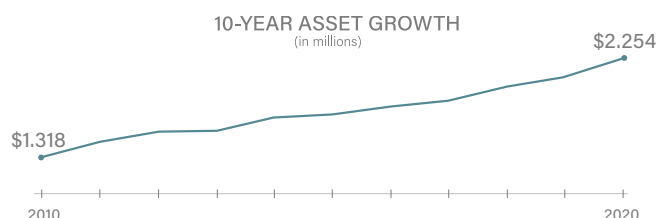




Powering forward sustainably

Renewable generation investments fueling asset growth

With a commitment to disciplined financial management and to sustainability, MGE Energy is investing in new, cost-effective renewable generation, which is helping to fuel the company's asset growth. Your community energy company for the future has grown its assets by investing in our core utility business to serve customers with safe, reliable, affordable and increasingly sustainable energy. In the last 10 years, MGE Energy's assets have grown by more than 70% to almost \$2.3 billion in 2020.



Last year, MGE Energy's market value reached \$2.5 billion. In the last 10 years, MGE Energy's market value has more than doubled. Market value is calculated by multiplying the number of shares outstanding by the price per share.

Stable earnings, dividend growth for consistent financial performance

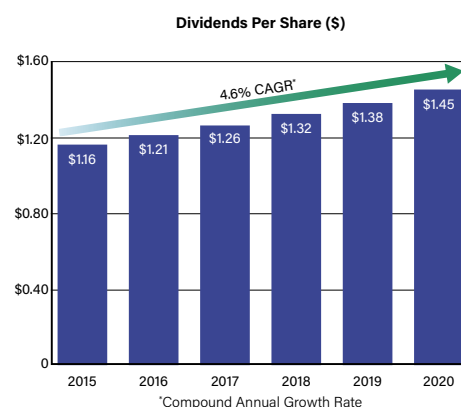
Despite the challenges of the global COVID-19 pandemic, MGE Energy has maintained its consistent financial performance, balancing the needs and interests of our customers, communities and investors. Shareholders saw earnings last year of \$92.4 million or \$2.60 per share,

compared to \$86.9 million or \$2.51 per share in 2019. The increase was primarily due to Allowance for Funds Used During Construction equity earned from the construction of the Two Creeks Solar and Badger Hollow Solar Farm projects and savings in operating and maintenance costs. Throughout the last five years, MGE Energy investors have seen a compound annual growth rate in earnings of nearly 5%.

Last year, MGE Energy's Board of Directors approved a dividend increase of more than 5%, marking 45 years of consecutive dividend increases.

In 2020, our annual dividends paid per share reached \$1.45. The company's five-year compound annual growth in dividends is nearly 5%. MGE Energy has paid dividends since 1909.

Total return is another important measure of MGE Energy's performance. A \$1,000 investment in MGE Energy, with dividends reinvested, would have grown to \$1,675 during the five years ending Dec. 31, 2020. Over the last five years, MGE Energy's annualized total return was almost 11%.

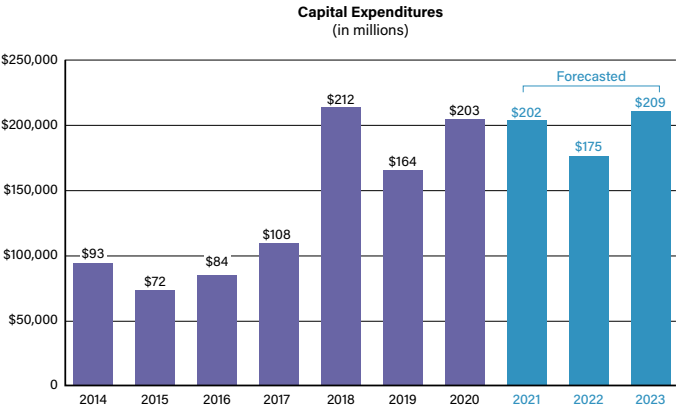


Renewable, technology investments transforming your community energy company

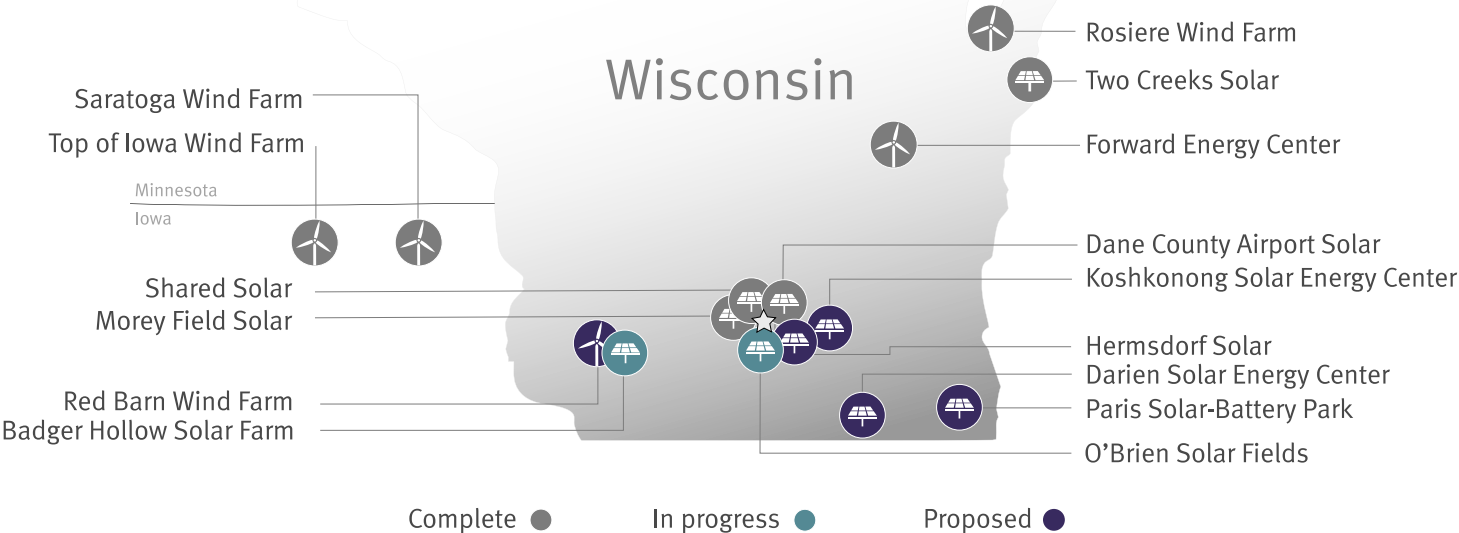
Our regulated utility, Madison Gas and Electric (MGE), was one of the first utilities in the nation to commit to achieving net-zero carbon electricity by the year 2050. The company’s commitment to its goal of deep carbon reductions and to cost-effective, clean energy is reflected in its current and projected capital expenditures.

Since introducing its Energy 2030 framework in November 2015, MGE has announced more than \$560 million in clean energy projects that are expected to grow its owned renewable capacity by more than 960% by year-end 2024. MGE’s recently proposed investments include:

- Koshkonong Solar Energy Center:**
MGE will own 30 megawatts (MW) of solar energy and 16.5 MW of battery storage, if approved, from this 300-MW solar park to be built in the Town of Deerfield and the Town of Christiana in Dane County.
- Red Barn Wind Farm:**
MGE is seeking approval to own 9.1 MW of the 92-MW Red Barn Wind Farm to be built in Grant County. If approved, construction is expected to begin next year.
- Darien Solar Energy Center:**
MGE will own 25 MW of solar energy and 7.5 MW of battery storage, if approved, from the 250-MW solar park to be built in the Town of Bradford in Rock County and the Town of Darien in Walworth County.



- Paris Solar-Battery Park:**
MGE will own 20 MW of solar energy and 11 MW of battery storage, if approved, from the 200-MW solar park to be built in the Town of Paris in Kenosha County.
- Hermsdorf Solar:**
In December 2020, MGE filed for state regulatory approval of an agreement to partner with the City of Madison and the Madison Metropolitan School District on an 8-MW solar array in Madison. The array will serve the City and district under Renewable Energy Rider agreements. If approved, the array is expected to begin generating electricity by the end of 2021.



Ongoing projects



O'Brien Solar Fields:

MGE's 20-MW O'Brien Solar Fields project is expected to come online in mid-2021. The new array near Madison will serve several business customers as well as the State of Wisconsin-Department of Administration, the University of Wisconsin-Madison and the City of Fitchburg. The solar generating facility was built under MGE's Renewable Energy Rider for major customers.



Badger Hollow Solar Farm:



The first phase of the 300-MW Badger Hollow Solar Farm in Iowa County, Wis., is nearing completion. MGE purchased one-third of the solar project, which will begin serving all MGE customers this summer. The second phase is expected online in late 2022.



Top: O'Brien Solar Fields, a 20-MW project in Fitchburg, Wis., will serve several large MGE electric customers.

Right: MGE is leasing land from Thomas and Patrick O'Brien (center and right, pictured with their business manager, Jeffrey O'Brien) to build the O'Brien Solar Fields.

Left: The first phase of the Badger Hollow Solar Farm is expected to come online this summer.



University of Wisconsin analysis of MGE's net-zero carbon goal

In fall 2020, the University of Wisconsin-Madison's Nelson Institute for Environmental Studies released its independent analysis of MGE's goal of net-zero carbon electricity. The analysis by Dr. Tracey Holloway compared the utility's goal to the modeled pathways for the electricity sector in industrialized nations to limit global warming to 1.5 degrees Celsius. The UW's analysis determined MGE's goal is in line with or more aggressive than the model benchmarks for climate solutions. The company has said since introducing its carbon reduction goals that if it can go further faster, it will.

Enterprise Forward

In addition to its investments to decarbonize the grid, MGE is investing in the customer experience through its multiyear Enterprise Forward initiative. This major technology investment includes the implementation of a new customer information system and other applications to provide greater capability and flexibility in offering customers innovative programs, products and services into the future.

Planned retirement of the Columbia Energy Center

In February 2021, MGE announced plans to accelerate the retirement of the Columbia Energy Center in Portage, Wis. MGE is a minority owner of the coal-fired plant. Under the proposal, subject to regulatory and other approvals, both of Columbia's units will be retired by the end of 2024.

MGE's plans to retire Columbia ahead of schedule, combined with its investments in new, cost-effective renewable energy generation, advance the company's goal of deep carbon reductions. MGE expects to achieve carbon emissions reductions of at least 65% by 2030, which is consistent with its path toward net-zero carbon by mid-century.

MGE to build downtown charging hub for electric vehicles

Construction is expected this summer on MGE's electric vehicle (EV) charging hub along downtown Madison's East Washington Avenue corridor. The hub will serve nearby businesses and residents, commuters, taxi and rideshare drivers, and others who need convenient on-the-go charging in the heart of the state capital.

In fall 2020, the City of Madison approved MGE's plans for the hub at the intersection of South Livingston Street and East Washington Avenue. MGE is installing high-speed chargers to serve eight stalls at the site. With power levels up to 350 kilowatts, the chargers will be some of the most powerful in the Midwest, capable of serving EVs with larger batteries and greater range. Fast chargers provide up to 12 to 18 miles of range per minute. MGE also is partnering with Tesla to install eight Superchargers at the site.

"MGE is committed to supporting the growth of electric vehicles," said Debbie Branson, MGE Manager of Electrification. "The charging hub also will complement ongoing redevelopment in the Capitol East District."

Adjacent to MGE's Blount Substation, the site provides adequate electric supply without the need for additional electric infrastructure. The electrification of the transportation sector is a key strategy for reducing carbon emissions. The transportation sector accounts for nearly 30% of U.S. greenhouse gas emissions. Easy, convenient access to fast EV charging will help meet the needs of growing numbers of drivers who want cleaner transportation options.



Madison's East Washington Avenue corridor will be home to MGE's EV Charging Hub to be constructed this year.

MGE publishes Report on Giving

As your community energy company, MGE is committed to improving the quality of life for everyone who lives and works within our service area. Investing in the communities we serve is part of our mission.

In the last five years, the MGE Foundation, our philanthropic arm, has given more than \$6.5 million to more than 400 community organizations. MGE's Report on Giving captures some of the ways in which the company gives, partners and works to support its communities. Our most recent report also covers some of the ways in which MGE contributed to COVID-19 relief efforts in 2020.

MGE and MGE Energy support our communities in three overarching ways:

- Charitable giving by the MGE Foundation, our charitable arm established in 1967.
- Corporate giving by MGE through partnerships, collaborations and projects with local organizations and stakeholders.
- Volunteerism and service of our employees.

Visit mge.com/foundation to read the report.



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Learn more at mgeenergy.com

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- Company news
- Dividends and earnings

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.