



Investor Presentation

J.P. Morgan Energy, Power and Renewables Conference - June 2022



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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 June 21, 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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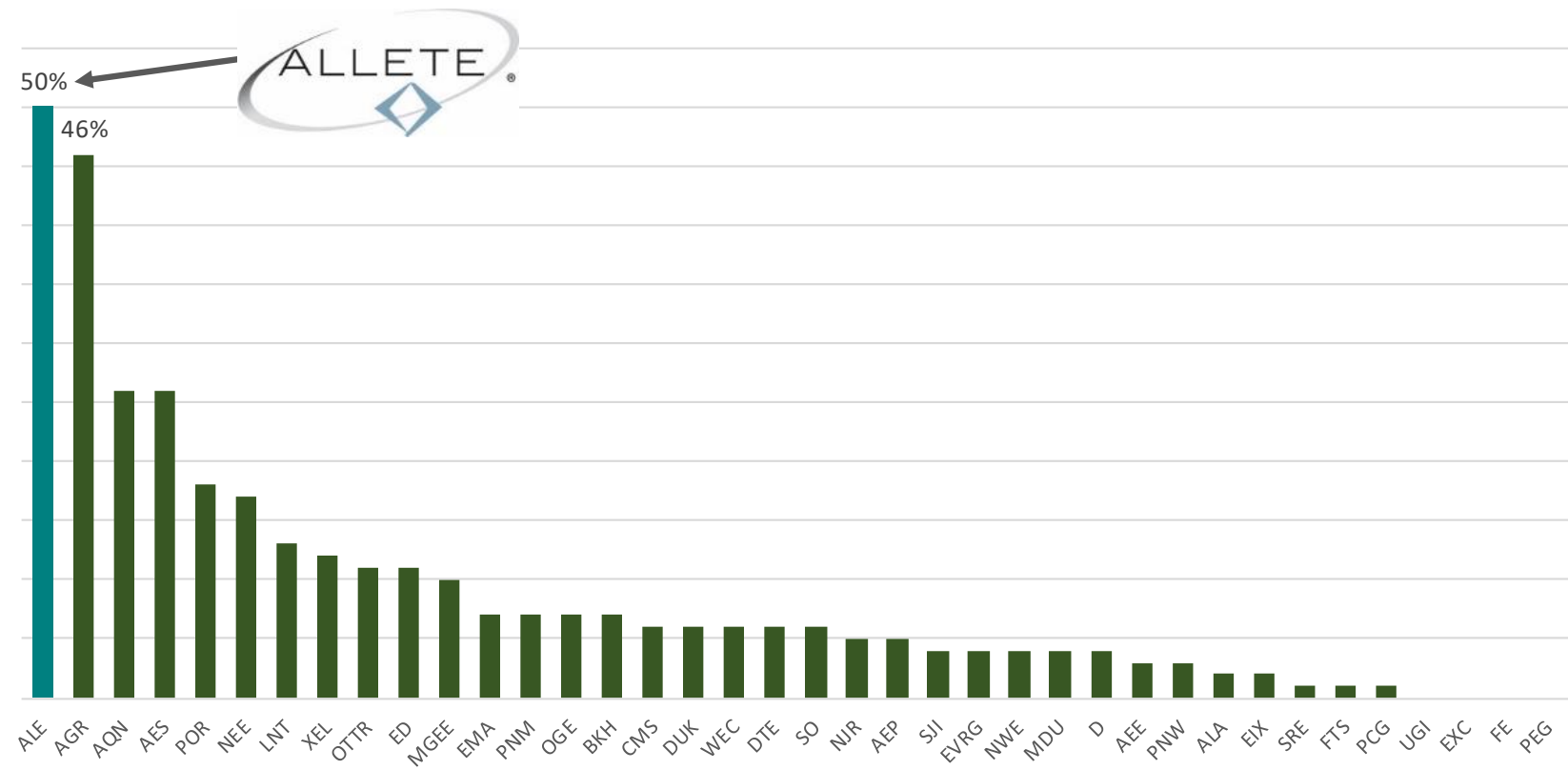
Visit our website at www.allete.com

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.



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
 - Renewable goals of 50% at end of 2020, and 70% by 2030
 - Coal-free by 2035 and 100% carbon-free by 2050
- ALLETE Clean Energy
 - 1,500 MW 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

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

ALLETE's Sustainability-in-Action Growth Strategy

- 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, New Energy & Other growth 15%

- Leverage existing platform / Optimize portfolio
- Expand products and services
- Acquire new customers and geographies
- New, mid and late stage project completion



ALLETE delivers an attractive value proposition

Financial Targets	
Annual total shareholder return*	9 - 10%
Consolidated average annual earnings growth	5 - 7%
Consolidated payout ratio	60 - 70%
Long-term dividend growth	align with earnings

Sustainable energy
solutions

Multi-faceted
earnings growth
potential

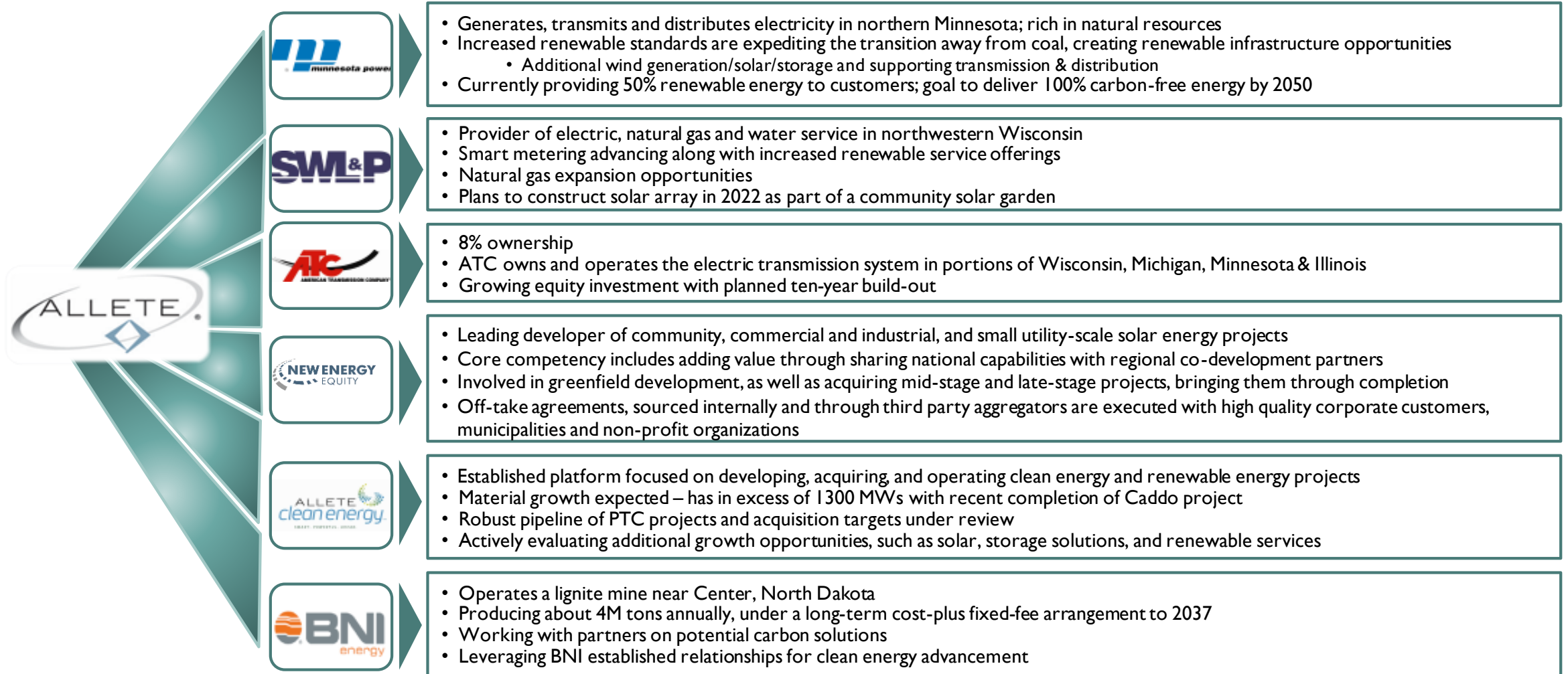
Regulated,
contracted or
recurring energy
revenues

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

Attractive and
growing dividend

* Defined as earnings growth plus dividend yield

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

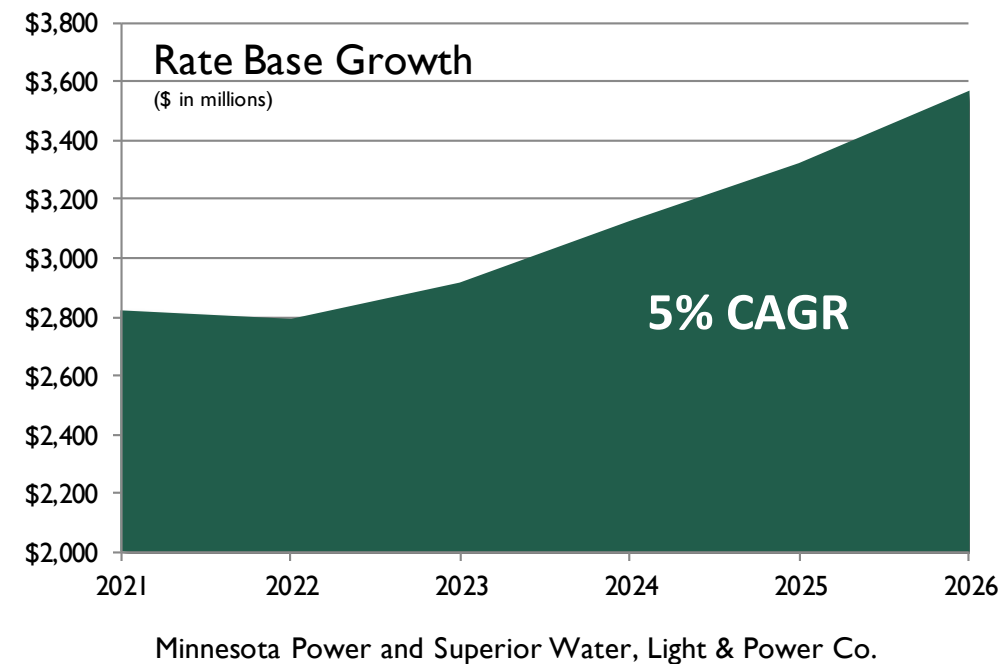
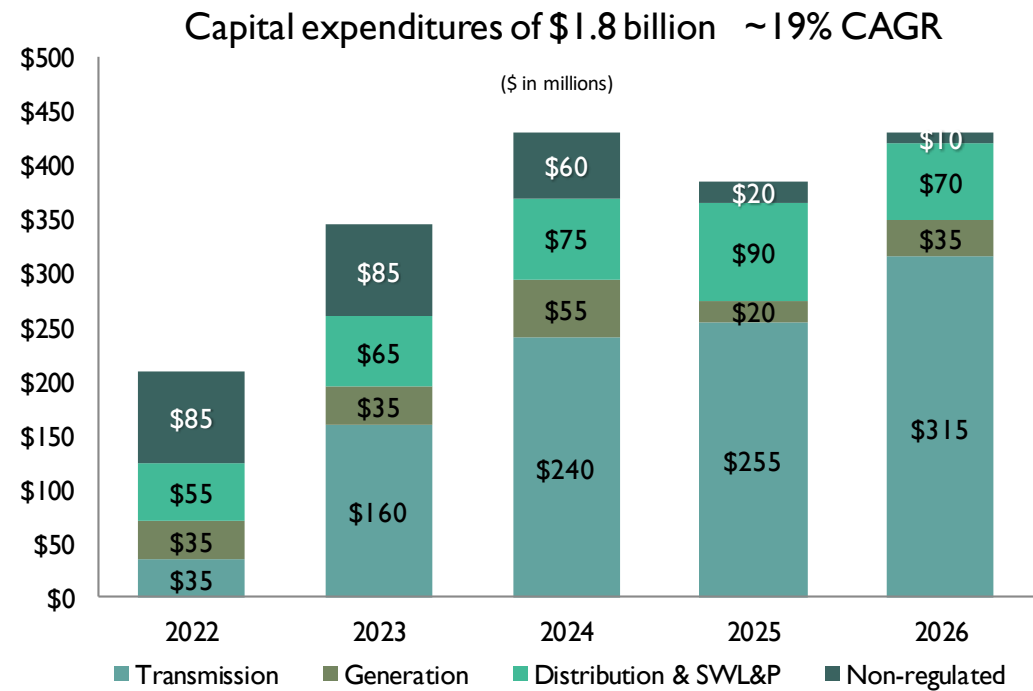


ALLETE will remain predominantly a regulated utility



Base CapEx plan expected to double by 2026

Supports Clean Energy Initiatives



Current				
	Jurisdiction	Rate Base	Allowed ROE	Equity/Capital
Minnesota Power	MPUC & FERC	\$2.8B	9.25%	53.81%
Superior Water, Light & Power Co.	PSCW & FERC	\$92M	10.40%	55%

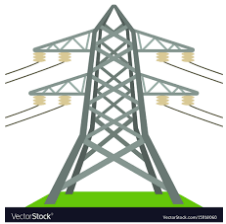


Incremental investment opportunities anticipated by 2026

Excludes incremental ALLETE Clean Energy investments

Additional Clean Energy Infrastructure

TRANSMISSION



MISO MTEP21

Future I estimated at
~\$30B investments needed

Minnesota Power's share
estimated at ~2%

Significant Minnesota Power
projects in MTEP for
approval

Investment as early as 2024

WIND



Up to 400 MW PTC wind
investment projects

200 MW in-service by
early 2025

~\$80M investment

Remainder tied to DC
line upgrade

SOLAR



~250 MW solar
investment projects;
in-service 2022 -2026

~\$300M investment

STORAGE



~15 MW storage
investment pilot project;
in-service 2023

~\$20M investment

**~\$700M incremental
investment in
transmission, renewables
and storage**

ALLETE financing plan is funded predominantly by cash flow from operations

Strong cash flow from operations

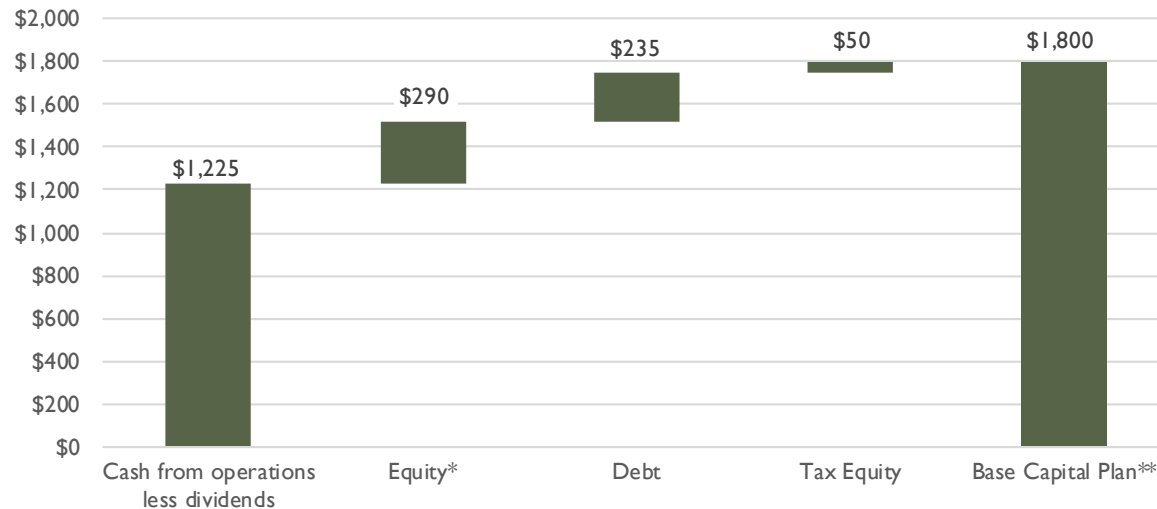
Line of credit \$400M

Access to tax equity partners

Limited equity needs

Financing sources 2022 - 2026

\$ millions



* Assumes DRIP new share issuances ~\$20M annually

**Supports capital expenditure chart on page 13

Excludes New Energy transaction and possible acquisitions / additional development projects

Additional Financing Activities

+ Cash from new operations

+ Tax equity

+ Potential PIE (existing at-market program)

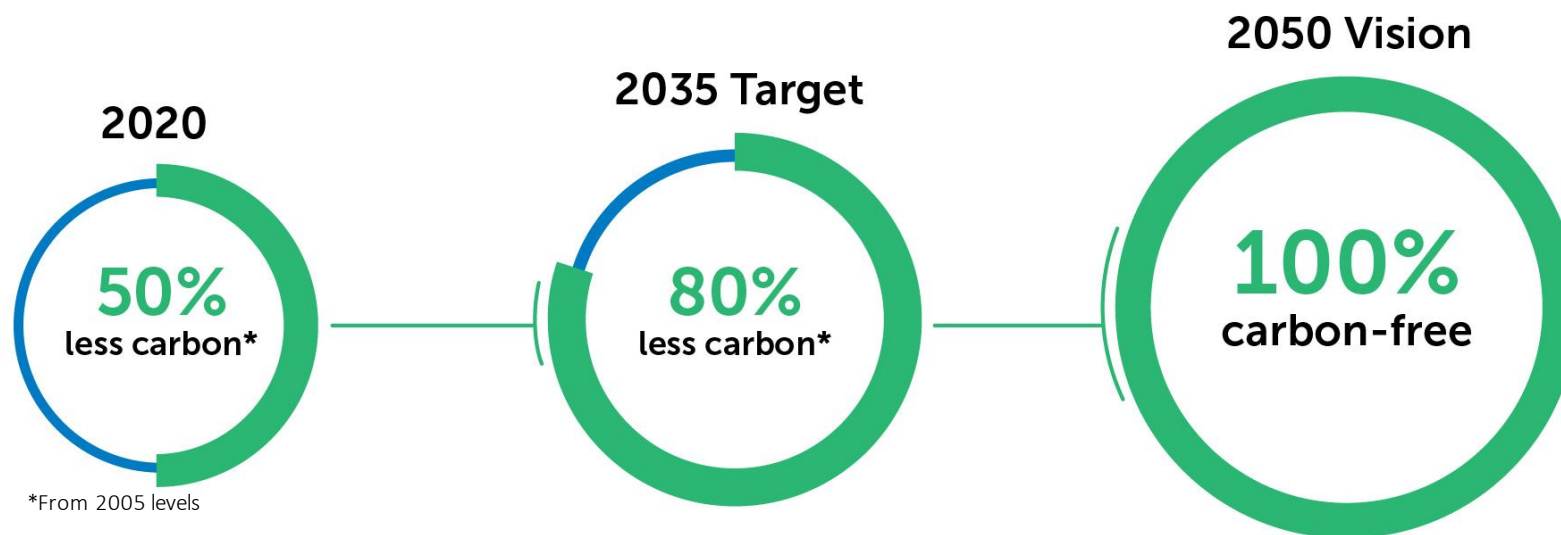
REGULATED UTILITY BUSINESSES



MINNESOTA POWER'S 100% CARBON-FREE ENERGY VISION

Minnesota Power | 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.



Substantial regulated business optionality – Location matters!



Seek renewable opportunities to expand scale and diversify



Clean energy transformation – DC line - a strategic asset with optionality

- Grid reliability investments
- Gas infrastructure investments
- Market expansion
- Bi-directional opportunity
- Additional renewables



Natural Resource Rich Minnesota

- Largest producer of iron ore in the United States
- 17 million acres of forestland
- One of the largest undeveloped copper, nickel and precious metal deposits in the world
- 5th largest producer of mineral value in the United States

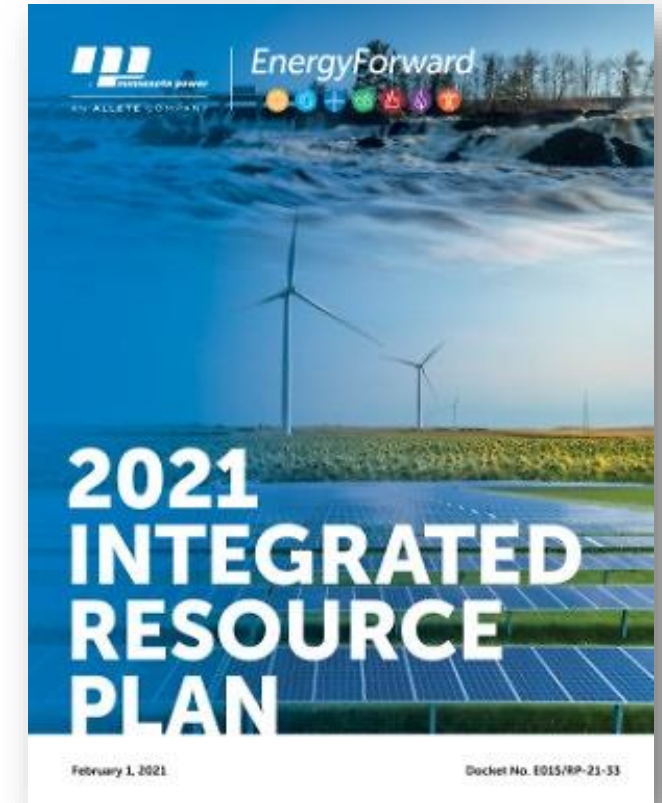
Clean energy economy is dependent on steel and precious metals



Integrated Resource Plan regulatory timeline



Date(s)	Event
February 1, 2021	IRP Filed with Minnesota Public Utilities Commission
February 25, 2021	MPUC Hearing on Public Hearings
February 2021 to March 2022	Ongoing Discovery
May 2021	Virtual Public Hearings before an ALJ
April 2022	Initial Comments Due
June 2022	Reply Comments Due
Summer 2022	Additional Comments (TBD)
Summer / Fall 2022	MPUC Agenda Hearing



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 approved by MPUC December 2, 2021, as requested
 - ~\$80M rate increase beginning 1/1/22
 - ~\$7M deferred recovery reflects 50% reduction for residential
 - Subject to future recovery
 - Interim rates are subject to refund
- Expect MPUC order end of 2022
- 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 (pending)	I	Feb. 2016	Jan. 2022
John Tuma	R	Mar. 2021	Jan. 2027



Procedural Timeline for Minnesota Power Rate Case



November 1, 2021	• File Minnesota Power rate case
December 2, 2021	• MPUC approved interim rates
January 1, 2022	• Interim rates begin
June – July, 2022	• Evidentiary and public hearings
September 1, 2022	• ALJ report
November 30, 2022	• MPUC written order
Within 60 days	• Reconsideration
During 2023	• MPUC final order and final rates implemented

SW&P is our regulated electric, natural gas and water distribution company in Wisconsin

Constructive regulatory environment

- Wisconsin Public Service regulated
- Filed rate case April 29, 2022 for \$4.3M in additional revenue based on 55% equity and 10.4% ROE

Significant rate base investment growth

- 12/31/2021 YE rate base \$92M
- ~\$11.3M in 2022, ~\$50M estimated spend 2022 through 2026

Leverage existing footprint

- Grow customer municipality relationships

Pilot new customer service products

- Innovation
- Leverage technology
- Partner



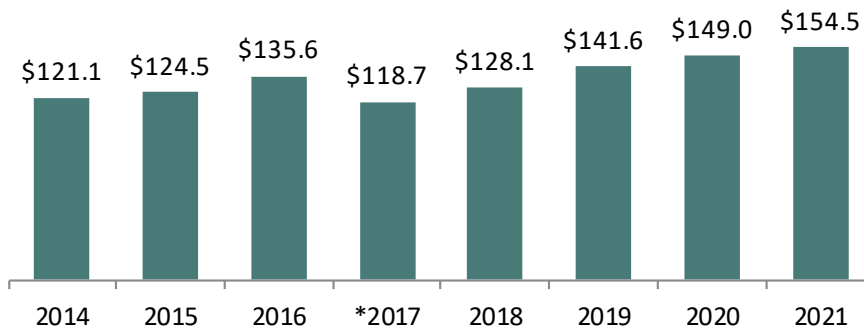
ALLETE's investment in ATC continues to grow



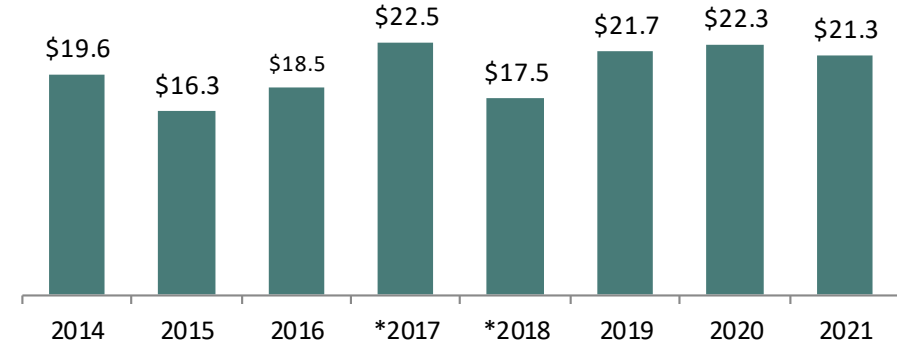
- Wisconsin-based transmission company
 - Owns and operates electric transmission system in portions of Wisconsin, Michigan, Minnesota and Illinois
- 8% ownership delivers steady earnings and cash flow
- FERC regulated – FERC recently approved 10.52% ROE (includes 50 bps adder)
- ATC's 2021 10-year capital investment forecast calls for \$3.5-\$4.2B in system improvements



Equity Investment Balance



Equity Earnings (pre-tax)



.... and is a meaningful contributor to earnings



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

NEW ENERGY



Overview of ALLETE New Energy acquisition



Transaction overview

- On March 2, 2022 ALLETE announced the acquisition of New Energy, a leading developer of community, commercial & industrial, and small utility-scale solar energy projects
- New Energy has successfully closed 330MW+ 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

- Proceeds from this equity offering will be used to fully finance the New Energy transaction and the pro-forma capital structure will be in line 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

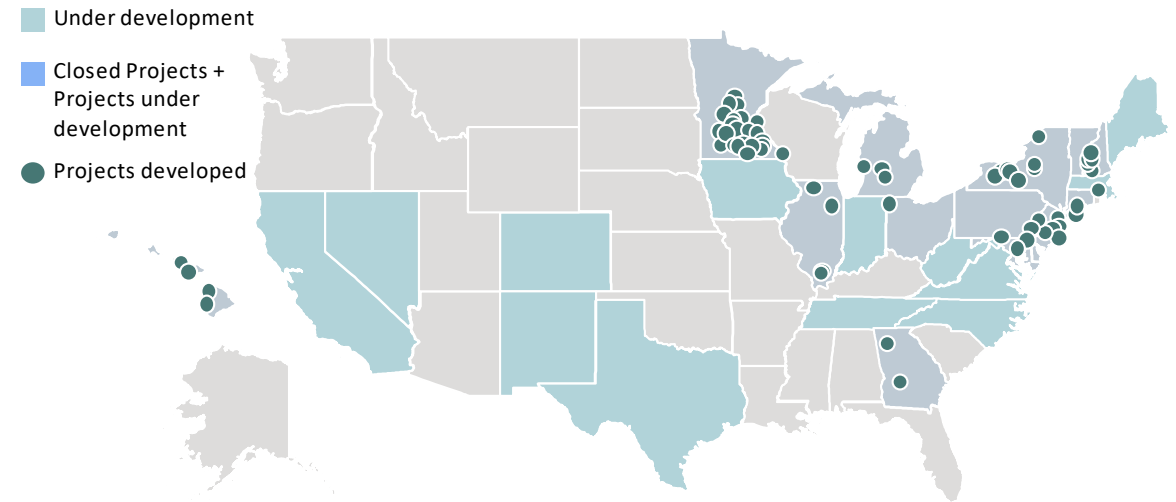
New Energy at a glance



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

States with projects closed and under development



Key Statistics

330MW+
Projects closed

2GW+
Development
pipeline

~\$20mm
2021 Adjusted
EBITDA

Key Investment Highlights

Why New Energy?



Proven track-record of developing distributed solar assets, with 330MW+ 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

Well-recognized and firmly established name brand in the solar industry



New Energy has seen tremendous growth since its founding in late 2013.

The Company has been recognized by the best publications inside and outside of the Industry, including the following awards:



Solar Power World Magazine
(2021)

8th largest commercial solar
company in the U.S.

7th largest developer in the
U.S.

55th largest solar company
in the U.S.



Inc. Magazine
(2019)

13th fastest growing energy
company in the U.S.

21st fastest growing
company in Maryland

491st fastest growing
company in the U.S.



Inc. Magazine
(2020)

35th fastest growing
company in the
Washington, DC metro
area

ALLETE CLEAN ENERGY



ALLETE Clean Energy highlights



Positioned to benefit from the accelerating global transition to clean energy

Material projects already in operation and development, with ~1,600 MW of carbon-free generation by 2022

Premier geographic footprint in wind rich regions diversified across seven states

Long duration contracts with solid counterparty credit

Proven stand-alone management team with strong customer relationships and industry reputations

Broadening business model and core competencies beyond wind to include storage and solar, and other technologies



Corporate Customers



Utility Customers

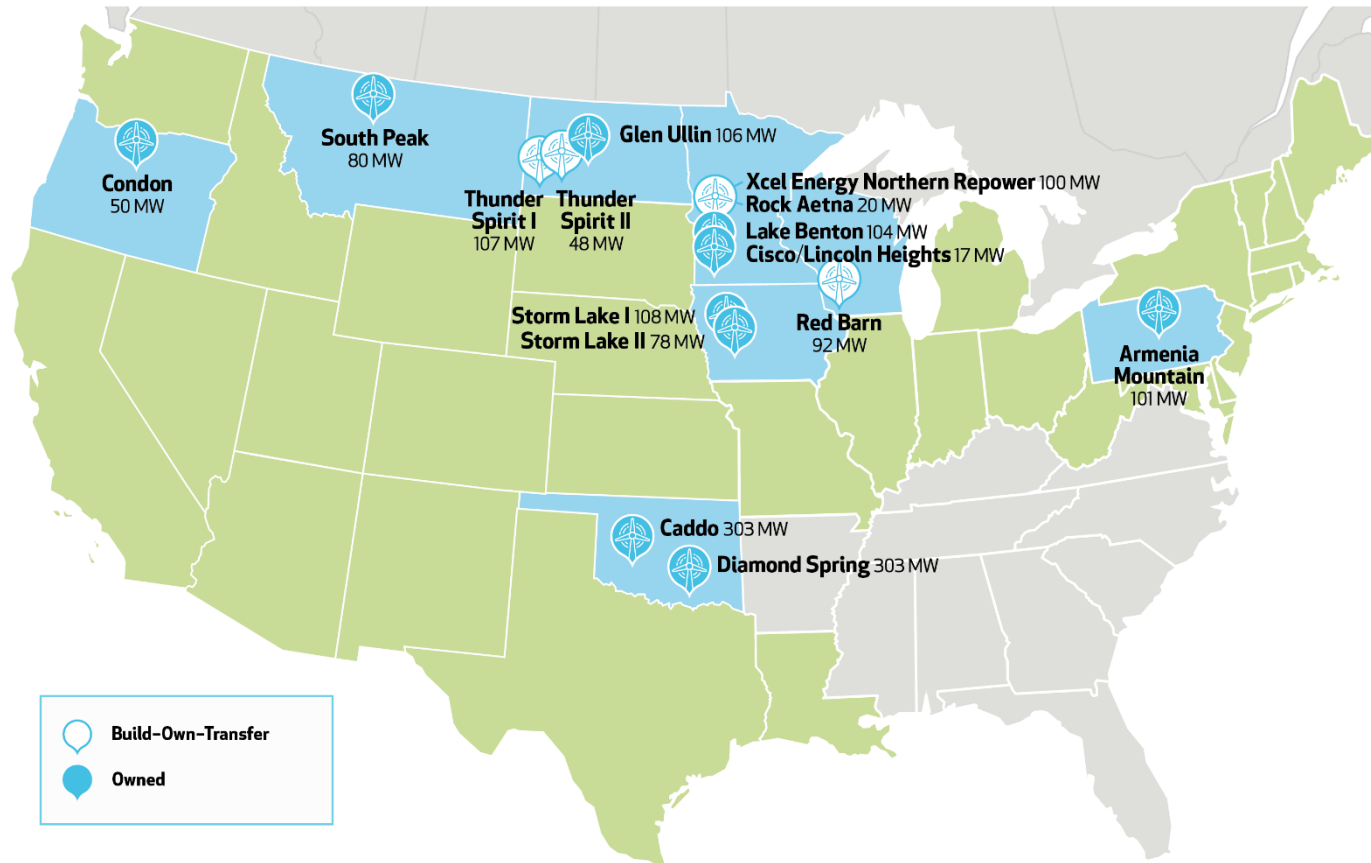


ALLETE Clean Energy has multiple avenues by which to raise and reallocate capital into energy transition opportunities



The ALLETE Clean Energy platform is strategically positioned as demands for clean energy accelerate

Owens and has built-transferred over 1,500 MW of operating/under construction capacity in five major energy markets across the United States



Existing platform optimization

- Recontract
- Repower
- Build transfer
- Partnerships
- Optimization
- HLBV benefits annual earnings growth

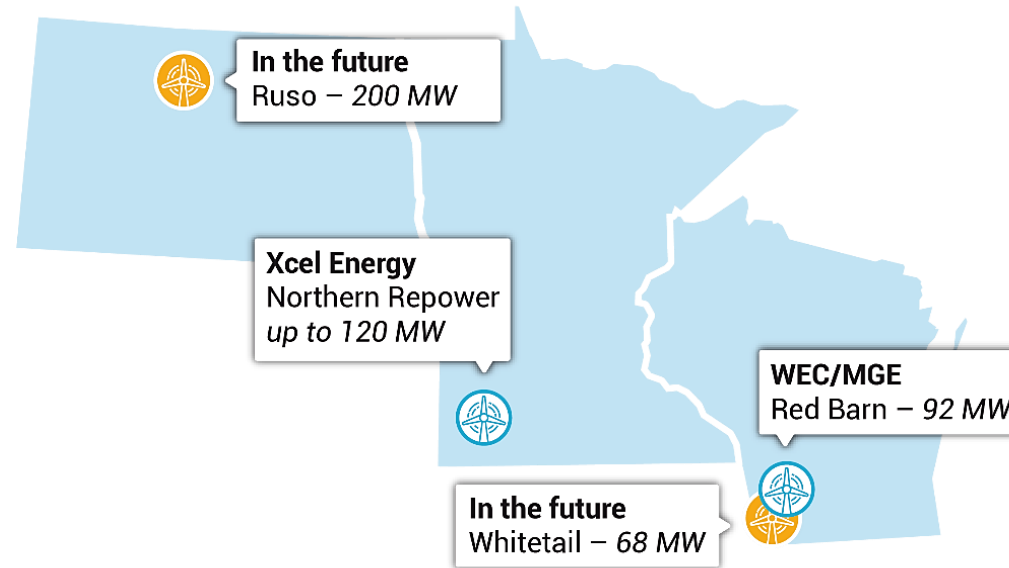
Value drivers of various assets

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

Expanding renewables pipeline provides customer solutions



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



Repowering Northern Wind

- 100 MW project size
- Leverages existing interconnection
- Project delivery in late 2022*

- Adds new customers
- Supports customers' ESG objectives
- Leverages PTC safe harbor inventory
- Brings ~ 210 MW of projects in backlog
- Builds pipeline of potential future projects
 - Whitetail project ~ 68 MW
 - Ruso project ~ 200 MW
 - Rock Aetna – 20 MW



Wisconsin Public Service



Building Red Barn

- Announced in May
- 92 MW project size
- Interconnection secured
- Project delivery in 2023*



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>

