



---

2021 First Quarter  
Earnings Report Presentation

---

May 6, 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.

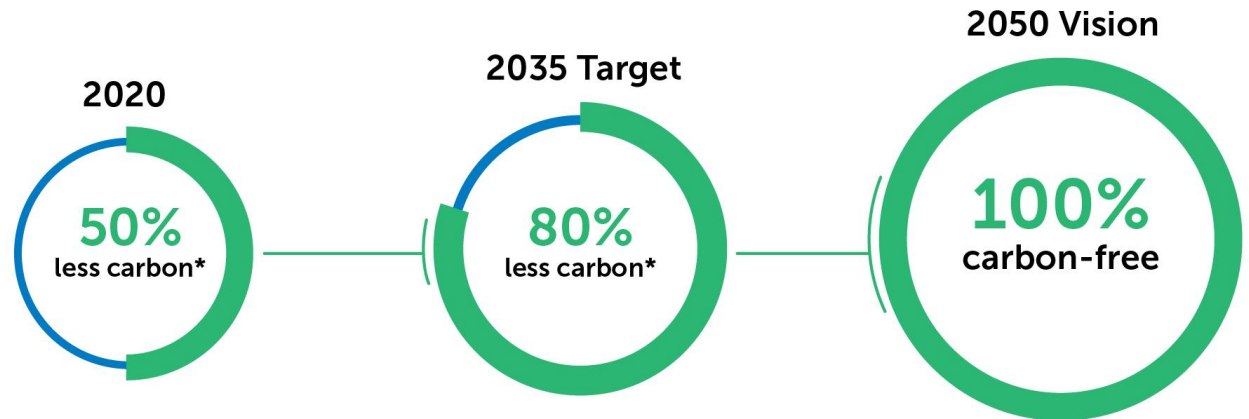
ALLETE's presentation and other communications may include certain non-Generally Accepted Accounting Principles (GAAP) financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) 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 May 6, 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, May 6, 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)*

## First Quarter 2021

|  | 2021                 | 2020                 |
|--|----------------------|----------------------|
| Regulated Operations                       | \$45.0 <sup>1)</sup> | \$57.5 <sup>3)</sup> |
| ALLETE Clean Energy                        | 7.4 <sup>2)</sup>    | 11.7                 |
| Corporate and Other                        | (0.6)                | (2.9)                |
| Net Income Attributable to ALLETE          | \$51.8               | \$66.3               |
| Diluted Earnings Per Share of Common Stock | \$0.99               | \$1.28               |

See slide on page 5 for earnings per share impacts related to:

- 1) 2021 included the negative impact of timing of income taxes and operating and maintenance expense expected to reverse during the remainder of the year.
- 2) 2021 included an approximately \$5 million dollars negative impact related to ALLETE Clean Energy's Diamond Spring wind energy facility due to an extreme winter storm event in the southern United States in February 2021.
- 3) 2020 included sales under a 100 MW power sales contract which expired in April 2020.



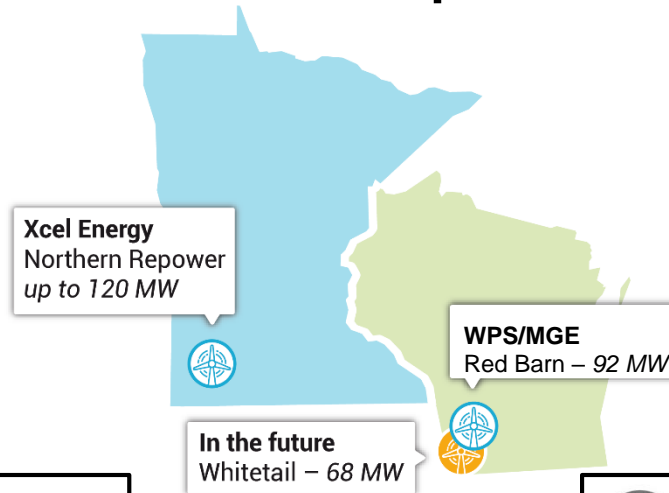
# ALLETE Earnings Per Share

## First Quarter 2021

|   | 2021          | 2020          |
|---|---------------|---------------|
| <b>Earnings Per Share</b>                   | <u>\$0.99</u> | <u>\$1.28</u> |
| Impacts on Earnings Per Share               |               |               |
| <b>Regulated Operations</b>                 |               |               |
| Timing of Income Taxes and O&M              | (0.12)        |               |
| <b>ALLETE Clean Energy</b>                  |               |               |
| February 2021 Polar Vortex – Diamond Spring | (0.10)        |               |
| Lower Wind Resources – Other Facilities     | (0.07)        |               |
| Timing of Income Taxes                      | (0.03)        |               |
|   |               |               |

# Customer Solutions

**Build-transfer opportunities with regional utilities**  
**Projects constructed and operational in late 2022**



## 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 Whitetail project ~ 68 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

- <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>

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.

