice thereof given by you;

c. your Employer's requiring you to be based at any office or location more than thirty-five (35) miles from your location immediately prior to such event except for travel reasonably required in the performance of your responsibilities; or

d. with respect to the Company only, any failure by the Company to obtain the assumption and agreement to perform this Agreement by a successor as contemplated by Paragraph 1 or Paragraph 2(A)(ii)(a).

"Merger price per share" means, in the case of a merger, consolidation, sale, exchange or other disposition of assets that results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (a *"Merger"*), the greater of (i) the fixed or formula price for the acquisition of shares of common stock occurring pursuant to the Merger and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock pursuant to the Merger shall be valued in determining the merger price per share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity which is a party with the Company to the Merger or (B) the valuation placed on such securities or property by the Committee.

"MSG Entertainment Change of Control" means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan's immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Entertainment, of the power to direct the management of MSG Entertainment or substantially all its assets (as constituted immediately prior to such transaction or transactions).

"Sphere Entertainment Change of Control" means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan's immediate family (or an entity or entities controlled by any of them)

or any employee benefit plan sponsored or maintained by the Company, of the power to direct the management of the Company or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Sports Change of Control*” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Sports, of the power to direct the management of MSG Sports or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Entertainment Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Entertainment’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Entertainment’s assets shall be deemed to be the MSG Entertainment Surviving Entity.

“*Sphere Entertainment Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of the Company’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the Sphere Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of the Company’s assets shall be deemed to be the Sphere Entertainment Surviving Entity.

“*MSG Sports Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Sports’ assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Sports Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Sports’ assets shall be deemed to be the MSG Sports Surviving Entity.

“Offer price per share” means, in the case of a tender offer or exchange offer which results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (an *“Offer”*), the greater of (i) the highest price per share of common stock paid pursuant to the Offer or (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock in the Offer shall be valued in determining the Offer Price per Share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such offer or (B) the valuation placed on such securities or property by the Committee.

Appendix 2
Sphere Entertainment Co. Objectives

A2-1

FORM OF OPTION AGREEMENT

Dear [Participant Name]:

Pursuant to the 2020 Employee Stock Plan, as amended (the “Plan”) of Sphere Entertainment Co. (the “Company”), on [Date] (the “Effective Date”) you have been awarded nonqualified options (the “Options”) to purchase [#shares] shares of the Company’s Class A Common Stock, par value \$.01 per share (“Class A Common Stock”) at a price of \$[Dollars] per share. The Award is granted subject to the terms and conditions set forth below and in the Plan.

Capitalized terms used but not defined in this agreement (this “Agreement”) have the meanings given to them in the Plan. The Options are granted subject to the terms and conditions set forth below:

1. ***Vesting.*** Your Options will vest and become exercisable in accordance with Appendix 1; provided that you have remained in the continuous employ of the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) from the Effective Date through the applicable vesting date(s).

For purposes of this Agreement, the “Sphere Entertainment Group” means the Company and any of its Subsidiaries. The “MSG Entertainment Group” means Madison Square Garden Entertainment Corp. (“MSG Entertainment”) and any of its Subsidiaries, so long as MSG Entertainment remains an Affiliate. The “MSG Sports Group” means Madison Square Garden Sports Corp. (“MSG Sports”) and any of its Subsidiaries, so long as MSG Sports remains an Affiliate.

For purposes of this Agreement, if you are employed by the Sphere Entertainment Group, your “Employer” means the Company; if you are employed by the MSG Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by the MSG Sports Group, your “Employer” means MSG Sports; if you are employed by both the MSG Entertainment Group and the Sphere Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by both the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means the Company; and if you are employed by each of the MSG Entertainment Group, the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means MSG Entertainment.

2. ***Exercise.*** You may exercise the Options that become vested and exercisable by following such procedures as established by the Company, specifying the number of shares of Class A Common Stock as to which the Options are being exercised (the “Exercise Notice”). Unless the Compensation Committee of the Board of Directors of the Company (as more fully described in Section 15, the “Committee”) chooses to settle such exercise in cash, shares of Class A Common Stock, or a combination thereof pursuant to Section 3, you will be required to deliver to the Company, or such person as the Company may designate, within such time period as the Company may require, payment in full of the exercise price and any taxes due on account of such exercise.

3. **Option Spread.** Upon receipt of the Exercise Notice, the Committee may elect, in lieu of issuing shares of Class A Common Stock, to settle the exercise covered by such notice by paying you an amount equal to the product obtained by multiplying (i) the excess of the Fair Market Value of one (1) share of Class A Common Stock on the date of exercise over the per share exercise price of the Options (the “Option Spread”) by (ii) the number of shares of Class A Common Stock specified in the Exercise Notice. The amount payable to you in these circumstances may be paid by the Company either in cash or in shares of Class A Common Stock having a Fair Market Value equal to the Option Spread, or a combination thereof, as the Company shall determine. Class A Common Stock used to pay the Option Spread pursuant to this Section 3 will be valued at the Fair Market Value as of the day the Exercise Notice is received by the Company.

4. **Expiration.** The Options will terminate automatically and without further notice on [Date], or at any of the following dates, if earlier:

(A) with respect to those Options which are then unexercisable, the date upon which you are no longer employed by the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group, unless as a result of your death, in which case, subject to execution and non-revocation of a release of claims if required pursuant to the terms of an applicable employment agreement between you and your Employer, all of your Options granted under this Agreement shall become immediately exercisable;

(B) with respect to those Options which are then exercisable, (1) in the event of a termination of your employment by your Employer without Cause (other than while you are Disabled) or your resignation of employment from your Employer[(other than due to Retirement, in which case the Options will remain exercisable until [Date])]¹, ninety (90) days following the date upon which you are no longer employed or (2) in the event of your death or a termination of your employment with your Employer while you are Disabled, the first anniversary of your death or the date upon which you are no longer employed by your Employer, as applicable; or

(C) with respect to all your then outstanding Options, whether exercisable or unexercisable, the date upon which your employment with your Employer is terminated for Cause.

5. **Definitions.** For purposes of this Agreement:

(A) “Disabled” means that you received short term disability income replacement payments for six (6) months, and thereafter (A) have been determined to be disabled in accordance with your Employer’s long term disability plan in which employees of your Employer are generally able to participate, if one is in effect at such time or (B) to the extent no such long term disability plan exists, have been determined to have a medically determinable physical or mental impairment that can be expected to

¹ To be included on a case-by-case basis as determined by the Committee in its sole discretion.

result in death or can be expected to last for a continuous period of not less than twelve (12) months as determined by the department or vendor directed by your Employer to determine eligibility for unpaid medical leave.

(B) “Cause” means, as determined by the compensation committee of your Employer, in its sole discretion, your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

(C) [“Retirement” means the voluntary termination by you of your employment with your Employer at such time as (i) you have attained at least the age of fifty-five (55) and (ii) you have been employed by the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group for at least five (5) years in the aggregate; provided that your Employer may nevertheless decide, in its sole discretion, not to treat your termination of employment as a “Retirement” hereunder. Treatment of your termination of employment as a “Retirement” hereunder shall be further subject to your execution (and the effectiveness) of a “retirement agreement” to your Employer’s satisfaction, including, without limitation (to the extent desired by your Employer), non-compete, non-disparagement, non-solicitation, confidentiality and further cooperation obligations/restrictions on you as well as a general release by you of the MSG Entertainment Group, the Sphere Entertainment Group and the MSG Sports Group. The above definition of “Retirement” is solely for purposes of this Agreement and shall not, in any way, create or imply any obligations of the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (under any other agreement or otherwise) with respect to any such termination of your employment.]²

6. ***Change of Control/Going-Private Transaction.*** As set forth in Appendix 2 attached hereto, the Options may be affected in the event of a MSG Entertainment Change of Control, a Sphere Entertainment Change of Control, a MSG Sports Change of Control or a going-private transaction with respect to the Company, MSG Entertainment or MSG Sports (each as defined in Appendix 2 attached hereto).

7. ***Tax Representations and Tax Withholding.*** You hereby acknowledge that you have reviewed with your own tax advisors the federal, state and local tax consequences of exercising the Options and receiving shares of Class A Common Stock and cash. You hereby represent to MSG Entertainment, the Company, MSG Sports and each of their respective Subsidiaries that you are relying solely on such advisors and not on any statements or representations of MSG Entertainment, the Company, MSG Sports, any of their respective Subsidiaries or affiliates or any of their respective agents. If, in connection with the exercise of

² See footnote 1.

the Options, your Employer is required to withhold any amounts by reason of any federal, state or local tax, such withholding shall be effected in accordance with Section 16 of the Plan.

8. **Section 409A.** It is the intent that payments under this Agreement are exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and that the Agreement be administered accordingly. Notwithstanding anything to the contrary contained in this Agreement, if and to the extent that any payment or benefit under this Agreement is determined by your Employer to constitute “non-qualified deferred compensation” subject to Section 409A of the Code (“Section 409A”) and is payable to you by reason of termination of your employment, then (a) such payment or benefit shall be made or provided to you only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if you are a “specified employee” (within the meaning of Section 409A and as determined by your Employer), such payment or benefit shall not be made or provided before the date that is six (6) months after the date of your separation from service (or your earlier death).

9. **Transfer Restrictions.** You may not transfer, assign, pledge or otherwise encumber the Options, other than to the extent provided in the Plan.

10. **Non-Qualification as ISO.** The Options are not intended to qualify as “incentive stock options” within the meaning of Section 422A of the Code.

11. **Securities Law Acknowledgments.** You hereby acknowledge and confirm to MSG Entertainment, the Company and MSG Sports that (i) you are aware that the shares of Class A Common Stock are publicly-traded securities and (ii) the shares of Class A Common Stock issuable upon exercise of the Options may not be sold or otherwise transferred unless such sale or transfer is registered under the Securities Act of 1933, as amended, and the securities laws of any applicable state or other jurisdiction, or is exempt from such registration.

12. **Governing Law.** This Agreement shall be deemed to be made under, and in all respects shall be interpreted, construed and governed by and in accordance with, the laws of the State of New York.

13. **Jurisdiction and Venue.** You hereby irrevocably submit to the jurisdiction of the courts of the State of New York and the Federal courts of the United States of America located in the Southern District and Eastern District of the State of New York in respect of the interpretation and enforcement of the provisions of this Agreement, and hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate. You hereby agree that mailing of process or other papers in connection with any such action or proceeding in any manner as may be permitted by law shall be valid and sufficient service thereof.

14. **Right of Offset.** You hereby agree that the Company shall have the right to offset against its obligation to deliver shares of Class A Common Stock, cash or other property under this Agreement to the extent that it does not constitute “non-qualified deferred

compensation” pursuant to Section 409A, any outstanding amounts of whatever nature that you then owe to the Company or any of its Subsidiaries.

15. ***The Committee.*** For purposes of this Agreement, the term “Committee” means the Compensation Committee of the Board of Directors of the Company or any replacement committee established under, and as more fully defined in, the Plan.

16. ***Committee Discretion.*** The Committee has full discretion with respect to any actions to be taken or determinations to be made in connection with this Agreement, and its determinations shall be final, binding and conclusive.

17. ***Amendment.*** The Committee reserves the right at any time to amend the terms and conditions set forth in this Agreement, except that the Committee shall not make any amendment or revision in a manner unfavorable to you (other than if immaterial), without your consent. No consent shall be required for amendments made pursuant to Section 12 of the Plan, except that, for purposes of Section 19 of the Plan, Section 6 and Appendix 2 of this Agreement are deemed to be “terms of an Award Agreement expressly refer[ring] to an Adjustment Event.” Any amendment of this Agreement shall be in writing and signed by an authorized member of the Committee or a person or persons designated by the Committee.

18. ***Options Subject to the Plan.*** The Options granted by this Agreement are subject to the Plan.

19. ***Entire Agreement.*** Except for any employment agreement between you and the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group in effect as of the date of the grant hereof (as such employment agreement may be modified, renewed or replaced; provided that such modification, renewal or replacement shall not extend the time any Options may be exercised beyond the time provided herein or in such original employment agreement), this Agreement and the Plan constitute the entire understanding and agreement of you and the Company with respect to the Options covered hereby and supersede all prior understandings and agreements. Except as provided in Sections 8 and 25, in the event of a conflict among the documents with respect to the terms and conditions of the Options covered hereby, the documents will be accorded the following order of authority: the terms and conditions of the Plan will have highest authority followed by the terms and conditions of your employment agreement, if any, followed by the terms and conditions of this Agreement.

20. ***Successors and Assigns.*** The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Company and its successors and assigns.

21. ***Waiver.*** No waiver by the Company at any time of any breach by you of, or compliance with, any term or condition of this Agreement or the Plan to be performed by you shall be deemed a waiver of the same term or condition, or of any similar or any dissimilar term or condition, whether at the same time or at any prior or subsequent time.

22. **Severability.** The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any term or condition hereof shall not affect the validity or enforceability of the other terms and conditions set forth herein.

23. **Exclusion from Compensation Calculation.** By acceptance of this Agreement, you shall be deemed to be in agreement that all shares of Class A Common Stock and cash received upon each exercise of the Options shall be considered special incentive compensation and will be exempt from inclusion as “wages” or “salary” in pension, retirement, life insurance and other employee benefits arrangements of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, except as determined otherwise by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries. In addition, each of your beneficiaries shall be deemed to be in agreement that all such shares of Class A Common Stock and cash will be exempt from inclusion in “wages” or “salary” for purposes of calculating benefits of any life insurance coverage sponsored by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries.

24. **No Right to Continued Employment.** Nothing contained in this Agreement or the Plan shall be construed to confer on you any right to continue in the employ of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, or derogate from the right of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, as applicable, to retire, request the resignation of, or discharge you, at any time, with or without cause.

25. **Subsidiaries.** For purposes of this Agreement, “Subsidiaries” means any entities that are controlled, directly or indirectly, by the Company, MSG Entertainment or MSG Sports, as applicable, or in which the Company, MSG Entertainment or MSG Sports, as applicable, owns, directly or indirectly, more than 50% of the equity interests.

26. **Headings.** The headings in this Agreement are for purposes of convenience only and are not intended to define or limit the construction of the terms and conditions of this Agreement.

27. **Effective Date.** Upon execution by you, this Agreement shall be effective from and as of the Effective Date.

28. **Signatures.** Execution of this Agreement by the Company may be in the form of an electronic, manual or similar signature (including, without limitation, an electronic acknowledgement of acceptance), and such signature shall be treated as an original signature for all purposes.

[Remainder of the page intentionally left blank]

SPHERE ENTERTAINMENT CO.

By _____
Name:
Title:

By your electronic acknowledgement of acceptance, you (i) acknowledge that a complete copy of the Plan and an executed original of this Agreement have been made available to you and (ii) agree to all of the terms and conditions set forth in the Plan and this Agreement.

Appendix 1
OPTION AGREEMENT

A1-1

Appendix 2

OPTION AGREEMENT

1. In the event of a “Sphere Entertainment Change of Control” or a “going-private transaction” with respect to the Company, each as defined below, your entitlement to exercise the Options shall be as follows:

(A) If the Company or the “Sphere Entertainment Surviving Entity,” as defined below, has shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, the Committee shall, to the extent that the Options have not been exercised and have not expired (the “Outstanding Options”), no later than the effective date of the transaction which results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company, either (i) convert your rights in the Outstanding Options into a right to receive an amount of cash equal to (a) the number of common shares subject or relating to the Outstanding Options multiplied by (b) the excess of (x) the “offer price per share,” the “acquisition price per share” or the “merger price per share,” each as defined below, whichever of such amounts is applicable, over (y) the exercise price of the shares subject or relating to the Outstanding Options, or (ii) arrange to have the Sphere Entertainment Surviving Entity grant to you in substitution for your Outstanding Options an award of options for shares of common stock (or partnership units) of the Sphere Entertainment Surviving Entity on the same terms with a value equivalent to the Outstanding Options and which will, in the good faith determination of the Committee, provide you with an equivalent profit potential, as determined in a manner compliant with Section 409A.

(B) If the Company or the Sphere Entertainment Surviving Entity does not have shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, the Committee shall convert your rights in the Outstanding Options into a right to receive an amount of cash equal to the amount calculated as per Paragraph 1(A)(i) above.

(C) The cash award provided in Paragraph 1(A)(i) or 1(B) shall become payable to you, and the substitute options of the Sphere Entertainment Surviving Entity provided in Paragraph 1(A)(ii) will become exercisable (1) with respect to the Outstanding Options that were not exercisable on the effective date of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company, as the case may be, at the earlier of (i) the date on which the Outstanding Options would otherwise have become exercisable hereunder had they continued in effect or (ii) if, immediately prior to termination you were an employee of the Sphere Entertainment Group, the date on which your employment with the Sphere Entertainment Group or the Sphere Entertainment Surviving Entity is terminated (a) by the Company, one of its Subsidiaries or the Sphere Entertainment Surviving Entity other than for Cause, if such termination occurs within three (3) years of the Sphere Entertainment Change of

Control or the going-private transaction with respect to the Company, (b) by you for “good reason,” as defined below, if such termination occurs within three (3) years of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company or (c) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company; provided that clause (c) herein shall not apply in the event that your rights in the Outstanding Options are converted into a right to receive an amount of cash in accordance with Paragraph 1(A)(i), or (2) with respect to the Outstanding Options that were exercisable on the effective date of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company, the substitute options shall become exercisable immediately and the cash awards shall become payable promptly. The amount payable in cash shall be payable together with interest from the effective date of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company until the date of payment at (i) the weighted average cost of capital of the Company immediately prior to the effectiveness of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company or (ii) if the Company (or the Sphere Entertainment Surviving Entity) sets aside the funds in a trust or other funding arrangement, the actual earnings of such trust or other funding arrangement.

For the avoidance of doubt, any Options that are “underwater” as of a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (i.e., the exercise price equals or exceeds the “offer price per share,” the “acquisition price per share” or the “merger price per share,” as applicable), may be cancelled for no consideration as of the consummation of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company.

2. In the event of a “MSG Entertainment Change of Control” or a “going-private transaction” with respect to MSG Entertainment, each as defined below, and if (1) immediately prior to such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you were an employee of the MSG Entertainment Group and (2) at the time of such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you are not an employee of the Sphere Entertainment Group or the MSG Sports Group, your entitlement to exercise the Options shall be as follows:

Your Outstanding Options shall become exercisable at the earlier of (A) the date on which the Outstanding Options would otherwise have become exercisable hereunder, (B) the date of your death or (C) the date on which your employment with the MSG Entertainment Group or the “MSG Entertainment Surviving Entity,” as defined below, is terminated (i) by MSG Entertainment, one of its Subsidiaries or the MSG Entertainment Surviving Entity other than for Cause, if such termination occurs within three (3) years of the MSG Entertainment Change of Control or the going-private transaction with respect to MSG Entertainment, (ii) by you for “good reason,” if such termination occurs within three (3) years of the MSG Entertainment Change of Control or the going-private transaction with respect to MSG Entertainment or (iii) by you for any reason at least six

(6) months, but not more than nine (9) months after the effective date of the MSG Entertainment Change of Control or the going-private transaction with respect to MSG Entertainment.

3. In the event of a “MSG Sports Change of Control” or a “going-private transaction” with respect to MSG Sports, each as defined below, and if (1) immediately prior to such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you were an employee of the MSG Sports Group and (2) at the time of such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you are not an employee of the Sphere Entertainment Group or the MSG Entertainment Group, your entitlement to exercise the Options shall be as follows:

Your Outstanding Options shall become exercisable at the earlier of (A) the date on which the Outstanding Options would otherwise have become exercisable hereunder, (B) the date of your death or (C) the date on which your employment with the MSG Sports Group or the “MSG Sports Surviving Entity,” as defined below, is terminated (i) by MSG Sports, one of its Subsidiaries or the MSG Sports Surviving Entity other than for Cause, if such termination occurs within three (3) years of the MSG Sports Change of Control or the going-private transaction with respect to MSG Sports, (ii) by you for “good reason,” if such termination occurs within three (3) years of the MSG Sports Change of Control or the going-private transaction with respect to MSG Sports or (iii) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the MSG Sports Change of Control or the going-private transaction with respect to MSG Sports.

4. As used herein,

“*Acquisition price per share*” means the greater of (i) the highest price per share stated on the Schedule 13D or any amendment thereto filed by the holder of twenty percent (20%) or more of the Company’s voting power which gives rise to the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company.

“*Cause*” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

“*Going-private transaction*” means a transaction involving the purchase of Company, MSG Entertainment or MSG Sports, as applicable, securities described in Rule 13e-3 to the Securities and Exchange Act of 1934.

“*Good reason*” means

a. without your express written consent any reduction in your base salary or target bonus opportunity, or any material impairment or material adverse change in your working conditions (as the same may from time to time have been improved or, with your written consent, otherwise altered, in each case, after the Effective Date) at any time after or within ninety (90) days prior to the MSG Entertainment Change of Control, the Sphere Entertainment Change of Control or the MSG Sports Change of Control, as applicable, including, without limitation, any material reduction of your other compensation, executive perquisites or other employee benefits (measured, where applicable, by level or participation or percentage of award under any plans of the Company, MSG Entertainment or MSG Sports, as applicable), or material impairment or material adverse change of your level of responsibility, authority, autonomy or title, or to your scope of duties;

b. any failure by your Employer to comply with any of the provisions of this Agreement, other than an insubstantial or inadvertent failure remedied by your Employer promptly after receipt of notice thereof given by you;

c. your Employer's requiring you to be based at any office or location more than thirty-five (35) miles from your location immediately prior to such event except for travel reasonably required in the performance of your responsibilities; or

d. with respect to the Company only, any failure by the Company to obtain the assumption and agreement to perform this Agreement by a successor as contemplated by Paragraph 1.

"Merger price per share" means, in the case of a merger, consolidation, sale, exchange or other disposition of assets that results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (a *"Merger"*), the greater of (i) the fixed or formula price for the acquisition of shares of common stock occurring pursuant to the Merger and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock pursuant to the Merger shall be valued in determining the merger price per share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity which is a party with the Company to the Merger or (B) the valuation placed on such securities or property by the Committee.

"MSG Entertainment Change of Control" means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan's immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Entertainment, of the

power to direct the management of MSG Entertainment or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*Sphere Entertainment Change of Control*” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by the Company, of the power to direct the management of the Company or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Sports Change of Control*” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Sports, of the power to direct the management of MSG Sports or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Entertainment Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Entertainment’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Entertainment’s assets shall be deemed to be the MSG Entertainment Surviving Entity.

“*Sphere Entertainment Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of the Company’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the Sphere Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of the Company’s assets shall be deemed to be the Sphere Entertainment Surviving Entity.

“*MSG Sports Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Sports’ assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-

counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Sports Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Sports' assets shall be deemed to be the MSG Sports Surviving Entity.

“Offer price per share” means, in the case of a tender offer or exchange offer which results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (an *“Offer”*), the greater of (i) the highest price per share of common stock paid pursuant to the Offer or (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock in the Offer shall be valued in determining the Offer Price per share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such offer or (B) the valuation placed on such securities or property by the Committee.

FORM OF PERFORMANCE OPTION AGREEMENT

Dear [Participant Name]:

Pursuant to the 2020 Employee Stock Plan, as amended (the “Plan”) of Sphere Entertainment Co. (the “Company”), on [Date] (the “Effective Date”) you have been awarded nonqualified options (the “Options”) to purchase [#shares] shares of the Company’s Class A Common Stock, par value \$.01 per share (“Class A Common Stock”) at a price of \$[Dollars] per share. The Award is granted subject to the terms and conditions set forth below and in the Plan.

Capitalized terms used but not defined in this agreement (this “Agreement”) have the meanings given to them in the Plan. The Options are granted subject to the terms and conditions set forth below:

1. **Vesting**. In accordance with the terms of this Agreement, a target of [#Options] Options (the “Target Award”), and a maximum of [#Options] Options, will vest and become exercisable, which number of Options will be determined based on the extent to which the performance criteria (the “Objectives”) set forth in Appendix 1 to this Agreement have been attained in respect of the period from July 1, [year] to June 30, [year] (the “Performance Period”). The Options, calculated in accordance with Appendix 1, will vest [on [Date] (or the immediately preceding business day, if such date is not a business day), subject to the determination by the Compensation Committee of the Board of Directors of the Company (as more fully described in Section 15, the “Committee”) of the Company’s performance against the Objectives][upon the date on which the Compensation Committee of the Board of Directors of the Company (as more fully described in Section 15, the “Committee”) determines the Company’s performance against the Objectives] (the “Vesting Date”), and any Options that do not so vest shall be immediately and automatically forfeited as of the Vesting Date; provided that you have remained in the continuous employ of the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) from the Effective Date through the Vesting Date.

For purposes of this Agreement, the “Sphere Entertainment Group” means the Company and any of its Subsidiaries. The “MSG Entertainment Group” means Madison Square Garden Entertainment Corp. (“MSG Entertainment”) and any of its Subsidiaries, so long as MSG Entertainment remains an Affiliate. The “MSG Sports Group” means Madison Square Garden Sports Corp. (“MSG Sports”) and any of its Subsidiaries, so long as MSG Sports remains an Affiliate.

For purposes of this Agreement, if you are employed by the Sphere Entertainment Group, your “Employer” means the Company; if you are employed by the MSG Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by the MSG Sports Group, your “Employer” means MSG Sports; if you are employed by both the MSG Entertainment Group and the Sphere Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by both the Sphere Entertainment Group and the MSG

Sports Group, your “Employer” means the Company; and if you are employed by each of the MSG Entertainment Group, the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means MSG Entertainment.

2. **Exercise.** You may exercise the Options that become vested and exercisable by following such procedures as established by the Company, specifying the number of shares of Class A Common Stock as to which the Options are being exercised (the “Exercise Notice”). Unless the Committee chooses to settle such exercise in cash, shares of Class A Common Stock, or a combination thereof pursuant to Section 3, you will be required to deliver to the Company, or such person as the Company may designate, within such time period as the Company may require, payment in full of the exercise price and any taxes due on account of such exercise.

3. **Option Spread.** Upon receipt of the Exercise Notice, the Committee may elect, in lieu of issuing shares of Class A Common Stock, to settle the exercise covered by such notice by paying you an amount equal to the product obtained by multiplying (i) the excess of the Fair Market Value of one (1) share of Class A Common Stock on the date of exercise over the per share exercise price of the Options (the “Option Spread”) by (ii) the number of shares of Class A Common Stock specified in the Exercise Notice. The amount payable to you in these circumstances may be paid by the Company either in cash or in shares of Class A Common Stock having a Fair Market Value equal to the Option Spread, or a combination thereof, as the Company shall determine. Class A Common Stock used to pay the Option Spread pursuant to this Section 3 will be valued at the Fair Market Value as of the day the Exercise Notice is received by the Company.

4. **Expiration.** The Options will terminate automatically and without further notice on [Date], or at any of the following dates, if earlier:

(A) with respect to those Options which are then unexercisable, the date upon which you are no longer employed by the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group, unless as a result of your death, in which case a number of your Options granted under this Agreement shall become immediately exercisable as follows: [(i) if your employment terminates due to your death prior to [Date], then a portion of the Target Award, determined based on the number of months of your employment completed prior to such termination during the period commencing on [Date] and ending on [Date], will vest as of the termination date [or (ii) if your employment terminates due to your death after [Date] but prior to the Vesting Date, then the number of Options that would have vested on the Vesting Date had your employment not been so terminated shall vest as of the termination date];

(B) with respect to those Options which are then exercisable, (1) in the event of a termination of your employment by your Employer without Cause (other than while

you are Disabled) or your resignation of employment from your Employer[(other than due to Retirement, in which case the Options will remain exercisable until [Date]]¹, ninety (90) days following the date upon which you are no longer employed or (2) in the event of your death or a termination of your employment with your Employer while you are Disabled, the first anniversary of your death or the date upon which you are no longer employed by your Employer, as applicable; or

(C) with respect to all your then outstanding Options, whether exercisable or unexercisable, the date upon which your employment with your Employer is terminated for Cause.

5. **Definitions.** For purposes of this Agreement:

(A) “Disabled” means that you received short term disability income replacement payments for six (6) months, and thereafter (A) have been determined to be disabled in accordance with your Employer’s long term disability plan in which employees of your Employer are generally able to participate, if one is in effect at such time or (B) to the extent no such long term disability plan exists, have been determined to have a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months as determined by the department or vendor directed by your Employer to determine eligibility for unpaid medical leave.

(B) “Cause” means, as determined by the compensation committee of your Employer, in its sole discretion, your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

(C) [“Retirement” means the voluntary termination by you of your employment with your Employer at such time as (i) you have attained at least the age of fifty-five (55) and (ii) you have been employed by the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group for at least five (5) years in the aggregate; provided that your Employer may nevertheless decide, in its sole discretion, not to treat your termination of employment as a “Retirement” hereunder. Treatment of your termination of employment as a “Retirement” hereunder shall be further subject to your execution (and the effectiveness) of a “retirement agreement” to your Employer’s satisfaction, including, without limitation (to the extent desired by your Employer), non-compete, non-disparagement, non-solicitation, confidentiality and further cooperation obligations/restrictions on you as well as a general release by you of the MSG Entertainment Group, the Sphere Entertainment Group and the MSG Sports Group. The above definition of “Retirement” is solely for purposes of this Agreement and shall

¹ To be included on a case-by-case basis as determined by the Committee in its sole discretion.

not, in any way, create or imply any obligations of the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (under any other agreement or otherwise) with respect to any such termination of your employment.]²

6. ***Change of Control/Going-Private Transaction.*** As set forth in Appendix 2 attached hereto, the Options may be affected in the event of a MSG Entertainment Change of Control, a Sphere Entertainment Change of Control, a MSG Sports Change of Control or a going-private transaction with respect to the Company, MSG Entertainment or MSG Sports (each as defined in Appendix 2 attached hereto).

7. ***Tax Representations and Tax Withholding.*** You hereby acknowledge that you have reviewed with your own tax advisors the federal, state and local tax consequences of exercising the Options and receiving shares of Class A Common Stock and cash. You hereby represent to MSG Entertainment, the Company, MSG Sports and each of their respective Subsidiaries that you are relying solely on such advisors and not on any statements or representations of MSG Entertainment, the Company, MSG Sports, any of their respective Subsidiaries or affiliates or any of their respective agents. If, in connection with the exercise of the Options, your Employer is required to withhold any amounts by reason of any federal, state or local tax, such withholding shall be effected in accordance with Section 16 of the Plan.

8. ***Section 409A.*** It is the intent that payments under this Agreement are exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and that the Agreement be administered accordingly. Notwithstanding anything to the contrary contained in this Agreement, if and to the extent that any payment or benefit under this Agreement is determined by your Employer to constitute “non-qualified deferred compensation” subject to Section 409A of the Code (“Section 409A”) and is payable to you by reason of termination of your employment, then (a) such payment or benefit shall be made or provided to you only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if you are a “specified employee” (within the meaning of Section 409A and as determined by your Employer), such payment or benefit shall not be made or provided before the date that is six (6) months after the date of your separation from service (or your earlier death).

9. ***Transfer Restrictions.*** You may not transfer, assign, pledge or otherwise encumber the Options, other than to the extent provided in the Plan.

10. ***Non-Qualification as ISO.*** The Options are not intended to qualify as “incentive stock options” within the meaning of Section 422A of the Code.

11. ***Securities Law Acknowledgments.*** You hereby acknowledge and confirm to MSG Entertainment, the Company and MSG Sports that (i) you are aware that the shares of Class A Common Stock are publicly-traded securities and (ii) the shares of Class A Common Stock issuable upon exercise of the Options may not be sold or otherwise transferred unless such

² See footnote 1.

sale or transfer is registered under the Securities Act of 1933, as amended, and the securities laws of any applicable state or other jurisdiction, or is exempt from such registration.

12. **Governing Law.** This Agreement shall be deemed to be made under, and in all respects shall be interpreted, construed and governed by and in accordance with, the laws of the State of New York.

13. **Jurisdiction and Venue.** You hereby irrevocably submit to the jurisdiction of the courts of the State of New York and the Federal courts of the United States of America located in the Southern District and Eastern District of the State of New York in respect of the interpretation and enforcement of the provisions of this Agreement, and hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate. You hereby agree that mailing of process or other papers in connection with any such action or proceeding in any manner as may be permitted by law shall be valid and sufficient service thereof.

14. **Right of Offset.** You hereby agree that the Company shall have the right to offset against its obligation to deliver shares of Class A Common Stock, cash or other property under this Agreement to the extent that it does not constitute “non-qualified deferred compensation” pursuant to Section 409A, any outstanding amounts of whatever nature that you then owe to the Company or any of its Subsidiaries.

15. **The Committee.** For purposes of this Agreement, the term “Committee” means the Compensation Committee of the Board of Directors of the Company or any replacement committee established under, and as more fully defined in, the Plan.

16. **Committee Discretion.** The Committee has full discretion with respect to any actions to be taken or determinations to be made in connection with this Agreement, and its determinations shall be final, binding and conclusive.

17. **Amendment.** The Committee reserves the right at any time to amend the terms and conditions set forth in this Agreement, except that the Committee shall not make any amendment or revision in a manner unfavorable to you (other than if immaterial), without your consent. No consent shall be required for amendments made pursuant to Section 12 of the Plan, except that, for purposes of Section 19 of the Plan, Section 6 and Appendix 2 of this Agreement are deemed to be “terms of an Award Agreement expressly refer[ring] to an Adjustment Event.” Any amendment of this Agreement shall be in writing and signed by an authorized member of the Committee or a person or persons designated by the Committee.

18. **Options Subject to the Plan.** The Options granted by this Agreement are subject to the Plan.

19. **Entire Agreement.** Except for any employment agreement between you and the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group in effect as of the date of the grant hereof (as such employment agreement may be modified,

renewed or replaced; provided that such modification, renewal or replacement shall not extend the time any Options may be exercised beyond the time provided herein or in such original employment agreement), this Agreement and the Plan constitute the entire understanding and agreement of you and the Company with respect to the Options covered hereby and supersede all prior understandings and agreements. Except as provided in Sections 8 and 25, in the event of a conflict among the documents with respect to the terms and conditions of the Options covered hereby, the documents will be accorded the following order of authority: the terms and conditions of the Plan will have highest authority followed by the terms and conditions of your employment agreement, if any, followed by the terms and conditions of this Agreement.

20. ***Successors and Assigns.*** The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Company and its successors and assigns.

21. ***Waiver.*** No waiver by the Company at any time of any breach by you of, or compliance with, any term or condition of this Agreement or the Plan to be performed by you shall be deemed a waiver of the same term or condition, or of any similar or any dissimilar term or condition, whether at the same time or at any prior or subsequent time.

22. ***Severability.*** The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any term or condition hereof shall not affect the validity or enforceability of the other terms and conditions set forth herein.

23. ***Exclusion from Compensation Calculation.*** By acceptance of this Agreement, you shall be deemed to be in agreement that all shares of Class A Common Stock and cash received upon each exercise of the Options shall be considered special incentive compensation and will be exempt from inclusion as “wages” or “salary” in pension, retirement, life insurance and other employee benefits arrangements of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, except as determined otherwise by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries. In addition, each of your beneficiaries shall be deemed to be in agreement that all such shares of Class A Common Stock and cash will be exempt from inclusion in “wages” or “salary” for purposes of calculating benefits of any life insurance coverage sponsored by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries.

24. ***No Right to Continued Employment.*** Nothing contained in this Agreement or the Plan shall be construed to confer on you any right to continue in the employ of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, or derogate from the right of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, as applicable, to retire, request the resignation of, or discharge you, at any time, with or without cause.

25. ***Subsidiaries.*** For purposes of this Agreement, “Subsidiaries” means any entities that are controlled, directly or indirectly, by the Company, MSG Entertainment or MSG

Sports, as applicable, or in which the Company, MSG Entertainment or MSG Sports, as applicable, owns, directly or indirectly, more than 50% of the equity interests.

26. **Headings.** The headings in this Agreement are for purposes of convenience only and are not intended to define or limit the construction of the terms and conditions of this Agreement.

27. **Effective Date.** Upon execution by you, this Agreement shall be effective from and as of the Effective Date.

28. **Signatures.** Execution of this Agreement by the Company may be in the form of an electronic, manual or similar signature (including, without limitation, an electronic acknowledgement of acceptance), and such signature shall be treated as an original signature for all purposes.

[Remainder of the page intentionally left blank]

SPHERE ENTERTAINMENT CO.

By _____
Name:
Title:

By your electronic acknowledgement of acceptance, you (i) acknowledge that a complete copy of the Plan and an executed original of this Agreement have been made available to you and (ii) agree to all of the terms and conditions set forth in the Plan and this Agreement.

Appendix 1
PERFORMANCE OPTION AGREEMENT

Appendix 2

PERFORMANCE OPTION AGREEMENT

1. In the event of a “going-private transaction” with respect to the Company, as defined below, your entitlement to exercise the Options shall be as follows:

(A) The Committee shall, no later than the effective date of the transaction which results in a going-private transaction with respect to the Company, (i) if your Options are outstanding and not exercisable as of the date of the going-private transaction with respect to the Company, either (a) if the effective date of the going-private transaction with respect to the Company is before the end of the Performance Period, deem the Objectives to be satisfied at the target level or (b) if the effective date of the going-private transaction with respect to the Company is on or after the last day of the Performance Period, determine the Company’s performance against the Objectives, and (ii) convert your Options, calculated in accordance with Appendix 1 and this Paragraph 1(A), as applicable, into a right to receive an amount of cash equal to (a) the number of common shares subject or relating to such Options multiplied by (b) the excess of (x) the “offer price per share,” the “acquisition price per share” or the “merger price per share,” each as defined below, whichever of such amounts is applicable, over (y) the exercise price of the shares subject or relating to such Options. For the avoidance of doubt, Options for which the applicable amount in (x) exceeds the exercise price in (y) (i.e., Options which are “underwater”) may be cancelled for no consideration as of the effective date of the going-private transaction with respect to the Company.

(B) The cash award provided in Paragraph 1(A)(i)(a) or 1(A)(i)(b) shall become payable to you as follows: (1) if the Options are not exercisable on the effective date of the going-private transaction with respect to the Company, then the cash award shall become payable at the earlier of (i) the date on which such Options would otherwise have become exercisable hereunder had they continued in effect or (ii) if, immediately prior to termination you were an employee of the Sphere Entertainment Group, the date on which your employment with the Sphere Entertainment Group or the “Sphere Entertainment Surviving Entity,” as defined below, is terminated (a) by the Company, one of its Subsidiaries or the Sphere Entertainment Surviving Entity other than for Cause, if such termination occurs within three (3) years of the going-private transaction with respect to the Company or (b) by you for “good reason,” as defined below, if such termination occurs within three (3) years of the going-private transaction with respect to the Company, or (2) if the Options are exercisable on the effective date of the going-private transaction with respect to the Company, then the cash award shall become payable promptly. The amount payable in cash shall be payable together with interest from the effective date of the going-private transaction with respect to the Company until the date of payment at (i) the weighted average cost of capital of the Company immediately prior to the effectiveness of the going-private transaction with respect to the Company or (ii) if the Company (or the Sphere Entertainment Surviving Entity) sets aside the funds in a trust or other funding arrangement, the actual earnings of such trust or other funding arrangement.

2. In the event of a “Sphere Entertainment Change of Control,” as defined below, (A) if your Options are outstanding and not exercisable as of the date of the Sphere Entertainment Change of Control, the Target Award will immediately vest, whether or not the Objectives have been attained and (B) your vested Options will either (i) be cancelled and you will be entitled to prompt payment of an amount of cash determined in accordance with Section 1(A) above or (ii) if the Company or the Sphere Entertainment Surviving Entity has shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, then the Committee may (in its discretion) arrange to have the Sphere Entertainment Surviving Entity grant to you in substitution for such Options an award of options for shares of common stock (or partnership units) of the Sphere Entertainment Surviving Entity on the same terms with a value equivalent to such Options and which will, in the good faith determination of the Committee, provide you with an equivalent profit potential, as determined in a manner compliant with Section 409A. For the avoidance of doubt, Options which are “underwater” may be cancelled for no consideration as of the consummation of the Sphere Entertainment Change of Control.

3. In the event of a “MSG Entertainment Change of Control” or a “going-private transaction” with respect to MSG Entertainment, each as defined below, and if (1) immediately prior to such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you were an employee of the MSG Entertainment Group and (2) at the time of such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you are not an employee of the Sphere Entertainment Group or the MSG Sports Group, your entitlement to exercise the Options shall be as follows:

The Options shall become exercisable at the earlier of (A) the date on which the Options would otherwise have become exercisable hereunder, (B) the date of your death (in which case, if the death is before the end of the Performance Period, the Objectives will be deemed to be satisfied at the target level) or (C) the date on which your employment with the MSG Entertainment Group or the “MSG Entertainment Surviving Entity,” as defined below, is terminated (i) by MSG Entertainment, one of its Subsidiaries or the MSG Entertainment Surviving Entity other than for Cause, if such termination occurs within three (3) years of the MSG Entertainment Change of Control or the going-private transaction with respect to MSG Entertainment or (ii) by you for “good reason,” if such termination occurs within three (3) years of the MSG Entertainment Change of Control or the going-private transaction with respect to MSG Entertainment (in which case, if the termination is before the end of the Performance Period, the Objectives will be deemed to be satisfied at the target level).

4. In the event of a “MSG Sports Change of Control” or a “going-private transaction” with respect to MSG Sports, each as defined below, and if (1) immediately prior to such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you were an employee of the MSG Sports Group and (2) at the time of such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you are not an employee of the Sphere Entertainment Group or the MSG Entertainment Group, your entitlement to exercise the Options shall be as follows:

The Options shall become exercisable at the earlier of (A) the date on which the Options would otherwise have become exercisable hereunder, (B) the date of your death (in which case, if the death is before the end of the Performance Period, the Objectives will be deemed to be satisfied at the target level) or (C) the date on which your employment with the MSG Sports Group or the “MSG Sports Surviving Entity,” as defined below, is terminated (i) by MSG Sports, one of its Subsidiaries or the MSG Sports Surviving Entity other than for Cause, if such termination occurs within three (3) years of the MSG Sports Change of Control or the going-private transaction with respect to MSG Sports or (ii) by you for “good reason,” if such termination occurs within three (3) years of the MSG Sports Change of Control or the going-private transaction with respect to MSG Sports (in which case, if the termination is before the end of the Performance Period, the Objectives will be deemed to be satisfied at the target level).

5. As used herein,

“*Acquisition price per share*” means the greater of (i) the highest price per share stated on the Schedule 13D or any amendment thereto filed by the holder of twenty percent (20%) or more of the Company’s voting power which gives rise to the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company.

“*Cause*” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

“*Going-private transaction*” means a transaction involving the purchase of Company, MSG Entertainment or MSG Sports, as applicable, securities described in Rule 13e-3 to the Securities and Exchange Act of 1934.

“*Good reason*” means

a. without your express written consent any reduction in your base salary or target bonus opportunity, or any material impairment or material adverse change in your working conditions (as the same may from time to time have been improved or, with your written consent, otherwise altered, in each case, after the Effective Date) at any time after or within ninety (90) days prior to the MSG Entertainment Change of Control, the Sphere Entertainment Change of Control or the MSG Sports Change of Control, as applicable, including, without limitation, any material reduction of your other compensation, executive perquisites or other employee benefits (measured, where applicable, by level or participation or percentage of award under any plans of the Company, MSG Entertainment or MSG Sports, as applicable), or material impairment or material adverse change of

your level of responsibility, authority, autonomy or title, or to your scope of duties;

b. any failure by your Employer to comply with any of the provisions of this Agreement, other than an insubstantial or inadvertent failure remedied by your Employer promptly after receipt of notice thereof given by you;

c. your Employer's requiring you to be based at any office or location more than thirty-five (35) miles from your location immediately prior to such event except for travel reasonably required in the performance of your responsibilities; or

d. with respect to the Company only, any failure by the Company to obtain the assumption and agreement to perform this Agreement by a successor as contemplated by Paragraph 1.

"Merger price per share" means, in the case of a merger, consolidation, sale, exchange or other disposition of assets that results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (a *"Merger"*), the greater of (i) the fixed or formula price for the acquisition of shares of common stock occurring pursuant to the Merger and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock pursuant to the Merger shall be valued in determining the merger price per share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity which is a party with the Company to the Merger or (B) the valuation placed on such securities or property by the Committee.

"MSG Entertainment Change of Control" means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan's immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Entertainment, of the power to direct the management of MSG Entertainment or substantially all its assets (as constituted immediately prior to such transaction or transactions).

"Sphere Entertainment Change of Control" means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan's immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by the Company, of the power to direct the management of the Company or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Sports Change of Control*” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Sports, of the power to direct the management of MSG Sports or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Entertainment Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Entertainment’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Entertainment’s assets shall be deemed to be the MSG Entertainment Surviving Entity.

“*Sphere Entertainment Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of the Company’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the Sphere Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of the Company’s assets shall be deemed to be the Sphere Entertainment Surviving Entity.

“*MSG Sports Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Sports’ assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Sports Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Sports’ assets shall be deemed to be the MSG Sports Surviving Entity.

“*Offer price per share*” means, in the case of a tender offer or exchange offer which results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (an “*Offer*”), the greater of (i) the highest price per share of common stock paid pursuant to the Offer or (ii) the highest fair market value per share of

common stock during the ninety (90)-day period ending on the date of a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock in the Offer shall be valued in determining the Offer Price per share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such offer or (B) the valuation placed on such securities or property by the Committee.

FORM OF RESTRICTED STOCK UNITS AGREEMENT

Dear [Participant Name]:

Pursuant to the MSG Networks Inc. 2010 Employee Stock Plan, as amended and assumed by Sphere Entertainment Co. (the “Plan”), you have been selected by the Compensation Committee of the Board of Directors (as more fully described in Section 11, the “Committee”) of Sphere Entertainment Co. (the “Company”), effective as of [Date] (the “Grant Date”) to receive [#RSUs] restricted stock units (“Units”). The Units are granted subject to the terms and conditions set forth below and in the Plan.

Capitalized terms used but not defined in this agreement (this “Agreement”) have the meanings given to them in the Plan. The Units are subject to the terms and conditions set forth below:

1. **Awards.** Each Unit shall represent an unfunded, unsecured promise by the Company to deliver to you one share of the Company’s Class A Common Stock, par value \$.01 per share (“Share”) on the Delivery Date. In accordance with Section 10(b) of the Plan, in the discretion of the Committee, in lieu of all or any portion of the Shares otherwise deliverable in respect of your Units, the Company may deliver a cash amount equal to the number of such Shares multiplied by the Fair Market Value of a Share on the date when Shares would otherwise have been issued, as determined by the Committee.

2. **Vesting.** [One-third of your Units will vest on each of March 15, [year], [year] and [year] (or the immediately preceding business day, if such date is not a business day) (each, a “Vesting Date”);¹ provided that you have remained in the continuous employ of the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) through the applicable Vesting Date; provided further that fractional Units eligible to vest on each of the first two Vesting Dates will be rounded down to the nearest whole Unit. Subject to Sections 3 and 4, you will forfeit any unvested Units if you do not remain continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) from the Grant Date through any Vesting Date.

For purposes of this Agreement, the “Sphere Entertainment Group” means the Company and any of its Subsidiaries. The “MSG Entertainment Group” means Madison Square Garden Entertainment Corp. (“MSG Entertainment”) and any of its Subsidiaries, so long as MSG Entertainment remains an Affiliate. The “MSG Sports Group” means Madison Square Garden Sports Corp. (“MSG Sports”) and any of its Subsidiaries, so long as MSG Sports remains an Affiliate.

For purposes of this Agreement, if you are employed by the Sphere Entertainment Group, your “Employer” means the Company; if you are employed by the MSG Entertainment

¹ A different vesting schedule may be provided on a case-by-case basis as determined by the Committee in its sole discretion, subject to the terms and conditions of the Plan.

Group, your “Employer” means MSG Entertainment; if you are employed by the MSG Sports Group, your “Employer” means MSG Sports; if you are employed by both the MSG Entertainment Group and the Sphere Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by both the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means the Company; and if you are employed by each of the MSG Entertainment Group, the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means MSG Entertainment.

3. ***Vesting in the Event of Death, Disability², Retirement² and Other Circumstances.***

(A) If your employment is terminated as a result of your death, all of the unvested Units will vest as of the termination date.

(B) If your employment is terminated while you are Disabled, and Cause does not then exist, your unvested Units will immediately vest, and will become payable at such times as they would have otherwise vested pursuant to Section 2.

(C) [If your employment is terminated on or after the date that you achieve Retirement Eligibility, and Cause does not then exist, then so long as you enter into your Employer’s then-current form of separation agreement (which shall include, without limitation, a covenant not to compete), you will vest in your Units and such Units will become payable at such times as they would have otherwise vested pursuant to Section 2 regardless of whether or not you remain employed by your Employer on such dates; provided, however, that upon a termination for Cause, you will forfeit all Units that had not yet been paid.]³

(D) If your employment is terminated for other reasons, the Committee may, in its sole discretion determine to vest all or a portion of the unvested Units (but shall be under no obligation to consider doing so).

(E) For purposes of this Agreement:

- (i) “Disabled” means that you received short term disability income replacement payments for six (6) months, and thereafter (A) have been determined to be disabled in accordance with your Employer’s long term disability plan in which employees of your Employer are generally able to participate, if one is in effect at such time or (B) to the extent no such long term disability plan exists, have been determined to have a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less

² To be included on a case-by-case basis as determined by the Committee in its sole discretion.

³ See footnote 1.

than twelve (12) months as determined by the department or vendor directed by your Employer to determine eligibility for unpaid medical leave.

- (ii) “Cause” means, as determined by the compensation committee of your Employer, in its sole discretion, your (A) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (B) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.
- (iii) [“Retirement Eligibility” means that you are either (A) at least fifty-five (55) years old with at least ten (10) years of continuous service with the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group or (B) at least sixty (60) years old with at least five (5) years of continuous service with the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group.]⁴

4. ***Change of Control/Going-Private Transaction.*** As set forth in Appendix 1 attached hereto, your entitlement to the Units may be affected in the event of a MSG Entertainment Change of Control, a Sphere Entertainment Change of Control, a MSG Sports Change of Control or a going-private transaction with respect to the Company, MSG Entertainment or MSG Sports (each as defined in Appendix 1 attached hereto).

5. ***Transfer Restrictions.*** You may not transfer, assign, pledge or otherwise encumber the Units, other than to the extent provided in the Plan.

6. ***Right to Vote and Receive Dividends.*** You shall not be deemed to be the holder of, or have any of the rights of a stockholder with respect to, any Units unless and until the Company shall have issued and delivered Shares to you and your name shall have been entered as a stockholder of record on the books of the Company. Pursuant to Section 10(c) of the Plan, all ordinary (as determined by the Committee in its sole discretion) cash dividends that would have been paid upon any Shares underlying your Units had such Shares been issued will be retained by the Company for your account until your Units vest and such dividends will be paid to you (without interest) on the applicable Delivery Date to the extent that your Units vest.

7. ***Tax Representations and Tax Withholding.*** You hereby acknowledge that you have reviewed with your own tax advisors the federal, state and local tax consequences of receiving the Units. You hereby represent to MSG Entertainment, the Company, MSG Sports and each of their respective Subsidiaries that you are relying solely on such advisors and not on

⁴ See footnote 1.

any statements or representations of MSG Entertainment, the Company, MSG Sports, any of their respective Subsidiaries or affiliates or any of their respective agents. If, in connection with the Units, your Employer is required to withhold any amounts by reason of any federal, state or local tax, such withholding shall be effected in accordance with Section 16 of the Plan. If your Units vest prior to payment in accordance with Section 3(B)[or][.] (C)[or (D)]⁵, then you agree to cooperate with your Employer to satisfy any tax withholding obligations, in such manner as determined by the Committee in its sole discretion.

8. **Section 409A.** It is the intent that payments under this Agreement shall comply with Section 409A of the Internal Revenue Code (“Section 409A”) to the extent applicable, and that the Agreement be administered accordingly. Notwithstanding anything to the contrary contained in this Agreement or any employment agreement you have entered into with your Employer, to the extent that any payment or benefit under this Agreement is determined by your Employer to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to you by reason of termination of your employment, then (a) such payment or benefit shall be made or provided to you only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if you are a “specified employee” (within the meaning of Section 409A and as determined by your Employer), such payment or benefit shall not be made or provided before the date that is six (6) months after the date of your separation from service (or your earlier death). Each payment under this Agreement shall be treated as a separate payment under Section 409A.

9. **Delivery.** Subject to Sections 7, 10 and 13 and except as otherwise provided in this Agreement, the Shares will be delivered in respect of vested Units (if any) on the first to occur of the following events: (i) to you on or promptly after the applicable Vesting Date (but in no case more than fifteen (15) days after such date), (ii) in the event of your death to your estate after your death and during the calendar year in which your death occurs (or such later date as may be permitted under Section 409A) and (iii) in the event of any other termination of your employment (including pursuant to the provisions of Appendix 1) to you on the ninetieth (90th) day following termination of your employment (the “Delivery Date”). Unless otherwise determined by the Committee, delivery of the Shares at the Delivery Date will be by book-entry credit to an account in your name that the Company has established at a custody agent (the “custodian”). The Company’s transfer agent, EQ Shareowner Services, shall act as the custodian of the Shares; however, the Company may in its sole discretion appoint another custodian to replace EQ Shareowner Services. On the Delivery Date, if you have complied with your obligations under this Agreement and provided that your tax obligations with respect to the vested Units are appropriately satisfied, we will instruct the custodian to electronically transfer your Shares to a brokerage or other account on your behalf (or make such other arrangements for the delivery of the Shares to you as we reasonably determine).

10. **Right of Offset.** You hereby agree that the Company shall have the right to offset against its obligation to deliver shares of Class A Common Stock, cash or other property

⁵ See footnote 1.

under this Agreement to the extent that it does not constitute “non-qualified deferred compensation” pursuant to Section 409A, any outstanding amounts of whatever nature that you then owe to the Company or any of its Subsidiaries.

11. ***The Committee.*** For purposes of this Agreement, the term “Committee” means the Compensation Committee of the Board of Directors of the Company or any replacement committee established under, and as more fully defined in, the Plan.

12. ***Committee Discretion.*** The Committee has full discretion with respect to any actions to be taken or determinations to be made in connection with this Agreement, and its determinations shall be final, binding and conclusive.

13. ***Amendment.*** The Committee reserves the right at any time to amend the terms and conditions set forth in this Agreement, except that the Committee shall not make any amendment or revision in a manner unfavorable to you (other than if immaterial), without your consent. No consent shall be required for amendments made pursuant to Section 12 of the Plan, except that, for purposes of Section 19 of the Plan, Section 4 and Appendix 1 of this Agreement are deemed to be “terms of an Award Agreement expressly refer[ring] to an Adjustment Event.” Any amendment of this Agreement shall be in writing and signed by an authorized member of the Committee or a person or persons designated by the Committee.

14. ***Units Subject to the Plan.*** The Units covered by this Agreement are subject to the Plan.

15. ***Subsidiaries.*** For purposes of this Agreement, “Subsidiaries” means any entities that are controlled, directly or indirectly, by the Company, MSG Entertainment or MSG Sports, as applicable, or in which the Company, MSG Entertainment or MSG Sports, as applicable, owns, directly or indirectly, more than 50% of the equity interests.

16. ***Entire Agreement.*** Except for any employment agreement between you and the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group in effect as of the date of the grant hereof (as such employment agreement may be modified, renewed or replaced), this Agreement and the Plan constitute the entire understanding and agreement of you and the Company with respect to the Units covered hereby and supersede all prior understandings and agreements. Except as provided in Sections 8 and 15, in the event of a conflict among the documents with respect to the terms and conditions of the Units covered hereby, the documents will be accorded the following order of authority: the terms and

conditions of the Plan will have highest authority followed by the terms and conditions of your employment agreement, if any, followed by the terms and conditions of this Agreement.

17. ***Successors and Assigns.*** The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Company and its successors and assigns.

18. ***Governing Law.*** This Agreement shall be deemed to be made under, and in all respects be interpreted, construed and governed by and in accordance with, the laws of the State of New York without regard to conflict of law principles.

19. ***Jurisdiction and Venue.*** You irrevocably submit to the jurisdiction of the courts of the State of New York and the Federal courts of the United States located in the Southern District of the State of New York in respect of the interpretation and enforcement of the provisions of this Agreement, and hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate. You agree that the mailing of process or other papers in connection with any action or proceeding in any manner permitted by law shall be valid and sufficient service.

20. ***Waiver.*** No waiver by the Company at any time of any breach by you of, or compliance with, any term or condition of this Agreement or the Plan to be performed by you shall be deemed a waiver of the same term or condition, or of any similar or any dissimilar term or condition, whether at the same time or at any prior or subsequent time.

21. ***Severability.*** The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any term or condition hereof shall not affect the validity or enforceability of the other terms and conditions set forth herein.

22. ***Exclusion from Compensation Calculation.*** By acceptance of this Agreement, you shall be deemed to be in agreement that the Units covered hereby shall be considered special incentive compensation and will be exempt from inclusion as “wages” or “salary” in pension, retirement, life insurance and other employee benefits arrangements of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, except as determined otherwise by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries. In addition, each of your beneficiaries shall be deemed to be in agreement that all such shares be exempt from inclusion in “wages” or “salary” for purposes of calculating benefits of any life insurance coverage sponsored by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries.

23. ***No Right to Continued Employment.*** Nothing contained in this Agreement or the Plan shall be construed to confer on you any right to continue in the employ of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, or derogate from the right of MSG Entertainment, the Company, MSG Sports or any of their

respective Subsidiaries, as applicable, to retire, request the resignation of, or discharge you, at any time, with or without cause.

24. **Headings.** The headings in this Agreement are for purposes of convenience only and are not intended to define or limit the construction of the terms and conditions of this Agreement.

25. **Effective Date.** Upon execution by you, this Agreement shall be effective from and as of the Grant Date.

26. **Signatures.** Execution of this Agreement by the Company may be in the form of an electronic, manual or similar signature (including, without limitation, an electronic acknowledgement of acceptance), and such signature shall be treated as an original signature for all purposes.

[Remainder of the page intentionally left blank]

SPHERE ENTERTAINMENT CO.

By:

Name:

Title:

By your electronic acknowledgement of acceptance, you (i) acknowledge that a complete copy of the Plan and an executed original of this Agreement have been made available to you and (ii) agree to all of the terms and conditions set forth in the Plan and this Agreement.

Appendix 1

RESTRICTED STOCK UNITS AGREEMENT

1. In the event of a “Sphere Entertainment Change of Control” or a “going-private transaction” with respect to the Company, each as defined below, your entitlement to Units shall be as follows:

(A) If the Company or the “Sphere Entertainment Surviving Entity,” as defined below (if any), has shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, the Committee shall, no later than the effective date of the transaction which results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company, either (i) convert your unvested Units into an amount of cash equal to (a) the number of your unvested Units multiplied by (b) the “offer price per share,” the “acquisition price per share” or the “merger price per share,” each as defined below, whichever of such amounts is applicable or (ii) arrange to have the Sphere Entertainment Surviving Entity grant to you an award of restricted stock units (or partnership units) for shares of the Sphere Entertainment Surviving Entity on the same terms and with a value equivalent to your unvested Units which will, in the good faith determination of the Committee, provide you with an equivalent profit potential.

(B) If the Company or the Sphere Entertainment Surviving Entity does not have shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, the Committee shall convert your unvested Units into an amount of cash equal to the amount calculated as per Paragraph 1(A)(i) above.

(C) Provided that you remain continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group, the MSG Sports Group or the Sphere Entertainment Surviving Entity through the date of the earliest event described in any of (i), (ii) or (iii) below, any award provided for in Paragraph 1(A)(i) or 1(B) shall become payable to you (or your estate), and any substitute restricted stock unit award of the Sphere Entertainment Surviving Entity provided in Paragraph 1(A)(ii) shall vest, at the earlier of (i) each applicable date on which your Units would otherwise have vested had they continued in effect, (ii) the date of your death, or (iii) if, immediately prior to termination you were an employee of the Sphere Entertainment Group, the date on which your employment with the Sphere Entertainment Group or the Sphere Entertainment Surviving Entity is terminated (a) by the Company, one of its Subsidiaries or the Sphere Entertainment Surviving Entity other than for Cause, (b) by you for “good reason,” as defined below or (c) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company; provided that clause (c) herein shall not apply in the event that your rights in the Units are converted into a right to receive an amount of cash in accordance with Paragraph 1(A)(i). The amount payable in

cash shall be payable together with interest from the effective date of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company, until the date of payment at (i) the weighted average cost of capital of the Company immediately prior to the effectiveness of the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company or (ii) if the Company (or the Sphere Entertainment Surviving Entity) sets aside the funds in a trust or other funding arrangement, the actual earnings of such trust or other funding arrangement.

2. In the event of a “MSG Entertainment Change of Control” or a “going-private transaction” with respect to MSG Entertainment, each as defined below, and if (1) immediately prior to such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you were an employee of the MSG Entertainment Group and (2) at the time of such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you are not an employee of the Sphere Entertainment Group or the MSG Sports Group, your entitlement to the Units shall be as follows:

Your Units shall vest at the earlier of (A) the date on which your Units would otherwise have vested had they continued in effect, (B) the date of your death or (C) the date on which your employment with the MSG Entertainment Group or the “MSG Entertainment Surviving Entity,” as defined below, is terminated (i) by MSG Entertainment, one of its Subsidiaries or the MSG Entertainment Surviving Entity other than for Cause, (ii) by you for “good reason” or (iii) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the MSG Entertainment Change of Control or the going-private transaction with respect to MSG Entertainment.

3. In the event of a “MSG Sports Change of Control” or a “going-private transaction” with respect to MSG Sports, each as defined below, and if (1) immediately prior to such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you were an employee of the MSG Sports Group and (2) at the time of such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you are not an employee of the Sphere Entertainment Group or the MSG Entertainment Group, your entitlement to the Units shall be as follows:

Your Units shall vest at the earlier of (A) the date on which your Units would otherwise have vested had they continued in effect, (B) the date of your death or (C) the date on which your employment with the MSG Sports Group or the “MSG Sports Surviving Entity,” as defined below, is terminated (i) by MSG Sports, one of its Subsidiaries or the MSG Sports Surviving Entity other than for Cause, (ii) by you for “good reason” or (iii) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the MSG Sports Change of Control or the going-private transaction with respect to MSG Sports.

4. As used herein,

“*Acquisition price per share*” means the greater of (i) the highest price per share stated on the Schedule 13D or any amendment thereto filed by the holder of twenty percent (20%) or more of the Company’s voting power which gives rise to the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company.

“*Cause*” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

“*Going-private transaction*” means a transaction involving the purchase of Company, MSG Entertainment or MSG Sports, as applicable, securities described in Rule 13e-3 to the Securities and Exchange Act of 1934.

“*Good reason*” means

- a. without your express written consent any reduction in your base salary or target bonus opportunity, or any material impairment or material adverse change in your working conditions (as the same may from time to time have been improved or, with your written consent, otherwise altered, in each case, after the Grant Date) at any time after or within ninety (90) days prior to the MSG Entertainment Change of Control, the Sphere Entertainment Change of Control or the MSG Sports Change of Control, as applicable, including, without limitation, any material reduction of your other compensation, executive perquisites or other employee benefits (measured, where applicable, by level or participation or percentage of award under any plans of the Company, MSG Entertainment or MSG Sports, as applicable), or material impairment or material adverse change of your level of responsibility, authority, autonomy or title, or to your scope of duties;
- b. any failure by your Employer to comply with any of the provisions of this Agreement, other than an insubstantial or inadvertent failure remedied by your Employer promptly after receipt of notice thereof given by you;
- c. your Employer’s requiring you to be based at any office or location more than thirty-five (35) miles from your location immediately prior to such event except for travel reasonably required in the performance of your responsibilities; or
- d. with respect to the Company only, any failure by the Company to obtain the assumption and agreement to perform this Agreement by a successor as contemplated by Paragraph 1.

“*Merger price per share*” means, in the case of a merger, consolidation, sale, exchange or other disposition of assets that results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (a “*Merger*”), the greater of (i) the fixed or formula price for the acquisition of shares of common stock occurring pursuant to the Merger and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock pursuant to the Merger shall be valued in determining the merger price per share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity which is a party with the Company to the Merger or (B) the valuation placed on such securities or property by the Committee.

“*MSG Entertainment Change of Control*” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Entertainment, of the power to direct the management of MSG Entertainment or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*Sphere Entertainment Change of Control*” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by the Company, of the power to direct the management of the Company or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Sports Change of Control*” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Sports, of the power to direct the management of MSG Sports or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Entertainment Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Entertainment’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Entertainment Surviving Entity; provided that if there shall be more than one such parent

entity, the parent entity closest to ownership of MSG Entertainment's assets shall be deemed to be the MSG Entertainment Surviving Entity.

"*Sphere Entertainment Surviving Entity*" means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of the Company's assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a "parent entity") which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the Sphere Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of the Company's assets shall be deemed to be the Sphere Entertainment Surviving Entity.

"*MSG Sports Surviving Entity*" means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Sports' assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a "parent entity") which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Sports Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Sports' assets shall be deemed to be the MSG Sports Surviving Entity.

"*Offer price per share*" means, in the case of a tender offer or exchange offer which results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (an "*Offer*"), the greater of (i) the highest price per share of common stock paid pursuant to the Offer or (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock in the Offer shall be valued in determining the Offer Price per Share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such offer or (B) the valuation placed on such securities or property by the Committee.

FORM OF PERFORMANCE RESTRICTED STOCK UNITS AGREEMENT

Dear [Participant Name]:

Pursuant to the MSG Networks Inc. 2010 Employee Stock Plan, as amended and assumed by Sphere Entertainment Co. (the “Plan”), you have been selected by the Compensation Committee of the Board of Directors (as more fully described in Section 12, the “Committee”) of Sphere Entertainment Co. (the “Company”), effective as of [Date] (the “Grant Date”) to receive a performance restricted stock unit award (the “Award”). The Award is granted subject to the terms and conditions set forth below and in the Plan.

Capitalized terms used but not defined in this agreement (this “Agreement”) have the meanings given to them in the Plan. The Award is subject to the terms and conditions set forth below:

1. **Awards.** In accordance with the terms of this Agreement, the target amount of your contingent Award is [#RSUs] restricted stock units (the “Target Award”), which number of units may be increased or decreased to the extent the performance criteria (the “Objectives”) set forth in Appendix 2 attached hereto have been attained in respect of the period from January 1, [year] through December 31, [year] (the “Performance Period”). Each unit shall represent an unfunded, unsecured promise by the Company to deliver to you one share of the Company’s Class A Common Stock, par value \$.01 per share (“Share”) on the Delivery Date. [The Award, calculated in accordance with Appendix 2 attached hereto, will vest upon the later of (i) March 15, [year] (or the immediately preceding business day, if such date is not a business day) and (ii) the date on which the Committee (as defined in Section 12 below) determines the Company’s performance against the Objectives (the “Vesting Date”);¹ provided that you have remained in the continuous employ of the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) from the Grant Date through the Vesting Date. In accordance with Section 10(b) of the Plan, in the discretion of the Committee, in lieu of all or any portion of the Shares otherwise deliverable in respect of your Award, the Company may deliver a cash amount equal to the number of such Shares multiplied by the Fair Market Value of a Share on the date when Shares would otherwise have been issued, as determined by the Committee.

2. **Vesting.** Subject to Sections 3 and 4, you will automatically forfeit all of your rights and interest in the Award if you do not remain continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group (each as defined below) from the Grant Date through the Vesting Date, regardless of whether the Objectives are attained.

For purposes of this Agreement, the “Sphere Entertainment Group” means the Company and any of its Subsidiaries. The “MSG Entertainment Group” means Madison Square

¹ A different vesting schedule may be provided on a case-by-case basis as determined by the Committee in its sole discretion, subject to the terms and conditions of the Plan.

Garden Entertainment Corp. (“MSG Entertainment”) and any of its Subsidiaries, so long as MSG Entertainment remains an Affiliate. The “MSG Sports Group” means Madison Square Garden Sports Corp. (“MSG Sports”) and any of its Subsidiaries, so long as MSG Sports remains an Affiliate.

For purposes of this Agreement, if you are employed by the Sphere Entertainment Group, your “Employer” means the Company; if you are employed by the MSG Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by the MSG Sports Group, your “Employer” means MSG Sports; if you are employed by both the MSG Entertainment Group and the Sphere Entertainment Group, your “Employer” means MSG Entertainment; if you are employed by both the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means the Company; and if you are employed by each of the MSG Entertainment Group, the Sphere Entertainment Group and the MSG Sports Group, your “Employer” means MSG Entertainment.

3. ***Vesting in the Event of Death [or/[,] Disability], or Retirement].***²

(A) If your employment is terminated as a result of your death on or prior to the Vesting Date, then the Target Award will vest as of the termination date. If, after December 31, [year] *but* prior to the Vesting Date, your employment is terminated as a result of your death, then your estate will receive the Award, if any, to which you would have been entitled on the Vesting Date had your employment not been so terminated.

(B) If your employment is terminated while you are Disabled, and Cause does not then exist, the Award will remain subject to vesting on the Vesting Date in accordance with Section 1.

(C) [If your employment is terminated on or after the date that you achieve Retirement Eligibility, and Cause does not then exist, and you enter into your Employer’s then-current form of separation agreement (which shall include, without limitation, a covenant not to compete), the Award will remain subject to vesting on the Vesting Date in accordance with Section 1.]³

(D) For purposes of this Agreement:

- (i) “Disabled” means that you received short term disability income replacement payments for six (6) months, and thereafter (A) have been determined to be disabled in accordance with your Employer’s long term disability plan in which employees of your Employer are generally able to participate, if one is in effect at such time or (B) to the extent no such long term disability plan exists, have been determined to have a medically determinable

² To be included on a case-by-case basis as determined by the Committee in its sole discretion.

³ See footnote 2.

physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months as determined by the department or vendor directed by your Employer to determine eligibility for unpaid medical leave.

- (ii) “Cause” means, as determined by the compensation committee of your Employer, in its sole discretion, your (A) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (B) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.
- (iii) [“Retirement Eligibility” means that you are either (A) at least fifty-five (55) years old with at least ten (10) years of continuous service with the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group or (B) at least sixty (60) years old with at least five (5) years of continuous service with the MSG Entertainment Group, the Sphere Entertainment Group and/or the MSG Sports Group.]⁴

4. ***Change of Control/Going-Private Transaction.*** As set forth in Appendix 1 attached hereto, your entitlement to the Award may be affected in the event of a MSG Entertainment Change of Control, a Sphere Entertainment Change of Control, a MSG Sports Change of Control or a going-private transaction with respect to the Company, MSG Entertainment or MSG Sports (each as defined in Appendix 1 attached hereto).

5. ***Transfer Restrictions.*** You may not transfer, assign, pledge or otherwise encumber the units, other than to the extent provided in the Plan.

6. ***Unfunded Obligation.*** The Plan will at all times be unfunded and, except as set forth in Appendix 1 attached hereto, no provision will at any time be required to be made with respect to segregating any assets of the Company or any of its Subsidiaries for payment of any benefits under the Plan, including, without limitation, those covered by this Agreement. Your right or that of your estate to receive delivery or payment under this Agreement shall be an unsecured claim against the general assets of the Company, including any rabbi trust established pursuant to Appendix 1. Neither you nor your estate shall have any rights in or against any specific assets of the Company other than the assets held by the rabbi trust established pursuant to Appendix 1.

⁴ See footnote 2.

7. ***Right to Vote and Receive Dividends.*** You shall not be deemed to be the holder of, or have any of the rights of a stockholder with respect to, any units unless and until the Company shall have issued and delivered Shares to you and your name shall have been entered as a stockholder of record on the books of the Company. Pursuant to Section 10(c) of the Plan, all ordinary (as determined by the Committee in its sole discretion) cash dividends that would have been paid upon any Shares underlying your units had such Shares been issued will be retained by the Company for your account until your units vest and such dividends will be paid to you (without interest) on the Delivery Date to the extent that your units vest.

8. ***Tax Representations and Tax Withholding.*** You hereby acknowledge that you have reviewed with your own tax advisors the federal, state and local tax consequences of receiving the units. You hereby represent to MSG Entertainment, the Company, MSG Sports and each of their respective Subsidiaries that you are relying solely on such advisors and not on any statements or representations of MSG Entertainment, the Company, MSG Sports, any of their respective Subsidiaries or affiliates or any of their respective agents. If, in connection with the units, your Employer is required to withhold any amounts by reason of any federal, state or local tax, such withholding shall be effected in accordance with Section 16 of the Plan. If your Units vest prior to payment in accordance with Section 3(B)[or (C)]⁵, then you agree to cooperate with your Employer to satisfy any tax withholding obligations, in such manner as determined by the Committee in its sole discretion.

9. ***Section 409A.*** It is the intent that payments under this Agreement shall comply with Section 409A of the Internal Revenue Code (“Section 409A”) to the extent applicable, and that the Agreement be administered accordingly. Notwithstanding anything to the contrary contained in this Agreement or any employment agreement you have entered into with your Employer, to the extent that any payment or benefit under this Agreement is determined by your Employer to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to you by reason of termination of your employment, then (a) such payment or benefit shall be made or provided to you only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if you are a “specified employee” (within the meaning of Section 409A and as determined by your Employer), such payment or benefit shall not be made or provided before the date that is six (6) months after the date of your separation from service (or your earlier death). Each payment under this Agreement shall be treated as a separate payment under Section 409A.

10. ***Delivery.*** Subject to Sections 8, 11 and 14 and Appendix 1 and except as otherwise provided in this Agreement, the Shares will be delivered in respect of vested units (if any) on the first to occur of the following events: (i) to you on or promptly after the Vesting Date (but in no case more than fifteen (15) days after such date) and (ii) in the event of your death to your estate after your death and during the calendar year in which your death occurs (or such later date as may be permitted under Section 409A) (the “Delivery Date”). Unless otherwise determined by the Committee, delivery of the Shares at the Delivery Date will be by book-entry

⁵ See footnote 2.

credit to an account in your name that the Company has established at a custody agent (the “custodian”). The Company’s transfer agent, EQ Shareowner Services, shall act as the custodian of the Shares; however, the Company may in its sole discretion appoint another custodian to replace EQ Shareowner Services. On the Delivery Date, if you have complied with your obligations under this Agreement and provided that your tax obligations with respect to the vested units are appropriately satisfied, we will instruct the custodian to electronically transfer your Shares to a brokerage or other account on your behalf (or make such other arrangements for the delivery of the Shares to you as we reasonably determine).

11. ***Right of Offset.*** You hereby agree that the Company shall have the right to offset against its obligation to deliver shares of Class A Common Stock, cash or other property under this Agreement to the extent that it does not constitute “non-qualified deferred compensation” pursuant to Section 409A, any outstanding amounts of whatever nature that you then owe to the Company or any of its Subsidiaries.

12. ***The Committee.*** For purposes of this Agreement, the term “Committee” means the Compensation Committee of the Board of Directors of the Company or any replacement committee established under, and as more fully defined in, the Plan.

13. ***Committee Discretion.*** The Committee has full discretion with respect to any actions to be taken or determinations to be made in connection with this Agreement, and its determinations shall be final, binding and conclusive.

14. ***Amendment.*** The Committee reserves the right at any time to amend the terms and conditions set forth in this Agreement, except that the Committee shall not make any amendment or revision in a manner unfavorable to you (other than if immaterial), without your consent. No consent shall be required for amendments made pursuant to Section 12 of the Plan, except that, for purposes of Section 19 of the Plan, Section 4 and Appendix 1 of this Agreement are deemed to be “terms of an Award Agreement expressly refer[ring] to an Adjustment Event.” Any amendment of this Agreement shall be in writing and signed by an authorized member of the Committee or a person or persons designated by the Committee.

15. ***Units Subject to the Plan.*** The units covered by this Agreement are subject to the Plan.

16. ***Subsidiaries.*** For purposes of this Agreement, “Subsidiaries” means any entities that are controlled, directly or indirectly, by the Company, MSG Entertainment or MSG Sports, as applicable, or in which the Company, MSG Entertainment or MSG Sports, as applicable, owns, directly or indirectly, more than 50% of the equity interests.

17. ***Entire Agreement.*** Except for any employment agreement between you and the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group in effect as of the date of the grant hereof (as such employment agreement may be modified, renewed or replaced), this Agreement and the Plan constitute the entire understanding and agreement of you and the Company with respect to the units covered hereby and supersede all

prior understandings and agreements. Except as provided in Sections 9 and 16, in the event of a conflict among the documents with respect to the terms and conditions of the units covered hereby, the documents will be accorded the following order of authority: the terms and conditions of the Plan will have highest authority followed by the terms and conditions of your employment agreement, if any, followed by the terms and conditions of this Agreement.

18. ***Successors and Assigns.*** The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Company and its successors and assigns.

19. ***Governing Law.*** This Agreement shall be deemed to be made under, and in all respects be interpreted, construed and governed by and in accordance with, the laws of the State of New York without regard to conflict of law principles.

20. ***Jurisdiction and Venue.*** You irrevocably submit to the jurisdiction of the courts of the State of New York and the Federal courts of the United States located in the Southern District of the State of New York in respect of the interpretation and enforcement of the provisions of this Agreement, and hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate. You agree that the mailing of process or other papers in connection with any action or proceeding in any manner permitted by law shall be valid and sufficient service.

21. ***Waiver.*** No waiver by the Company at any time of any breach by you of, or compliance with, any term or condition of this Agreement or the Plan to be performed by you shall be deemed a waiver of the same term or condition, or of any similar or any dissimilar term or condition, whether at the same time or at any prior or subsequent time.

22. ***Severability.*** The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any term or condition hereof shall not affect the validity or enforceability of the other terms and conditions set forth herein.

23. ***Exclusion from Compensation Calculation.*** By acceptance of this Agreement, you shall be deemed to be in agreement that the units covered hereby shall be considered special incentive compensation and will be exempt from inclusion as “wages” or “salary” in pension, retirement, life insurance and other employee benefits arrangements of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, except as determined otherwise by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries. In addition, each of your beneficiaries shall be deemed to be in agreement that all such shares be exempt from inclusion in “wages” or “salary” for purposes of calculating benefits of any life insurance coverage sponsored by MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries.

24. ***No Right to Continued Employment.*** Nothing contained in this Agreement or the Plan shall be construed to confer on you any right to continue in the employ of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, or

derogate from the right of MSG Entertainment, the Company, MSG Sports or any of their respective Subsidiaries, as applicable, to retire, request the resignation of, or discharge you, at any time, with or without cause.

25. **Headings.** The headings in this Agreement are for purposes of convenience only and are not intended to define or limit the construction of the terms and conditions of this Agreement.

26. **Effective Date.** Upon execution by you, this Agreement shall be effective from and as of the Grant Date.

27. **Signatures.** Execution of this Agreement by the Company may be in the form of an electronic, manual or similar signature (including, without limitation, an electronic acknowledgement of acceptance), and such signature shall be treated as an original signature for all purposes.

[Remainder of the page intentionally left blank]

SPHERE ENTERTAINMENT CO.

By: _____
Name:
Title:

By your electronic acknowledgement of acceptance, you (i) acknowledge that a complete copy of the Plan and an executed original of this Agreement have been made available to you and (ii) agree to all of the terms and conditions set forth in the Plan and this Agreement.

Appendix 1
PERFORMANCE RESTRICTED STOCK UNITS AGREEMENT

1. In the event of a “going-private transaction” with respect to the Company, as defined below, your entitlement to the Award shall be as follows:

(A) The Committee shall, no later than the effective date of the transaction which results in a going-private transaction with respect to the Company, deem the Objectives to be satisfied at the target level and convert your Target Award into an amount of cash equal to (i) the number of your unvested units multiplied by (ii) the “offer price per share,” the “acquisition price per share” or the “merger price per share,” each as defined below, whichever of such amounts is applicable.

(B) Provided that you remain continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group, the MSG Sports Group or the “Sphere Entertainment Surviving Entity,” as defined below, through the date of the earliest event described in any of (i), (ii) or (iii) below, any award provided for in Paragraph 1(A) shall become payable to you (or your estate) at or promptly after (but in no event more than fifteen (15) days after) the earlier of (i) the date on which your Award would otherwise have vested had it continued in effect, (ii) the date of your death or (iii) if, immediately prior to termination you were an employee of the Sphere Entertainment Group, the date on which your employment with the Sphere Entertainment Group or the Sphere Entertainment Surviving Entity is terminated (a) by the Company, one of its Subsidiaries or the Sphere Entertainment Surviving Entity other than for Cause (as defined below) or (b) by you for “good reason” (as defined below). Notwithstanding the foregoing, if you become entitled to payment of an award by virtue of a termination in accordance with (iii)(a) or (iii)(b) of this Paragraph 1(B) and are determined by the Company to be a “specified employee” within the meaning of Section 409A, the award shall be paid to you on the earlier of: (i) January 1, [year], (ii) the date that is six (6) months from your date of employment termination and (iii) any other date on which such payment or any portion thereof would be a permissible distribution under Section 409A. In the event of such a determination, the Company shall promptly following the date of your employment termination set aside such amount for your benefit in a “rabbi trust” that satisfies the requirements of Revenue Procedure 92-64, and on a monthly basis shall deposit into such trust interest in arrears (compounded quarterly at the rate provided below) until such time as such amount, together with all accrued interest thereon, is paid to you in full pursuant to the previous sentence; provided, that no payment will be made to such rabbi trust if it would be contrary to law or cause you to incur additional tax under Section 409A. The initial interest rate shall be the average of the one-year SOFR fixed rate equivalent for the ten (10) business days prior to the date of your employment termination.

2. In the event of a “Sphere Entertainment Change of Control,” as defined below, provided that you have remained continuously employed with the MSG Entertainment Group, the Sphere Entertainment Group or the MSG Sports Group through the effective date of the

transaction that results in the Sphere Entertainment Change of Control, you will be entitled to the payment of the Target Award whether or not the Objectives have been attained.

(A) If the actual Sphere Entertainment Change of Control:

(i) is a permissible distribution event under Section 409A or payment of the Award promptly upon such event is otherwise permissible under Section 409A (including, for the avoidance of doubt, by reason of the inapplicability of Section 409A to the Award), then the Target Award shall be paid to you by the Company promptly following the Sphere Entertainment Change of Control; or

(ii) is not a permissible distribution event under Section 409A and payment of the Award promptly upon such event is not otherwise permissible under Section 409A, then:

(a) (1) if the Company or the Sphere Entertainment Surviving Entity has shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, then the Committee shall, no later than the effective date of the Sphere Entertainment Change of Control, either (i) convert your Target Award into an amount of cash equal to (a) the number of your unvested units multiplied by (b) the “offer price per share,” the “acquisition price per share” or the “merger price per share,” each as defined below, whichever of such amounts is applicable or (ii) arrange to have the Sphere Entertainment Surviving Entity grant to you an award of restricted stock units (or partnership units) for shares of the Sphere Entertainment Surviving Entity on the same terms and with a value equivalent to your Target Award which will, in the good faith determination of the Committee, provide you with an equivalent profit potential; or

(2) if the Company or the Sphere Entertainment Surviving Entity does not have shares of common stock (or partnership units) traded on a national stock exchange or on the over-the-counter market as reported on the New York Stock Exchange or any other stock exchange, then the Award will be treated in accordance with Paragraph 1(A) above.

(b) Any cash award or substitute restricted stock unit award of the Sphere Entertainment Surviving Entity provided for in Paragraph 2(A)(ii)(a) will be fully vested and will be paid to you (or your estate), at the earliest to occur of: (1) if, immediately prior to termination you were an employee of the Sphere Entertainment Group, the date on which your employment with the Sphere

Entertainment Group or the Sphere Entertainment Surviving Entity terminates for any reason other than termination of your employment by one of such entities for Cause (provided that if you are determined by the Company to be a “specified employee” within the meaning of Section 409A, six (6) months from such date), (2) the date of your death, (3) any other date on which such payment or any portion thereof would be a permissible distribution under Section 409A or (4) January 1, [year].

- (c) The Company shall promptly following the Sphere Entertainment Change of Control set aside cash (or shares in the event a substitute restricted stock unit award is made) for your benefit in a “rabbi trust” that satisfies the requirements of Revenue Procedure 92-64, and on a monthly basis shall deposit into such trust interest in arrears (compounded quarterly at the rate provided below) until such time as such amount, together with all accrued interest thereon, is paid to you in full pursuant to Paragraph 2(A)(ii) (b) above); provided, that no payment will be made to such rabbi trust if it would be contrary to law or cause you to incur additional tax under Section 409A. The initial interest rate shall be the average of the one-year SOFR fixed rate equivalent for the ten (10) business days prior to the date of the Sphere Entertainment Change of Control and shall adjust annually based on the average of such rate for the ten (10) business days prior to each anniversary of the Sphere Entertainment Change of Control.

3. In the event of a “MSG Entertainment Change of Control” or a “going-private transaction” with respect to MSG Entertainment, each as defined below, and if (1) immediately prior to such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you were an employee of the MSG Entertainment Group and (2) at the time of such MSG Entertainment Change of Control or going-private transaction with respect to MSG Entertainment you are not an employee of the Sphere Entertainment Group or the MSG Sports Group, your entitlement to the units shall be as follows:

Your units shall vest at the earlier of (A) the date on which your units would otherwise have vested had they continued in effect, (B) the date of your death (in which case the Target Award shall vest) or (C) the date on which your employment with the MSG Entertainment Group or the “MSG Entertainment Surviving Entity,” as defined below, is terminated (i) by MSG Entertainment, one of its Subsidiaries or the MSG Entertainment Surviving Entity other than for Cause, (ii) by you for “good reason” or (iii) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the MSG Entertainment Change of Control or the going-private transaction with respect to MSG Entertainment (in which case the Target Award shall vest).

4. In the event of a “MSG Sports Change of Control” or a “going-private transaction” with respect to MSG Sports, each as defined below, and if (1) immediately prior to such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you were an employee of the MSG Sports Group and (2) at the time of such MSG Sports Change of Control or going-private transaction with respect to MSG Sports you are not an employee of the Sphere Entertainment Group or the MSG Entertainment Group, your entitlement to the units shall be as follows:

Your units shall vest at the earlier of (A) the date on which your units would otherwise have vested had they continued in effect, (B) the date of your death (in which case the Target Award shall vest) or (C) the date on which your employment with the MSG Sports Group or the “MSG Sports Surviving Entity,” as defined below, is terminated (i) by MSG Sports, one of its Subsidiaries or the MSG Sports Surviving Entity other than for Cause, (ii) by you for “good reason” or (iii) by you for any reason at least six (6) months, but not more than nine (9) months after the effective date of the MSG Sports Change of Control or the going-private transaction with respect to MSG Sports (in which case the Target Award shall vest).

5. As used herein,

“*Acquisition price per share*” means the greater of (i) the highest price per share stated on the Schedule 13D or any amendment thereto filed by the holder of twenty percent (20%) or more of the Company’s voting power which gives rise to the Sphere Entertainment Change of Control or the going-private transaction with respect to the Company and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company.

“*Cause*” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against your Employer or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere* or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

“*Going-private transaction*” means a transaction involving the purchase of Company, MSG Entertainment or MSG Sports, as applicable, securities described in Rule 13e-3 to the Securities and Exchange Act of 1934.

“*Good reason*” means

a. without your express written consent any reduction in your base salary or target bonus opportunity, or any material impairment or material adverse change in your working conditions (as the same may from time to time have been improved or, with your written consent, otherwise altered, in each case, after the Grant Date) at any time after or within ninety (90) days prior to the MSG Entertainment Change of Control, the Sphere Entertainment Change of Control or

the MSG Sports Change of Control, as applicable, including, without limitation, any material reduction of your other compensation, executive perquisites or other employee benefits (measured, where applicable, by level or participation or percentage of award under any plans of the Company, MSG Entertainment or MSG Sports, as applicable), or material impairment or material adverse change of your level of responsibility, authority, autonomy or title, or to your scope of duties;

b. any failure by your Employer to comply with any of the provisions of this Agreement, other than an insubstantial or inadvertent failure remedied by your Employer promptly after receipt of notice thereof given by you;

c. your Employer's requiring you to be based at any office or location more than thirty-five (35) miles from your location immediately prior to such event except for travel reasonably required in the performance of your responsibilities; or

d. with respect to the Company only, any failure by the Company to obtain the assumption and agreement to perform this Agreement by a successor as contemplated by Paragraph 1 or Paragraph 2(A)(ii)(a).

"Merger price per share" means, in the case of a merger, consolidation, sale, exchange or other disposition of assets that results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (a *"Merger"*), the greater of (i) the fixed or formula price for the acquisition of shares of common stock occurring pursuant to the Merger and (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of such Sphere Entertainment Change of Control or going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock pursuant to the Merger shall be valued in determining the merger price per share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity which is a party with the Company to the Merger or (B) the valuation placed on such securities or property by the Committee.

"MSG Entertainment Change of Control" means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan's immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Entertainment, of the power to direct the management of MSG Entertainment or substantially all its assets (as constituted immediately prior to such transaction or transactions).

"Sphere Entertainment Change of Control" means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan's immediate family (or an entity or entities controlled by any of them)

or any employee benefit plan sponsored or maintained by the Company, of the power to direct the management of the Company or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Sports Change of Control*” means the acquisition, in a transaction or a series of related transactions, by any person or group, other than members of the immediate family, including descendants, of Charles F. Dolan or trusts for the benefit of Charles F. Dolan’s immediate family (or an entity or entities controlled by any of them) or any employee benefit plan sponsored or maintained by MSG Sports, of the power to direct the management of MSG Sports or substantially all its assets (as constituted immediately prior to such transaction or transactions).

“*MSG Entertainment Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Entertainment’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Entertainment’s assets shall be deemed to be the MSG Entertainment Surviving Entity.

“*Sphere Entertainment Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of the Company’s assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the Sphere Entertainment Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of the Company’s assets shall be deemed to be the Sphere Entertainment Surviving Entity.

“*MSG Sports Surviving Entity*” means the entity that owns, directly or indirectly, after consummation of any transaction, substantially all of MSG Sports’ assets (as constituted immediately prior to such transaction). If any such entity is at least majority-owned, directly or indirectly, by any entity (a “parent entity”) which has shares of common stock (or partnership units) traded on a national stock exchange or the over-the-counter market, as reported on the New York Stock Exchange or any other stock exchange, then such parent entity shall be deemed to be the MSG Sports Surviving Entity; provided that if there shall be more than one such parent entity, the parent entity closest to ownership of MSG Sports’ assets shall be deemed to be the MSG Sports Surviving Entity.

“*Offer price per share*” means, in the case of a tender offer or exchange offer which results in a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company (an “*Offer*”), the greater of (i) the highest price per share of common stock paid pursuant to the Offer or (ii) the highest fair market value per share of common stock during the ninety (90)-day period ending on the date of a Sphere Entertainment Change of Control or a going-private transaction with respect to the Company. Any securities or property which are part or all of the consideration paid for shares of common stock in the Offer shall be valued in determining the Offer Price per Share at the higher of (A) the valuation placed on such securities or property by the Company, person or other entity making such offer or (B) the valuation placed on such securities or property by the Committee.

Appendix 2
Sphere Entertainment Co. Objectives

A2-1

Certification

I, James L. Dolan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sphere Entertainment Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2026

/s/ JAMES L. DOLAN

James L. Dolan

Executive Chairman and Chief Executive Officer

Certification

I, Robert H. Langer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sphere Entertainment Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2026

/s/ ROBERT H. LANGER

Robert H. Langer

Executive Vice President, Chief Financial Officer and Treasurer

Certification

Pursuant to 18 U.S.C. §1350, the undersigned officer of Sphere Entertainment Co. (the “Company”), hereby certifies, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 (the “Report”) fully complies with the requirements of §13(a) or §15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2026

/s/ JAMES L. DOLAN

James L. Dolan

Executive Chairman and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.

Certification

Pursuant to 18 U.S.C. §1350, the undersigned officer of Sphere Entertainment Co. (the “Company”), hereby certifies, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 (the “Report”) fully complies with the requirements of §13(a) or §15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2026

/s/ ROBERT H. LANGER

Robert H. Langer

Executive Vice President, Chief Financial Officer and Treasurer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.