



2021 Third Quarter
Earnings Report Presentation

November 4, 2021

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.

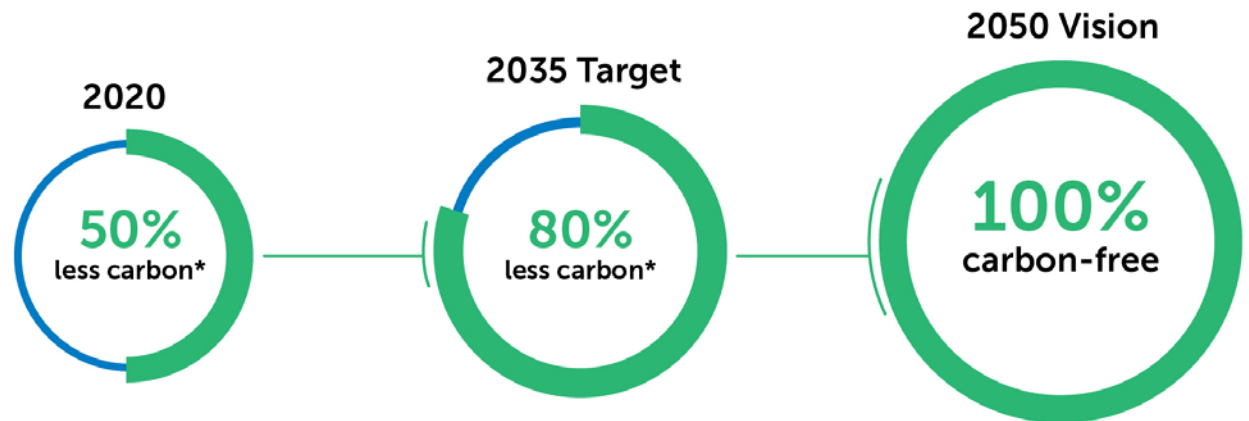
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Non-GAAP financial measures utilized by the Company may include presentations of earnings (loss) per share and earnings before interest, taxes, depreciation and amortization. ALLETE's management believes that these non-GAAP financial measures provide 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 November 4, 2021, and ALLETE, Inc. assumes no obligation to update the information or the forward-looking statements contained herein. The 2021 outlook contained herein was provided, and is as of, November 4, 2021.

OUR 100% CARBON-FREE ENERGY VISION

We are committed to making a sustainable transition to a **reliable**, **affordable** and **carbon-free** energy mix for our customers.



*From 2005 levels

Consolidated Earnings *(millions)*

Third Quarter 2021

	2021	2020
Regulated Operations	\$32.9	\$42.4
ALLETE Clean Energy	(0.8)	1.1
Corporate and Other	(4.5)	(2.8)
Net Income Attributable to ALLETE	\$27.6	\$40.7
Diluted Earnings Per Share of Common Stock	\$0.53	\$0.78

ALLETE Earnings *(millions)*

Third Quarter 2021

	Net Income	Earnings Per Share
Third Quarter 2020	<u>\$40.7</u>	<u>\$0.78</u>
Major Variances		
Regulated Operations		
Income Taxes – Effective Tax Rate Timing	(5.0)	(0.10)
Higher Expenses	(7.0)	(0.14)
Higher Sales	3.0	0.06
ALLETE Clean Energy and Corporate and Other		
ACE South Operating Results	(2.5)	(0.05)
Higher Non-Regulated Expenses	(1.5)	(0.03)
Third Quarter 2021	<u>\$27.6</u>	<u>\$0.53</u>



Minnesota Power filed a request with the MPUC to increase base retail electric rates



General rate case review filed November 1, 2021 (Docket No. E015/GR-21-335)

- Interim rate request ~\$87M, total request ~\$108M
- ROE 10.25%, 53.81% equity ratio
- Forward 2022 test year
- Interim rates 60 days after filing is deemed complete, expected January 1, 2022 and subject to MPUC approval
- Interim rates are subject to refund
- Final rates by late 2023 with final rate order
- Proposed sales true-up mechanism

Constructive Regulatory Framework

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

The request will primarily focus on seeking recovery of revenue deficiencies related to:

EnergyForward clean energy transition

Evolving customer demand

Competitive returns on investments

Minnesota Public Utilities Commission (MPUC)

Name	Party	Began Serving	Term Ends
Katie Sieben - (Chair)	D	Jan. 2017	Jan. 2023
Joe Sullivan	D	Apr. 2020	Jan. 2026
Valerie Means	D	Apr. 2019	Jan. 2025
Matt Schuerger	I	Feb. 2016	Jan. 2022
John Tuma	R	Mar. 2021	Jan. 2027



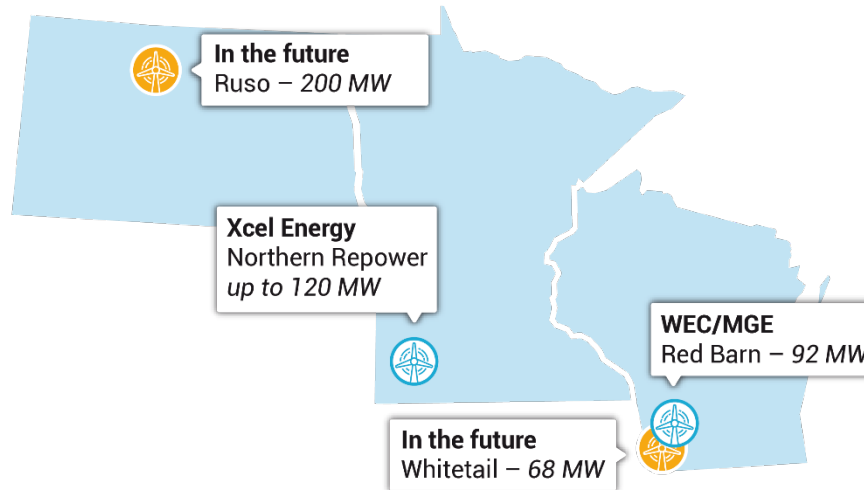
Estimated timeline

Minnesota Power Rate Case

November 1, 2021	• File Minnesota Power rate case
December 2021	• MPUC approves interim rates
January 2022	• Interim rates begin
Summer 2022	• Evidentiary and public hearings
September 2022	• ALJ report
October 2022	• MPUC oral decision
December 2022	• MPUC written order
Within 60 days	• Reconsideration
Early 2023	• MPUC final order
Late 2023	• Final rates implemented

Expanding Renewables Pipeline Provides Customer Solutions

Developing high quality long term ownership or build-transfer facilities.



Repowering Northern Wind

- Announced in February
- Up to 120 MW project size
- Leverages existing & adjacent interconnections
- Project delivery in late 2022*

- Adds new customers
- Supports customers' ESG objectives
- Leverages PTC safe harbor inventory
- Brings ~ 210 MW of projects forward to 2022
- Potential future projects
 - Whitetail project ~ 68 MW
 - Ruso project ~ 200 MW



Wisconsin Public Service



Building Red Barn

- Announced in May
- 92 MW project size
- Interconnection secured
- Project delivery in late 2022*

Find ESG information at ALLETE.com

ALLETE Profile

• <https://www.allete.com/Content/Documents/Profile/2019-ale-profile.pdf>

2020 Corporate Sustainability Report
(Updated data October 2021)

• <https://www.allete.com/Content/Documents/Sustainability/2020/ALE-Sustainability-Report.pdf>

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>

ALLETE is committed to align sustainability disclosures with TCFD and SASB reporting frameworks and guidelines and will continue to enhance its disclosures taking a right sized approach based on available resources.

