



SIEBERT WILLIAMS SHANK

West Coast Utilities Conference

March 2023



Forward looking statement

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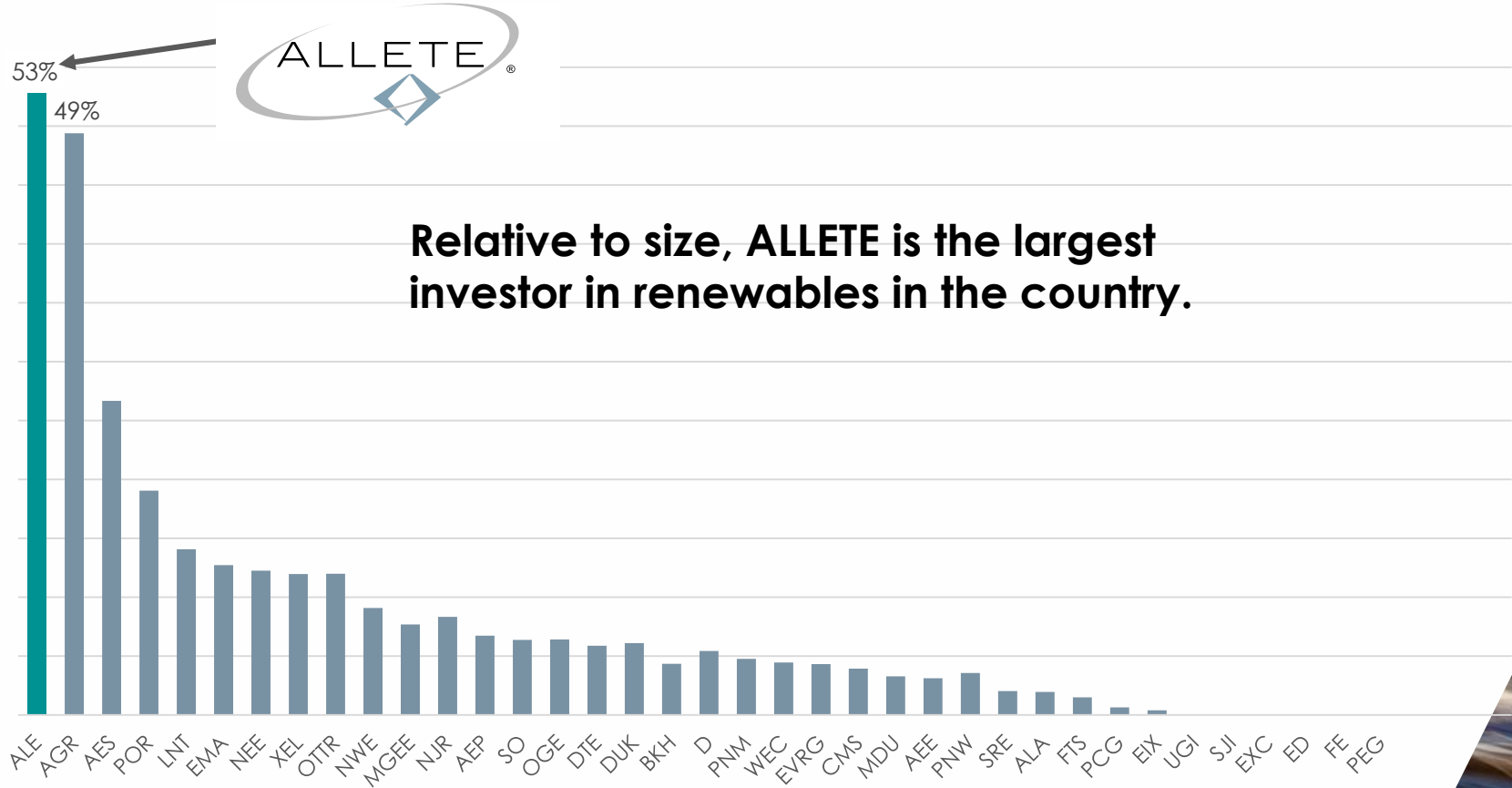
This presentation was prepared as of March 15, 2023, and ALLETE, Inc. assumes no obligation to update the information or the forward-looking statements contained herein. The 2023 outlook contained herein was provided, and is as of February 16, 2023.

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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 Minnesota 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

- 2021 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

Accelerating clean energy trends drive ALLETE's 5-7% growth objective



SUSTAINABILITY IN ACTION GROWTH STRATEGY

- Expanding renewable sources of energy
- Strengthening and expanding the electric grid
- Developing innovative solutions
- Reducing overall carbon emissions
- Financing growth with substantial liquidity

The Inflation Reduction Act: A significant catalyst

Regulated growth opportunities

- Significant renewable infrastructure and transmission investments over the next decade
- Improving ROE
- Superior Water, Light & Power, ATC investments, and other regulated opportunities

New Energy Equity and ALLETE Clean Energy opportunities

- Leveraging existing platforms / Maximize pipeline and portfolio value
- Expand products and services
- Diversify new customers, assets and geographies
- Improve ALLETE Clean Energy financial returns



ALLETE's attractive value proposition

Financial Targets	
Long-term earnings growth (CAGR)	5 - 7%
Targeted payout ratio	60 - 70%
Long-term dividend growth	align with earnings

**Sustainable clean
energy solutions**

**Multi-faceted
earnings growth
potential**

**Differentiated
capital investment
opportunities**

**Solid balance sheet
and credit ratings
with growing cash
flow from operations**

**Attractive and
growing dividend**

Setting the stage for future growth: ALLETE is well positioned to leverage clean energy trends

Regulated Operations



- Generates, transmits and distributes electricity in northern Minnesota; rich in natural resources
- Expediting the transition away from coal, creating renewable infrastructure opportunities
 - Additional wind generation/solar/storage and supporting transmission & distribution over the next 5 years; rate base CAGR 11%
- Currently providing 50% renewable energy to customers; goal to deliver 100% carbon-free energy by 2050
- Position for inter-regional connections advancing its high voltage transmission strategy



- Provider of electric, natural gas and water service in northwestern Wisconsin
- Smart metering advancing along with increased renewable service offerings
- Natural gas expansion opportunities
- Plans to construct community solar garden and producing energy in 2023
- ~\$58M estimated capex spend 2024 – 2028



- 8% ownership
- ATC owns and operates the electric transmission system in portions of Wisconsin, Michigan, Minnesota & Illinois
- Growing equity investment with planned ten-year build-out
- Capital investment in MISO Tranche 1 expected to be ~\$900M; investment in Tranche 2 likely material
- Updated ten-year capital investment plan ~\$5B-\$6B
- ALLETE will participate in future investment opportunities

Non-Regulated Operations



- Leading developer of community, commercial and industrial, and small utility-scale solar energy projects
- Core competency includes adding value through sharing national capabilities with regional co-development partners
- Involved in greenfield development, as well as acquiring mid-stage and late-stage projects, bringing them through completion
- Off-take agreements, sourced internally and through third party aggregators are executed with high quality corporate customers, municipalities and non-profit organizations



- Established platform focused on developing, acquiring, and operating clean energy and renewable energy projects
- 1,500 MWs of wind projects; 8 states; utilities, municipalities and fortune 500 C&I customer base, and growing
- Will continue to evaluate additional growth opportunities, such as solar and storage solutions



- Operates a lignite mine near Center, North Dakota
- Producing about 4M tons annually, under a long-term cost-plus fixed-fee arrangement to 2037
- Supporting carbon capture and sequestration in Minnkota Power Cooperative's Project Tundra
- Leveraging BNI established relationships for clean energy advancement
- Recognized for best in class reclamation practices

ALLETE is actively engaged in developing significant transmission opportunities

~\$3.3B Investment in Transmission and Clean Energy Initiatives

Increase of nearly \$600M* in Base CapX over the next 5 years

Capital Expenditures

(millions)	2023	2024	2025	2026	2027	2023-2027	Total	Potential Recovery Method
Regulated Operations								
High kV Transmission Expansion	\$ 40	\$ 55	\$ 135	\$ 190	\$ 270	\$ 690	\$ 1,265	Rider
Solar 300 MW**	–	150	200	175	100	625	675	Rider
Wind 150 MW**	–	–	105	175	–	280	280	Rider
Storage Pilot	–	10	20	–	–	30	30	Rider
Storage 200 MWh**	–	–	–	–	100	100	320	COD
Base & Other	190	265	250	235	190	1,130		Rider/Base
ALLETE Clean Energy (base capX)	10	5	5	5	5	30		
Corporate & Other								
Wind Partnership 200 MW**	–	70	115	–	–	185	185	COD
Nemadji Trail Energy Center	40	55	35	5	–	135	145	COD
Other	20	10	15	15	20	80		
Total	\$ 300	\$ 620	\$ 880	\$ 800	\$ 685	\$3,285		

* From last reported Base CapX plan.

** Dependent on successful RFPs for solar, wind and storage.

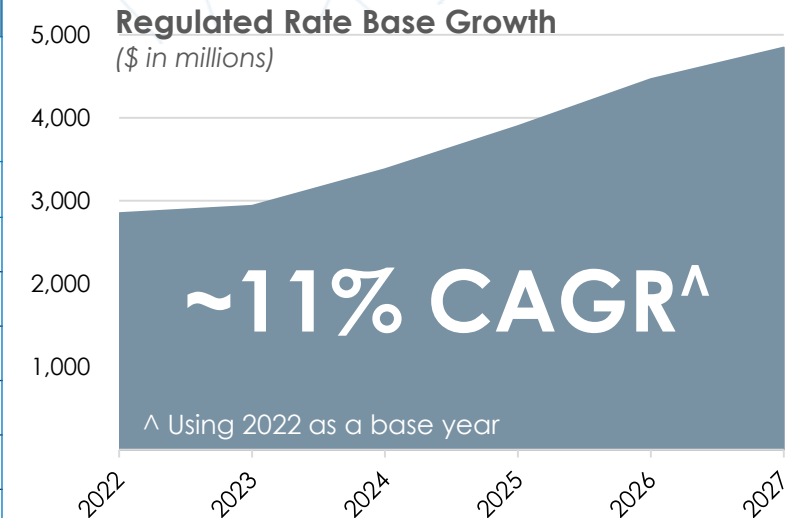


Table excludes any incremental ALLETE Clean Energy projects and New Energy asset ownership, additional equity investment at ATC.

Further transition to clean energy will provide additional investment in transmission and renewables beyond 2027.

Regulated Rate Base Growth Supports ALLETE's Long-term 5-7% Growth Objective

Transformational long-term investment opportunities

Opportunities beyond 2027, not included in our 5-year CapX table:



North Plains Connector – ALLETE engagement with Grid United to build 370-mile HVDC transmission line from ND to MT.



MISO Tranche 2 -
Expect at least ~2-3% participation in MISO Tranche 2.
Benefits a broader customer base beyond Minnesota Power jurisdiction.
Long Range Plan will help to maintain a reliable and resilient regional power grid.



New legislation
Enacted in Minnesota requires electric utilities to source its retail sales with 100% carbon-free energy by 2040 – this legislation will provide opportunities in our next IRP, slated for early 2025.



Coal Fleet Transition
Developing plans to replace over 800 MW of baseload generation at Boswell Units 3 & 4 in Cohasset, MN by 2030 and 2035, respectively.

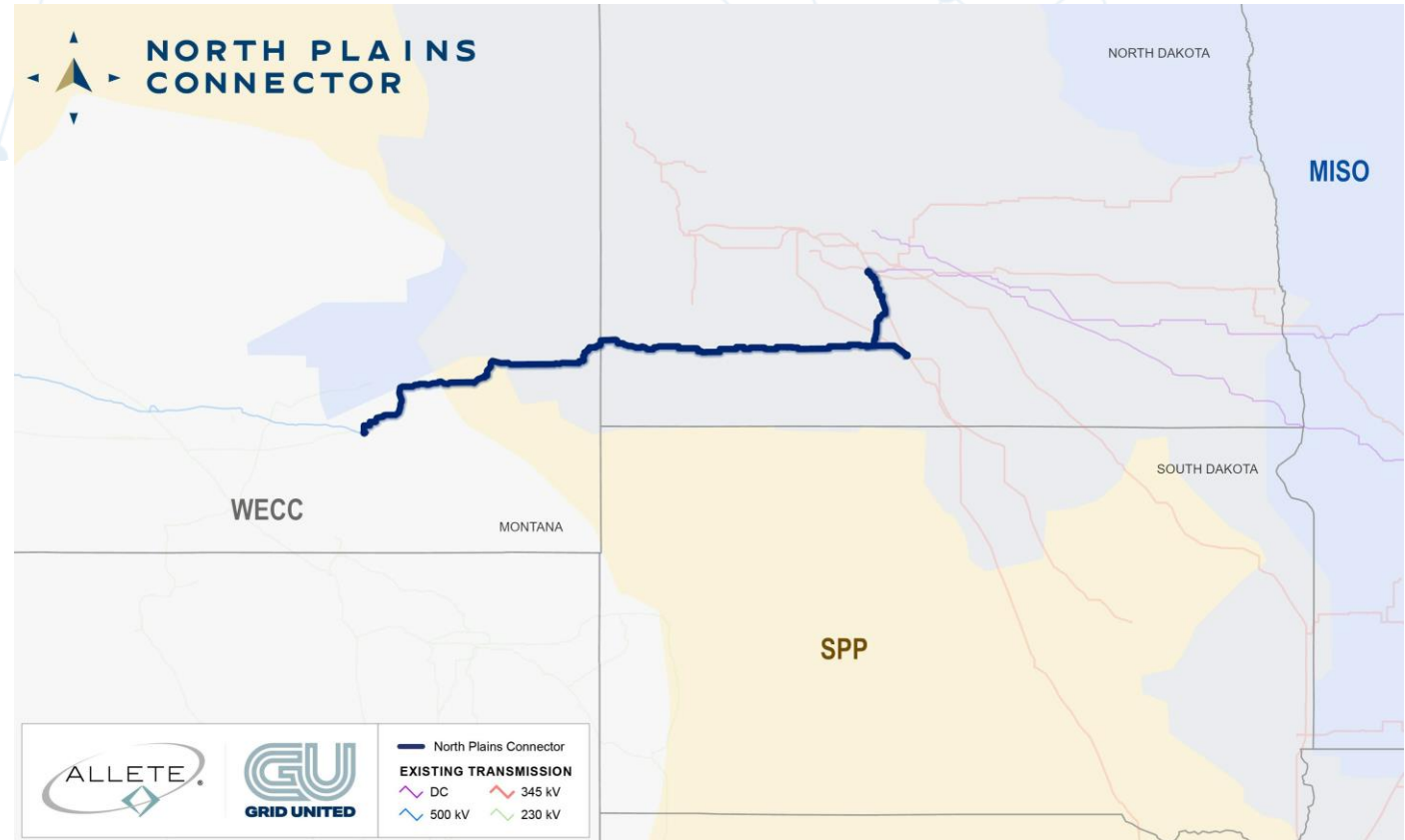
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Supports ALLETE's Long-Term EPS growth objective of 5-7%

Significant Transmission Investment Opportunities for ALLETE

The North Plains Connector will provide increased Grid Sustainability

- An ALLETE project – engaged with Grid United
- Will provide the nation's first critical link to three energy markets – MISO, SPP, WECC – improving reliability, resiliency and flexibility of the nation's grid
- ALLETE's share expected to be at least 35% ownership, or ~1,000 MW of 3,000 MW capacity
- Total project cost estimate ~\$2.5B
- Regulatory approvals needed:
 - Federal and state approvals and permits
 - NEPA
 - Major Facility Siting Act (MFSA)
- Will be a FERC transmission tariff (similar to ATC investments) for users; ALLETE will pursue long-term capacity contracts and ownership on the line



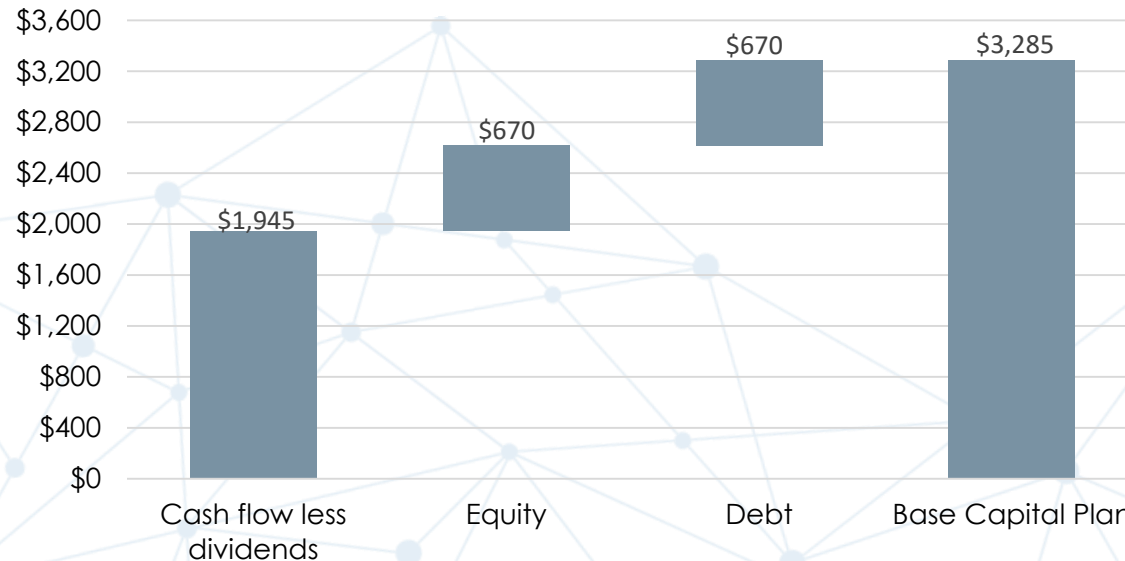
ALLETE financing plan is funded predominantly by cash flow from operations

Strong cash flow
from operations

Line of credit
\$400M

IRA opportunities
and access to tax
equity partners

Financing sources 2023 - 2027



Excludes possible acquisitions / additional development projects.

Additional Financing Activities

Cash from new operations

IRA transferability of tax credits

Potential equity using existing at-market program

ALLETE anticipates forming a holding company which could result in opportunities to utilize other financing alternatives to limit common equity issuances.

Inflation Reduction Act creates value for all of ALLETE's businesses

- ✦ Production Tax Credits (PTC) and Investment Tax Credits (ITC) extensions provide new options for investment
- ✦ PTC and ITC eligibility for solar and storage projects greatly benefits Minnesota Power, New Energy and ALLETE Clean Energy
- ✦ Transferability of tax credits adds monetization options for all ALLETE businesses
- ✦ Is directionally positive for cash flows and credit positive for rating agency perspective
- ✦ No impact of the alternative minimum tax provision on ALLETE

ALLETE expects to generate tax credits in the years 2023-2028:

<u>2023</u>	<u>2024</u>	<u>2025-2028</u>
~\$45M - \$50M	~\$45M	~\$10M - \$20M / yr.

Regulated Operations



Minnesota Power General Rate Case Approved by the MPUC



General rate case review approved by the MPUC at a hearing on Jan. 23, 2023

(Docket No. E015/GR-21-335)

- Total approved revenue \$68.2M or 63% of Company's initial request
- ROE 9.65%, 52.5% equity ratio
- Company is pursuing reconsideration and other options

Plan to file next rate request Nov. 1, 2023, with interim rates expected to go into effect Jan. 1, 2024

Constructive Regulatory Framework

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

Continuing constructive regulatory framework is necessary to achieve and respond 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 (pending)	I	Feb. 2016	Jan. 2022
John Tuma	R	Mar. 2021	Jan. 2027

Our Geographic Advantage: Transmission investment will provide material growth and diversification



EnergyForward



Clean energy transformation

DC line—a strategic asset with optionality

- Grid reliability investments
- Market expansion
- Bi-directional opportunity
- Additional renewables
- Further expansion possibilities
 - Nation-wide multi-region corridors
 - The DC Line expansion creates potential additional projects



DC Line – Transmission

- Existing footprint of DC transmission line is 465-mile
- Company to upgrade existing 550 MW capacity by up to 350 MW
- The Company has reserved queue positions for all 350 MW

Significant Transmission Investment Opportunities for Minnesota Power

Evolving MISO Long Range Transmission Plan will help to maintain a reliable and resilient regional power grid



Tranche 1 LRTP Portfolio



MISO Tranche 1

- 18 Projects, **\$10.3B** estimated cost; Approved by MISO Board July 2022
- 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 to GRE Benton County
- ✓ 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 to be filed in 2023

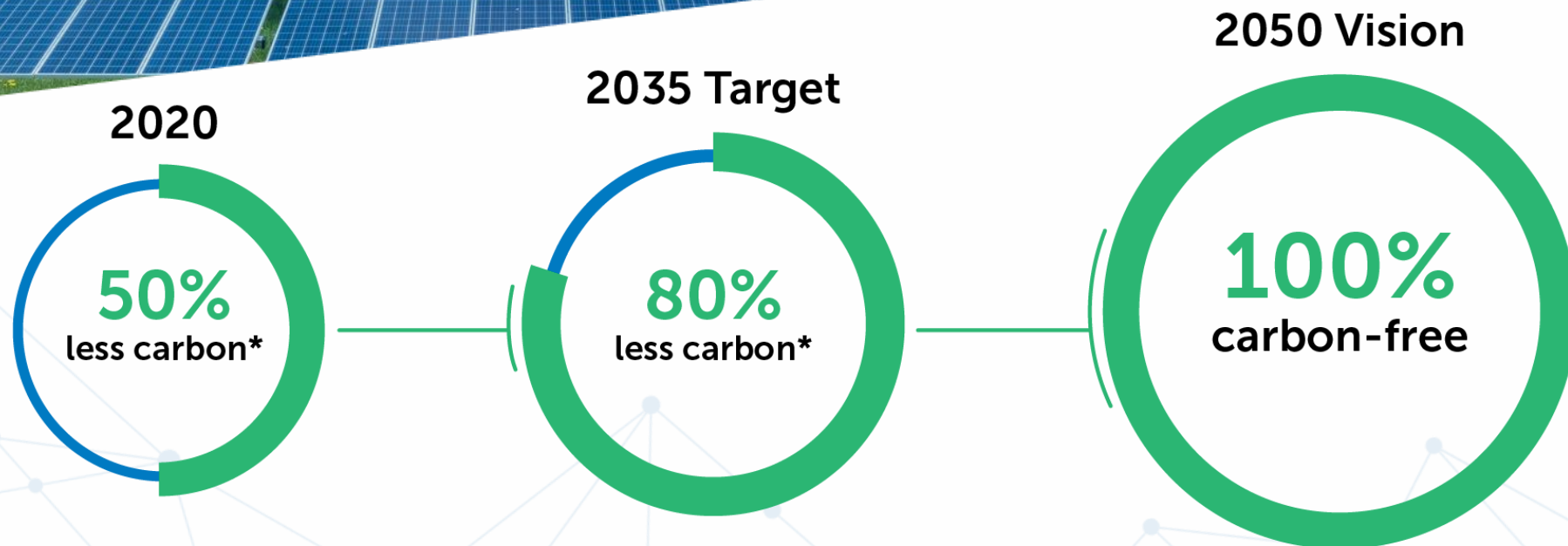
CapX Alexandria – Monticello

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

Minnesota Power's 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



State of Minnesota enacted new legislation requiring electric utilities to source retail sales with 100% carbon-free energy by 2040. We will build on our current momentum and factor this new Minnesota legislation's requirements into Minnesota Power's next IRP filing in spring of 2025.

ALLETE's regulated electric, natural gas and water distribution company in Wisconsin



Constructive regulatory environment

- Wisconsin Public Service regulated
- January 2023 rate case order for \$3.3M in additional revenue based on 55% equity and 10.0% ROE

Significant rate base investment growth

- 12/31/2022 YE rate base \$101M
- ~\$13.3M in 2023, ~\$58M estimated spend 2024 – 2028

Leverage existing footprint

- Grow customer municipality relationships

Pilot new customer service products

- Innovation
- Leverage technology
- Partner

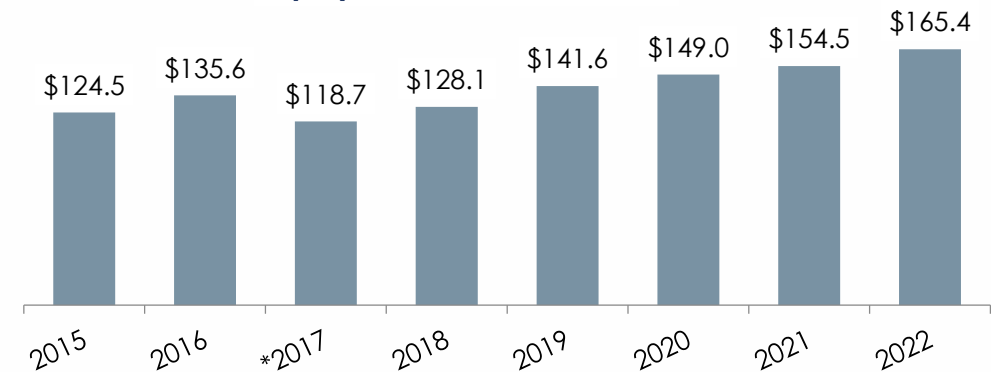
ALLETE's investment in ATC continues to grow

And is a meaningful contributor to earnings

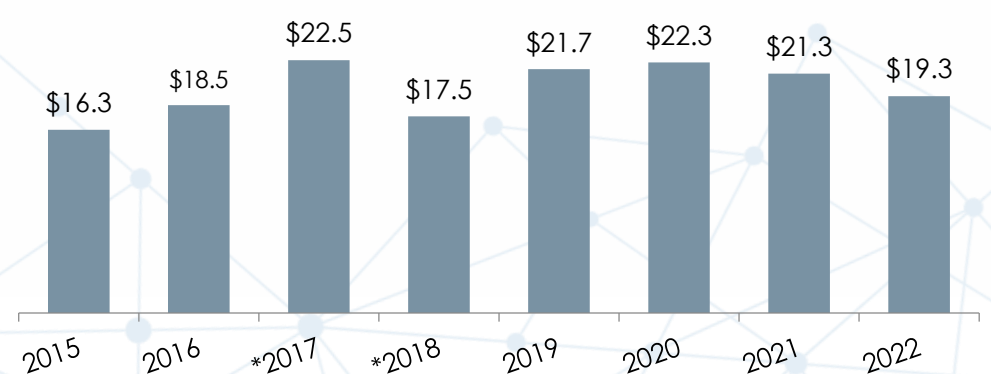


- Wisconsin-based transmission company
 - Owns and operates electric transmission system in portions of Wisconsin, Michigan, Minnesota and Illinois
- 8% ownership delivers steady earnings and cash flow
- FERC regulated – FERC recently approved 10.52% ROE (includes 50 bps adder)
- ATC's October 2022 10-year capital investment forecast calls for \$5B-6B in system improvements, including MISO Tranche 1 of ~\$900M; participation in MISO Tranche 2 will be incremental.

Equity Investment Balance



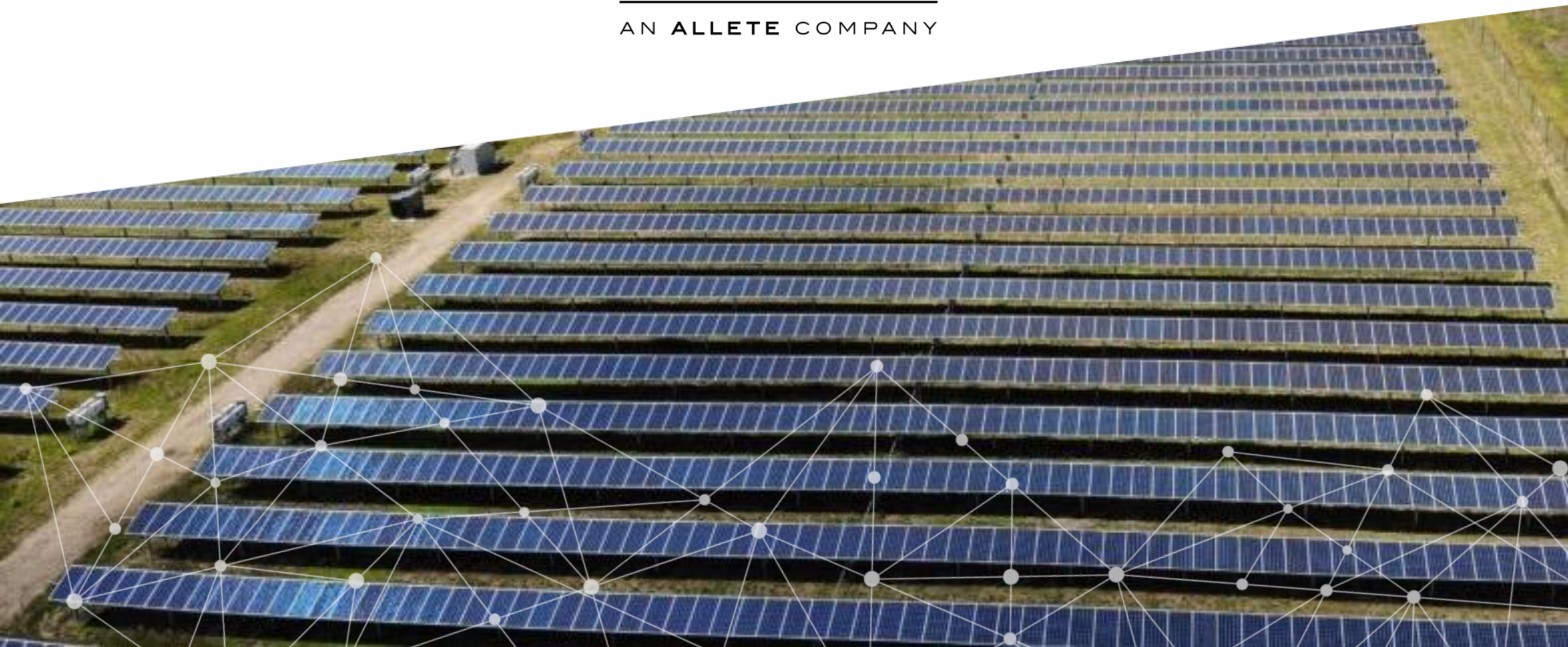
Equity Earnings (pre-tax)



* Impacted by the remeasurement of deferred income tax assets & liabilities resulting from tax reform



AN ALLETE COMPANY



Accomplishments and Project Opportunities



AN ALLETE COMPANY

Strategy and Opportunities

- Expansive pipeline of projects developed in over 20 states throughout the U.S. with significant presence and project opportunities in Illinois, Minnesota and New York – currently largest solar garden developer in Illinois and Minnesota
- Promising new markets in MD, NM, VA, 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

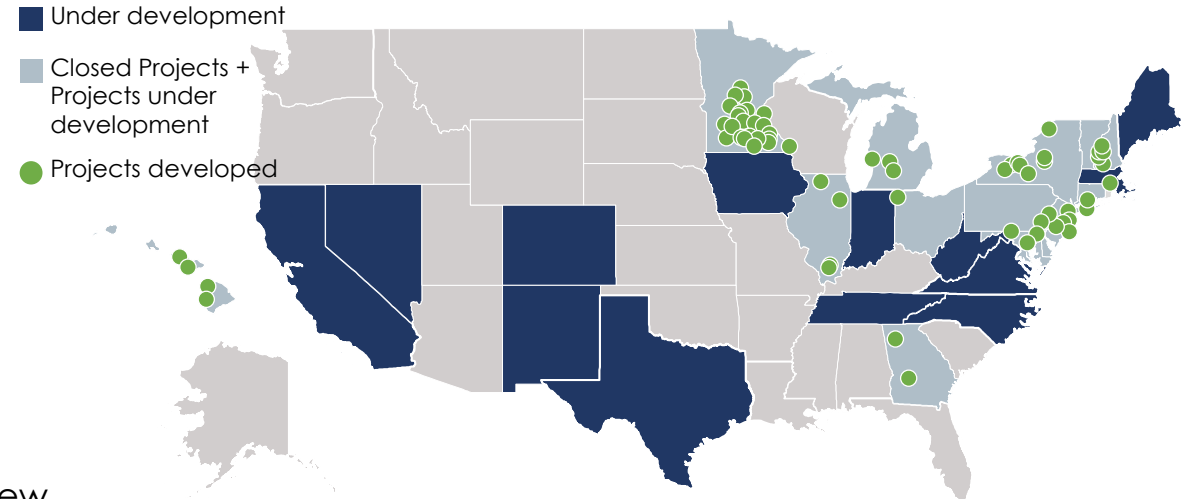
2022 Accomplishments

- Successful integration with ALLETE
- Despite challenges in the supply chain, including module procurement, New Energy exceeded expectations in 2022 and is well positioned for growth in 2023
- Inflation Reduction Act legislation expected to be accretive to the existing financial plan and future competitiveness and profitability
- 2022 results exceeded full year acquisition plan results

2023 Guidance

- ~100 MW, ~\$16 million to \$17 million of net income

States with projects closed and under development



Total pipeline of projects has expanded since acquisition.

Key statistics:

400MW+ Projects closed

>2GW Development pipeline

New Energy Equity Key Differentiators



1 Seasoned Provider with Meaningful Scale

- 400+ MW developed in 14 states to date
- > 2GW portfolio across 30+ states
- Rapidly growing O&M/asset management business (200+ MW)

2 Industry Leading Profitability

- Process-oriented development approach minimizes risk exposure, limits incurrence of sunk costs and ultimately leads to maximized project profitability
- Discipline in controlling overhead maximizing EBITDA margin

3 Strong and Entrenched Relationships

- Have contracted with over 300 commercial, municipal and educational institutions
- New Energy partners with local developers and has an internal greenfield development team which allows pipeline diversity and allows New Energy to navigate the specifics of regional markets, allowing for a broad national reach

4 Track Record of Success and Reputation

- Best-in-class name brand and reputation locally and regionally
- Proven success in expanding into new markets and pursuing growth initiatives in C&I and community solar

5 Geographic Diversification in Key Renewable Markets

- Strong presence in key markets (majority of top 19 states) where solar energy growth is expected to accelerate most over next 5 years
- Continued, disciplined expansion into new markets is underway (portfolio spans 30+ states)

6 Positive Renewable Energy Industry Tailwinds

- Significant growth potential, including (1) local, state and federal legislation (Inflation Reduction Act) throughout the country and (2) market shift (consumer and corporate) to sustainability

7 Full Suite of Capabilities, Project Monetization Optionality

- Diversified and complementary businesses include development, project implementation, project financing, O&M and asset management
- Project development and financing optionality to maximize project returns or project net income

8 Highly Experienced and Invested Management Team

- Highly qualified leadership team with diverse experience set including significant experience (10+ years on average) in the U.S. renewable energy industry

9 Significant Future Growth Potential

- New Energy is well positioned to take advantage of organic market growth expected to be installed over the next 10 years
- New Energy is also well positioned to pursue geographic expansion based on proven track record and established strategy



Highlights

- Positioned to benefit from the accelerating transition to clean energy
- Inflation Reduction Act legislation impacts include incentives, clarity around the 10-year time horizon and increased flexibility around structuring and financing projects
- Established platform focused on developing, acquiring and operating clean energy and renewable energy projects
- Premier geographic footprint in wind-rich regions, diversified across eight states
- Long duration contracts with solid counterparty credit
- Broadening business model and core competencies beyond wind to include storage, solar and other technologies, paired with existing sites

ALLETE Clean Energy has multiple avenues by which to raise and reallocate capital into energy transition opportunities.

Corporate Customers

Walmart
McDonald's
Starbucks
Smithfield Foods
Oshkosh

Utility Customers

Montana-Dakota Utilities Co.
Xcel Energy
NorthWestern Energy
ODEC
Alliant Energy



Executing on near-term strategy

Near-term focus:

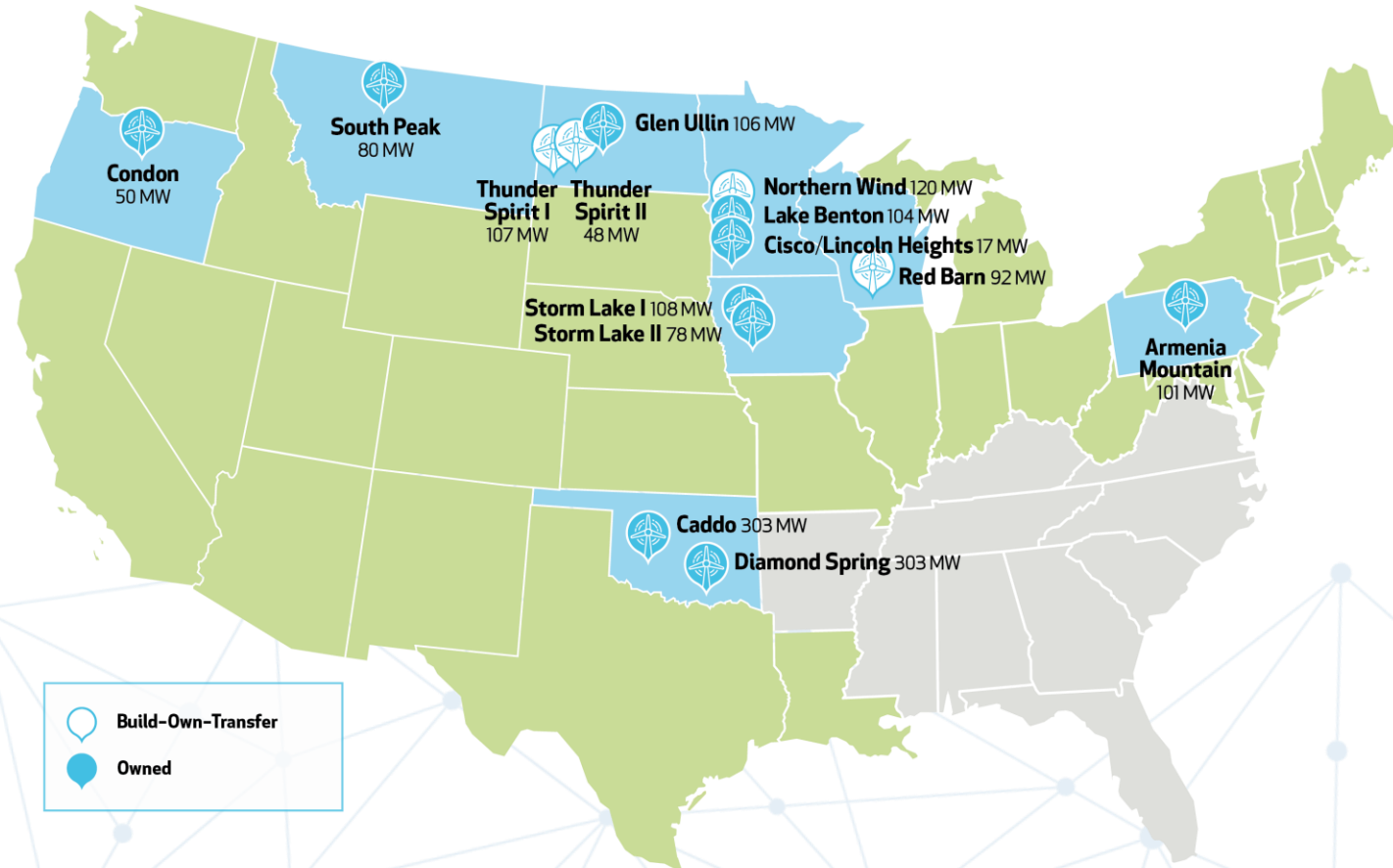
- Multiple geographic regions are being impacted by inflation, renewable penetration, congestion and delayed infrastructure builds
 - Diamond Spring and Caddo projects impacted by this congestion
 - Mitigation efforts to improve economics underway
- Maximize portfolio value
 - Optimization of legacy fleet (>400 MW)
 - Armenia
 - Condon
 - Lake Benton
 - Storm Lake
- Pipeline execution of current projects
 - Red Barn
 - Whitetail
 - Ruso



Favorable landscape supports ALLETE Clean Energy strategy:

- Strong industry growth through favorable customer sentiment and growing macro trends of ESG
- Continues to attract large amounts of capital and investor interest
- Benefits from supportive legislative policy

Strategically positioned as demands for clean energy accelerate



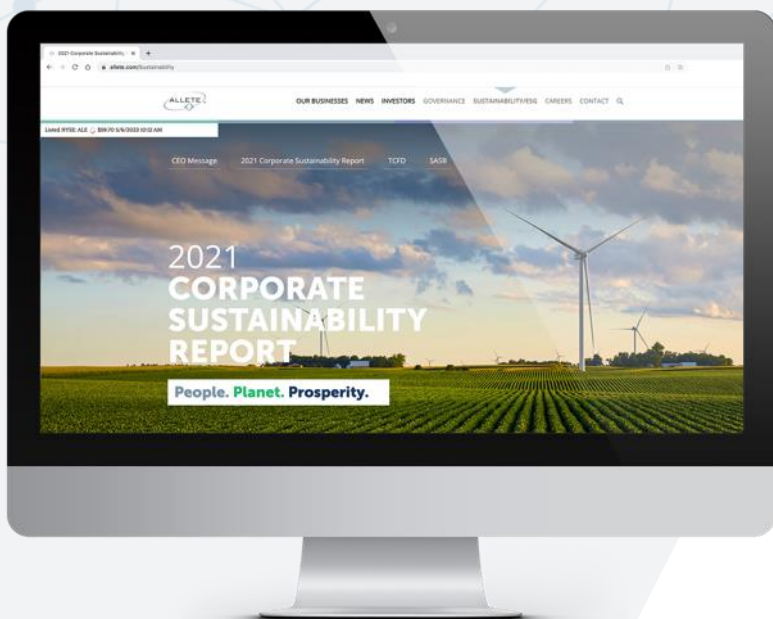
Existing platform optimization

- Recontract
- Repower
- Build transfer
- Partnerships
- Optimization of legacy fleet

Value drivers of various assets

- Interconnection rights
- Landowner and customer relationships
- Project permits
- Multi-technology co-location potential
- Partnerships
- High quality wind resources

Owens and has built-transferred over 1,500 MW of operating/under construction capacity in five major energy markets across the U.S.
~4 million MWhs produced reducing carbon emissions by 1.7MMt → That's enough to power 218K homes' energy use for one year and equivalent to taking 373K cars off the road.



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

