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 presentations of earnings (loss) per share and earnings before interest, taxes, depreciation and amortization. ALLETE's management believes that these 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.

This presentation was prepared as of March 12, 2020, and ALLETE, Inc. assumes no obligation to update the information or the forward-looking statements contained herein. The 2020 outlook contained herein was provided, and is as of, February 13, 2020.

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Visit our website at www.allete.com
ALLETE team members

Bethany M. Owen
President and Chief Executive Officer

Robert J. Adams
Senior Vice President & Chief Financial Officer

Steven W. Morris
Vice President, Controller & Chief Accounting Officer

Allan S. Rudeck, Jr.
President, ALLETE Clean Energy
ALLETE is an energy company providing sustainable solutions for future growth

Societal expectations, regulation and environmental changing policy are requiring sustainable energy solutions

- Demands for cleaner and more sustainable energy forms are accelerating; over 29 states already have Renewable Portfolio Standards (RPS)
- Expect over 44 GWs of near term wind power development
- Many business sectors are increasing focus on being environmentally responsible; the C&I sector with the highest customer demand for renewables
- Significant, growing need for investments in hardening and expanding transmission and distribution systems

At ALLETE, we recognize that impacts from human activity, including climate change, are **real, complex, and interrelated**. We are committed to answer the call to **transform** the nation’s energy landscape.
Clean energy trends are driving ALLETE’s high confidence 5-7% growth outlook

ALLETE is well positioned for success and sustainability

- Strategic geographic positioning; renewables, transmission and distribution
- Proven track record of large scale clean energy projects
- Investment in PTC qualified turbines for new wind projects
- Substantial liquidity to deploy with minimal equity issuance needed

Regulated growth 4-5%

- 2021 ~50% renewable goal & T&D investment

Energy Infrastructure minimum growth of at least 15%

- ALLETE Clean Energy 30% - 40% earnings growth over next two years
ALLETE is executing on its multi-faceted strategy; record construction activity in 2019 and 2020

### 2019 Highlights
- Achieved earnings growth and guidance objectives
- Achieved dividend increase objective
- Clarity on credit headroom
- First tax equity financing completed
- Exited U.S. Water and redeployed capital
- Great Northern Transmission Line completed
- Minnesota Power retail rate case filing
- Business rescaled for success
- Refurbishment of operating wind facilities
- Glen Ullin wind project completed
- South Peak wind project nearly completed
- Diamond Spring wind project announced

### 2020 Initiatives
- Earnings growth 6%
- Dividend increase 5%
- Successful completion of Minnesota Power retail rate case
- Energize Great Northern Transmission Line
- NTEC approvals / advancement
- SWL&P retail rate case filing
- Nobles 2 completion
- Complete refurbishment projects
- Diamond Spring completion
- Caddo wind project announced – 303 MWs
- Total goal of 500 MWs new wind projects in 2020
- Additional tax equity financing

Over $.5B in new construction activity in 2019 and 2020 sets the stage for incremental earnings in coming years!
Major progress evolving our generation mix, providing growth while ensuring reliability and affordability

~50% renewable by 2021 – 10x more than in 2005

- **Wind**: 875 MW
- **Hydro**: 370 MW
- **Solar**: 20 MW
- **Coal**: 800 MW

Moved faster and further in renewables than other Midwestern utilities

Minnesota Power significantly ahead of Minnesota's 25% by 2025 requirement

Minnesota Power is #1 renewable energy provider to customers in the state of Minnesota; #2 in Midwest

7 of 9 coal facilities retired / idled

Potential for additional and accelerated renewables

Governor of Minnesota favors proposals that could lead to 100% clean energy by 2050
Will be addressed in the current Minnesota legislative session ending May 2020

Minnesota Power Integrated Resource Plan to be filed October 2020 – will address resource needs for next 15 years
EnergyForward projects fuel significant investment, earnings growth and optionality

<table>
<thead>
<tr>
<th>Generation</th>
<th>Transmission / Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nobles 2</td>
<td>DC Line</td>
</tr>
<tr>
<td>• 250 MW wind energy facility</td>
<td></td>
</tr>
<tr>
<td>• ALLETE’s portion of project ~$170M of which $60 - $70M will be an equity investment</td>
<td></td>
</tr>
<tr>
<td>• Anticipate completion in late 2020, full year earnings impact in 2021</td>
<td></td>
</tr>
<tr>
<td>Nemadji Trail Energy Center</td>
<td>• Integrated Distribution Plan (IDP) approved by MPUC Feb. 27, 2020</td>
</tr>
<tr>
<td>• 525 MW to 625 MW combined-cycle natural gas-fired generating facility</td>
<td></td>
</tr>
<tr>
<td>• ~$335M investment by subsidiary of ALLETE</td>
<td></td>
</tr>
<tr>
<td>• Anticipate completion in 2025</td>
<td></td>
</tr>
<tr>
<td>Great Northern Transmission Line</td>
<td>• Up to 350 MW upgrade</td>
</tr>
<tr>
<td>• 220-mile 500-kV transmission line between Manitoba and Minnesota</td>
<td></td>
</tr>
<tr>
<td>• ~$320M Minnesota Power investment</td>
<td></td>
</tr>
<tr>
<td>• Minnesota Power portion of line completed Jan. 2020</td>
<td></td>
</tr>
<tr>
<td>Renewable Superhighways</td>
<td>• Increasing renewable capacity and optionality potential</td>
</tr>
<tr>
<td>Ongoing investments in smart meters, NERC operations and reliability standards, security and grid infrastructure, and other regional opportunities</td>
<td></td>
</tr>
<tr>
<td>• Up to ~$425M investment</td>
<td></td>
</tr>
<tr>
<td>Distribution System Hardening</td>
<td>• Additional details regarding Distributed Energy Resources (DER) spending to be filed October 2020 with Integrated Resource Plan</td>
</tr>
<tr>
<td></td>
<td>• More than $150M increase in asset upgrades and grid resiliency through 2029</td>
</tr>
</tbody>
</table>
Significant transmission & distribution investment opportunities – longer term

Key investment drivers

- Grid reliability and resiliency
- Cyber and physical security
- Renewable adoption
- Strategic interconnections

Platforms for additional investment growth

In progress

- GNTL – 200 mile line connecting to significant Canadian hydro generation to be fully completed 2020
- DC transmission line expansion – increasing capacity from current 550 MW to 750 MW, increased to 900 MW
- Distribution grid hardening – 2019 Integrated Distribution Plan (IDP) filed November 1, 2019; approved by MPUC Feb. 27, 2020
- Additional ATC build-out – $2.9 - $3.6B plan through 2027
- Will file updated Integrated Resource Plan (IRP) October 2020

Developing opportunities

- NERC / RTO requirements related to carbon/baseload transformations
- CapX 2050 Transmission Vision Report issued March 5, 2020
- ALLETE Clean Energy interconnections / delivery systems – strategic acquisitions
- Innovative customer services
- Distributed Energy Resources – expansion of regulated solar and launching storage platform pilots

Anticipate T&D to be the 2nd fastest growing segment for ALLETE!
### ALLETE provides an attractive value proposition

<table>
<thead>
<tr>
<th>Financial Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual total shareholder return*</td>
</tr>
<tr>
<td>Consolidated average annual earnings growth</td>
</tr>
<tr>
<td>Consolidated payout ratio</td>
</tr>
<tr>
<td>Long-term dividend growth</td>
</tr>
</tbody>
</table>

- **Sustainable energy solutions**
- **Multi-faceted earnings growth potential**
- **Regulated, contracted or recurring energy revenues**
- **Solid balance sheet and credit ratings with growing cash flow from operations**
- **Attractive and growing dividend**
  *Increased 5% on Jan. 31, 2020*

*Defined as earnings growth plus dividend yield*
Multi-year growth expected from ALLETE Clean Energy

ALLETE Clean Energy
Annual MW growth ~24% CAGR (excludes acquisitions)

2018

550 MW

750 MW

1,050 MW

1,500+ MW

2,000+ MW

2024

2019-2021 (30% to 40% earnings growth)

- Glen Ullin contributing full year in 2020
- South Peak contributing three quarters year in 2020
- Refurbishment project contributing full potential in 2021
- Diamond Spring contributing full year earnings in 2021

2021-2024 (double digit earnings growth)

- 2020 goal of 500 MW new projects announced
- Deployment of 80% and 60% PTC turbines
- Acquisition opportunities of operating facilities creates more upside
Base 5-year CapX plan of ~$2.4B predominantly in support of clean energy initiatives

<table>
<thead>
<tr>
<th>Estimated amounts in millions</th>
<th>Spent through 2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total 2020-2024</th>
<th>Total project</th>
<th>Est. COD</th>
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<tbody>
<tr>
<td>Regulated Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Great Northern Transmission Line</td>
<td>$295</td>
<td>$25</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$25</td>
<td>$320</td>
<td>Rider</td>
</tr>
<tr>
<td>DC Line Modernization &amp; Upgrade</td>
<td>-</td>
<td>10</td>
<td>110</td>
<td>190</td>
<td>115</td>
<td>-</td>
<td>425</td>
<td>425</td>
<td>Potential rider/AFUDC 2025</td>
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<td>Nemadji Trail Energy Center</td>
<td>5</td>
<td>10</td>
<td>65</td>
<td>70</td>
<td>165</td>
<td>25</td>
<td>335</td>
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<tr>
<td>Base and Other</td>
<td>N/A</td>
<td>135</td>
<td>135</td>
<td>110</td>
<td>120</td>
<td>130</td>
<td>630</td>
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<tr>
<td>Energy Infrastructure / Related Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>ALLETE Clean Energy</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Peak</td>
<td>105</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>125</td>
<td>Early 2020</td>
</tr>
<tr>
<td>Diamond Spring</td>
<td>160</td>
<td>290</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>290</td>
<td>450</td>
<td>Late 2020</td>
</tr>
<tr>
<td>Caddo</td>
<td>20</td>
<td>130</td>
<td>265</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>395</td>
<td>415</td>
<td>Late 2021</td>
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<tr>
<td>Base and Other</td>
<td>N/A</td>
<td>30</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>60</td>
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<tr>
<td>Utility-like Projects</td>
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<td></td>
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<td></td>
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<tr>
<td>Nobles 2 Investment</td>
<td>55</td>
<td>115</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>115</td>
<td>170</td>
<td>Late 2020</td>
</tr>
<tr>
<td>Corporate and Other</td>
<td>N/A</td>
<td>15</td>
<td>15</td>
<td>25</td>
<td>30</td>
<td>15</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>(1) Total Known Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$640</td>
<td>$780</td>
<td>$600</td>
<td>$400</td>
<td>$435</td>
<td>$180</td>
<td>$2,395</td>
<td>$3,035</td>
<td></td>
</tr>
</tbody>
</table>

(1) 2020 – 2024 reflects the capital expenditures per the 2019 Form 10-K, and also includes ALLETE’s investment in the Nobles 2 project and the ALLETE Clean Energy Caddo project

Over $1B in potential opportunities not included in the table above

- 2-3 PTC projects per year, 100-200 MW, ~$50-$100M equity investment, $5-$10M earnings
- 500-600 MW = $750M - $900M CapX
- Acquisition of existing renewables
- Build, own, transfer for fee
- Maintain 8% ownership;
- ATC’s 2019 10-year capital investment forecast calls for $2.9 - $3.6B in system improvements and expansion
- Upside opportunities with DC transmission line optionality and available land rights
- Additional investment expected in distribution system hardening; >$150M through 2029
- Adding to rate base to enhance services and customer experience
- Expanding natural gas footprint
- Building community solar garden and reviewing other clean energy opportunities

Over $1B in potential opportunities not included in the table above
Base CapX financing plan has limited new equity issuance needs

Strong cash flow from operations

Line of credit $400M

Access to tax equity partners

Limited equity needs

**Financing sources 2020 - 2024**

- Cash from operations $1,200
- Equity* $195
- Debt $720
- Tax Equity $2,395

**Additional Financing Activities**

- + Cash from new operations
- + Tax equity
- + Potential PIE (existing at-market program)

* Assumes DRIP new share issuances ~$20M annually  **Supports capital expenditure table on page 12
Minnesota Power filed a request with the MPUC to increase base retail electric rates

**General rate case review filed November 1 (Docket No. E015/GR-19-442)**
- Interim rates effective January 1, 2020; subject to refund, ~$36M
- ROE 10.05%, 53.81% equity ratio
- Forward 2020 test year

The request primarily focuses on seeking recovery of revenue deficiencies related to:
- Contract expirations (wholesale and municipal)
- Transmission revenue and expense
- Customer plant shutdown
- Higher projected expenses

**Constructive Regulatory Framework**
- Forward test year
- Interim rates
- Current cost recovery riders
- Fuel adjustment clause
- Conservation Improvement Program (CIP)

**Minnesota Public Utilities Commission (MPUC)**

<table>
<thead>
<tr>
<th>Name</th>
<th>Party</th>
<th>Began Serving</th>
<th>Term Ends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Katie Sieben (Chair)</td>
<td>D</td>
<td>Jan. 2017</td>
<td>Jan. 2023</td>
</tr>
<tr>
<td>Joe Sullivan</td>
<td>D</td>
<td>Apr. 6, 2020</td>
<td>Jan. 2026</td>
</tr>
<tr>
<td>Valerie Means</td>
<td>D</td>
<td>Apr. 22, 2019</td>
<td>Jan. 6, 2025</td>
</tr>
<tr>
<td>Matt Schuenger</td>
<td>I</td>
<td>Feb. 1, 2016</td>
<td>Jan. 3, 2022</td>
</tr>
</tbody>
</table>
## Timeline for Minnesota Power Rate Case

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 1, 2019</td>
<td>Filed Minnesota Power rate case</td>
</tr>
<tr>
<td>December 5, 2019</td>
<td>MPUC approved interim rates</td>
</tr>
<tr>
<td>January 1, 2020</td>
<td>Interim rates began</td>
</tr>
<tr>
<td>May-June 2020</td>
<td>Testimony and evidentiary public hearings</td>
</tr>
<tr>
<td>September 1, 2020</td>
<td>ALJ report</td>
</tr>
<tr>
<td>October 2020</td>
<td>MPUC oral decision</td>
</tr>
<tr>
<td>December 1, 2020</td>
<td>MPUC initial written order</td>
</tr>
<tr>
<td>Within 60 days</td>
<td>Reconsideration</td>
</tr>
<tr>
<td>30 days thereafter</td>
<td>MPUC final order after reconsideration</td>
</tr>
<tr>
<td>Summer 2021</td>
<td>Final rates implemented</td>
</tr>
</tbody>
</table>
is our regulated electric, natural gas and water distribution company in Wisconsin

Overview

Wisconsin Public Service Commission regulated
  • Constructive regulatory environment
Significant rate base investment growth
  • 12/31/2019 YE rate base $84M
  • ~$14M in 2020, ~$50M estimated spend 2020 through 2024
Rate filing anticipated 2nd quarter 2020
  • New rates anticipated January 1, 2021
  • Current rates based on 55% equity and 10.4% allowed ROE
Natural gas footprint expansion potential
Community solar investment proposed

Superior Water, Light & Power will offer a new renewable energy option for customers through a community solar garden that is expected to be generating power by late 2020
Agile, responsive and flexible expanding suite of product offerings and solutions

Increasing geographic and customer demographic footprint

Continue to enhance portfolio, diversity and performance

Leveraging strong reputation and brand in the industry

Material expansion and scaling in next 24 to 36 months
Competitive advantages - size, creativity and partnering are key strategic differentiators

With the South Peak and Diamond Spring wind sites coming online in 2020, operating portfolio will expand to over 1,000 MWs of installed capacity.

ALLETE Clean Energy broke the 500 MW barrier for record energy production on January 8, 2020, just five years from producing first MW of carbon free generation.

Our goal of securing 500 MWs in 2020 includes the 303 MW Caddo project and ~200 MWs yet to be announced, which will bring our operating portfolio to ~1,500 MWs by 2022.
ALLETE Clean Energy growth vision
A premier, growing, world-class clean energy company

Known for its high integrity, innovative and tailored customer solutions and ability to develop, operate, build and deliver multifaceted clean energy projects and clean energy solutions across North America

Grow portfolio

• Add 2-3 projects/year, supporting a transforming North American electric sector to be less carbon intense, sources from cleaner energy forms

New customers, more diversity

• New utility, food and beverage, retail customers
• Additional growth anticipated with sustainability-minded customers
• Expanding into new markets/RTOs

Expanding products and services

• Strategic developer, constructor and operator of wind assets selling capacity, renewable energy attributes
• Increasingly providing asset management and other value-added renewable industry services
The ALLETE Clean Energy is strategically positioned as demands for clean energy accelerate.

**GROWTH OPPORTUNITIES**

**Near term**
- Two 303 MW Oklahoma wind projects in development
- 2020 total goal to announce 500 MWs of 80% PTC turbine projects
- Considering additional investment in 60% PTC turbines

**Long term**
- Operating facilities (post tax benefit) totaling over 23,000 MWs presents acquisition opportunities
- Build, own, transfer projects
- Industry demands expanding products and services
- 2-3 projects per year
ALLETE Clean Energy is strategically positioned in the Rocky Mountains and Pacific Northwest.

Projected Wind Additions 2019-2050

- Condon: 50 MW
- South Peak: 80 MW
- Thunder Spirit: 107 MW
- Thunder Spirit II: 48 MW
- Glen Ullin: 106 MW
- Chan/Viking: 98 MW
- Lake Benton: 104 MW
- Cisco/Lincoln Heights: 17 MW
- Storm Lake I: 108 MW
- Storm Lake II: 78 MW
- Armenia Mountain: 101 MW
- Caddo: 303 MW
- Diamond Spring: 303 MW

Total Renewable Penetration by 2050

Sources: I.H.S. North American Renewable Power Outlook Nov. 2019, Renewable penetration excludes large hydro and renewables that do not qualify under RPS.
ALLETE Clean Energy is strategically positioned in the Southwest.

**Projected Wind Additions 2019-2050**

- **9 GW**
- **50%**

**Total Renewable Penetration by 2050**

Sources: I.H.S. North American Renewable Power Outlook Nov. 2019, Renewable penetration excludes large hydro and renewables that do not qualify under RPS.
ALLETE Clean Energy is strategically positioned in Texas.

**Projected Wind Additions 2019-2050**

- **Condon**: 50 MW
- **South Peak**: 80 MW
- **Glen Ullin**: 106 MW
- **Thunder Spirit I**: 107 MW
- **Thunder Spirit II**: 48 MW
- **Cham/Viking**: 98 MW
- **Lake Benton**: 104 MW
- **Cisco/Lincoln Heights**: 17 MW
- **Storm Lake I**: 108 MW
- **Storm Lake II**: 78 MW
- **Armenia Mountain**: 101 MW
- **Caddo**: 303 MW
- **Diamond Spring**: 303 MW

**Total Renewable Penetration by 2050**

- 50% of the total energy capacity
- 30 GW of renewable energy generation

Sources: I.H.S. North American Renewable Power Outlook Nov. 2019, Renewable penetration excludes large hydro and renewables that do not qualify under RPS
ALLETE Clean Energy is strategically positioned in the Great Plains.

Projected Wind Additions 2019-2050

- Condon: 50 MW
- South Peak: 80 MW
- Thunder Spirit I: 107 MW
- Thunder Spirit II: 48 MW
- Glen Ullin: 106 MW
- Chan/Viking: 98 MW
- Lake Benton: 104 MW
- Cisco/Lincoln Heights: 17 MW
- Storm Lake I: 108 MW
- Storm Lake II: 78 MW
- Caddo: 303 MW
- Diamond Spring: 303 MW
- Armenia Mountain: 101 MW

Total Renewable Penetration by 2050: 70%

24 GW

Sources: I.H.S. North American Renewable Power Outlook Nov. 2019, Renewable penetration excludes large hydro and renewables that do not qualify under RPS.
ALLETE Clean Energy is strategically positioned
Midwest

Projected Wind Additions 2019-2050

Total Renewable Penetration by 2050

GROWTH OPPORTUNITIES

Sources: I.H.S. North American Renewable Power Outlook Nov. 2019, Renewable penetration excludes large hydro and renewables that do not qualify under RPS
ALLETE Clean Energy is strategically positioned in the Northeast.

GROWTH OPPORTUNITIES

22 GW
60%

Total Renewable Penetration by 2050

Projected Wind Additions 2019-2050

Sources: I.H.S. North American Renewable Power Outlook Nov. 2019, Renewable penetration excludes large hydro and renewables that do not qualify under RPS
A company on the move...
Caddo – a south-central Oklahoma wind project expands presence in C&I market

Strategy in Action
✓ Helps customers reach renewable sustainability goals
✓ Increases geographic and customer demographic presence
✓ Enhances portfolio, diversity and performance
✓ Brings economic development – tax base, jobs to Caddo County
✓ Leveraging strong reputation and brand in the industry

Project Details
• Second large project announcement in 12 months
• Partnering with Apex Clean Energy
• Total of 303 MW
  • Advanced discussion with C&I Fortune 500 customers for entire output
  • Long-term PSAs
• Expected COD late-2021
• 80% PTC qualified project
• Tax Equity partnership
• Full earnings impact in 2022
ALLETE IS AN ATTRACTIVE INVESTMENT WITH A UNIQUE VALUE PROPOSITION

- Regulated/contracted or recurring energy revenues
- Strong and growing cash flow from operations
- Solid balance sheet and credit ratings
- Sustainable energy solutions
- Multi-faceted earnings growth potential
- Attractive and growing dividend
  Increased 5% on Jan. 31, 2020