



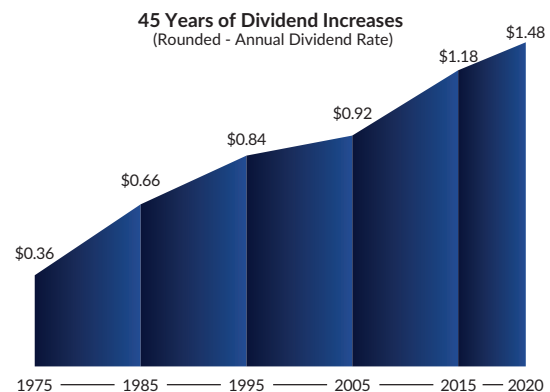
MGE Energy marks 45 years of dividend increases

The MGE Energy board of directors recently increased the regular quarterly dividend rate 5% to \$0.37 per share on the outstanding shares of the company's common stock. This increase raises the annualized dividend rate by 7 cents from \$1.41 per share to \$1.48 per share.

This increase also marks the company's 45th consecutive year of dividend increases. MGE Energy has paid cash dividends for more than 110 years.

Compared to combination utility holding companies nationwide, MGE Energy is one of only four to increase its dividend for 45 or more consecutive years. No other Wisconsin utility holding company can match our history of dividend increases. The financial publisher Mergent consistently ranks MGE Energy as a "Dividend Achiever."

Our regulated utility, Madison Gas and Electric (MGE), has the highest credit rating in the nation for combination utilities from both Moody's and Standard & Poor's. MGE Energy continues to earn top marks from Value Line for investment safety and financial strength.



Response to COVID-19

The situation around the COVID-19 pandemic remains fluid. MGE is subject to and continues to follow local, state and federal public health and safety regulations and guidance to address the pandemic. MGE has operated continuously throughout the pandemic and has not suffered any material disruptions in service or employment. The company continues to monitor the situation and its response.

MGE announces leadership changes

In August, as part of succession planning in preparation for the previously announced retirement of Jeff Newman, Executive Vice President, Chief Financial Officer, Secretary and Treasurer, the boards of directors of MGE Energy and MGE made the following leadership changes effective September 1, 2020:

- Jeff Newman became Executive Vice President.
- Cari Anne Renlund became Vice President - General

Counsel and Secretary. Renlund had most recently been Vice President and General Counsel.

- Jared Bushek became Vice President - Finance, Chief Information Officer and Treasurer. Bushek had most recently been Vice President - Finance and Chief Information Officer.

The MGE Energy board of directors also elected Renlund, Bushek and Tammy Johnson, Vice President - Accounting and Controller, officers of MGE Energy and MGE. Newman remains an officer of MGE Energy and MGE.



Investment in renewable energy driving asset growth

In the past 10 years, MGE Energy has grown its asset base from \$1.3 billion to approximately \$2.1 billion. Today's growth is being fueled by investments in cost-effective, clean energy generation.

Consistent with the latest climate science, MGE is targeting net-zero carbon electricity for all customers by 2050. The company continues to work toward carbon reductions of at least 40% by 2030, as announced in 2015 and consistent with the landmark Paris Agreement on climate change. Management has said since introducing the carbon-reduction targets that if MGE can go further faster by working with its customers, it will.

Since introducing its Energy 2030 framework in November 2015, MGE has announced more than 250 megawatts (MW) in clean energy projects. These investments will increase the company's owned renewable energy capacity by about 650% by the end of 2022. MGE will have invested by the end of 2022 more than \$375 million in clean energy generation, growing its asset base by about 21% since 2018 when the clean energy buildup began.

MGE's recent and upcoming clean energy investments include:

- Purchasing 100 MW of solar capacity from the Badger Hollow Solar Farm in Iowa County, Wis. Badger Hollow is expected to provide 50 MW in 2021; another 50 MW is expected online in 2022.
- Purchasing 50 MW of solar capacity from the Two Creeks Solar project in Wisconsin, expected online by the end of 2020.
- Building the 20-MW O'Brien Solar Fields project in Fitchburg, Wis. The Renewable Energy Rider project is expected online in 2021.
- Purchasing an 18-MW share of the Forward Energy Center wind farm in Wisconsin in 2018.
- Building the 66-MW Saratoga Wind Farm in Howard County, Iowa. The wind farm began generating in early 2019.
- Partnering with Dane County to build a 9-MW solar installation at the Dane County Regional Airport in Madison, Wis., to serve County operations. The array is expected online by the end of this year.
- Expanding the popular community solar program, Shared Solar, with a 5-MW solar array at the Middleton Municipal Airport in Middleton, Wis. The array, which also serves the City of Middleton and the Middleton-Cross Plains Area School District, came online in August 2020.

MGE proposes rate changes for 2021

MGE is seeking regulatory approval to change rates in 2021. In August, MGE filed an application with state regulators to hold electric rates flat and to increase natural gas rates overall by about 4%. MGE filed its application through a settlement agreement reached with intervening parties in the rate case. The requested increase to natural gas rates covers technology improvements and infrastructure costs.

The agreement, if approved this fall, also expands MGE's smart thermostat program, MGE Connect[®], to 2,500 participants from 1,000. MGE Connect allows MGE to make minor temperature adjustments to participants' smart thermostats. Under the proposed agreement, MGE also would be able to introduce a flat bill rate structure for residential electric customers. Enrolled customers would pay a monthly flat rate for electricity generated by renewable resources instead of a number of standard rate charges.

For information on MGE Energy's Direct Stock Purchase and Dividend Reinvestment Plan, contact:

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Learn more at mgeenergy.com

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MGE sets goal to electrify its fleet

MGE has set a goal to electrify its entire fleet of light-duty vehicles by 2030.

MGE has been testing commercially available fleet operations electric vehicles (EV) for more than a decade. The utility continues to add EVs to its fleet, where possible, including bucket trucks with battery-powered auxiliary technology to reduce vehicle idling while crews perform work to maintain MGE's top-ranked electric reliability.

Transportation accounts for 28% of greenhouse gas emissions in the U.S. The electrification of transportation is a key strategy for achieving deep decarbonization. MGE works with fleet customers to enable their transition to more sustainable transportation. If MGE can go further faster toward its fleet goal, as cost-effective EV technologies continue to evolve, it will.

Inside View

The *Inside View* is published periodically 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.