



**First Quarter 2023
Earnings Report Presentation**

May 3, 2023

Forward-looking statement

Any statements contained in this presentation and statements that ALLETE, Inc. representatives may make orally in connection with this presentation that are not historical facts are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE, Inc. with the Securities and Exchange Commission.

ALLETE's presentation and other communications may include certain non-Generally Accepted Accounting Principles (GAAP) financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in the company's financial statements.

Non-GAAP financial measures utilized by the Company may include a presentation of earnings (loss) per share and earnings. ALLETE's management believes that non-GAAP financial measures provide useful information to investors by removing the effect of variances in GAAP reported results of operations that are not indicative of changes in the fundamental earnings power of the Company's operations. Management believes that the presentation of the non-GAAP financial measures is appropriate and enables investors and analysts to more accurately compare the company's ongoing financial performance over the periods presented. Non-GAAP measures to the most directly comparable GAAP measure, if presented, is included in the appendix.

This presentation was prepared as of May 3, 2023, and ALLETE, Inc. assumes no obligation to update the information or the forward-looking statements contained herein. The 2023 outlook contained herein was provided, and is as of May 3, 2023.

For more information, contact:

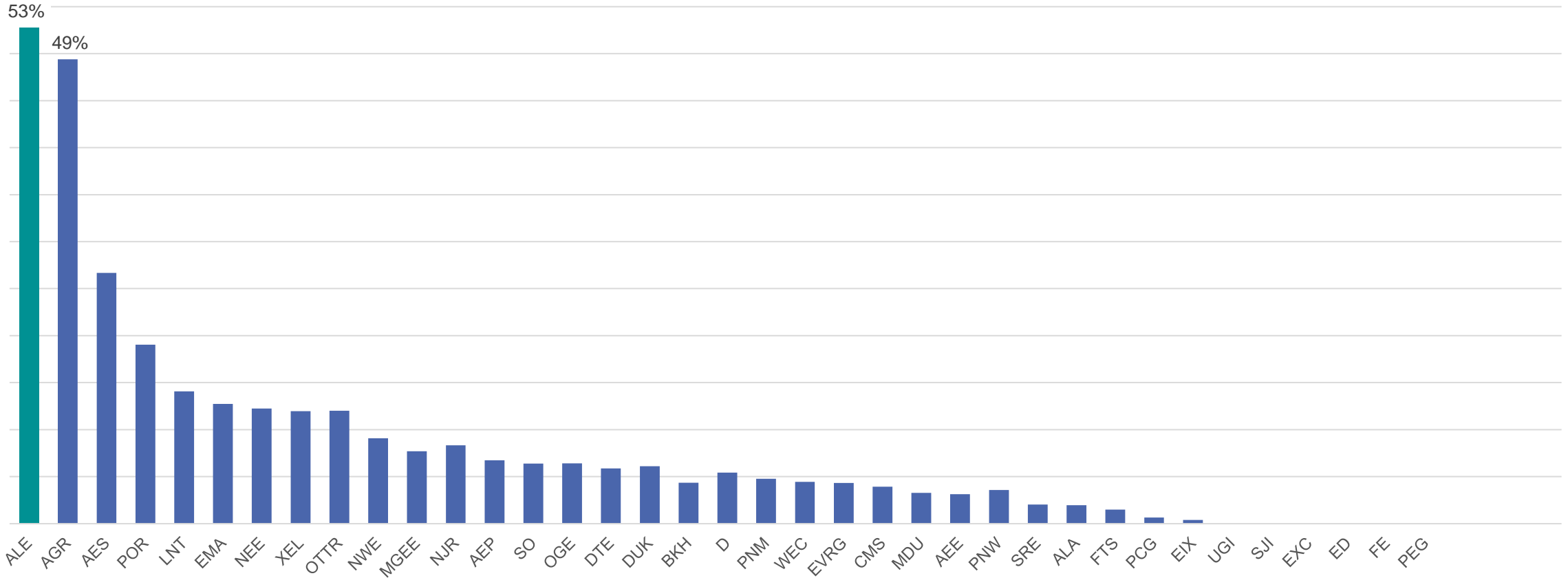
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Visit our website at www.allete.com



Now ranking #1 in renewable investment, ALLETE has evolved to be a market leader.

Solar and Wind Capacity as a Percent of Market Cap (MW / US\$ Market Cap)¹



Source: Company public filings, SNL, Press Releases, Bloomberg market data as of 18-Jan-23
 Note: Includes both regulated and unregulated wind and solar net generation capacity.
¹ Calculated as solar and wind net owned operating capacity / market cap. Excludes development pipelines.



Key Trends in the U.S. Renewables Sector and Overview of ALE Portfolio

ALLETE's strategy for success is *Sustainability in Action*



EXPAND RENEWABLES

- Currently ranked #1 among investor-owned utilities for investment in renewable energy based on market capitalization
- Minnesota Power #1 in Minnesota, and #2 in Midwest in renewable energy for customers
- 700 MW of wind and solar as well as up to 500 MWh of storage to be added as a result of a successful IRP
- New Energy Equity a leading developer of distributed solar
- Established renewable platform at ALLETE Clean Energy of >1,500 MW



REDUCE CARBON

- Minnesota Power
 - Retired/idled seven of nine coal facilities
 - 50% renewable energy supply at end of 2020, goal of 70% by 2030
 - Coal-free by 2035 and 100% carbon-free vision by 2050¹
- BNI – supporting carbon capture and sequestration in Minnkota Power Cooperative's Project Tundra

¹ New MN Legislation requiring 100% carbon-free energy by 2040 will provide clean energy opportunities in 2025 IRP.



ENHANCE GRID RESILIENCY

- Investing in infrastructure for managing the delivery of increasing amounts of renewable energy, and enhancing the resiliency and reliability of the grid
- Engaged with Grid United on North Plains Connector – first in the nation to connect three ISOs



DRIVE INNOVATION

- Reducing water use, investing in more weather resistant infrastructure, identifying alternative low- or zero-carbon fuels and carbon capture and sequestration technology
- HVDC Modernization advances clean energy opportunities and enhances reliability

Workplace

- 2022 Women on Board Winner for Board Gender Diversity
- Minnesota Power & ALLETE Clean Energy named Yellow Ribbon Companies
- Advancing DE&I in the workplace, supply chain, communities, communication and customers.

Community

- Partnering with diverse suppliers
- Corporate funding and employee volunteerism to those in need – and addressing the opportunity gap
- Full commitment to regional economies and host communities

Customers

- Strong track record of service reliability
- Minnesota Power residential bills below the national average
- Well-positioned to serve the C&I customer segment
- Strong focus on customer ESG & competitiveness needs



Growing Project Opportunities & Strong Execution

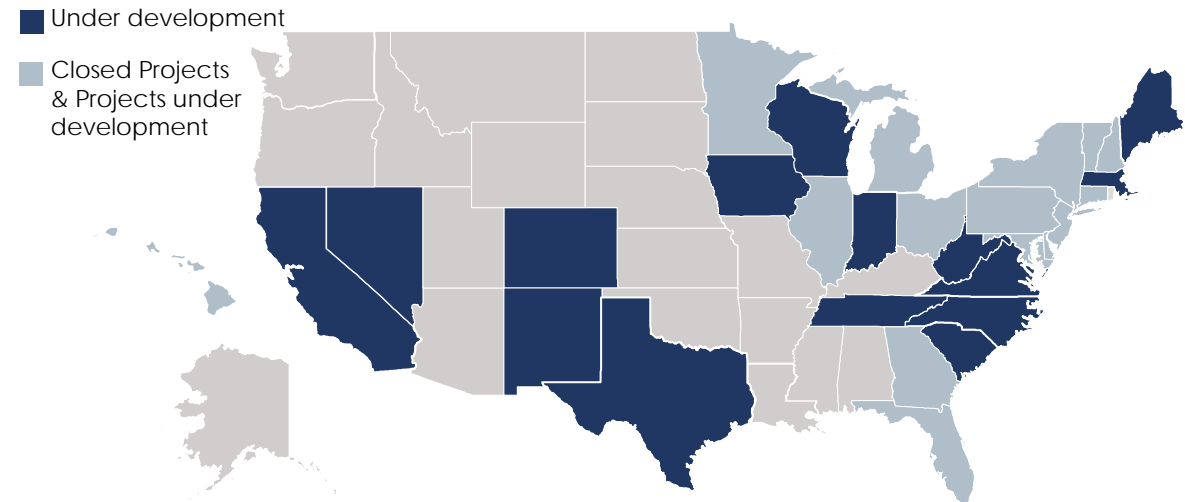
Strategy and Opportunities

- Expansive pipeline of projects developed in over 20 states throughout the U.S. with significant presence and project opportunities in Virginia, New Mexico, Illinois, Minnesota and New York – currently largest solar garden developer in Illinois, Minnesota and Virginia
- Promising new markets in MD, CA, PA, CO, WA and OH
- Additional longer term growth opportunities include:
 - C&I Solar
 - Storage
 - Platform acquisitions
 - Solar project ownership
 - Electric vehicle charging
 - Synergies for O&M with ALLETE solar portfolio

Q1-2023 Updates / Accomplishments

- First quarter results \$4.1M
- On track for \$16M - \$17M full year earnings
- Record first quarter project closings (~30 MW) and robust pipeline

States with projects closed and under development



Total pipeline of projects has expanded since acquisition.

Key statistics:

430 MW+ Projects closed

>2 GW Development pipeline

Consolidated Earnings *(millions)*

First Quarter 2023

	2023	2022
Regulated Operations	\$40.6	\$51.5
ALLETE Clean Energy	8.5	16.5
Corporate and Other	9.1	(1.7)
Net Income Attributable to ALLETE	\$58.2	\$66.3
Diluted Earnings Per Share of Common Stock	\$1.02	\$1.24

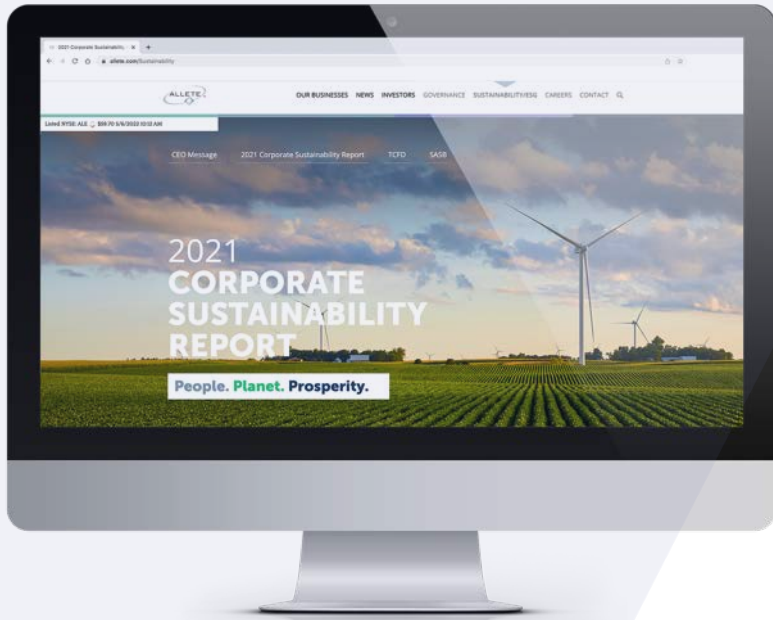
ALLETE Earnings Per Share

First Quarter 2023

	EPS
Earnings Per Share - 2022	<u>\$1.24</u>
Impacts on Earnings Per Share	
Regulated Operations	
Timing of interim rate reserves	(0.09)
Weather	(0.05)
Higher O&M expense	(0.05)
ALLETE Clean Energy	
Lower wind / availability	(0.05)
Higher O&M expense	(0.05)
Corporate and Other	
New Energy earnings (acquired in April 2022)	0.08
New Energy transaction costs in 2022	0.03
Minnesota solar project	0.04
Dilution impact	(0.08)
Earnings Per Share - 2023	<u>\$1.02</u>

Note: EPS reconciliation presents only major variances.





Find ESG Information at [ALLETE.com/Sustainability](https://www.allete.com/Sustainability)

100% Carbon-Free Energy by 2050

mnpower.com/CarbonFreeEnergyVision

Environmental Stewardship
at Minnesota Power

mnpower.com/Environment

Serving Our Community

mnpower.com/Community

