

April 2020

## **Federal Income Tax Information Regarding the Distribution of Madison Square Garden Entertainment Corp. Common Stock**

On April 17, 2020, The Madison Square Garden Company (NYSE:MSG) distributed the Class A and Class B common stock of Madison Square Garden Entertainment Corp. (NYSE:MSGE) to MSG Class A and Class B shareholders of record as of the close of business on April 13, 2020. MSG Class A stockholders received one share of MSGE Class A common stock for every one share of MSG Class A common stock they held as of the record date. Each MSG Class B stockholder received one share of MSGE Class B common stock for every one share of MSG Class B common stock they held as of the record date. As a result of this distribution, MSGE became a separate publicly traded company.

The Madison Square Garden Company changed its name to Madison Square Garden Sports Corp. and changed its NYSE symbol from “MSG” to “MSGS.”

MSG obtained an opinion from outside legal counsel to the effect that the stockholders of MSG will not recognize any gain or loss for income tax purposes upon receipt of the MSGE common stock (except in connection with cash received in lieu of fractional shares). Stockholders will, however, recognize gain or loss upon a subsequent sale of the shares of MSGS (formerly MSG) or upon sale of the MSGE shares received in the distribution. For a more detailed discussion of the material United States federal income tax consequences and risk factors related to the distribution, please see the Form 10 filed by MSG Entertainment Spincor Inc. with the United States Securities and Exchange Commission which can be accessed at <https://www.sec.gov/edgar/searchedgar/companysearch.html>. At the time of the distribution, MSG Entertainment Spincor Inc. changed its name to Madison Square Garden Entertainment Corp.

Based on April 20, 2020 trading prices of MSGS (formerly MSG) common stock and MSGE common stock, the companies believe that it is appropriate to allocate 72.57% of your pre-distribution federal income tax basis in your MSG common stock to your MSGS (formerly MSG) common stock and 27.43% to your MSGE common stock. These allocation percentages apply to both Class A and Class B common stock. The tax basis allocation with regard to the Class A and Class B common stock should be computed separately. If you held shares of MSG with different tax bases, you must allocate your federal income tax basis on a “block-by-block” basis. A sample worksheet is enclosed to assist you in determining the tax basis of the MSGS (formerly MSG) common stock and the MSGE common stock received in the distribution. The worksheet also illustrates how you would determine gain or loss with regard to cash received in lieu of MSGE fractional shares.

United States Treasury Department Regulations require that “Significant Distributees”, defined as certain shareholders who, immediately before the distribution, (i) in the case of a holder of MSG Class A common stock, owned 5% or more (by vote or value) of the total outstanding MSG common stock, (ii) in the case of a holder of MSG Class B common stock, owned 1% or more (by vote or value) of the total outstanding common stock, or (iii) owned MSG securities with an aggregate tax basis of \$1 million or more, sign and attach to their federal income tax return that includes April 17, 2020 a statement containing certain information about the distribution of MSGE common stock. A sample statement is enclosed.

***The information in this letter, the sample statement and the sample worksheet does not constitute tax advice. In addition, these materials do not purport to be complete or to describe the tax consequences that may apply to particular categories of stockholders. Each stockholder should consult their own tax advisor as to the tax consequences of the distribution under U.S. federal, state, local and foreign tax laws.***

ATTACHMENT TO U.S. FEDERAL INCOME TAX RETURN FOR THE PERIOD  
INCLUDING APRIL 17, 2020 FOR SIGNIFICANT DISTRIBUTEES:

STATEMENT PURSUANT TO §1.355-5(b) by [INSERT NAME AND TAXPAYER  
IDENTIFICATION NUMBER (IF ANY) OF TAXPAYER], A SIGNIFICANT DISTRIBUTEE.

1. The undersigned owned MSG common stock on April 17, 2020. On such date the undersigned received one share of MSGE common stock for each share of MSG common stock owned.
2. The names and Employer Identification Numbers of the distributing and controlled corporations are:

Distributing

Madison Square Garden Sports Corp.<sup>1</sup> (formerly The Madison Square Garden Company)  
EIN: 47-3373056  
NYSE: MSGS (formerly MSG)

Controlled

Madison Square Garden Entertainment Corp. (formerly MSG Entertainment Spinco Inc.)  
EIN: 84-3755666  
NYSE: MSGE

3. On April 17, 2020, immediately prior to the distribution, the aggregate tax basis of the MSG common stock owned by the undersigned was \$\_\_\_\_\_.
4. The aggregate fair market value of the stock and other property (including money) the undersigned received pursuant to the distribution is \$\_\_\_\_\_.

\_\_\_\_\_  
Signature

Print Name:

Taxpayer Identification Number:

Date:

<sup>1</sup> In connection with the distribution of MSGE common stock, The Madison Square Garden Company changed its name to Madison Square Garden Sports Corp. and changed its NYSE stock symbol from "MSG" to "MSGS."

## TAX BASIS IN MSGS COMMON STOCK AND MSGE COMMON STOCK RECEIVED IN THE DISTRIBUTION ON APRIL 17, 2020

You can use the worksheet below to allocate your federal income tax basis in your MSG Class A and Class B common stock owned on April 13, 2020 (the record date), between MSGS common stock and the MSGE common stock received in the distribution. If you sell your MSGS common stock or MSGE common stock, you can use this tax basis allocation to determine taxable gain or loss. Please note: In connection with the distribution of MSGE common stock, The Madison Square Garden Company changed its name to Madison Square Garden Sports Corp. and changed its NYSE stock symbol from "MSG" to "MSGS."

Based on the April 20, 2020 (i.e., the first full trading day after the Distribution) trading prices of MSGS common stock and MSGE common stock, the companies believe that it is appropriate to allocate 72.57% of your pre-distribution federal income tax basis in your MSG common stock to your MSGS common stock and 27.43% to your MSGE common stock. These allocation percentages apply to both Class A and Class B common stock.

In order to use this worksheet, you will need to determine the tax basis of your MSG common stock immediately prior to the distribution of MSGE common stock. If you bought shares of MSG at different times, and therefore with different tax bases, you must perform the calculations below for each purchase (i.e., on a "block-by-block" basis). You also need to perform the calculations below for each class of MSG common stock you owned before the distribution.

### WORKSHEET FOR ALLOCATION OF TAX BASIS FOR COMMON SHARES

Calculate your tax basis per share in **MSGS** common stock:

<input style="width: 80px; height: 20px;" type="text"/>	X	0.7257	=	<input style="width: 80px; height: 20px;" type="text"/>	/	<input style="width: 80px; height: 20px;" type="text"/>	=	<input style="width: 80px; height: 20px;" type="text"/>
Your original tax basis in MSG common stock				Your basis in MSGS common stock		Your number of shares		Your tax basis per share in (including fractional shares) MSGS common stock

Calculate your tax basis per share in **MSGE** common stock:

<input style="width: 80px; height: 20px;" type="text"/>	X	0.2743	=	<input style="width: 80px; height: 20px;" type="text"/>	/	<input style="width: 80px; height: 20px;" type="text"/>	=	<input style="width: 80px; height: 20px;" type="text"/>
Your original tax basis in MSG common stock				Your basis in MSGE common stock		Your number of shares		Your tax basis per share in (including fractional shares) MSGE common stock

### CALCULATION OF MSGE COMMON STOCK FRACTIONAL SHARE TAX BASIS

<input style="width: 80px; height: 20px;" type="text"/>	X	<input style="width: 80px; height: 20px;" type="text"/>	=	<input style="width: 80px; height: 20px;" type="text"/>
Your tax basis per share in MSGE common stock		Number of fractional shares		Tax basis of fractional MSGE shares

### GAIN/LOSS FROM SALE OF MSGE FRACTIONAL SHARES

<input style="width: 80px; height: 20px;" type="text"/>	-	<input style="width: 80px; height: 20px;" type="text"/>	=	<input style="width: 80px; height: 20px;" type="text"/>
Cash received for fractional shares of MSGE common stock		Tax basis of fractional shares		Gain/loss from MSGE fractional shares sold

**THIS WORKSHEET DOES NOT CONSTITUTE TAX ADVICE. PLEASE CONSULT YOUR TAX ADVISOR.**