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**Second Quarter 2022  
Earnings Report Presentation**

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August 3, 2022

# 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 August 3, 2022, and ALLETE, Inc. assumes no obligation to update the information or the forward-looking statements contained herein. The 2022 outlook contained herein was provided, and is as of February 16, 2022.

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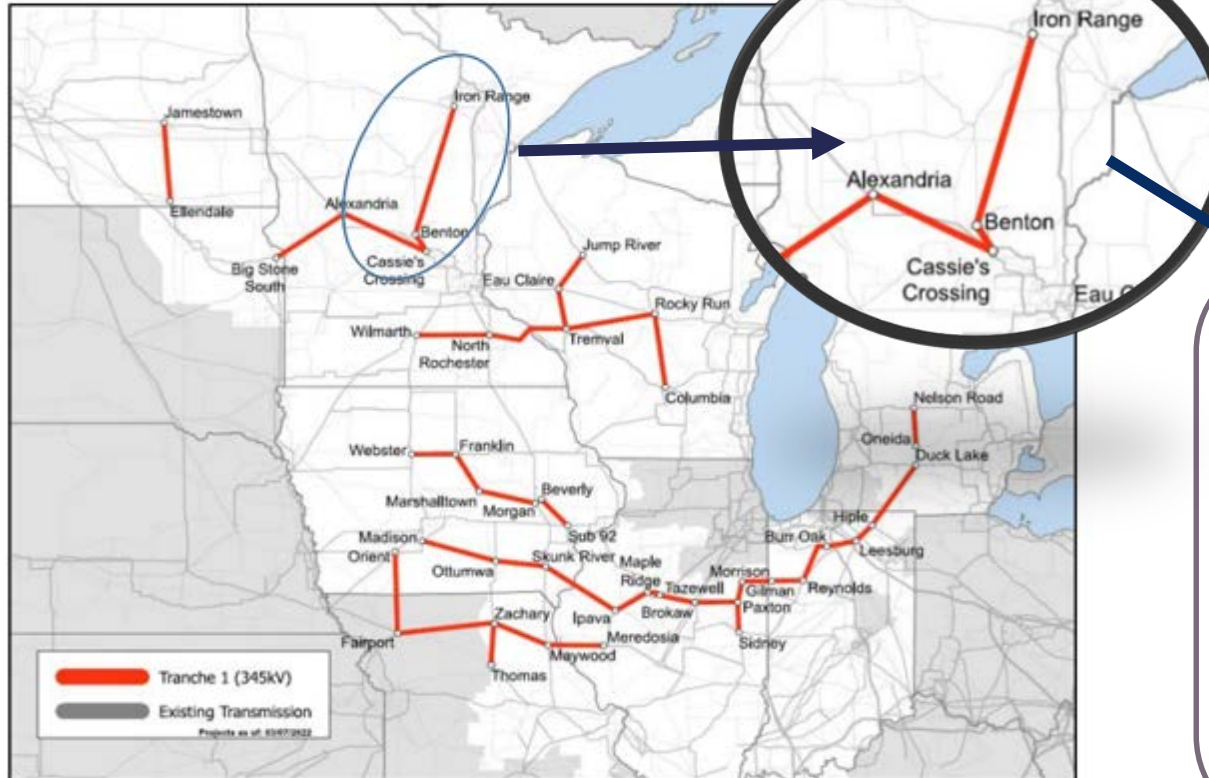


# Minnesota Power Transmission Investments

## MISO Long Range Transmission Plan



### Tranche 1 LRTP Portfolio



### MISO Tranche 1

- Approved by MISO Board July 25, 2022
- 18 Projects, **\$10.3B** estimated cost
- Multi-Value Projects (MVPs) with cost allocated across Northern MISO (MP is **~2.5%** of MISO North)

### MP Investment in Tranche 1

- MP investment rights in two LRTP Projects based on existing ownership and Minnesota Right of First Refusal (ROFR) statute
- Estimated MP Investment : \$450-500M
- Construction spend estimated to begin in 2024 with targeted 2030 in service

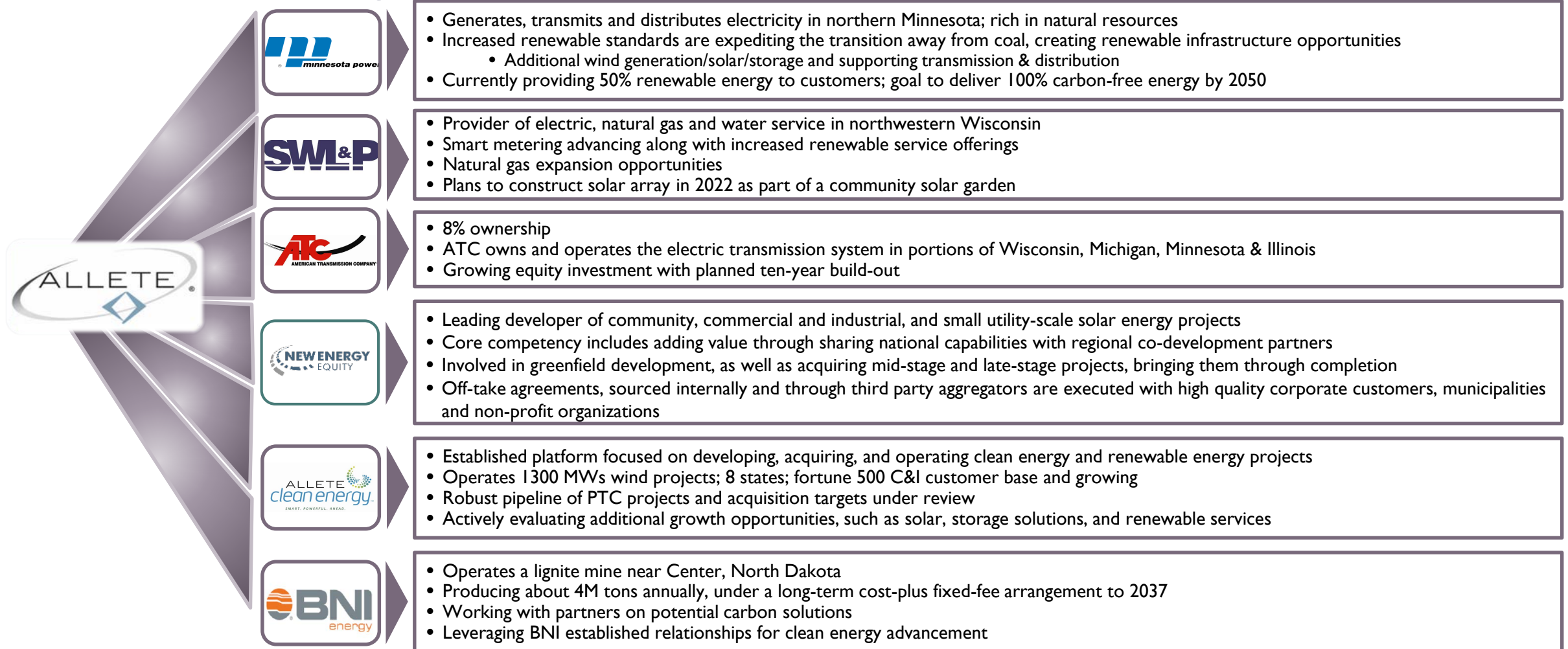
### Northland Reliability Project: Iron Range to Benton County

- ✓ New double circuit 345 kV line from MP Iron Range Substation to GRE Benton County Substation
- ✓ Includes Expansion of MP Iron Range Substation and addition of series compensation station at MP Riverton Substation
- ✓ Estimated total project cost = **\$970M**
- ✓ Joint project development and ownership with **Great River Energy**
- ✓ Notice of Intent filed with MPUC 8/1/22; Certificate of Need expected to be filed in 2023

### CapX Alexandria – Monticello

- ✓ Add second circuit to existing double-circuit capable line
- ✓ Estimated facility cost = **\$36M**; MP share **~14.7%**
- ✓ Joint investment with **CapX Fargo Project owners**

# ALLETE's businesses are positioned to leverage clean energy trends, setting the stage for future growth



ALLETE will remain predominantly a regulated utility

# Consolidated Earnings *(millions)*

## Second Quarter 2022

	<b>2022</b>	<b>2021</b>
Regulated Operations	\$29.6	\$21.5
ALLETE Clean Energy	5.8	5.1
Corporate and Other	2.2	1.3
Net Income Attributable to ALLETE	\$37.6	\$27.9
Diluted Earnings Per Share of Common Stock	\$0.67	\$0.53

See page 6 for items that impacted earnings per share.



# ALLETE Earnings Per Share

## Second Quarter 2022

	2022	2021
<b>Earnings Per Share</b>	<u>\$0.67</u>	<u>\$0.53</u>
Impacts on Earnings Per Share		
<b>Corporate and Other</b>		
Purchase Price Accounting Adjustments – New Energy Acquisition	(0.07)	
Transaction Costs – New Energy Acquisition	<u>(0.03)</u>	

# New Energy Equity Highlights



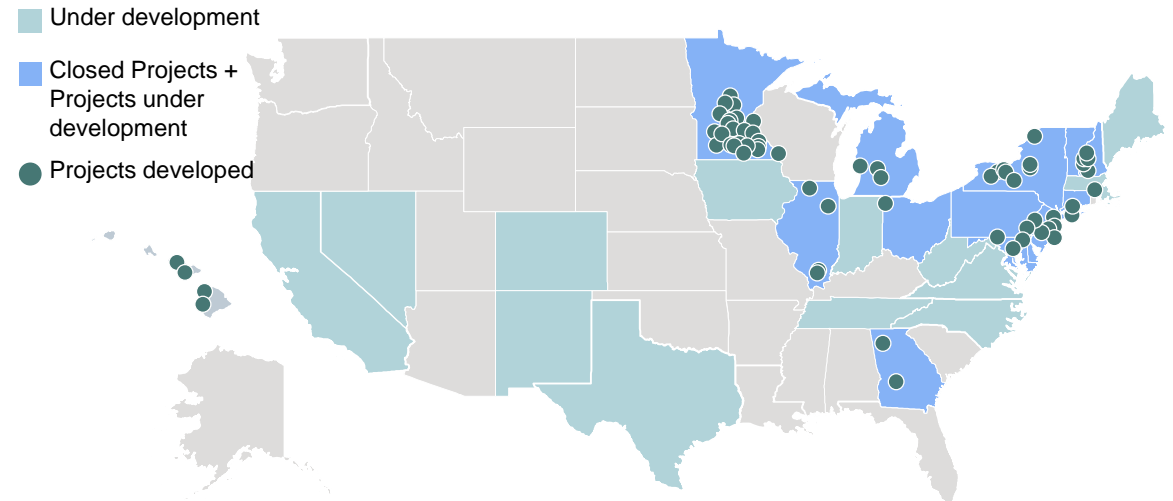
## Strategy and Opportunities

- New Energy is a leading developer of community, commercial & industrial, and small utility-scale solar energy projects
- Integration with ALLETE going well and strategic benefits of the transaction remain strong
- Despite challenges in the supply chain and the panel investigation New Energy is on track to meet expectations in 2022 and well positioned for growth in 2023
- Proposed legislation would be accretive to the existing pipeline and future competitiveness and profitability

### Q2-2022 Updates:

- Projects closed and profitability on target with expectations
  - *15 MW closed in the partial quarter*
  - *Net loss of \$1.1M, which includes \$4.0M of after-tax impacts from purchase price accounting*
- Tremendous project opportunities in Illinois – currently largest residential solar garden developer in Illinois
- Promising new markets in Maryland, New Mexico, New York and Virginia to capitalize on
- Total pipeline of projects has expanded since acquisition

## States with projects closed and under development



## Key Statistics

345MW+  
Projects closed

2GW+  
Development pipeline

~\$20M  
2021 Adjusted EBITDA

# ALLETE's sustainability-in-action strategy is the foundation for success



## Expand renewable sources of energy



- 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 as a renewable energy provider
- New Energy a leading developer of distributed solar

## Reduce overall carbon emissions



- 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 2050
- ALLETE Clean Energy
  - 1,500 MW completed and under construction helping utilities and C&I customers achieve sustainability goals nationwide

## Strengthen the electric grid



- Investing in infrastructure for managing the delivery of increasing amounts of renewable energy, and enhancing the resiliency and reliability of the grid

## Adopt innovative solutions



- Reducing water use, investing in more weather resistant infrastructure, identify alternative low-or zero-carbon fuels and carbon capture and sequestration technology

### Workplace

- 2021 Women on Board Winner for Board Gender Diversity
- Minnesota Power & ALLETE Clean Energy named Yellow Ribbon Companies
- We are actively advancing DE&I
- Proactive and deliberate COVID-19 response

### 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

- Well-positioned to serve the C&I customer segment
- Strong focus on customer ESG & competitiveness needs
- Donating Level 2 electric vehicle charging stations to business customers



Corporate Sustainability Report Includes TCFD, SASB, EEl, and DE&I components



# Find ESG Information at ALLETE.com

Corporate Sustainability Report

- <https://www.allete.com/Sustainability>

100% Carbon-Free Energy by 2050

- <https://www.mnpower.com/carbonfreeenergyvision>

Environmental Stewardship at  
Minnesota Power

- <https://www.mnpower.com/Environment>

Serving Our Community

- <https://www.mnpower.com/Community>