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MGE Energy increases dividend for 48th consecutive year

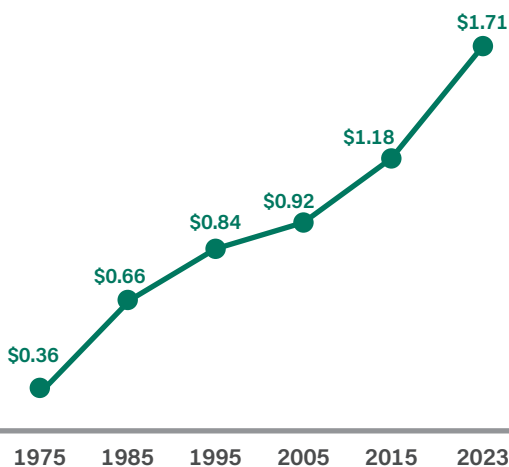
In August, the board of directors of MGE Energy increased the regular quarterly dividend rate approximately 5% to \$0.4275 per share on the outstanding shares of the company's common stock. The dividend is payable Sept. 15, 2023, to shareholders of record Sept. 1, 2023. This raises the annualized dividend rate by 8 cents from \$1.63 per share to \$1.71 per share.

"We continue to move forward in our clean energy transition to provide our customers safe, reliable and affordable clean energy. This action by our board demonstrates the continued strength and resilience of MGE Energy's

long-term business strategy in building your community energy company for the future," said Chairman, President and CEO Jeff Keebler. "For nearly half a century, our board has taken action to increase the dividend and to reinforce the importance of dividend growth to the overall shareholder value proposition by providing regular, predictable, sustainable dividends."

MGE Energy has paid cash dividends for more than 110 years.

48 Years of Dividend Increases (Annualized Dividend Rate - Rounded)



Second-quarter earnings announced

In early August, MGE Energy reported second-quarter GAAP (Generally Accepted Accounting Principles) earnings of \$28.7 million, or \$0.79 per share, compared to \$21.8 million, or \$0.60 per share, for the same period in 2022. Second-quarter results in 2023 were primarily driven by an increase in investments included in rate base.

The timing of 2023 depreciation expense and lower fuel costs also contributed to higher electric earnings in this year's second quarter. Depreciation costs are expected to increase after significant capital projects are completed, including the second phase of the Badger Hollow Solar Farm as well as completion of the Paris Solar project. MGE's continued investment in new, cost-effective renewable generation is helping to fuel the company's asset growth.

Gas net income in the second quarter of 2023 remained relatively flat compared to the second quarter last year.



MGE advancing renewables, electric vehicles to achieve goals

Construction of Tyto Solar, one of MGE's newest solar projects, is expected to be complete by the end of this year. The 6-megawatt project in Fitchburg, Wis., will connect directly to MGE's distribution grid. The project is one of five solar projects currently in development.

The company's planned renewable energy and battery storage resources account for more than 40% of planned capital investment through 2027. When complete, these projects are expected to grow the company's ownership of cost-effective and efficient renewable capacity by more than nine times from 2015, when MGE's Energy 2030 framework for a more sustainable future was introduced. MGE has goals to achieve at least an 80% reduction in carbon by 2030 and net-zero carbon electricity by 2050.

MGE's growing investment in renewable resources also will serve to help replace capacity lost with the anticipated retirement of the Columbia Energy Center by mid-2026. MGE is a minority owner of the coal plant. By 2027, with the planned retirement of Columbia, MGE will have eliminated

approximately two-thirds of the company's current coal-fired generation capacity.

Partnering to advance sustainable transportation

MGE has been working to grow the use of electric vehicles (EVs) for about 15 years. Transportation is the leading contributor of greenhouse gas emissions in the U.S. With the electrification of transportation recognized globally as a key strategy for reducing carbon emissions, MGE partners with customers and communities to advance EVs and to facilitate EV charging.

A key sustainability partner is the City of Madison. MGE is working with the City to place pole-mounted EV charging stations, which utilize existing utility infrastructure and offer charging access to drivers without dedicated parking or private garages. With pole-mounted charging stations, drivers use an app to lower the charging cord to their vehicle.

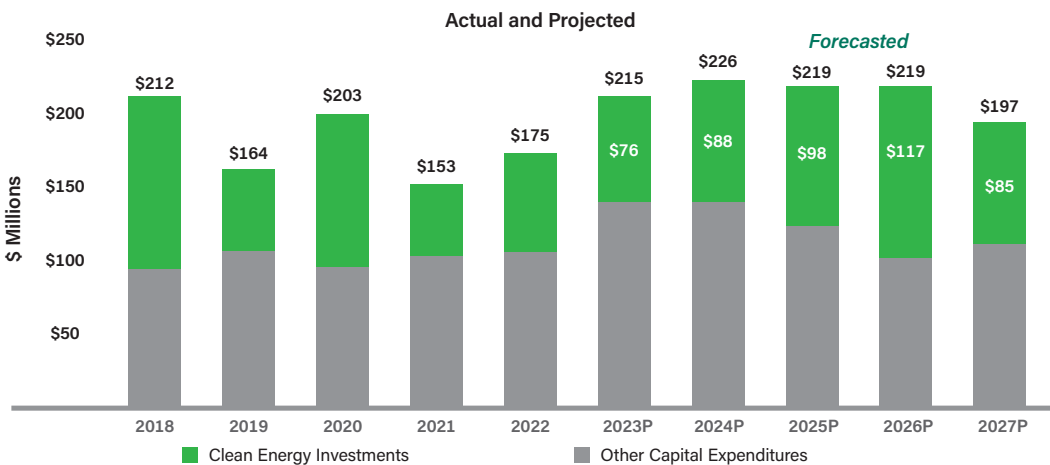
MGE's existing public charging network of more than 50 stations is powered by renewable energy.

Madison growing its fleet of electric buses

MGE also is working with the City's Metro Transit (Metro) to transition its fleet of buses to electric power. The City has a goal of 100% electric buses for its upcoming Bus Rapid Transit (BRT) system, which is expected to launch next year. With the support of federal funding, the City has purchased 46 all-electric vehicles for its BRT.

Visit mgeenergy.com to watch a video of Madison's first three electric buses in operation.

CAPITAL EXPENDITURES



• This graphic contains forward-looking information that involves risks and uncertainties that are subject to change.

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The Inside View is published twice a year to provide investors with information about MGE Energy. MGE Energy's primary asset, Madison Gas and Electric, provides highly reliable gas and electric service and promotes economic development in south-central and western Wisconsin.

