



INVESTOR PRESENTATION

March 16, 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 March 16, 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, February 17, 2021.

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Speaking Today



Bethany M. Owen
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Robert J. Adams
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Chief Financial Officer



Allan S. Rudeck, Jr.
President,
ALLETE Clean Energy

ALLETE's sustainability in action strategy delivers growth



Expand renewable sources of energy

- Currently ranked second 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



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



Reduce overall carbon emissions

- Minnesota Power
 - Retired/ided 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



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

- 2020 Women on Board Winner for Board Gender Diversity
- Minnesota Power & ALLETE Clean Energy named Yellow Ribbon Companies
- Commitment to advancing DE&I
- Proactive and deliberate COVID-19 response

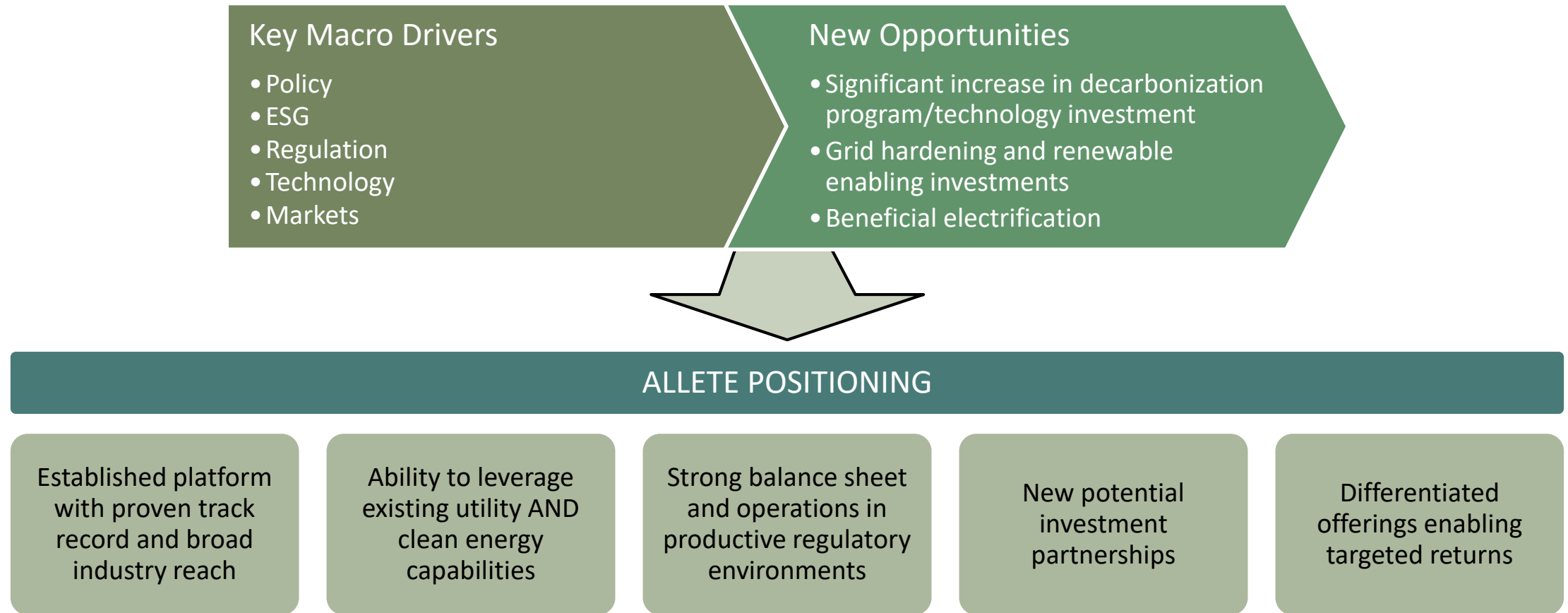
Community

- 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

ALLETE is a proven clean energy leader



ALLETE business mix – uniquely positioned to leverage clean energy trends



Our size is an advantage that allows nimbleness; small opportunities move the needle

Vast experience with industrial customers; C&I customers are at the forefront of the cleaner energy movement

Creative, adaptive and innovative capabilities are differentiators

Strong and respected reputation with key stakeholder groups

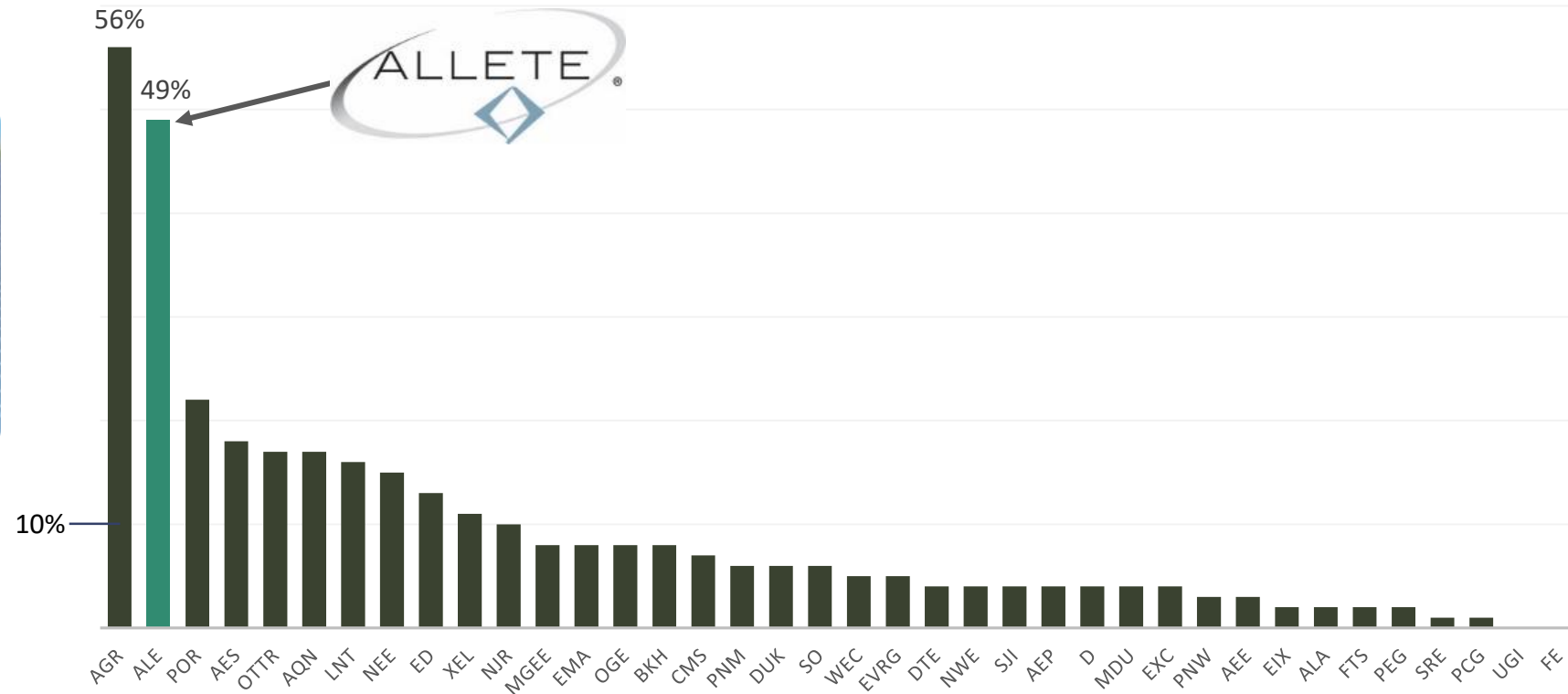
Capabilities include large renewable project execution, as well as platform asset ownership and optimization

Relative to size, ALLETE is one of the largest investors in renewables

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



ALLETE continues to evolve as a market leader, retaining its #2 ranking in renewable investment



Source: Company public filings, SNL, Press Releases, Bloomberg market data as of 26-Feb-21

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.

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

ALLETE is well positioned for sustainable success

- Strategic geographic positioning; renewables, transmission and distribution
- Proven track record of large scale clean energy projects
- Investment in PTC qualified turbines for new wind projects
- Substantial liquidity to deploy with minimal equity issuance needed

Regulated growth 4-5%

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

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

- Leverage existing platform
- Portfolio optimization
- Expanding products and services
- New customers and geography



Minnesota Power regulatory positioning

Constructive Outcomes

- 2020 rate case settlement demonstrates supportive Minnesota regulatory compact
 - Resulted in reasonable rate case outcome, during COVID-19 pandemic environment
 - Outcome addressed risk mitigation efforts on power market margins set in rates to FAC
 - Delayed any future rate proposal until at least March 1, 2021
- Capital structure petition approved
- Commission support for EITE
- Supportive reception in advance of IRP filing
- Supportive of electrification process
- Positive Commission engagement with our large power customers
- MPUC approved tracking incremental COVID-19 costs for possible deferred accounting

Constructive regulatory framework

- Forward test year
- Interim rates
- Current cost recovery riders
- Fuel adjustment clause
- Exceeding conservation goals for over a decade, with revenue recovery

General rate case filing anticipated November 2021

- Test year 2022 - is assumed to be "post-COVID"
- In process of determining revenue requirements
- Drivers include:
 - Costs related to Manitoba Hydro PPA
 - Aligning sales forecast
 - Loss of wholesale customer
 - Inflationary increase of expenses

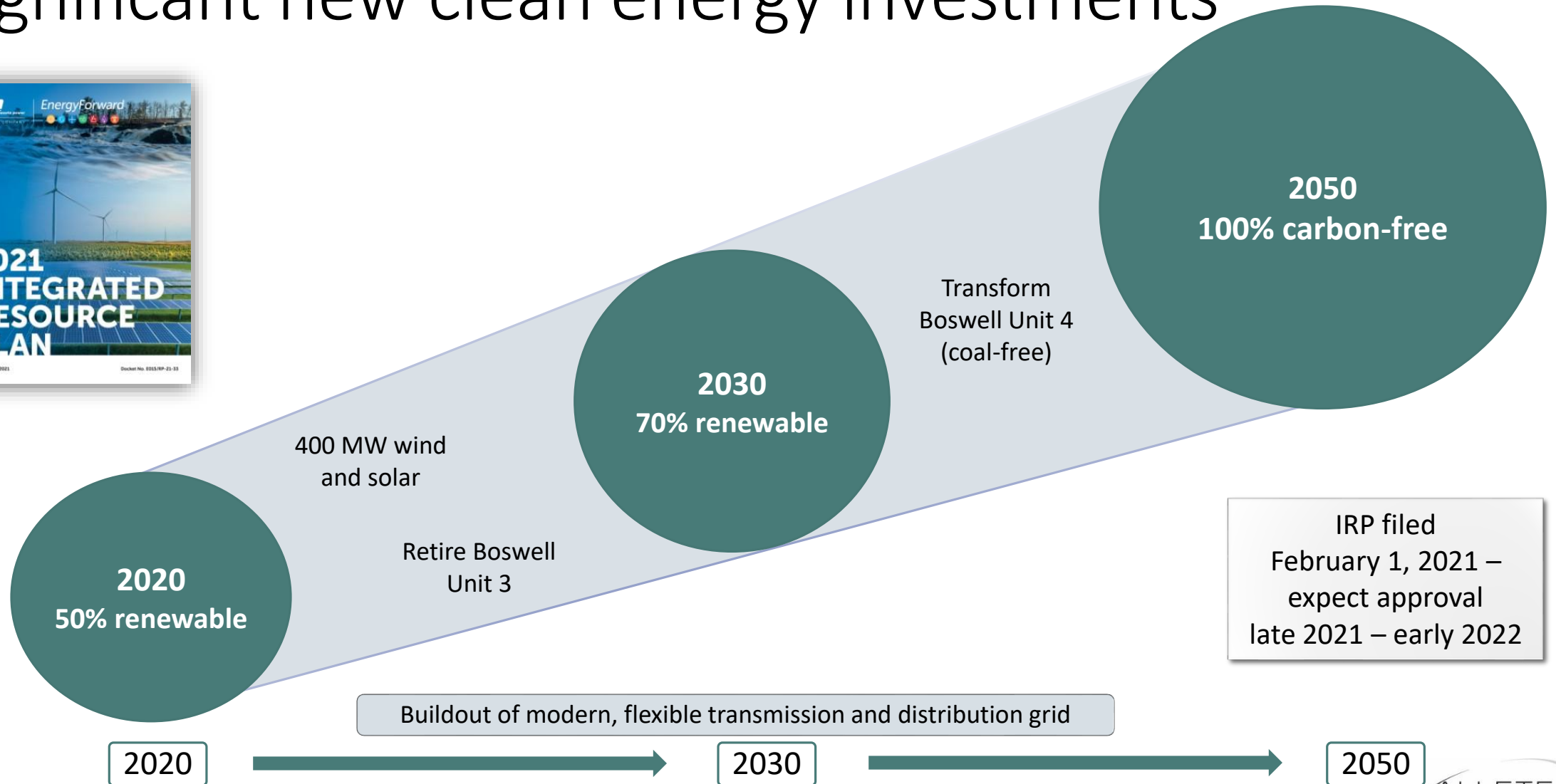
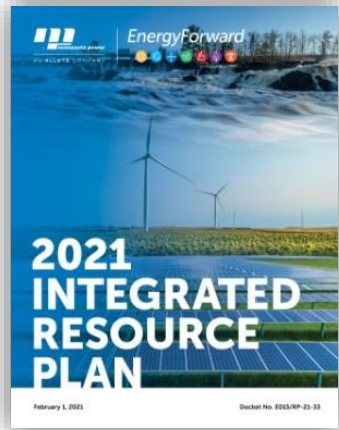
Deferred Accounting / Lost Revenue Tracker Petition filed November 2020

Company	Year	Requested ROE	Allowed ROE
Minnesota Power	2017	10.25	9.25
Northern States Power	2016	10.00	9.20
Ottertail Power	2016	10.40	9.50
Minnesota Power	2020	10.05	TBD
Northern States Power	2021	10.00	TBD
Ottertail Power	2021	10.20	TBD

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	Feb. 2015	Jan. 2021

Integrated Resource Plan has potential for significant new clean energy investments



Significant transmission & distribution investment opportunities – longer term

Platforms for additional investment growth

- GNTL – 200 mile line completed January 2020 - is connected to significant Canadian hydro generation
- DC transmission line expansion – increasing capacity from current 550 MW to 750 MW, potentially 900 MW
- Distribution grid hardening – 2019 Integrated Distribution Plan (IDP) filed November 1, 2019; approved by MPUC Feb. 27, 2020; second filing planned for November 1, 2021
- Additional ATC build-out – \$2.9 - \$3.5B plan through 2030
- Minnesota Power filed 15-year Integrated Resource Plan (IRP) February 1, 2021

Developing opportunities

- NERC / RTO requirements related to carbon/baseload transformations
- Integration and delivery of clean energy sources
- Grid North Partners formed to build off CapX2020 regional investments
- ALLETE Clean Energy interconnections / delivery systems – strategic acquisitions
- Innovative customer services

Minnesota Power's region of operations has a high degree of grid complexity and enhancement needs, which will provide future investment opportunities

Key investment drivers

- Grid reliability and resiliency
- Cyber and physical security
- Renewable adoption
- Strategic interconnections

Anticipate T&D to be the 2nd fastest growing segment for ALLETE!



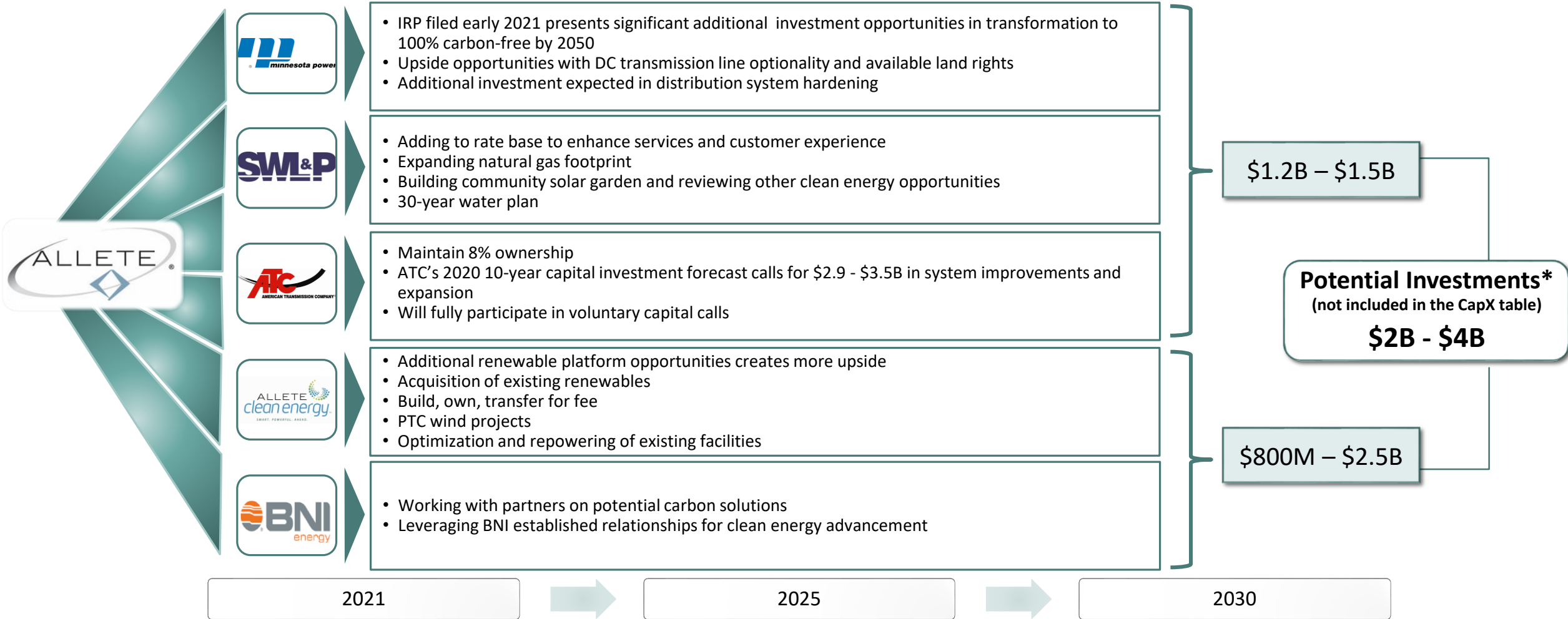
Base 5-year CapX plan of ~\$1.6B predominantly in support of clean energy initiatives

<i>Estimated amounts in millions</i>	Spent through 2020	2021	2022	2023	2024	2025	Total 2021-2025	Total project	Est. COD
Regulated Operations									
DC Line Modernization & Upgrade	-	5	5	45	60	85	200	305*	Potential rider/AFUDC
Nemadji Trail Energy Center	10	15	50	150	115	15	345	355	2025
Base and Other	N/A	155	115	115	160	120	665	665	
Energy Infrastructure / Related Services									
ALLETE Clean Energy									
Caddo	180	240	-	-	-	-	240	420	Late 2021
Base and Other	N/A	15	5	10	10	10	50	50	
Corporate and Other	N/A	60	20	15	15	10	120	120	
Total Known Projects	\$190	\$490	\$195	\$335	\$360	\$240	\$1,620	\$1,915*	

*Includes CapX beyond 2025

ALLETE is traditionally conservative with CapX projections, including only well defined projects that are firmly in progress or have agreements in place... there continues to be an abundance of emerging opportunities that may translate to significant future investments

ALLETE business mix provides diverse clean energy growth opportunities



*Investments due to environmental mandates, new technology, maintaining competitive rates, reliability, competitiveness, etc. Accelerated implementation of clean energy transformation would result in additional investment opportunities; subject to normal regulatory and other approval requirements.

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

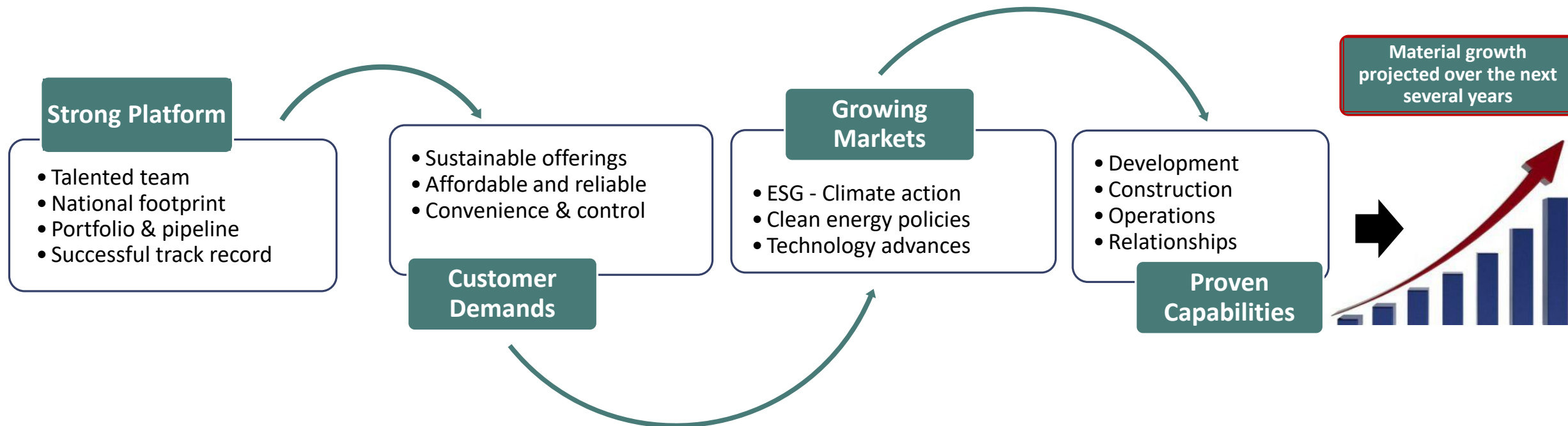
Regulated, contracted or recurring energy revenues

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

Attractive and growing dividend

* Defined as earnings growth plus dividend yield

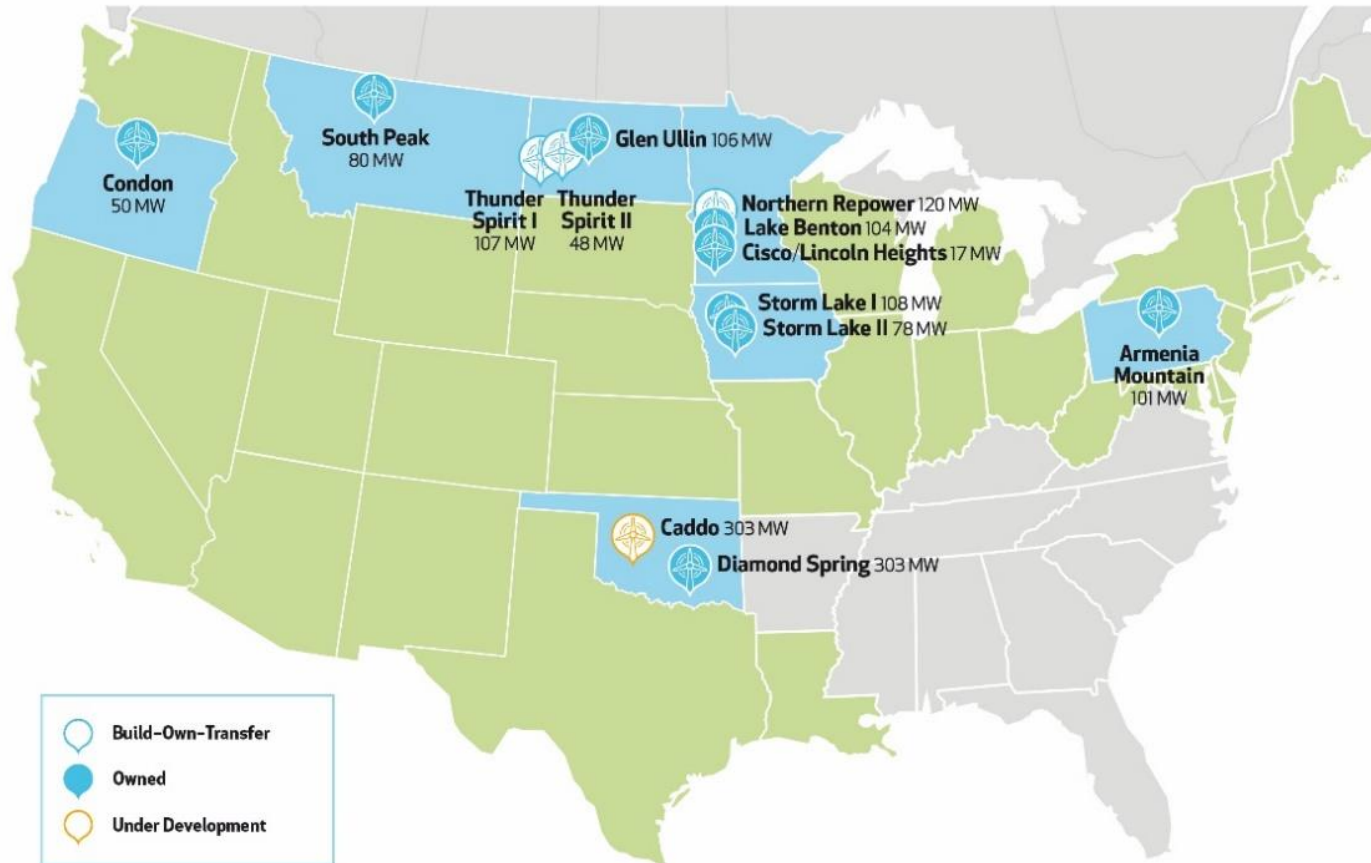
Driving growth while delivering clean energy solutions



Strong customer and industry relationships, capabilities and nationwide clean energy platform position the company well to provide more comprehensive clean energy solutions.

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

Customer focused growth strategy in expanding markets - more comprehensive solutions

Strategically
bundling new
opportunities
increases
returns and
growth
potential



Wind 10-year view
Market = \$65-115B
CAGR = 3-5%



Solar 10-year view
Market = \$120-135B
CAGR = 12-13%



Storage 10-year view
Market = \$30-65B
CAGR = 35-50%

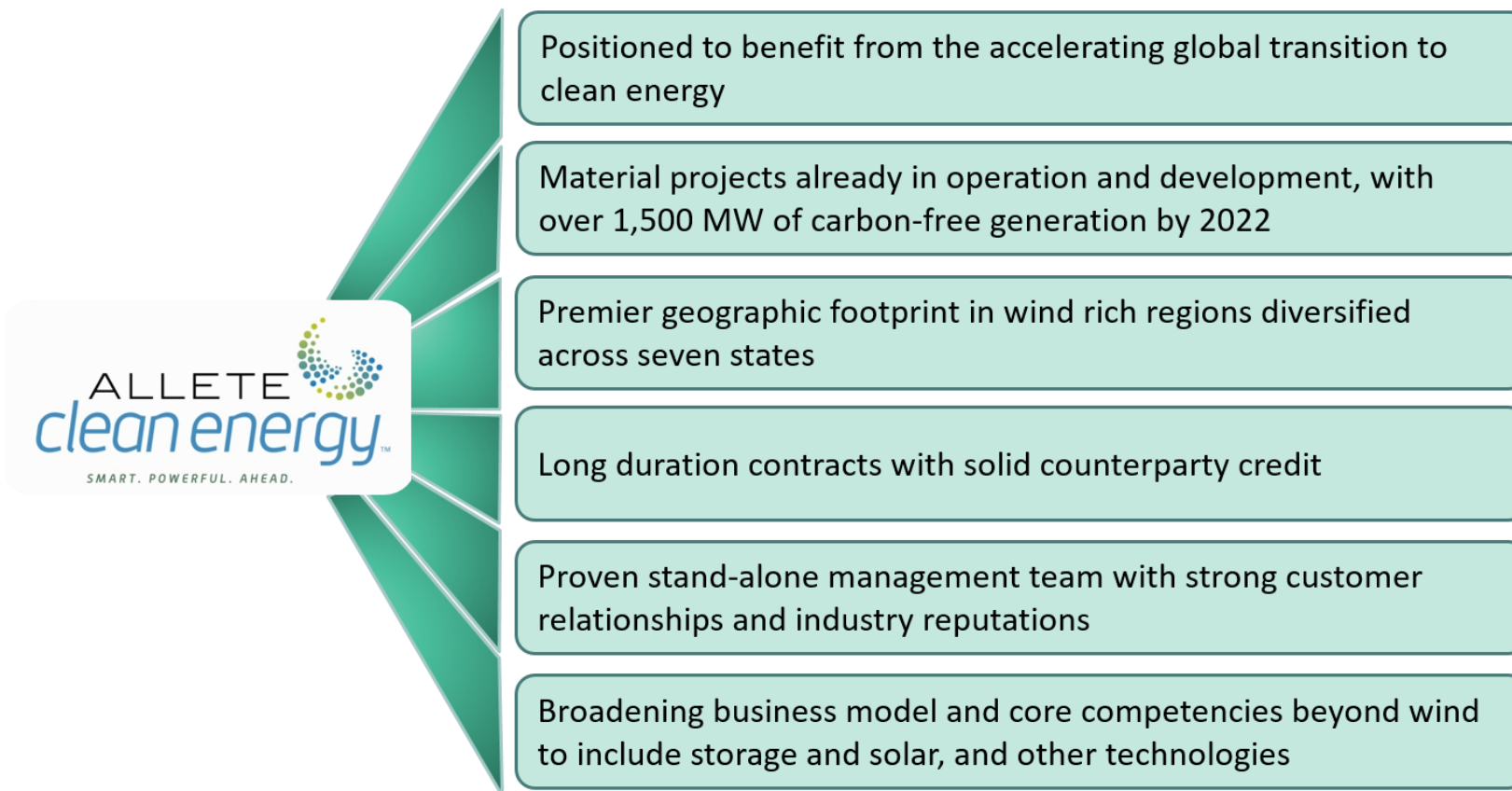
NEAR TERM


- Caddo 303 MW project
- Northern Wind Repower 120 MW
- Additional PTC qualified turbines
- Portfolio optimization
- Build, own, transfer projects

LONG TERM



- Focused on expanding into markets with accelerating clean energy transformation
- More comprehensive clean energy solutions for utilities, community, commercial – industrial customers
- Expanding technologies - solar and energy storage plus renewable investment
- Acquisitions to provide complementary products and services

ALLETE Clean Energy highlights






Corporate Customers




Utility Customers





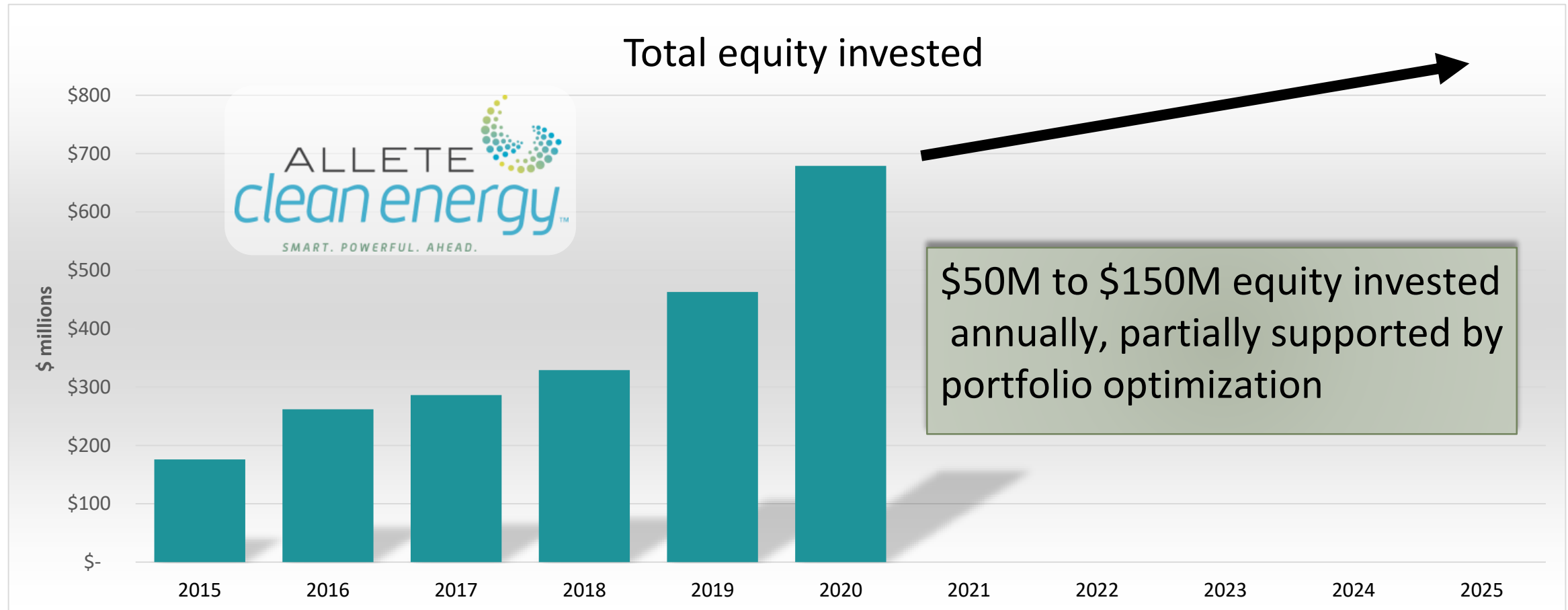
ALLETE Clean Energy has multiple avenues by which to raise and reallocate capital into energy transition opportunities

Differentiated and proven ability to serve large sustainability companies



ALLETE Clean Energy has multiple avenues by which to serve the increasing numbers of large customers with their own sustainability goals

Demonstrated record of investment growth continues





QUESTIONS?