



Leading a powerful clean energy transition

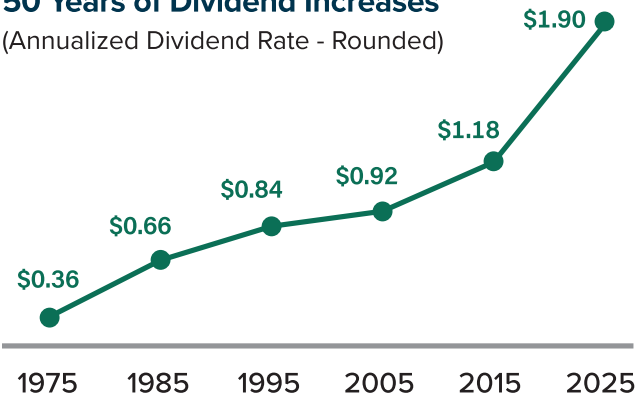
MGE Energy marks 50 consecutive years of dividend increases

In August, the board of directors of MGE Energy, Inc., increased the regular quarterly dividend rate 5.6% to \$0.4750 per share on the outstanding shares of the company’s common stock. This raises the annualized dividend rate by 10 cents from \$1.80 per share to \$1.90 per share.

“This action by our board marks a milestone that only a select number of companies have achieved of increasing the dividend for 50 consecutive years, reinforcing our commitment to consistent and sustainable dividend growth and signaling the continued strength of MGE Energy’s long-term business strategy for building your community energy company for the future,” said Chairman, President and CEO Jeff Keebler. “MGE Energy continues to focus on our mission to provide safe, reliable, affordable and sustainable energy and on our disciplined financial management to provide ongoing value to our customers and shareholders.”

50 Years of Dividend Increases

(Annualized Dividend Rate - Rounded)



MGE Energy has paid cash dividends for more than 110 years. The dividend is payable Sept. 15, 2025, to shareholders of record Sept. 1, 2025.

Second-quarter earnings announced

MGE Energy’s GAAP (Generally Accepted Accounting Principles) earnings for the second quarter of 2025 were \$26.5 million, or \$0.73 per share, compared to \$23.8 million, or \$0.66 per share, for the same period in the prior year. Rate base investment growth and weather impacts drove the company’s second-quarter results.

Electric net income increased \$3.9 million compared to the second quarter of 2024. MGE continues to invest in new, cost-effective renewable generation, supporting the company’s ongoing asset growth. An increase in electric investments included in rate base contributed to higher electric earnings for 2025. In March 2025, the Darien Solar project in Rock and Walworth counties became operational, followed by the Paris Battery Energy Storage System (BESS), which went into service in June 2025. These additions further enhance electric system reliability and contributed to the increase in electric earnings. MGE owns 25 megawatts (MW) of solar capacity from the Darien Solar project and 11 MW of battery capacity associated with the Paris BESS project.

Electric residential sales increased approximately 5% for the second quarter of 2025, largely driven by warmer-than-normal weather. Gas net income exhibited steady performance, with minimal variation compared to the prior year.



MGE partnering with Madison sewerage district to grow local solar

In July, the Madison Metropolitan Sewerage District and MGE announced plans to partner on an 8-megawatt (MW) solar array in the city of Madison. The Nine Springs Solar array will be built on property south of the Nine Springs Wastewater Treatment Plant in south Madison. The partnership helps grow locally generated, cost-effective clean energy to serve all MGE electric customers.

Nine Springs Solar will host a perennial ground cover with the opportunity to be harvested to preserve the site's farmland. The perennial cover also helps to keep phosphorus in the soil, reducing the negative impacts to Madison-area waterways.

"As a significant energy user, this project allows us to be a part of the solution," said Eric Dundee, Madison Metropolitan Sewerage District Executive Director. "And, it's

a triple win for the environment: clean energy production, preservation of farmland and improved water quality through phosphorus reduction—all of which help, in their own way, support the work of the District."

MGE will build, own and operate the Nine Springs Solar array and lease the land from the District. Construction is expected in 2026, and the solar facility is expected to be operational in 2027.

Capital investment focused on sustainability and reliability

The project in partnership with the sewerage district is part of forecasted capital investment of nearly \$850 million in generation from 2025 through 2029 to support MGE's carbon reduction goals. The company has more than a dozen solar, wind, battery and energy storage projects in various stages of development and continues to evaluate additional cost-effective opportunities to help MGE achieve its carbon reduction goals.

State regulators approve innovative energy storage project

The Columbia Energy Storage Project—the first long-duration energy storage system of its kind to be developed in the United States—received approval from State regulators in June.

The 18-megawatt (MW) project between the co-owners of the Columbia Energy Center is designed to improve grid stability. It is expected to deliver enough electricity to power approximately 18,000 homes for 10 hours on a single charge. MGE will own 3 MW of storage capacity.

The added reliability and dispatchability provided by the project will help to further enable MGE's ongoing transition toward greater use of carbon-free energy. It also will help to

manage long-term customer costs as it enables the partner utilities to store energy to help meet peak demand.

Designed by Energy Dome, the project will use a revolutionary closed-loop process to take energy from the grid and convert carbon dioxide (CO₂) gas into a compressed liquid form for long-term storage. When the stored energy is needed, the system will convert the liquid CO₂ back to a gas, which will power a turbine to create electricity.

The project will be built south of Portage near the current Columbia Energy Center, which is co-owned by Alliant Energy, Wisconsin Public Service (WPS) and MGE, which is a minority owner. Construction is expected to begin in 2026 and be completed by the end of 2027.

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