



Acquisition of New Energy Equity

March 3, 2022



Forward looking statement

The statements contained in this presentation and statements that ALLETE, Inc. may make orally in connection with this presentation that are not historical fact, 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.

The adjusted EBITDA measure for New Energy represents net income before interest, taxes, depreciation and amortization, adjusted for the impact of certain non-cash and other items, such as non-recurring expenses.

This presentation was prepared as of March 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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Visit our website at www.allete.com

Clean energy trends are driving ALLETE's 5-7% growth objective

ALLETE's Sustainability-in-Action Strategy Delivers Growth

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

Regulated Growth 4-5%

- Minnesota Power IRP – generation, transmission and distribution investments
- Improving ROE
- Superior Water, Light & Power, ATC investments, and other regulated opportunities

ALLETE Clean Energy + Corp. & Other minimum growth of at least 15%

- Leverage existing platform
- Optimize portfolio
- Expand products and services
- Acquire new customers and geographies

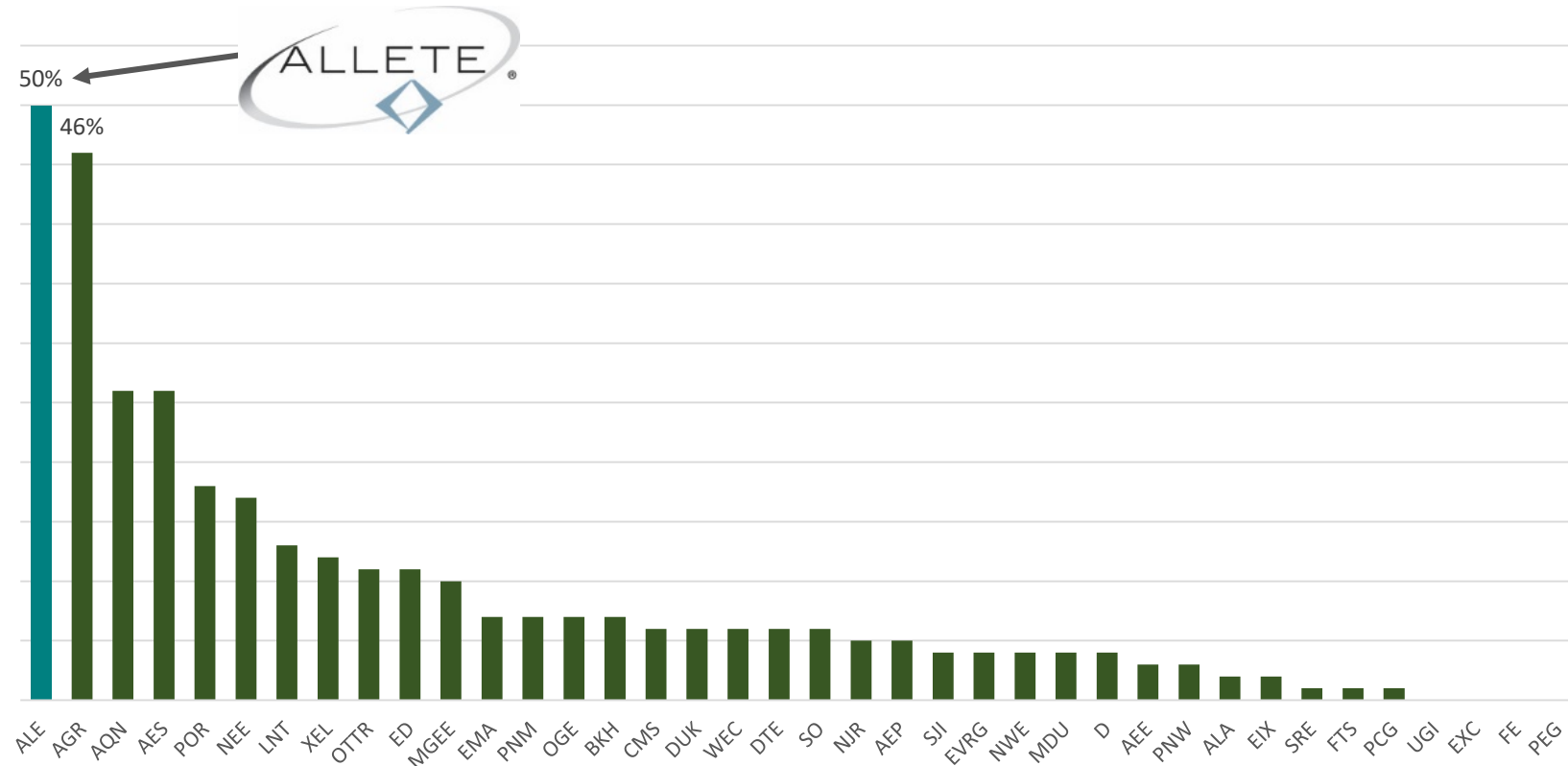


Relative to size, ALLETE is the largest investor in renewables in the country

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



ALLETE continues to evolve as a market leader, now ranking #1 in renewable investment



Source: Company public filings, SNL, Press Releases, Bloomberg market data as of 16-Feb-22

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.



Overview of ALLETE New Energy acquisition

Transaction overview

- ALLETE is acquiring New Energy, a leading developer of community, commercial & industrial, and small utility-scale solar energy projects
- New Energy has successfully closed 310MW+ of solar projects across the nation over 9 years, with 80MW+ closed in 2021
 - Approximately \$600mm+ invested in projects by New Energy and their partners
 - 2GW+ of solar projects under development across 26 different states
- ALLETE is purchasing New Energy for \$165.5mm on a cash free / debt free basis
- Valuation implies a 2021 adjusted EBITDA multiple of ~8x, well positioned for future growth

Earnings impact

- Under ALLETE'S ownership, we expect the transaction to be accretive to earnings in 2022, when adjusting for transaction costs and purchase price accounting impacts

Transaction financing and timing

- The transaction will be funded in a manner that is consistent with ALLETE's strong credit ratings
- Transaction is expected to close in early Q2 2022

Go forward strategy

- Plan to continue New Energy's successful playbook of developing distributed solar assets
- Selectively retain attractive and complementary assets on ALLETE's balance sheet
- Development of profitable solar projects provides flexibility between monetization and ownership

Key Investment Highlights

Why New Energy?



Proven track-record of developing distributed solar assets, with 310MW+ of projects developed



Significant development pipeline of 2GW+ of highly actionable solar projects



Long-standing blue chip customer relationships



Expands ALLETE's renewable energy capabilities to include the high growth solar sector



Solid project margins with disciplined, systematic approach to risk management



Seasoned management team with an average 10+ years of experience in the renewable energy industry

New Energy at a glance

Overview of New Energy

- New Energy is a leading developer of community, commercial & industrial, and small utility-scale solar energy projects
- Core competency includes adding value through sharing national capabilities with regional co-development partners builds relationships that compound into future business opportunities
- Involved in greenfield development, as well as acquiring mid-stage and late-stage projects and bringing them through completion
- Offtake agreements, sourced internally and through third-party aggregators, are executed with high-quality corporate customers, municipalities and non-profits
- Successful asset sales to large investor owned utilities
- \$600mm+ invested in projects by New Energy and their partners
- Founded in 2013 and headquartered in Annapolis, MD

Management team overview



Matthew Hankey
Founder / CEO

- 12+ years of experience in the solar industry including positions at Standard Solar, Urban Grid Solar and co-founding New Energy in 2013, leading the Company operationally and strategically



Ahmar Zhaman
CFO

- 15+ years of experience in the solar industry. Previously, he served as CFO of one of the largest US PV/Storage O&M service firms which he helped grow from a single vertical to covering four industry verticals



Lindsey Gillis
VP of Operations

- 10+ years of project management experience including serving as a global project manager at 3Di Technologies, working as the director of programs at L3 communications. Joined New Energy in 2015 as the second employee



Josh Kunkel
VP of Business Development

- 10+ years of experience in business growth, investment and finance including serving as the vice president of origination at Renovus Solar, director of M&A at Origis Energy and building New Energy's business development department



Jim Wrathall
General Counsel

- 25+ years of energy law experience including working as a partner at WilmerHale and serving as counsel for the U.S. Senate Environmental and Public Works Committee, Sullivan and Worcester and K&L Gates



Dean Eastlake
VP of Engineering and Construction

- 12+ years in the solar industry including working as the lead C&I design engineer at Aurora Energy, serving as an engineering manager at Standard Solar and joining New Energy in 2016

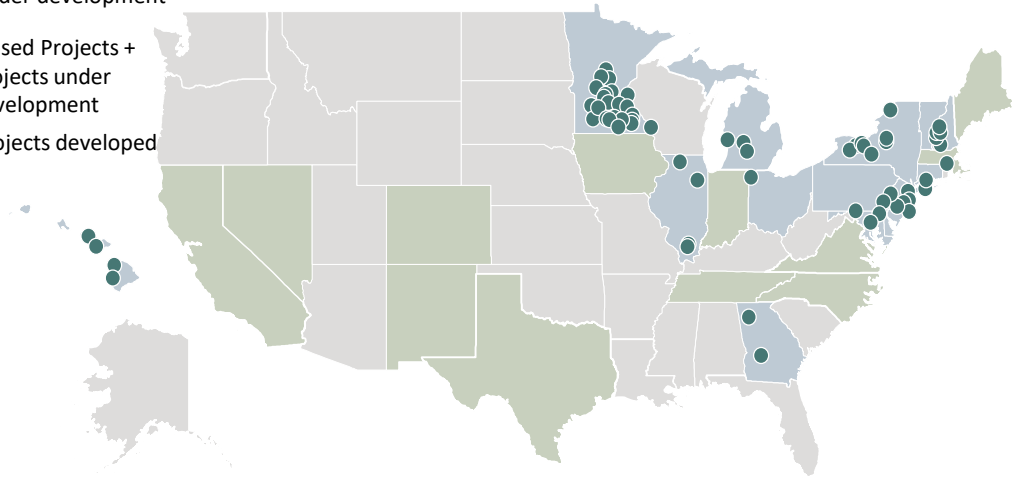


Jamil White
Controller

- 15+ years of experience in accounting including beginning his career at EY, WGL Energy and Competitive Power Ventures followed by working as a VP and controller at DTI Management and serving as the senior director of accounting and reporting at Howard University

States with projects closed and under development

- Under development
- Closed Projects + Projects under development
- Projects developed



Key statistics

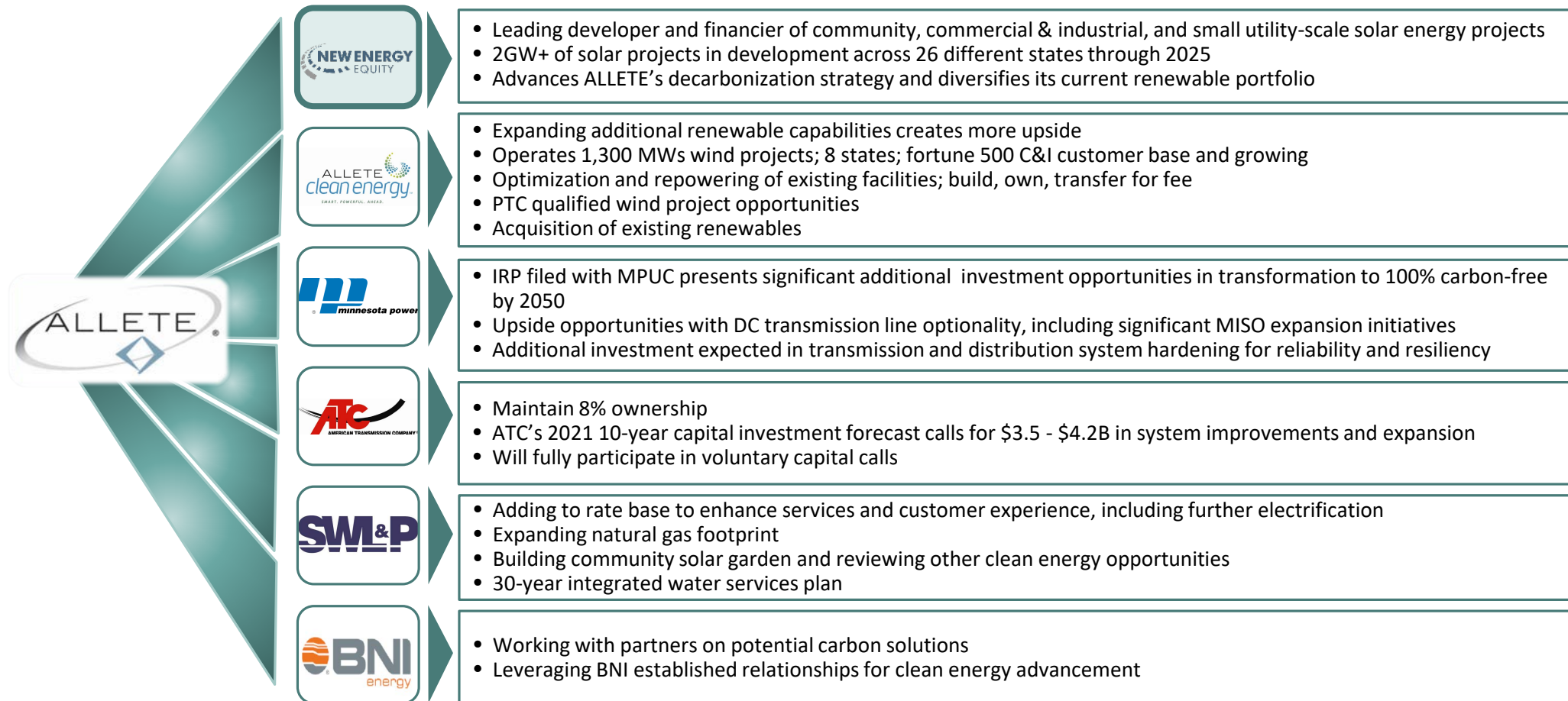
310MW+
Projects closed

2GW+
Development pipeline

~\$20mm
2021 Adjusted EBITDA



New Energy expands ALLETE's commitment to renewable energy



ALLETE will remain predominantly a regulated utility

