

Powering forward sustainably

**RESPONSIBILITY
RELIABILITY
RESILIENCY**

mge
ENERGY®

2020 Annual Report

Delivering a cleaner,
more advanced grid

Bringing new technologies
to all customers

Meeting the needs of
our community in a
digital world

Fostering sustainable
communities

RESPONSIBILITY

MGE Energy 2020 ANNUAL REPORT

TABLE OF CONTENTS

1. 2020 highlights
2. Letter to our shareholders
6. Utility as conductor
8. Innovation to grow sustainability
10. Technology to enhance the customer experience
12. Partnerships to build a brighter future
14. Corporate leadership
16. Shareholder information

Financials: Form 10-K

MGE ENERGY, INC.

MGE Energy is an investor-owned public utility holding company headquartered in the state capital of Madison, Wis. MGE Energy is the parent company of Madison Gas and Electric Co. The utility provides natural gas and electric service in south-central and western Wisconsin. Assets total approximately \$2.3 billion. In 2020, revenue was approximately \$539 million. See the Corporate Profile on the inside back cover.

ABOUT THE COVER

With a commitment to deep carbon reductions, Madison Gas and Electric (MGE) is investing in cost-effective, cleaner energy sources to benefit all customers while maintaining its responsibility to provide a safe, reliable and resilient grid. As conductor of the grid, MGE manages an increasingly smart and dynamic system, capable of serving a vibrant, diverse and strong community.



RELIABILITY RESILIENCY

MGE ENERGY (MGEE)

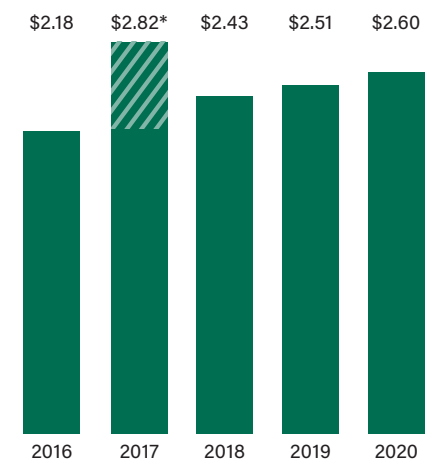
Year at a Glance

(Thousands, except per share amounts and shares outstanding)

	2020	2019	Increase/ (Decrease)	% Change
Total Market Value (Dec. 31)	\$ 2,532,521	\$ 2,732,561	\$ (200,040)	-7.3
Market Price Per Share (Dec. 31)	\$ 70.03	\$ 78.82	\$ (8.79)	-11.2
Book Value Per Share	\$ 27.41	\$ 24.68	\$ 2.73	11.1
Average Shares Outstanding	35,611,936	34,668,370	943,566	2.7
Shares Outstanding at Year-End	36,163,370	34,668,370	1,495,000	4.3
Operating Revenues	\$ 538,633	\$ 568,855	\$ (30,222)	-5.3
Net Income	\$ 92,418	\$ 86,874	\$ 5,544	6.4
Basic and Diluted Earnings Per Share	\$ 2.60	\$ 2.51	\$ 0.09	3.6
Dividends Declared Per Share	\$ 1.45	\$ 1.38	\$ 0.07	5.1
Dividend Payout Ratio	55.8%	55.0%	0.8%	1.5
Total Assets	\$ 2,253,651	\$ 2,081,664	\$ 171,987	8.3
Total Retail Electric Sales (kWh)	3,100,968	3,213,882	(112,914)	-3.5
Total Gas Deliveries (therms)	271,382	291,786	(20,404)	-7.0

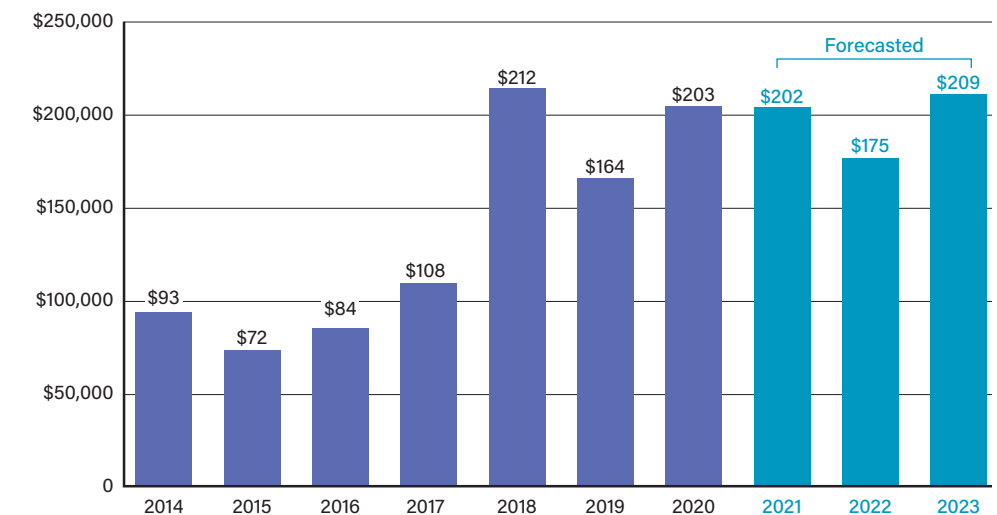
For detailed financial information, see the 2020 MGE Energy Form 10-K.

Earnings Per Share
(2016-2020)



* Includes one-time tax benefit of 62 cents per share due to tax act.

Capital Expenditures
(in millions)



Letter TO OUR SHAREHOLDERS

We are creating value by cost-effectively transitioning to new technologies for the benefit of all.



Chairman, President and CEO Jeff Keebler at his home where he records weekly video messages to keep MGE employees informed throughout the pandemic on important matters, including the company's response to COVID-19, which shifted many MGE employees to a remote work environment and created new safety procedures for field and operations employees.

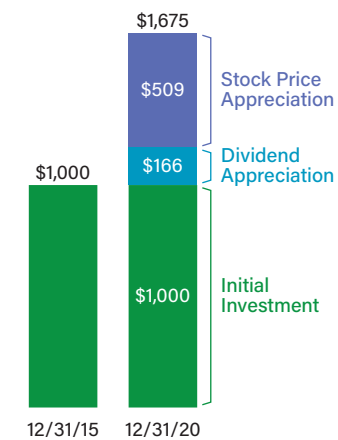
Our regulated utility subsidiary, Madison Gas and Electric (MGE), is powering forward—sustainably. We continue to deliver on our commitment to grow our use of cost-effective, clean energy for the benefit of all we serve while maintaining our obligation to provide safe, reliable energy.

The year 2020 was unlike any other. A global pandemic altered nearly every aspect of daily life. Your community energy company continues to meet its responsibility as a critical services provider and community partner, bolstering

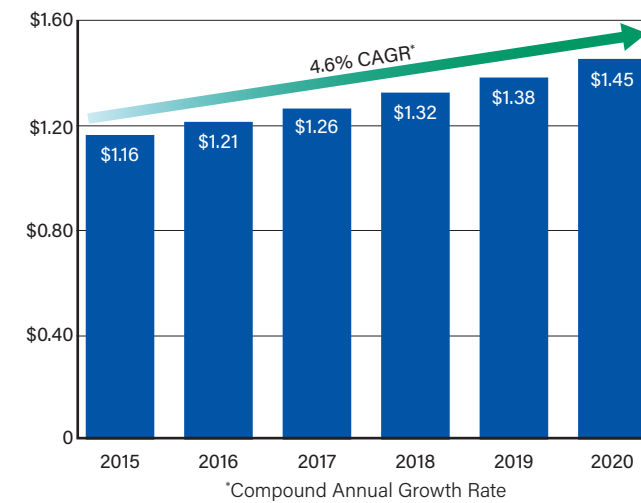
the resiliency of our communities by working with our customers and supporting our employees throughout an unprecedented period in recent history.

By working together, we are meeting the challenges of a “new normal” and working toward our shared energy goals, building clean energy generation and launching innovative programs to create long-term value for customers and investors. Consistent with the latest climate science, MGE is on a pathway to achieve our goal of net-zero carbon

Cumulative Total Return
(assumes \$1,000 investment on 12/31/15 with dividends reinvested)



Dividends Per Share (\$)



MGE Top Credit Quality

S&P
Corporate Credit: AA-
Outlook: Stable

Moody's
Secured: Aa2
Unsecured: A1
Outlook: Stable

MGE Value Line Ratings

Safe Investment
No. 1

Financial Strength
A+

electricity by 2050, pursuing globally recognized deep decarbonization strategies to reach our ambitious goal as quickly and as cost-effectively as we can.

In November 2015, MGE introduced its Energy 2030 framework, which established clean energy goals and foundational objectives for working with our customers to build your community energy company for the future. Energy 2030 continues to guide our work for building consistent, long-term value.

CONSISTENT FINANCIAL PERFORMANCE

Your Board of Directors understands the importance of dividend growth to our loyal shareholders. In 2020, your board increased the annual dividends paid per share by more than 5% to \$1.45. In the last five years, shareholders have seen a compound annual growth rate (CAGR) in dividends of nearly 5%.

MGE Energy has increased the dividend for 45 consecutive years and paid dividends for more than 110 years.

The financial publisher Mergent continues to recognize MGE Energy as a “Dividend Achiever.”

Many shareholders elect to reinvest their dividends to grow their investment. One indicator of investment performance, total return is the combination of reinvested dividends and stock price appreciation. In November, MGE Energy was awarded the Edison Electric Institute (EEI) Index Award in the Small-Capitalization category. The annual award for investor-owned electric utilities is presented to EEI member companies that have achieved the highest total shareholder return in their categories for the five-year period ending Sept. 30, 2020.

Taking a look at the last five years, MGE Energy's annualized total return was almost 11%. A \$1,000 investment in MGE Energy, with dividends reinvested, would have grown to \$1,675 during the five years ending Dec. 31, 2020.

MGE continues to maintain the highest credit ratings of any investor-owned combination utility in the nation from Standard & Poor's (S&P) and Moody's.

Value Line also gives MGE Energy top marks for investment safety and its highest grades for financial strength.

For 2020, we reported earnings of \$92.4 million, or \$2.60 per share, compared to \$86.9 million, or \$2.51 per share, for 2019. The increase was primarily due to Allowance for Funds Used During Construction (AFUDC) equity earned from the construction of Two Creeks Solar and the Badger Hollow Solar Farm, phases I and II, and savings in operating and maintenance costs. AFUDC equity for the Two Creeks and Badger Hollow I and II solar projects increased \$3.3 million compared to the prior year.

The COVID-19 pandemic and associated governmental regulations led to a reduction of retail sales. Electric commercial retail sales dropped approximately 7% in 2020 compared to the prior year; however, ongoing remote work arrangements contributed to higher electric residential sales, which partially mitigated the impacts of COVID-19. Electric residential sales increased by approximately 6% compared to 2019.

MANAGING OUR RESPONSE TO COVID-19

At the outset of the pandemic, MGE activated our Incident Command Structure to ensure business continuity and to provide for the safety and protection of our employees, customers and community. Employees who could work remotely were instructed to work from home. Additional safety measures were taken at our facilities in accordance with public health guidance and regulations, and personal protective equipment was provided to field personnel and operations employees. Field employee schedules and reporting sites also were adjusted to reduce our collective exposure. Safety is always our first priority.



Additional safety measures were taken during the COVID-19 pandemic to protect employees and customers and to maintain MGE's top-ranked electric reliability as many of our customers were working or learning remotely.

As your community energy company, MGE also worked to address the concerns of customers, many of whom were experiencing hardship. We communicated in multiple languages to our diverse community last spring that we were not disconnecting customers for nonpayment or assessing late fees. Our marketing teams reached out early to our community partners and assistance agencies to let them know

MGE was accessible and ready to help in the community's response to COVID-19.

MOVING TOWARD NET-ZERO CARBON ELECTRICITY

In November, the University of Wisconsin-Madison's Nelson Institute for Environmental Studies released its analysis of MGE's goal of net-zero carbon electricity by 2050. The study determined our goal is aggressive and is consistent with the latest climate science to limit global warming to 1.5 degrees Celsius to prevent the most severe impacts of climate change. MGE expects to achieve carbon reductions of at least 65% by 2030, which also is consistent with the pathways identified by the science and by the UW's analysis. We have said since introducing our carbon reduction goals that if we can go further faster through our work with customers and the evolution of new technologies, we will. Our goals signal our direction but do not determine our pace. MGE is committed to aggressive carbon reductions in pursuit of net-zero carbon electricity.

MGE took another step in its ongoing transition away from coal in early February 2021 when it announced plans to retire the coal-fired Columbia Energy Center ahead of schedule. Under the proposal, subject to regulatory and other approvals, Columbia's Units 1 and 2 will be retired by the end of 2023 and 2024, respectively. As a minority owner of the plant, MGE accelerated depreciation of Unit 1 in 2018, signaling the company's belief that cost savings could be achieved through early retirement of the units.



Our philanthropic arm, the MGE Foundation, contributed to local relief efforts, including those of Second Harvest Foodbank of Southern Wisconsin. The nonprofit estimates it distributed 56% more pounds of food last year, since the start of the pandemic, compared to 2019. Many of the more than 610,000 boxes of food distributed in 2020 were given out through mobile food pantries like this one at Aldo Leopold Elementary School in Madison where masked volunteers place boxes directly in clients' vehicles to maintain a safe distance. MGE is proud to support the work of Second Harvest and our other community partners addressing the impacts of COVID-19.



To achieve deep decarbonization, we also are engaging customers in energy efficiency and working to electrify transportation in many different ways, some of which we detail in this report. We continue to grow our use of clean energy, investing an



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, a 20-megawatt project in Fitchburg, Wis. The project will serve several large electric customers, including the City of Fitchburg, the University of Wisconsin, the Wisconsin Department of Administration and others, under MGE's Renewable Energy Rider program.

estimated \$400 million in renewable generation by the end of 2022. Since introducing our Energy 2030 framework in November 2015, we have announced projects that we expect will increase our owned renewable capacity by almost 675% by the end of 2022. One of those projects is a 20-megawatt solar array under construction near the city of Madison. The O'Brien Solar Fields will serve several large electric customers, including local businesses and municipal and state governments, through Renewable Energy Rider agreements with MGE. The O'Brien Solar Fields will be the largest solar project in Dane County when complete.

This report highlights some of the ways in which your community energy company is building a more advanced, integrated grid, capable of delivering affordable renewable energy, powering a new era in cleaner transportation and engaging all customers in new technologies to share in creating a more sustainable future.

We continue to work to ensure all our diverse customers experience MGE as "their" community energy company. Meeting our customers "where they are" remains at the core of our mission to serve inclusively and reflects our commitment to meaningful engagement.



Executive Vice President Jeff Newman retired in December 2020 after more than 35 years of service.

In August, as part of transition planning for the end-of-year retirement of Executive Vice President Jeff Newman, your Board of Directors appointed Jared Bushek to serve as Chief Financial Officer and elected him as Treasurer. Tamara Johnson was appointed to serve as Chief Accounting Officer and Cari Anne Renlund was appointed to serve as Secretary. The



In December, MGE's 9-megawatt solar array at the Dane County Regional Airport came online. The project, visible from Highway 51, serves Dane County operations, advancing both MGE's and the County's sustainability goals.

board also elected Renlund, Johnson and Bushek officers of MGE Energy and MGE. In his more than 35 years of service, Mr. Newman's leadership has contributed to our consistent financial performance, and I wish him well in his retirement. Through deliberate and thoughtful succession planning, MGE Energy is positioned well to achieve continued success.

In closing, I want to thank our hundreds of employees who have met our obligation to provide safe, reliable gas and electric service during a year of unprecedented challenges. Our employees help us succeed every day.

On behalf of the board, thank you for your confidence and continued investment in MGE Energy.

Jeffrey M. Keebler

Jeffrey M. Keebler
Chairman, President and Chief Executive Officer

Utility AS CONDUCTOR

Your community energy company operates an evolving electric grid for optimal efficiency.

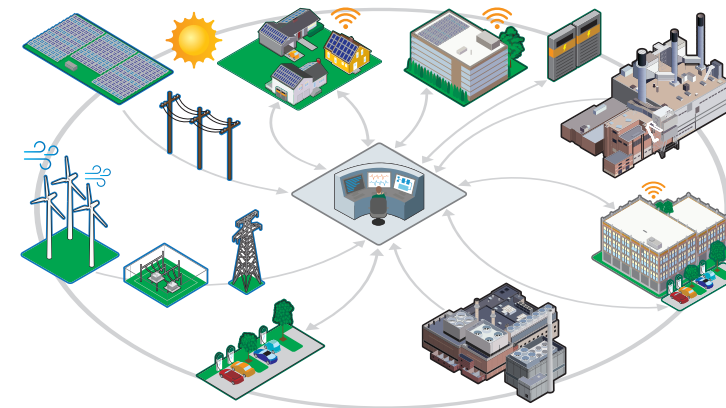
Daily life is increasingly reliant on the availability of safe, reliable and affordable energy. Electricity powers households and businesses, critical services like schools and hospitals, and local to global economies.

New technologies fueling our digital economy also serve to create a smarter grid. MGE is at the forefront of this grid

transformation, investing in renewable energy projects, innovative customer programs and technologies to deliver a more integrated grid.

Historically, power flows have been one direction on the electric grid, from power plants to customers. Today's grid features many sources, from power plants to utility-scale wind and solar

to local, distributed solar panels. In addition, new technologies, such as smart thermostats, battery storage and electric vehicle (EV) charging stations, also are able to interact with the electric grid. MGE, as the utility, serves as the "conductor" of the distribution grid, building, managing and balancing the system to ensure its safety, reliability, security and efficiency.



A Smart Grid with Two-Way Power Flows
MGE oversees an increasingly digitally connected grid where various technologies work together as a system for optimal performance and value.

AN INTEGRATED GRID ADVANCES SHARED ENERGY GOALS

Today's more complex grid also is becoming more sustainable with cost-effective, carbon-free energy sources. In the role of conductor, MGE is responsible for ensuring all energy supply resources on the system work together. Customer load and energy supply must be balanced at all times. As they fluctuate in real time, MGE manages the grid to ensure reliability and efficiency.

In February 2021, MGE announced plans to purchase 20 megawatts (MW) of solar and 11 MW of battery storage from the Paris Solar-Battery Park in Kenosha County. The project, if approved, will help MGE meet future energy and capacity needs cost-effectively as the company continues its ongoing transition away from coal-fired electricity with the planned retirement of the Columbia Energy Center.

MGE partners with customers in managing the grid as a shared resource. Demand-side technologies, such as smart thermostats and EV charging stations, give MGE the ability to manage electricity demand during peak periods. Peaks occur when everyone is using higher amounts

of electricity. If MGE is able to shift energy use to periods when fewer customers are using energy, we can better manage the system and costs for all customers.

MGE Connect® is our smart thermostat program. Participating customers allow MGE to adjust their residential thermostats during the hottest stretches of the year to help reduce peak demand with little to no impact on comfort. The growth of smart technologies, as part of an integrated grid, will help MGE to better balance demand and energy supply at all times. By managing demand, through smart thermostats, EV charging and other emerging technologies, we can optimize the use of our energy supply resources to most cost-effectively meet customers' needs.

MGE Connect is one way MGE is using new technologies to help manage our collective use of energy, a foundational objective under our Energy 2030 framework. It also is an example of how MGE, as conductor, is adding value to the grid for the benefit of both customers individually and collectively.

Electrifying our future

MGE continues to grow EV charging on our community grid. In 2020, the City of Madison approved MGE's EV Charging Hub in the heart of the city's Capitol East District.

The electrification of transportation is one of our key strategies to achieve deep decarbonization. Transportation is a leading contributor of greenhouse gas emissions, both locally and nationally.

The EV Charging Hub will be one of the first of its kind in Wisconsin and will feature some of the fastest charging stations in the Midwest. The Hub's DC fast-charging stations will enable a full charge in as little as 20 minutes. Located along the East Washington Avenue corridor, the Hub will serve nearby apartment dwellers and single-family households, commuters, and taxicab and ride-hailing services that travel the downtown gateway.

Fast, convenient and green—all of MGE's public charging stations are powered by clean energy. The Hub will help enable the broader adoption of EVs, which continue to grow in variety and popularity. It is another example of how MGE works with local partners to advance new technologies for the benefit of all customers and in pursuit of our carbon reduction goals.



“A more complex grid demands a conductor. MGE, as the utility, fills that role by managing a dynamic grid to provide seamless, sustainable energy—and customer value.”

—Jeff Keebler

Decarbonizing our grid

Southwest of the city of Madison, Wisconsin's largest utility-scale solar project is under construction. MGE is investing about \$130 million to own one-third of the massive 300-megawatt (MW) project in Iowa County.

Our 100-MW share will serve all MGE electric customers with cost-effective, zero-emissions energy for decades to come. The first 50-MW phase of Badger Hollow is expected online in spring 2021.

In addition to our investment at Badger Hollow, MGE also has invested in the 150-MW Two Creeks Solar project in northeastern Wisconsin. Our 50-MW share serves all MGE electric customers.

Unlike other sources of energy generation, solar energy has zero fuel costs, which helps to manage costs to customers. These projects are another step toward net-zero carbon electricity to benefit all customers.

Innovation TO GROW SUSTAINABILITY

We are working to ensure all customers share in the benefits of new technology.



Assistant Housing Manager Michelle Schwartz (left) stands outside of Romnes Apartments with Heather Allen, executive director of RENEW Wisconsin, and Cheri Salmon, MGE manager of new products and services. The public housing complex is served by MGE's Shared Solar program under a partnership between the City of Madison, RENEW and MGE.



Michelle Schwartz knows many of the longtime senior residents at the 168-unit Romnes Apartments on the city of Madison's south side. Schwartz works out of the public housing complex as an assistant housing manager for the City's Community Development Authority (CDA).

Under a new partnership, Schwartz's office and the one-bedroom apartments at Romnes are powered, in part, by renewable energy through MGE's Shared Solar program. The optional program expanded in 2020 with a new 5-megawatt array at the Middleton Municipal Airport. Seventy percent of the Morey Field Solar array serves the Shared Solar program, which gives residential and small business customers the opportunity to power their household or business with affordable local solar from MGE.

The CDA's partnership with MGE was made possible by a grant from RENEW Wisconsin, a Madison-based nonprofit

dedicated to growing renewable energy in the Badger State. RENEW is covering the upfront cost of participation in Shared Solar for two CDA properties, the Romnes Apartments and Karabis Apartments, a 20-unit complex on the city's south side that serves residents with physical disabilities. The CDA will cover any additional costs of participation and will realize long-term savings with a stable price per kilowatt-hour. The public-private partnership advances both MGE's and the City of Madison's sustainability goals.

It's also an extension of MGE's ongoing collaboration with the City of Madison. In 2020, MGE worked with the City's Metro Transit (Metro) to coordinate installation of charging stations for three new all-electric buses. The zero-emission buses will help the City achieve its goal of net-zero carbon for City operations by 2030. Metro purchased the buses with funding from a \$1.3 million federal grant. In support of the grant application, MGE pledged 100% of the required

local matching funds for the charging infrastructure and continued in-kind support and expertise.

According to the City, its fleet operations and Metro buses combined account for roughly one-third of the City's carbon emissions. The battery-powered buses will help to reduce the City's carbon footprint as well as its fuel and fleet maintenance costs, leading to benefits for the broader community.

More than a decade ago, MGE began installing solar arrays across the community. These technology demonstration projects enabled our customers to see solar technology up close and helped us to learn how the panels performed in our climate. With that experience, we continue to make today's improved solar technology a greater part of our energy supply mix.

We are launching a new technology demonstration project featuring battery storage in collaboration with the Electric Power Research Institute and residential electric customers. Several homeowners who have a solar photovoltaic system have a battery installed outside their home. Their rooftop solar system charges the battery, which will be used during periods of peak demand and as a backup source of power for the household. Our experience with this evolving technology will help us better understand how batteries could help control long-term costs by managing our collective use of energy and provide enhanced reliability as we transition to greater use of renewable resources.



The residential battery, installed on the exterior of the home, is charged by the home's rooftop solar system. The project will help MGE better understand how battery technology could be used to manage peak demand and to enhance reliability.

“This technology demonstration project will help us understand how batteries could help to manage costs in the future.”

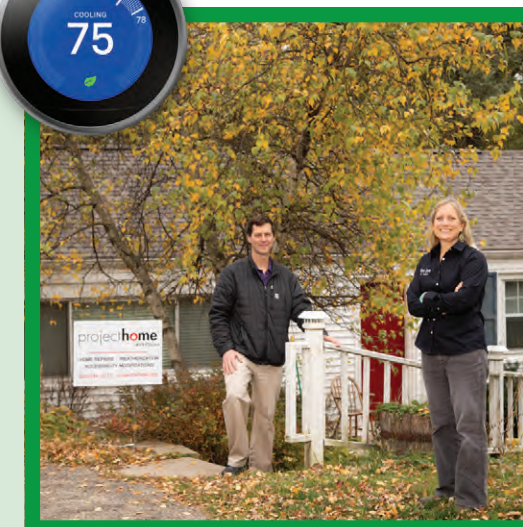
—Cheri Salmon

The comfort of home

In 2020, the COVID-19 pandemic put a special focus on the importance of the comforts of home. The team at the Madison nonprofit Project Home specializes in improving housing for lower- to moderate-income households, including those of military veterans. Through its weatherization program, Project Home helps to provide energy-saving improvements to households that qualify for energy assistance.

Residential Services Manager Laura Paprocki works with our community partners to bring new technologies to all customers. Having worked with FOCUS ON ENERGY® to secure smart thermostats for limited-income households, Paprocki partnered with Project Home to coordinate installation of the devices in eligible households. Smart thermostats make saving energy almost effortless but require installation, a Wi-Fi connection and some instruction to get set up.

Paprocki and Project Home developed a way to make the devices available to customers receiving new furnaces and weatherization services. One of those customers was a Gulf War Army veteran and father of two on Madison's west side who is thankful his children now have a more comfortable and efficient home.



Project Home Outreach Manager Jason Hafeman and MGE Residential Services Manager Laura Paprocki teamed up to coordinate installation of smart thermostats in households across the community, like this one on Madison's west side.

Technology TO ENHANCE THE CUSTOMER EXPERIENCE

Your community energy company is equipped to serve, connect and engage in new, innovative ways.



A new digital solution for the efficient scheduling and fulfillment of work orders in the field, such as those addressed by MGE Service Technician Colin Romenesko, will improve both the customer and employee experience by providing customer service representatives and other office employees with near real-time updates from the field.

A digital transformation is underway at MGE. We are halfway through Enterprise Forward, our five-year company-wide initiative to modernize a number of internal systems.

Colin Romenesko is a service technician in MGE's Meter and Connection (M&C) department. He helps to maintain the safety and reliability of our gas and electric service distribution systems.

Under Enterprise Forward, Romenesko and the team in M&C are transitioning to mobile devices for managing schedules for and fulfillment of work

orders. Our new digital solution for mobile work management will increase operational efficiency as well as the accessibility and visibility of service-related information, improving both the employee and customer experience.

As part of MGE's broader Customer to Meter system, office employees will be able to see near real-time status updates from work in the field. This means our customer service representatives will be able to respond more efficiently and effectively to customer questions and provide customers with more up-to-date information about their service.

Our mobile work management tool for emergency and routine service work—for example, gas leak investigations or meter repairs—is expected to launch in 2021.

Enterprise Forward is another step toward building your community energy company for the future, capable of delivering new engagement options, programs, products and services that add value for our customers.

DEEPENING OUR ENGAGEMENT IN A NEWLY VIRTUAL WORLD

Engagement with our customers and community is at the core of our mission. Throughout the pandemic,

we were steadfast in our commitment to stay connected with our customers and local partners, many of whom were challenged by the impacts of COVID-19.

MGE Senior Customer Engagement and Community Development Manager Mario Garcia Sierra listens, learns and fosters relationships across our community to better understand and serve our increasingly diverse community. Garcia Sierra also serves as an MGE energy expert on La Movida, a Spanish language radio station in Madison. Garcia Sierra continued MGE's long-standing "Viviendo Con Energía" (Living with Energy) radio program throughout the pandemic but joined from his living room instead of the studio to answer call-in questions and to provide information about conservation and energy assistance.

MGE invests in culturally competent ways of ensuring all customers have access to our energy experts, information and services. MGE partners with more than 200 local organizations and community stakeholders to help us reach all of those we serve in a variety of ways.

One such organization is the Northside Planning Council. The nonprofit on the city of Madison's north side publishes a free community newspaper but saw its advertising revenue dwindle as the pandemic challenged neighborhood businesses. The drop-off in financial support jeopardized the newspaper's regular publication schedule.

MGE Senior Community Services Manager Dave Benforado keeps in touch with our area's neighborhood organizations, longtime partners of MGE's in helping to reach our



Senior Customer Engagement and Community Development Manager Mario Garcia Sierra helped produce MGE's long-standing Spanish language radio program from his living room during the pandemic, instead of La Movida's studio, to share important information with customers.



customers. Understanding the value of Northside News to the community, Benforado worked with the council on a special MGE sponsorship to ensure the newspaper could continue its regular schedule and share important pandemic-related information and resources for assistance.

Garcia Sierra, Benforado and others like Cedric Johnson, also in MGE's Residential and Community Services department, often describe their work as building relationships with individuals, organizations and community leaders. Through these relationships, we can deepen and extend our reach to our customers, some of whom may face language, cultural or other barriers to service. The pandemic underscored the need for these connections as MGE teams worked to let customers know MGE would work with them.

“Our team worked to help ease uncertainty and to provide referrals for our customers in need.”

—Cedric Johnson



Community Services Managers Cedric Johnson (left) and Dave Benforado stand outside of the Warner Park Community Recreation Center on Madison's north side. Both build relationships and work with local organizations and other partners across our community to build bridges to our customers, helping MGE to better understand and meet their needs.

Partnerships TO BUILD A BRIGHTER FUTURE

MGE invests in creating a stronger tomorrow for those we serve.

On Madison's near east side, Stephanie Waggett is feeling grateful. The five-year-old small business she co-founded with her husband is expanding. In late 2020, The Looking Glass Bakery moved from a shared kitchen to the Madison Enterprise Center, a business incubator MGE helped launch more than 30 years ago and continues to support today. Waggett received a \$7,000 interest-free loan from Kiva Greater Madison to purchase equipment for the larger space.

A global nonprofit, Kiva is an online crowdfunding platform, providing zero percent interest and zero-fee microloans of \$1,000 to \$15,000 to startup business owners and entrepreneurs. Kiva seeks to grow business ownership—and opportunity—by focusing its support for women, people of color, immigrants, veterans and lower-income entrepreneurs. Anyone can help finance a small business anywhere in the world through Kiva, with lending starting at \$25.

Support from the MGE Foundation helped launch Kiva Greater Madison in 2019. The local branch has assisted dozens of local business owners like Waggett. As the pandemic persisted, Kiva Greater Madison joined forces with the City of Madison, which committed \$100,000 to a loan-matching program to help struggling Madison businesses.

Whether it is working together with community partners to bolster support during an unprecedented time or enabling emerging businesses through incubators and microloan programs, MGE is committed to advancing a healthy, inclusive local economy that offers opportunity for all.



With funding from a Kiva microloan to help expand her business, Stephanie Waggett looks forward to what the future holds for The Looking Glass Bakery in its new home, the Madison Enterprise Center, a business incubator originally launched with support from MGE that continues today.

MGE invests in our communities—and in the next generation. In summer 2020, MGE hosted our fifth and first-ever virtual class of Career Ambassadors, a group of local high school students who spend six weeks with MGE employees from across the company, learning about the utility business, related career opportunities and workplace skills. MGE works with our community partners, including in 2020 the Boys & Girls Club of Dane County, Centro Hispano of Dane County and 100 Black Men of Madison, Inc., to recruit students to participate.

Ashley Valle, a freshman at the University of Wisconsin-Madison, learned about the program from Centro Hispano while completing her senior year of high school. She decided to participate to gain insight into different career paths.

Valle completed her Career Ambassador program with experience in business, her area of study, and found a mentor for her first year in college. A senior in the UW-Madison's School of Business, Andrea San Emeterio helped to facilitate the Career Ambassador program as an intern in MGE's Human Resources department. The two women keep in touch since connecting through MGE. San Emeterio says, "It was great to see everyone from different backgrounds come together to explore different careers in the utility sector."

“I really enjoyed being part of MGE and getting to experience firsthand the strong connection MGE has to the community!”

—Andrea San Emeterio



Ashley Valle (left), a freshman at the University of Wisconsin-Madison, participated in MGE's fifth and first-ever virtual class of Career Ambassadors, which was facilitated by UW-Madison senior and MGE intern Andrea San Emeterio. The two students continue to connect after meeting through MGE.



Mayor Gurdip Brar (left), Planning and Community Development Director Abby Attoun and City Administrator Mike Davis show their support for Shared Solar and the Morey Field Solar array, which serves City of Middleton operations under MGE's Renewable Energy Rider.

MGE shares our communities' sustainability goals. In August, the Morey Field Solar array at the Middleton Municipal Airport came online to serve the City of Middleton and the Middleton-Cross Plains Area School District as well as MGE's community solar program, Shared Solar.

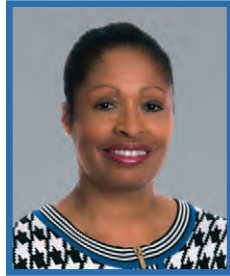
The array serves the City and school district under Renewable Energy Rider agreements with MGE. The Renewable Energy Rider gives MGE and our customers the opportunity to work cooperatively to grow clean energy in our community. Under the program, the customer is responsible for costs associated

with sourcing and distributing the renewable energy to the business or organization.

The Morey Field Solar array will help the City reach its goal of 100% renewable energy for City operations by 2040. The expanded partnership builds on our collaboration with the City five years ago to build our first Shared Solar project at Middleton's Municipal Operations Center and a 100-kilowatt solar array at the Middleton Police Department building. That array provides about 25% of the electricity used by the building each year.

Corporate LEADERSHIP

Directors of MGE Energy and MGE



Marcia M. Anderson
Retired Clerk of Court of U.S. Bankruptcy Court - Western District of Wis., retired Major General in the U.S. Army
Age 63
Director since 2018



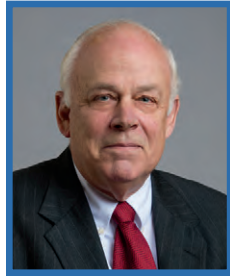
James G. Berbee
Former Chairman and CEO of Berbee Information Networks Corp., physician and Chair of the Wisconsin Alumni Research Foundation
Age 57
Director since 2018



Mark D. Bugher
Retired Director of University Research Park, University of Wisconsin-Madison
Age 72
Director since 2010



Londa J. Dewey
Chief Executive Officer of QTI Management Services, Inc., a human resources and staffing company
Age 60
Director since 2008



F. Curtis Hastings
Retired Chairman of J. H. Findorff & Son, Inc., commercial and industrial general contractors
Age 75
Director since 1999



Jeffrey M. Keebler
Chairman, President and Chief Executive Officer of MGE Energy, Inc., and Madison Gas and Electric Co.
Age 49
Director since 2017



James L. Possin
Certified Public Accountant and tax consultant with James L. Possin CPA, LLC, former partner at Grant Thornton LLP
Age 69
Director since 2009



Thomas R. Stolper
Former Executive Vice President and Director of ProActive Solutions USA LLC, management consultant at Purple Cow Organics and formerly at Deibel Laboratories
Age 72
Director since 2008



Gary J. Wolter
Former Chairman, President and Chief Executive Officer of MGE Energy, Inc., and Madison Gas and Electric Co.
Age 66
Director since 2000

Note: Ages as of Dec. 31, 2020.
For detailed information on board members, see the MGE Energy Proxy Statement.

Officers of MGE Energy and MGE



Jeffrey M. Keebler¹
Chairman, President and Chief Executive Officer
Age 49
Years of Service, 25



Lynn K. Hobbie
Executive Vice President - Marketing and Communications
Age 62
Years of Service, 35



Cari Anne Renlund¹
Vice President - General Counsel and Secretary
Age 47
Years of Service, 6



Donald D. Peterson
Vice President - Energy Technology
Age 61
Years of Service, 38



Jared J. Bushek¹
Vice President - Finance, Chief Information Officer and Treasurer
Age 40
Years of Service, 10



Tamara J. Johnson¹
Vice President - Accounting and Controller
Age 56
Years of Service, 27



Marshall S. Heyworth
Assistant Vice President - Human Resources
Age 64
Years of Service, 7



James J. Lorenz
Assistant Vice President - Electric Operations
Age 54
Years of Service, 33



Scott R. Smith
Assistant Vice President - Business and Regulatory Strategy
Age 49
Years of Service, 4



Ted L. Wadzinski
Assistant Vice President - Gas Operations
Age 56
Years of Service, 9

¹ Officers of MGE Energy and MGE. All others are MGE officers.
Note: Ages and years of service as of Dec. 31, 2020.

Shareholder INFORMATION

2021 ANNUAL SHAREHOLDER MEETING

Tuesday, May 18, 2021
Please see the Proxy Statement for annual meeting information.

STOCK LISTING

- MGE Energy common stock trades on The Nasdaq Stock Market®
- Stock symbol: MGEE
- Listed in newspaper stock tables as MGE

SHAREHOLDER ACCOUNT INFORMATION

Please notify us promptly if:

- A stock certificate is lost or stolen.
- A dividend check or statement is not received within 10 days of the scheduled payment date.
- Your name or address changes.

ONLINE ACCOUNT ACCESS

MGE Energy's transfer agent, Computershare, provides registered shareholders with secure online account access. Shareholders may view share balances, account statements, tax documents and market value as well as perform various transactions.

Visit computershare.com/mgee for more information.

To contact Computershare by mail:
MGE Energy Shareholder Services
c/o Computershare Trust Company, N.A.
PO Box 505005
Louisville KY 40233-5005

For overnight delivery:
MGE Energy Shareholder Services
c/o Computershare Trust Company, N.A.
462 South 4th Street, Suite 1600
Louisville KY 40202

By email:
web.queries@computershare.com

By phone:
Toll-free: (800) 356-6423
Madison area: (608) 252-4744

MGE ENERGY SHAREHOLDER SERVICES

Madison-based staff are available to assist shareholders at our corporate headquarters by appointment between the hours of 9:00 a.m. and 4:00 p.m. (CT) Monday through Friday. We are located at 623 Railroad St. in Madison, Wis.

In the interest of public health and safety, our offices are temporarily closed for in-person visits. Please call (608) 252-4744 for assistance.

2021 EXPECTED RECORD AND DIVIDEND PAYMENT DATES

MGEE Common Stock	
Record Dates	Payment Dates
March 1	March 15
June 1	June 15
Sept. 1	Sept. 15
Dec. 1	Dec. 15

DIRECT STOCK PURCHASE AND DIVIDEND REINVESTMENT PLAN

The Direct Stock Purchase and Dividend Reinvestment Plan provides a low-cost alternative to traditional retail brokerage methods of purchasing, holding and selling MGE Energy, Inc., Common Stock.

Visit computershare.com/mgee to review the Prospectus and to enroll, or contact Computershare to request an enrollment package. This is not an offer to sell or a solicitation to buy any securities. Any stock offering will be made by Prospectus only.

MATERIALS AVAILABLE

More financial information is available upon request or on our website, mgeenergy.com, including the Direct Stock Purchase and Dividend Reinvestment Plan.

SIGN UP FOR ELECTRONIC DELIVERY

You may choose to receive email alerts when annual meeting invitations, proxy materials, the annual report and newsletters are available on our website. Shareholders can sign up by visiting mgeenergy.com/paperless.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP

CORPORATE RESPONSIBILITY

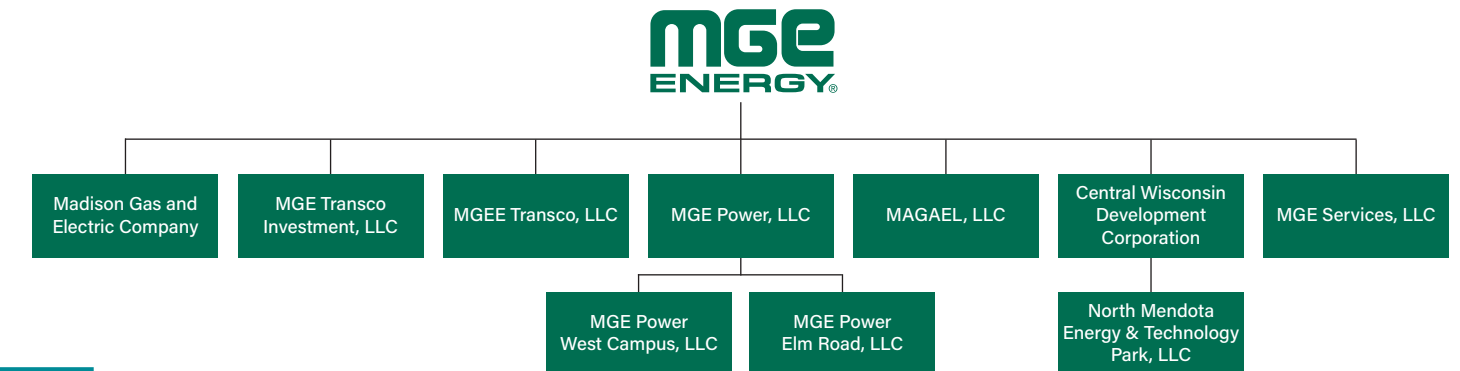
MGE Energy is committed to being a responsible corporate citizen in meeting the needs and interests of our customers, shareholders and community.

Our board provides oversight with respect to the company's long-term strategic plans and business initiatives; environmental and sustainability performance; enterprise-wide risk assessment and management; major capital projects and investments, new technologies and industry changes; and fiscal and budget matters. Visit mgeenergy.com/corpgov for more information.

MGE ENERGY ONLINE

Visit mgeenergy.com for more information about MGE Energy.

Corporate PROFILE



MGE ENERGY, INC.

MGE Energy is the parent company of Madison Gas and Electric Co. (MGE) and its divisions, which serve natural gas and electric customers in south-central and western Wisconsin.

MGE Transco Investment, LLC, holds an ownership interest in ATC, LLC, which invests in transmission assets, primarily within Wisconsin.

MGEE Transco, LLC, holds an ownership interest in ATC Holdco, which invests in transmission assets outside ATC, LLC, service territory.

MGE Power, LLC, owns assets in the West Campus Cogeneration Facility at Madison, Wis., and the Elm Road Generating Station at Oak Creek, Wis.

MAGAEL, LLC, holds title to properties acquired for future utility plant expansion.

Central Wisconsin Development Corp. promotes business growth in MGE's service area.

North Mendota Energy & Technology Park, LLC, owns property and serves as the development entity for the property.

MGE Services, LLC, provides construction and other services.

[Learn more at mgeenergy.com.](http://mgeenergy.com)

MGE ELECTRIC SERVICES

Generation and Distribution

Customers: 157,000
Population: 334,000
Area: 264 square miles

Communities served: Cross Plains, Fitchburg, Madison, Maple Bluff, McFarland, Middleton, Monona and Shorewood Hills

Generating facilities: Blount Generating Station, West Campus Cogeneration Facility, Shared Solar at Middleton, Renewable Energy Rider solar (including Dane County Airport Solar and Morey Field Solar), solar units and combustion turbines in the Madison area, natural gas combustion turbine at Marinette, Rosiere Wind Farm in Kewaunee County, Two Creeks Solar in Manitowoc County, Forward Energy Center wind farm in Dodge and Fond du Lac counties, Columbia Energy Center at Portage, Elm Road Generating Station at Oak Creek, Top of Iowa Wind Farm in north-central Iowa, Saratoga Wind Farm in northeast Iowa and Badger Hollow Solar Farm in Iowa County (under construction)

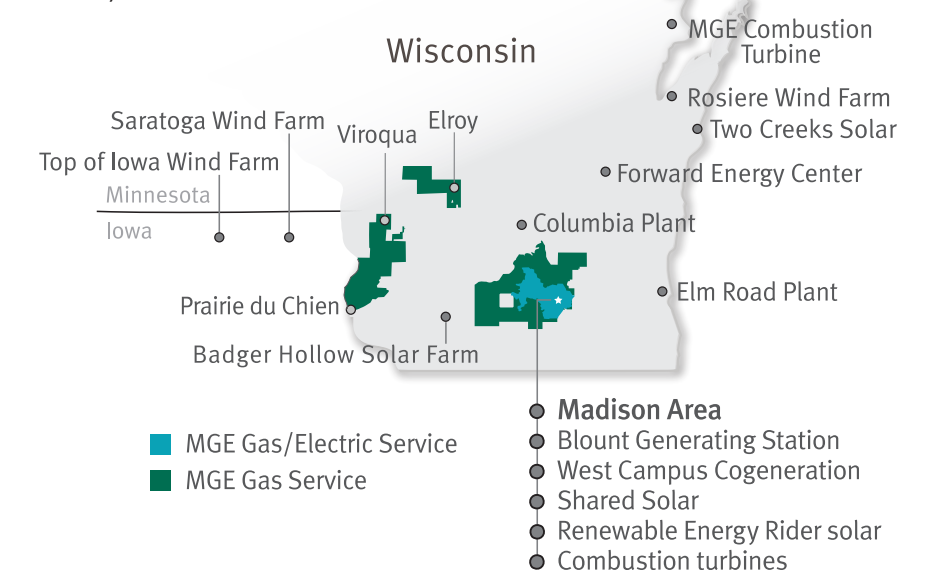
[Learn more at mge.com.](http://mge.com)

MGE NATURAL GAS SERVICES

Purchase and Distribution

Customers: 166,000
Population: 463,000
Area: 1,684 square miles

Counties served: Columbia, Crawford, Dane, Iowa, Juneau, Monroe and Vernon



 Building your community energy
company for the future.

RESPONSIBILITY
RELIABILITY
RESILIENCY

Learn more at mgeenergy.com.



P.O. Box 1231
Madison, WI 53701-1231

MGE is committed to environmental stewardship. This report is printed on recycled paper.