



3rd Annual Mizuho U.S. Utility Summit 2021
November 29, 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.

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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 November 29, 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 November 4, 2021.

For more information, contact:

Vince Meyer
Director, Investor Relations and Treasury
(218) 723-3952
vmeyer@allete.com

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

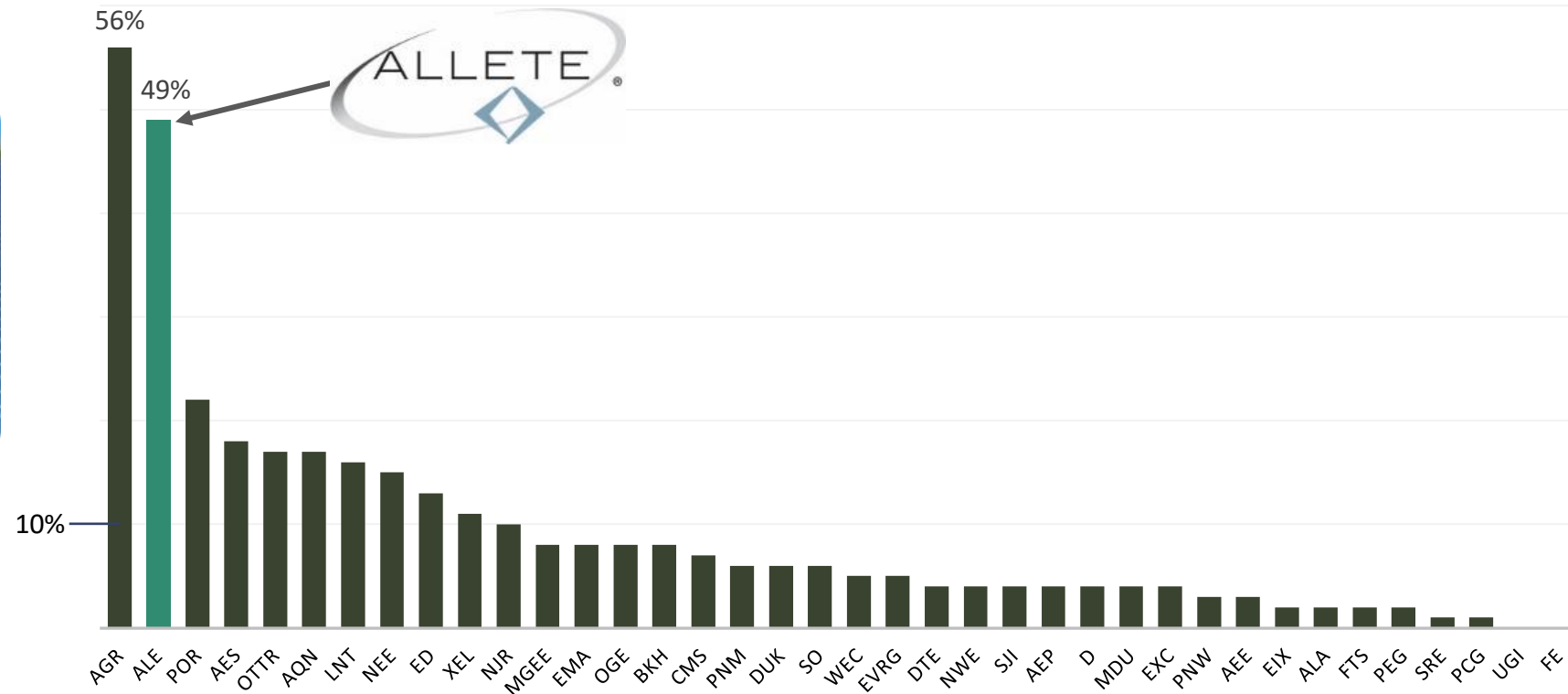
- Well positioned to serve the C&I customer segment
- Strong focus on customer ESG & competitiveness needs
- Donating Level 2 electric vehicle charging stations to business customers

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



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

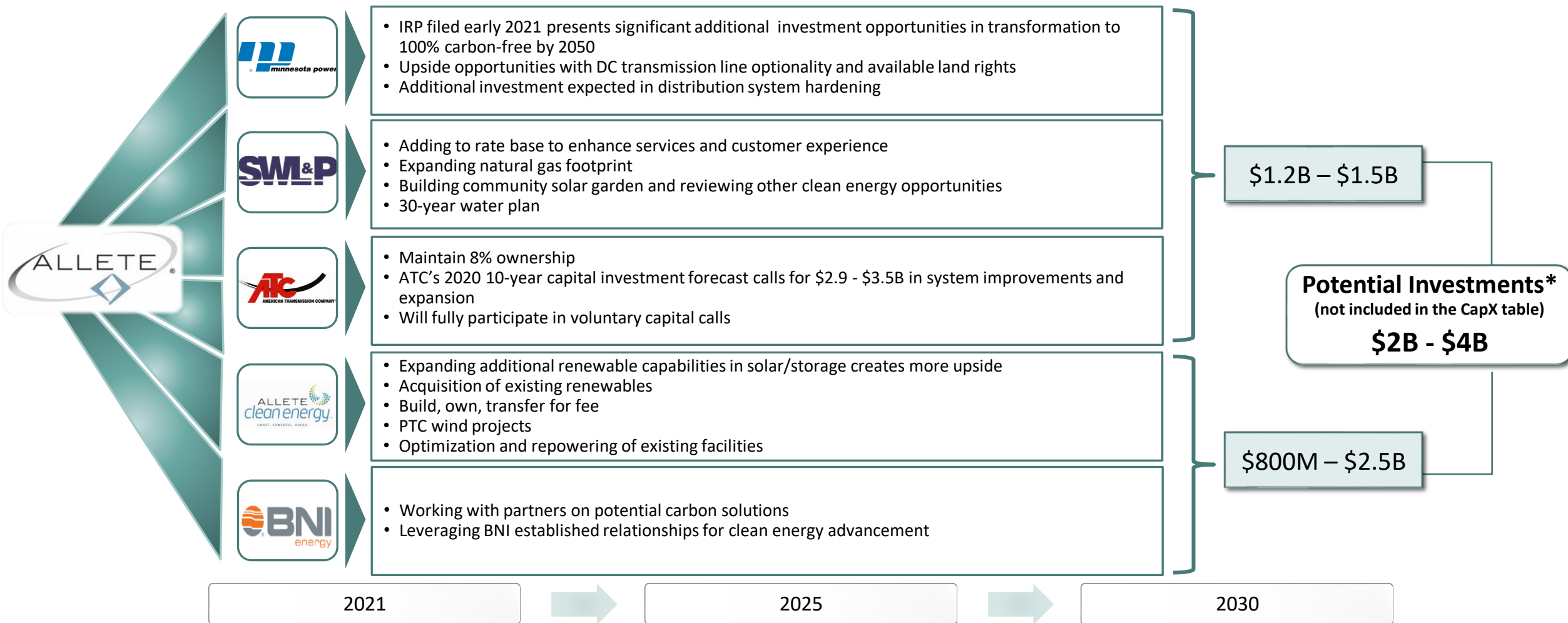
Regulated,
contracted or
recurring energy
revenues

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

Attractive and growing
dividend

* Defined as earnings growth plus dividend yield

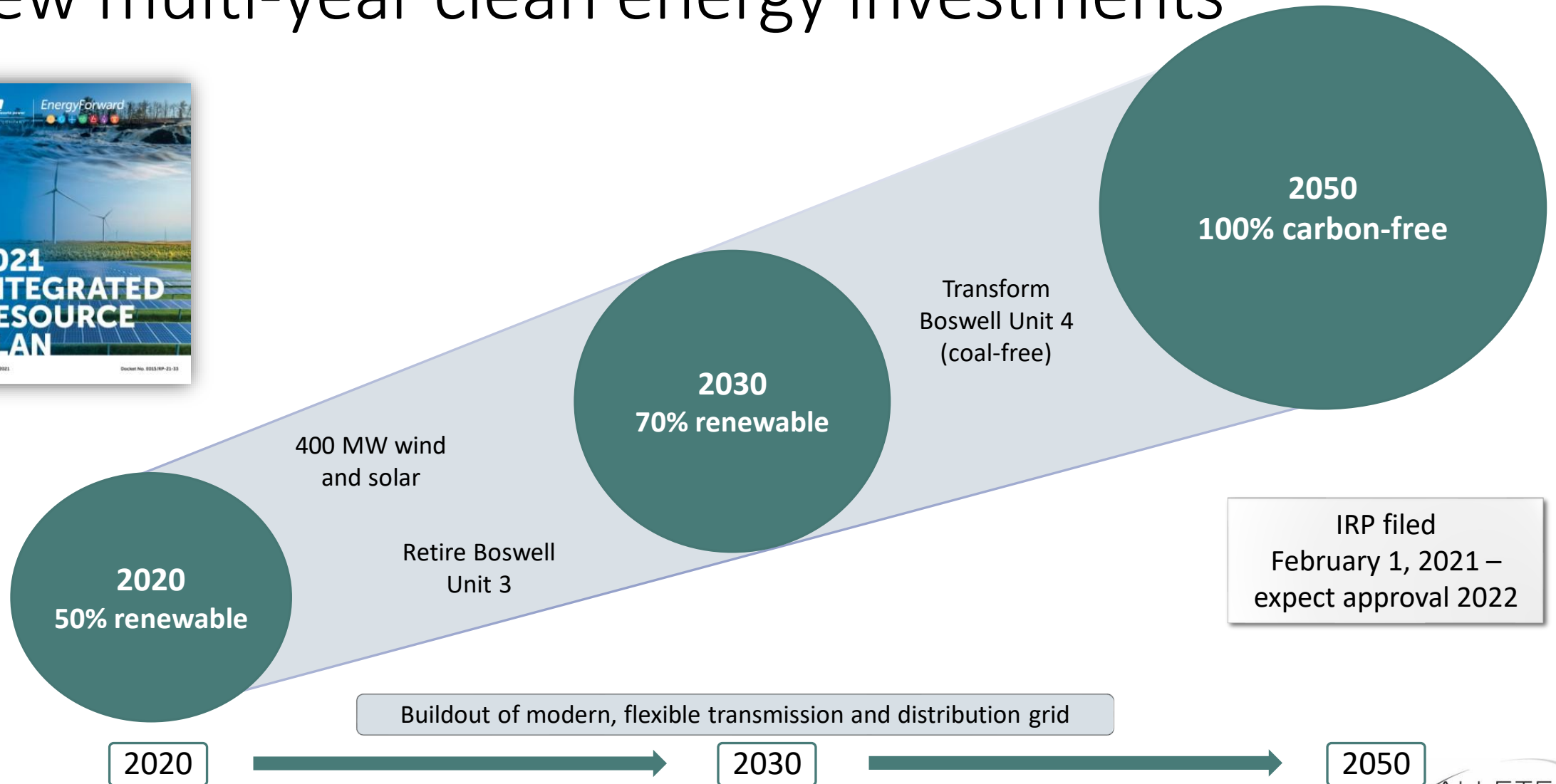
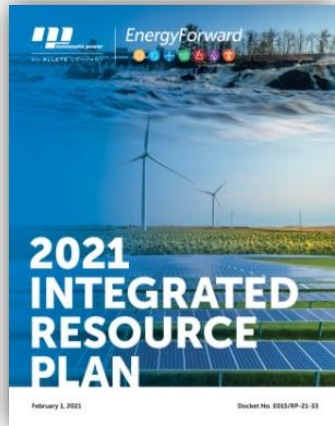
ALLETE business mix provides diverse clean energy growth opportunities



*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.

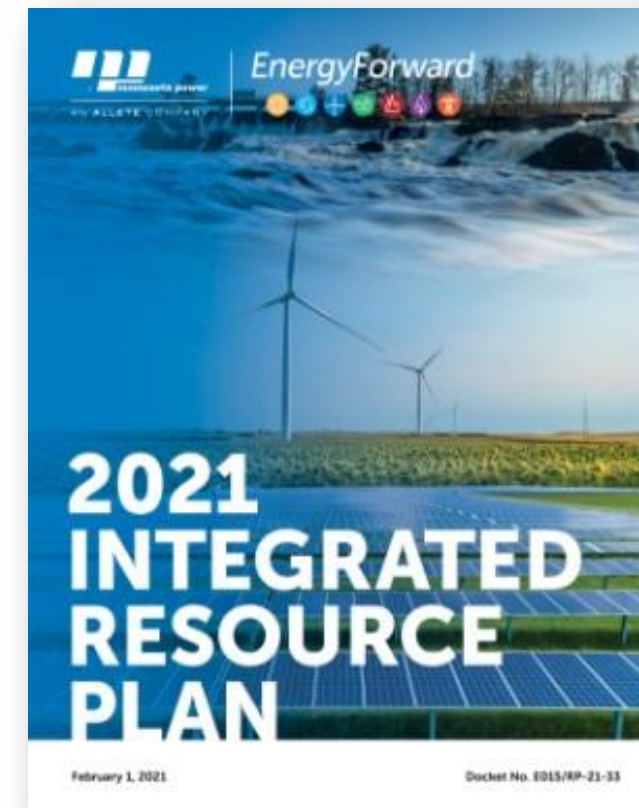


Integrated Resource Plan has potential for new multi-year clean energy investments



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
March 2022	Initial Comments Due
May 2022	Reply Comments Due
Summer 2022	Additional Comments (TBD)
Summer 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 60 days after filing is deemed complete, expected January 1, 2022 and subject to MPUC approval
- Interim rates are subject to refund
- Final rates by late 2023 with final rate order
- 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)

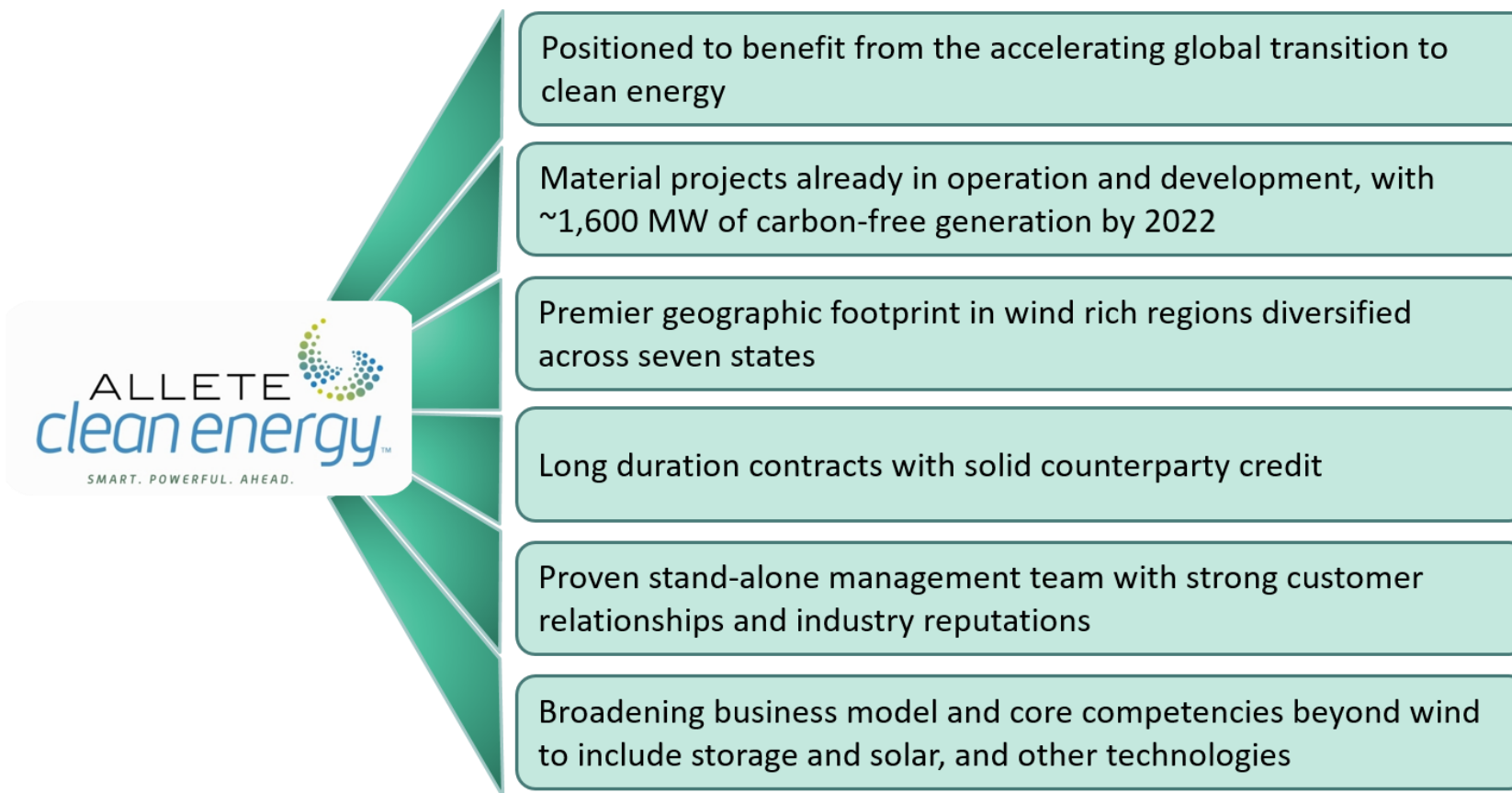
Name	Party	Began Serving	Term Ends
Katie Sieben - (Chair)	D	Jan. 2017	Jan. 2023
Joe Sullivan	D	Apr. 2020	Jan. 2026
Valerie Means	D	Apr. 2019	Jan. 2025
Matt Schuerger	I	Feb. 2016	Jan. 2022
John Tuma	R	Mar. 2021	Jan. 2027

Estimated timeline for Minnesota Power Rate Case



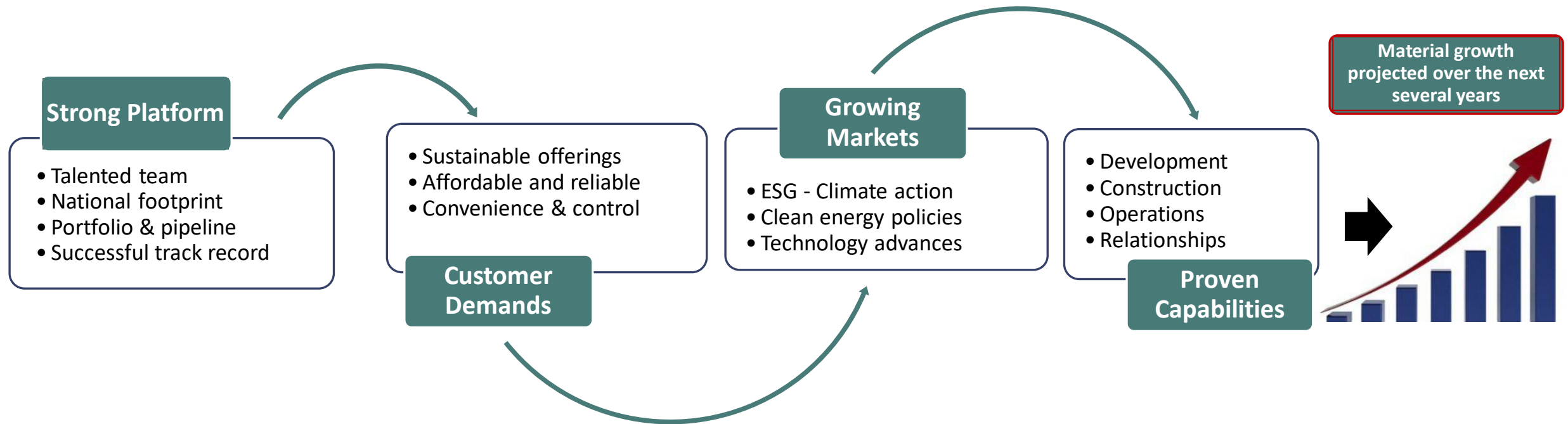
November 1, 2021	• File Minnesota Power rate case
December 2021	• MPUC approves interim rates
January 2022	• Interim rates begin
Summer 2022	• Evidentiary and public hearings
September 2022	• ALJ report
October 2022	• MPUC oral decision
December 2022	• MPUC written order
Within 60 days	• Reconsideration
Early 2023	• MPUC final order
Late 2023	• Final rates implemented

ALLETE Clean Energy highlights



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

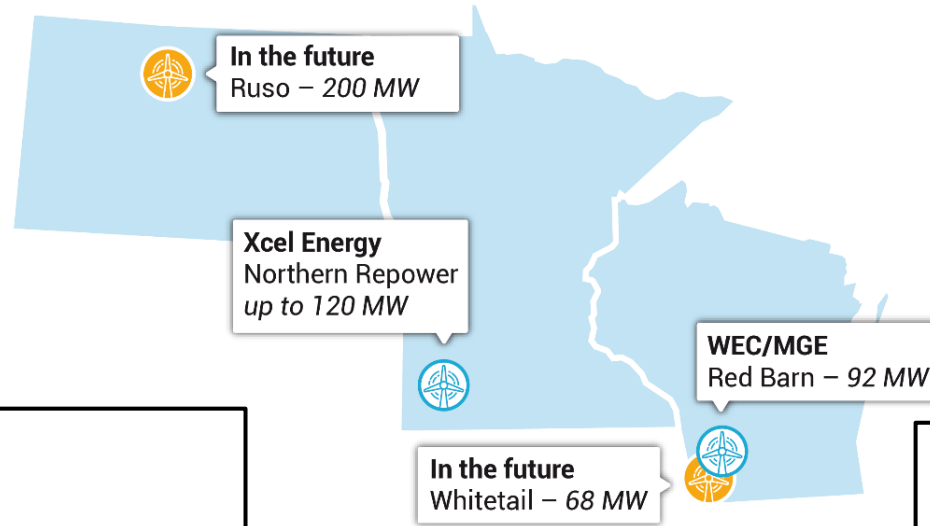
Driving growth while delivering clean energy solutions



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

Expanding Renewables Pipeline Provides Customer Solutions

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



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
- Builds pipeline of potential future projects
 - Whitetail project ~ 68 MW
 - Ruso project ~ 200 MW



Wisconsin Public Service



Building Red Barn

- Announced in May
- 92 MW project size
- Interconnection secured
- Project delivery in late 2022*

Consolidated Earnings *(millions)*

Third Quarter 2021

	2021	2020	
Regulated Operations	\$32.9	\$42.4	
ALLETE Clean Energy	(0.8)	1.1	
Corporate and Other	(4.5)	(2.8)	
Net Income Attributable to ALLETE	\$27.6	\$40.7	
Diluted Earnings Per Share of Common Stock	\$0.53	\$0.78	

ALLETE Earnings *(millions)*

Third Quarter 2021

	Net Income	Earnings Per Share
Third Quarter 2020	<u>\$40.7</u>	<u>\$0.78</u>
Major Variances		
Regulated Operations		
Income Taxes – Effective Tax Rate Timing	(5.0)	(0.10)
Higher Expenses	(7.0)	(0.14)
Higher Sales	3.0	0.06
ALLETE Clean Energy and Corporate and Other		
ACE South Operating Results	(2.5)	(0.05)
Higher Non-Regulated Expenses	(1.5)	(0.03)
Third Quarter 2021	<u>\$27.6</u>	<u>\$0.53</u>

