

A woman in a white hard hat and yellow safety vest is working on a wind turbine tower. She is wearing safety glasses and black gloves. The background shows a blurred view of wind turbines and a clear sky. The text 'Investor Presentation' is overlaid in large orange letters.

Investor Presentation

May 2021



Forward-Looking Statements

COMPANY INFORMATION

Black Hills Corporation

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This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. This includes, without limitations, our 2021 and 2022 earnings guidance and long-term growth targets. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in Item 1A of Part I of our 2020 Annual Report on Form 10-K and other reports that we file with the SEC from time to time, and the following:

- The accuracy of our assumptions on which our earnings guidance and growth targets are based;
- Our ability to obtain adequate cost recovery for our utility operations through regulatory proceedings and favorable rulings on periodic applications to recover costs for capital additions, plant retirements and decommissioning, fuel, transmission, purchased power and other operating costs, and the timing in which new rates would go into effect;
- Our ability to complete our capital program in a cost-effective and timely manner;
- Our ability to execute on our strategy;
- Our ability to successfully execute our financing plans;
- Our ability to achieve our greenhouse gas emissions intensity reduction goals;
- Board of Directors’ approval of any future quarterly dividends;
- The impact of future governmental regulation; and
- Other factors discussed from time to time in our filings with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time-to-time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

Integrated Utility with Strong Growth Outlook

\$3+ billion

Capital Investment 2021-2025

- Incremental projects likely
- Additional growth opportunities

5% to 7%

Long-term EPS growth target¹

5%+

Annual dividend growth target²

50-60% payout target

- Integrated pure-play utility
- Diversified and complementary electric and gas mix
- Stable, growing and constructive service territories
- Strong financial position and liquidity
- Robust capital plan with timely recovery

¹ 2023 to 2025 compound annual growth rate, off 2022 base

² Future dividends subject to board approval

Black Hills Overview and Strategy



READY TO SERVE

We take a programmatic approach to maintaining, upgrading and replacing critical infrastructure to better serve our customers and communities.

Black Hills Corp. Overview

Integrated Pure-Play Utility

Integrated Electric Utility

Electric Utilities

Generation, transmission and distribution (39% of total assets)

Power Generation

Electric capacity largely contracted to our utilities (5% of total assets)

Mining

Efficient fuel supply for mine-mouth generation through long-term contracts (1% of total assets)

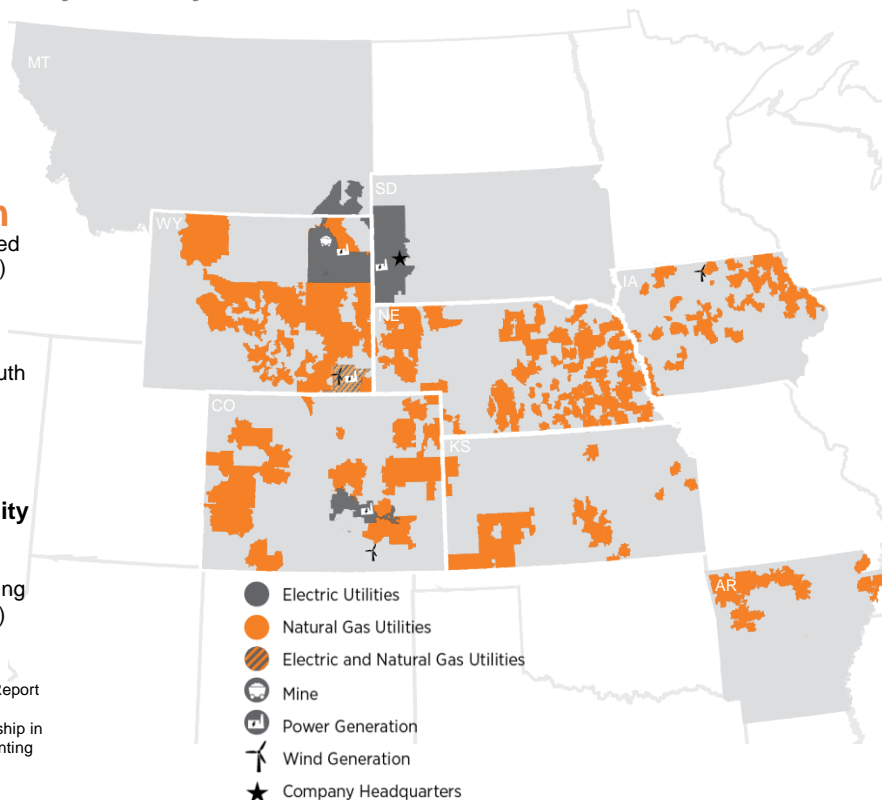
Full-service Natural Gas Utility

Gas Utilities

Transmission, distribution, sourcing and storage (54% of total assets)

Note: information from 2020 Form 10-K Annual Report

* Generation total includes 49.9 percent ownership in Colorado IPP owned by a third party, representing approximately 100 megawatts



Diverse Utility Mix with Strong Financial Base

8 stable and growing states

1.3 million utility customers

1.4 gigawatts* generation

8,900 miles electric lines

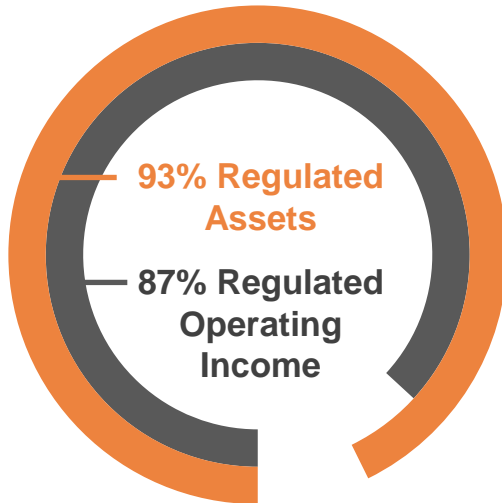
46,600 miles natural gas lines

\$8.1 billion assets

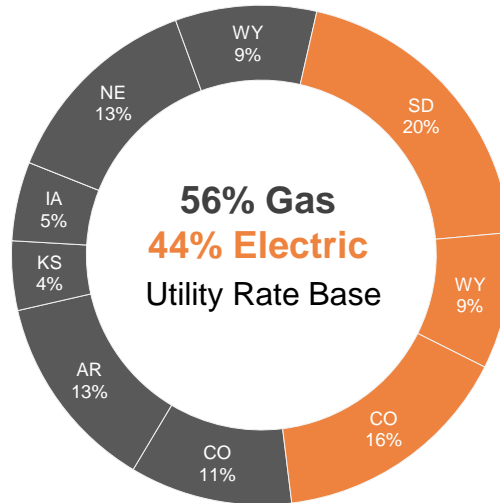
\$4.4 billion rate base

Low-risk Utility Investment

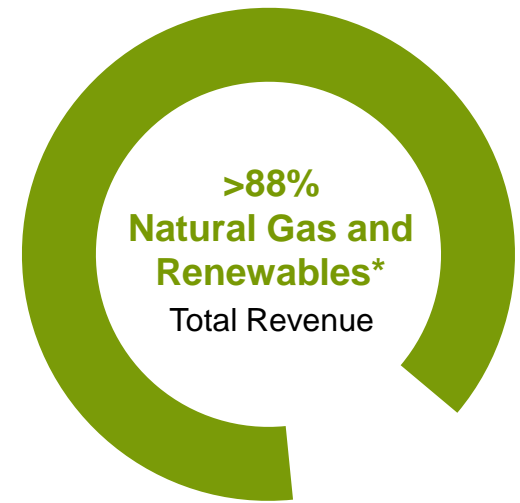
Regulated and Integrated



Diverse and Balanced Business Mix



Less than 12% of Revenue From Coal



Note: Information as of Dec. 31, 2020

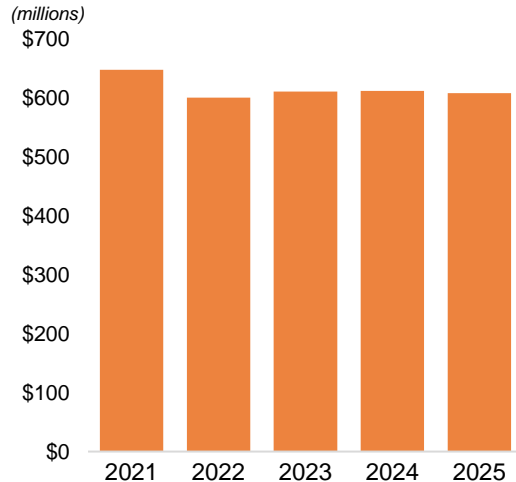
*88% of total revenues derived from natural gas utilities, natural gas-fired generation, renewables and other non-coal related activities and services

Disciplined Growth Plan with Upside



Capital Forecast

\$600+ million annual investment; \$3+ billion 2021-2025



Incremental Projects

- ▲ Electric generation and transmission projects
- ▲ Large natural gas pipeline and storage projects
- ▲ Additional programmatic investment
- ▲ Investments to comply with safety requirements



Other Earnings Drivers

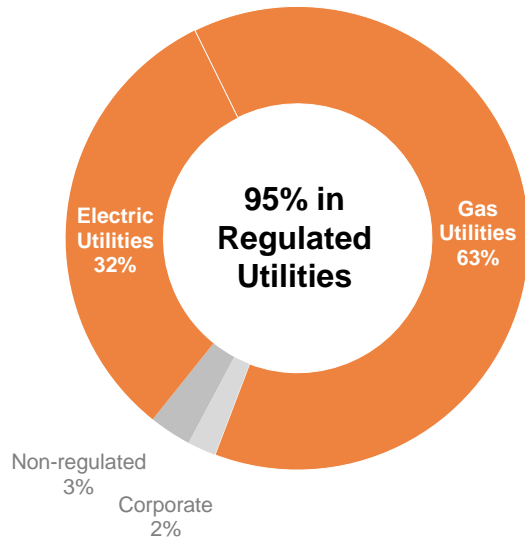
Pursuing Profitable Growth

- ▲ Data center and technology growth
- ▲ Population migration into our territories
- ▲ Innovative solutions, products and technologies, including renewables
- ▲ Cost discipline and focus on continuous improvement

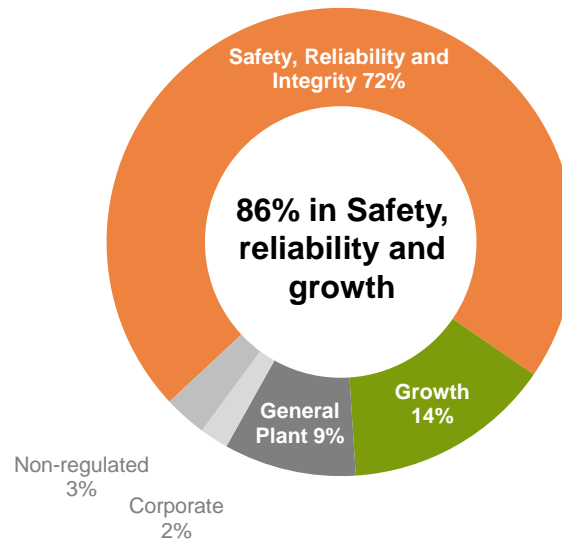
Investing for Customer Needs Drives Growth

\$3+ Billion Capital Investment Forecast (2021-2025)

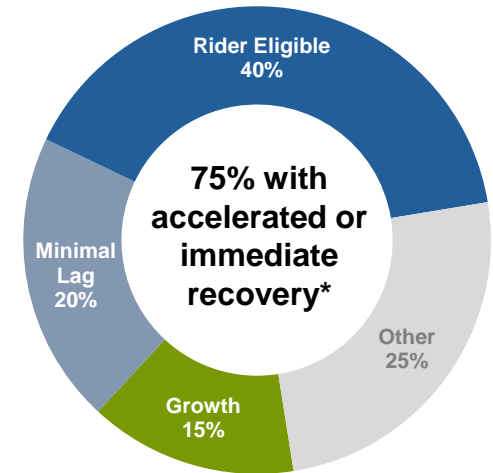
Utility Investment



Customer Focused



Timely Recovery



* Growth Capital – generates immediate revenue on customer connections

Minimal Lag Capital – capital investment with regulatory lag of less than one year or incurred during expected regulatory test periods; includes nonregulated investment

Rider Eligible Capital – capital investment recovered through state specific tariffs and meets Minimal Lag Capital definition

Other Capital – capital investment recovered through standard rate review process; includes corporate

Reducing Emissions and Enhancing Disclosures

Greenhouse Gas Emissions Intensity Reduction Goals

Electric Operations

40% by 2030*

70% by 2040*

Gas Utilities

50% by 2035*



ESG Reporting

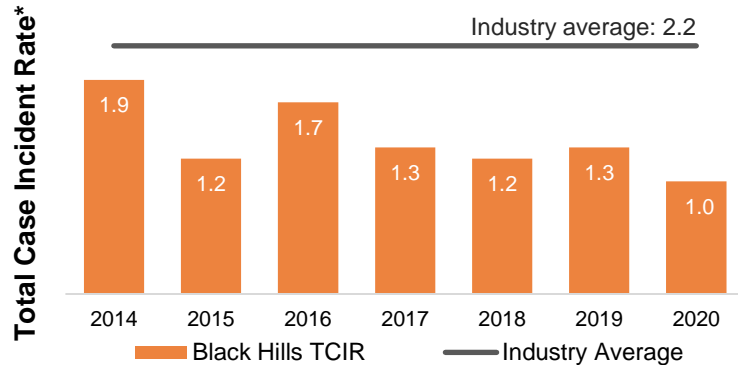


* Reductions based on 2005 baseline

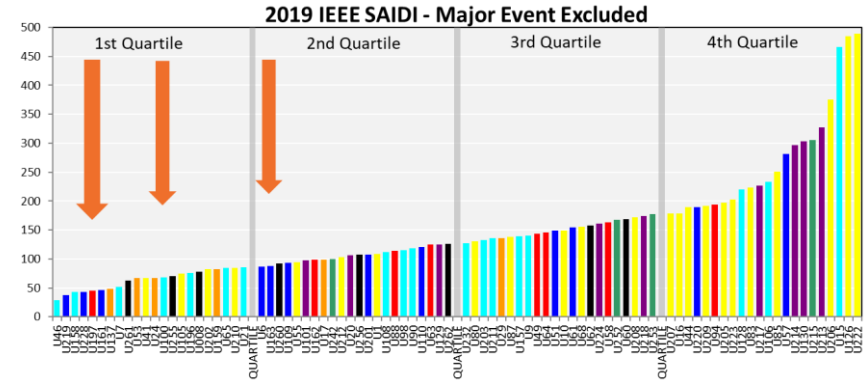
Operational Excellence



TCIR better than industry average seven consecutive years



Industry-leading reliability at all three electric utilities



Source: Institute of Electrical and Electronics Engineers (IEEE) rankings for system average interruption duration (SAIDI)

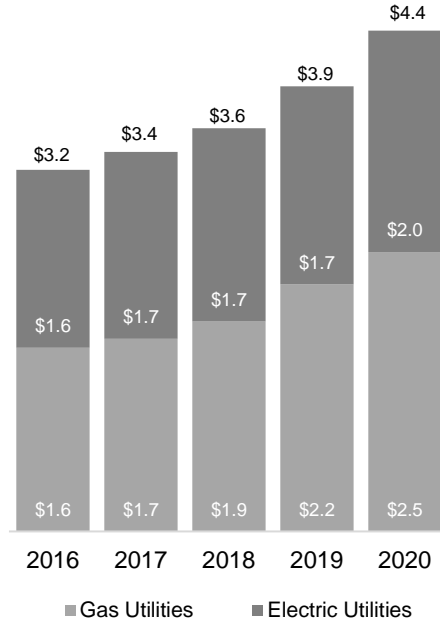


Integrating Technology

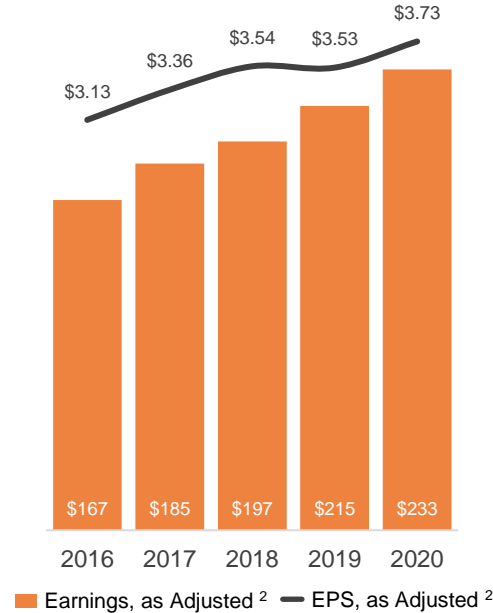
- “As-built” technologies to help reduce third-party line hits
- Digital mapping technologies, improved data analytics including artificial intelligence
- Enhanced remote workforce capabilities

Strategic Execution Delivers Results

8.5% Rate Base¹ CAGR



8.7% Earnings CAGR
4.5% EPS CAGR



6.6% Dividend CAGR



Invest for Customers

Earnings Growth

Dividend Growth

¹ Estimated in billions as of year end

² Earnings and EPS from continuing operations available for common stock, as adjusted are non-GAAP measures; reconciled to GAAP in Appendix

Recent Highlights and Key Initiatives



READY TO SERVE

One of our employees in Cheyenne, Wyoming, works on a recently replaced natural gas meter.

Recent Highlights

- ✓ Excellent system performance and resilience during Winter Storm Uri
 - Safely and reliably served customer demand during extreme cold
 - Customer-focused investments critical to performance
 - Uri demonstrated critical need for natural gas and reliable generation
- ✓ Legislation enacted preserving customer energy choice in Arkansas, Iowa, Kansas and Wyoming
- ✓ New rates and rider recovery
- ✓ Continued customer growth
- ✓ \$647 million capital plan on track in 2021
- ✓ Strong liquidity supported by short-term financing at favorable terms
- ✓ Reinforced methane emissions reduction goals by joining ONE Future Coalition
- ✓ Kansas rate review and safety and integrity investment rider renewal filed

Electric Resource Planning

Roadmap to a Reliable, Cleaner and Cost-Effective Grid of the Future



South Dakota and Wyoming Resource Plan – July 2021

- Initial modeling indicates additional renewable and natural gas generation, transmission, and other resources such as battery storage and upgraded fuel supply
- Modeling responsible solutions to be *Ready to Serve* the needs of all our stakeholders
 - Careful consideration of customer impacts through variety of demand and market pricing forecasts
 - Resilient, modern system through a diverse mix of resources
 - Achieve or exceed stated emissions goals
 - Evaluate Biden Administration’s clean energy plan and potential impacts

Regulatory Update

- Colorado Gas application requesting new safety and integrity investment rider progressing, with decision anticipated in Q2
- Rate review applications planned for Q2 2021
 - On May 7, filed Kansas Gas rate review and renewal of 5-year safety and integrity investment rider
 - Colorado Gas rate review
 - Iowa Gas rate review and request for new safety and integrity investment rider
- Winter Storm Uri cost recovery filings planned for Q2 2021



Financial Overview

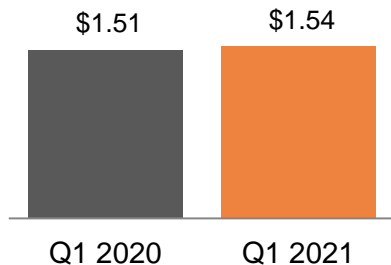


READY TO SERVE

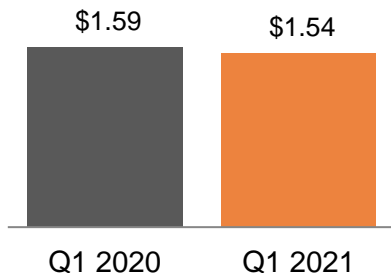
Up early at the Natural Bridge Pipeline construction in central Wyoming in 2019

Q1 2021 Financial Review

EPS available for common stock (GAAP)



EPS, as adjusted (Non-GAAP)*

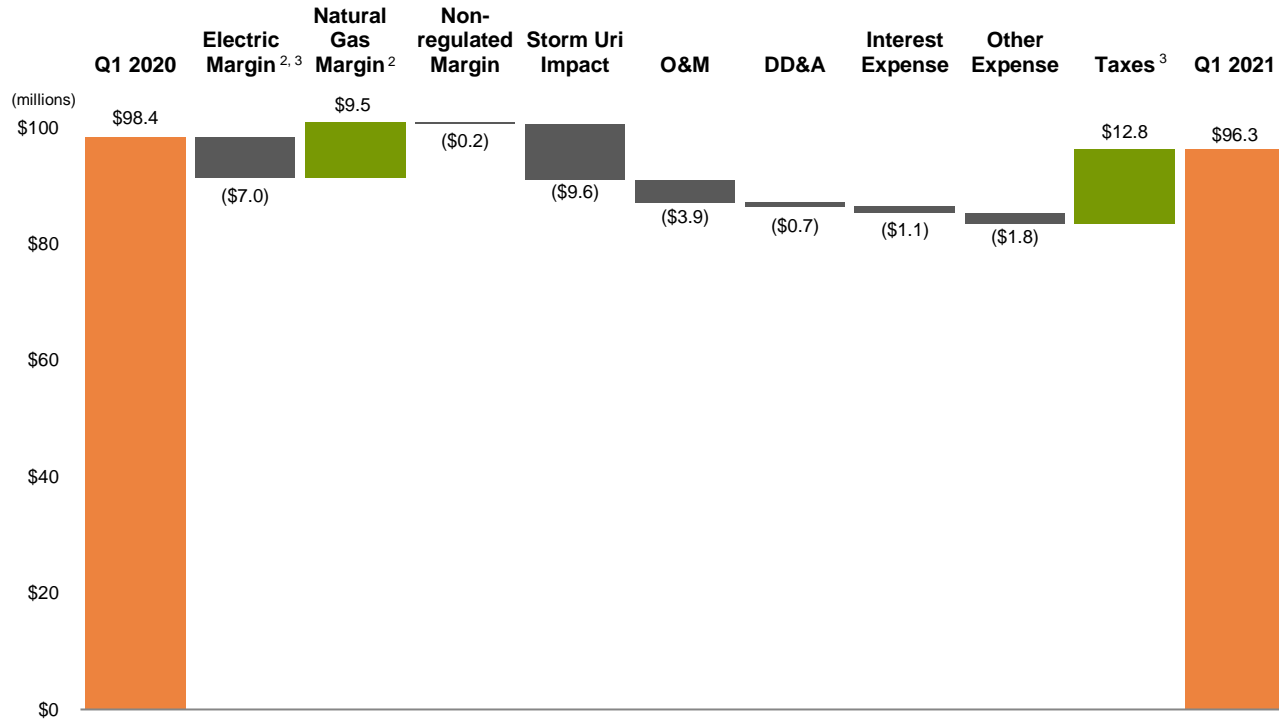


* EPS, as adjusted is a non-GAAP measure which is reconciled to GAAP in the Appendix

- ▶ Weather benefit of \$0.07 versus normal and \$0.11 versus Q1 2020
- ▶ Winter Storm Uri net impact of (\$0.15), or (\$12.5 million) pretax (see slide 20 for detail)
- ▶ Dilution from higher share count of approximately (\$0.02)

Q1 2021 Earnings Drivers

Change in Net Income Available for Common Stock, as Adjusted¹



- ▲ New rates and riders
- ▲ Weather
- ▲ Higher tax credits (Corriedale Wind)
- ▼ Winter Storm Uri net impacts
- ▼ Higher employee costs and outside services
- ▼ Higher debt balance

¹ Non-GAAP measure; see Income Statement in Appendix

² Utility positive margin impact of \$6.6 million (\$5.8 million positive impact for gas utilities and \$0.8 million positive impact for electric), net of tax, related to weather

³ In February 2021, Colorado Electric delivered \$7.2 million (after-tax) of TCJA-related bill credits to its customers. These bill credits were offset by a reduction in income tax expense and resulted in a minimal impact to Net Income.

Addressing Winter Storm Uri Impacts

Mitigating Unusual Costs

- Expense and cash management programs immediately implemented
- Planned regulatory actions to mitigate cost impacts
- Opportunities to mitigate regulated cost sharing impact on Q1 margins
- Storm cost recovery commencing in 2021 in some jurisdictions

(in millions)

Winter Storm Uri Impacts	Pre-tax Impact	After-tax EPS Impact
Balance Sheet		
Regulatory asset for utility fuel costs	\$558.8	
Income Statement		
Wholesale power margin sharing	\$3.2	
Term loan interest expense	\$0.7	
Power Generation storm benefit	(\$1.7)	
Black Hills Energy Services fuel costs	\$8.2	
Regulated utility fuel costs	\$2.1	
Total income statement impacts*	\$12.5	\$0.15
Total Winter Storm Uri costs	<u>\$571.3</u>	

* Expect opportunities in 2021 to mitigate impacts through cost management and regulatory actions

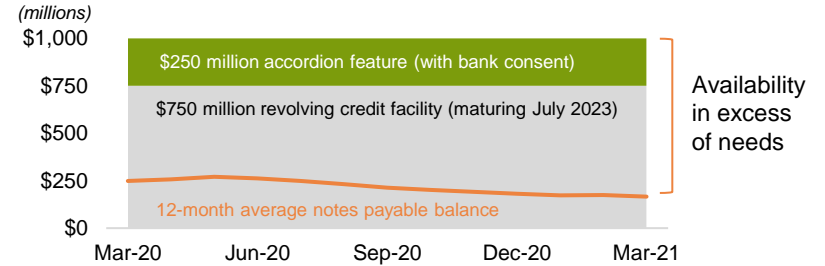
Solid Financial Position

Committed to Strong Investment-Grade Credit Ratings

Credit Ratings

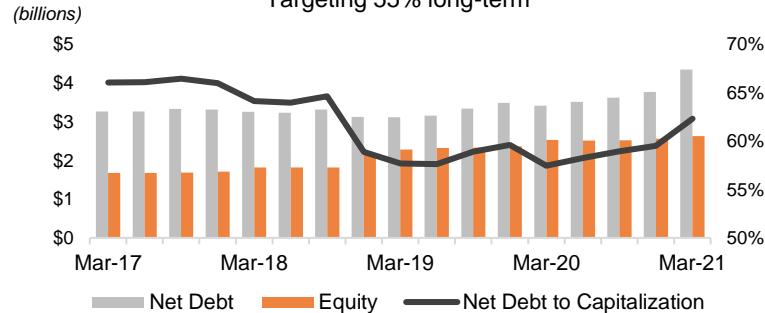
S&P	Moody's	Fitch
BBB+	Baa2	BBB+
Stable outlook	Stable outlook	Stable outlook

Ample Access to Liquidity

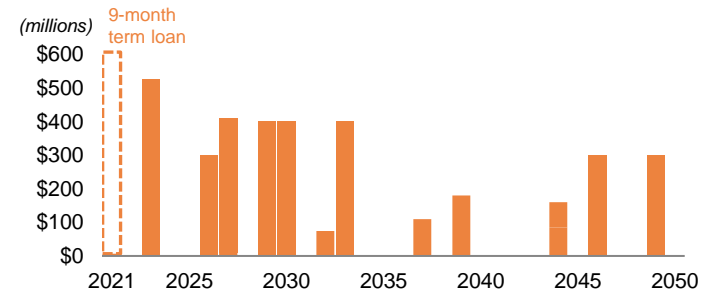


Capital Structure *

Targeting 55% long-term



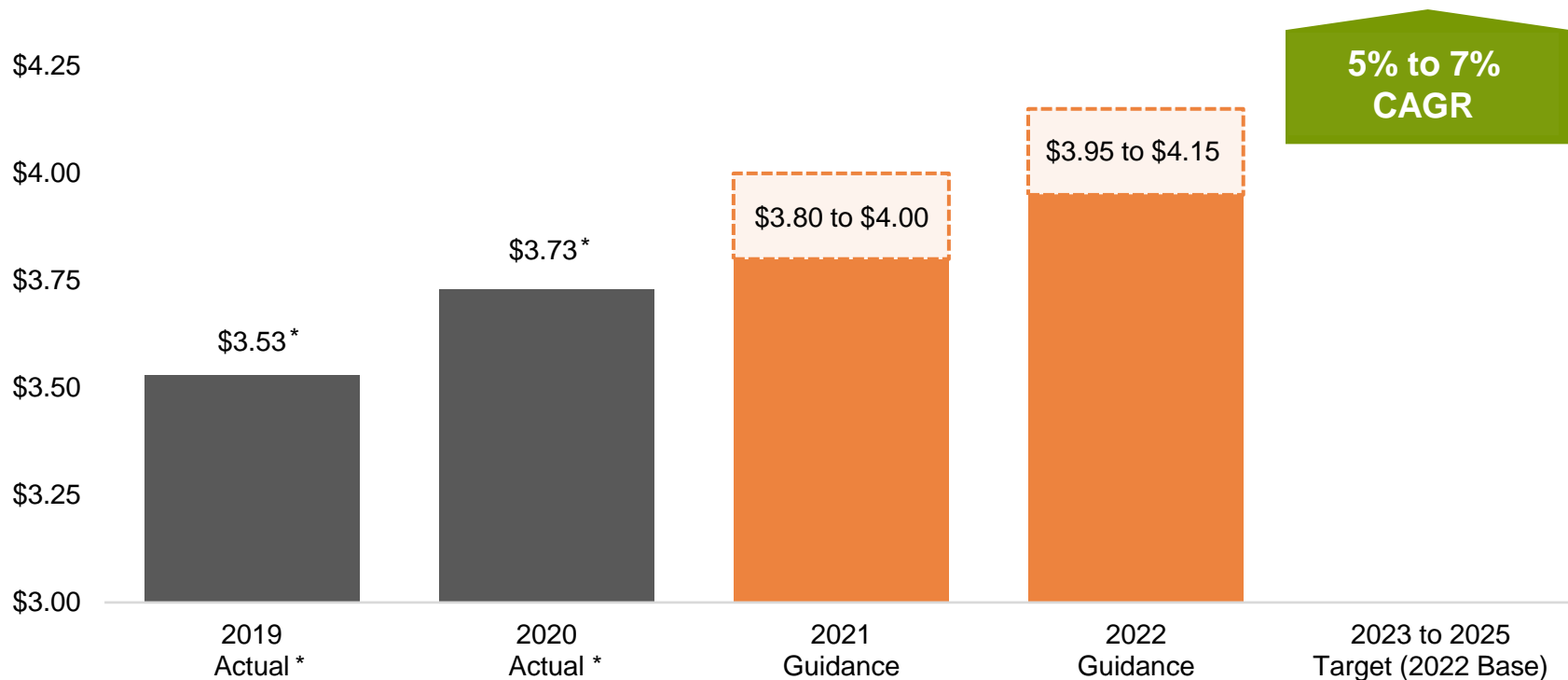
Manageable Debt Maturities



Note: information as of Dec. 31, 2020

* Excludes noncontrolling interest

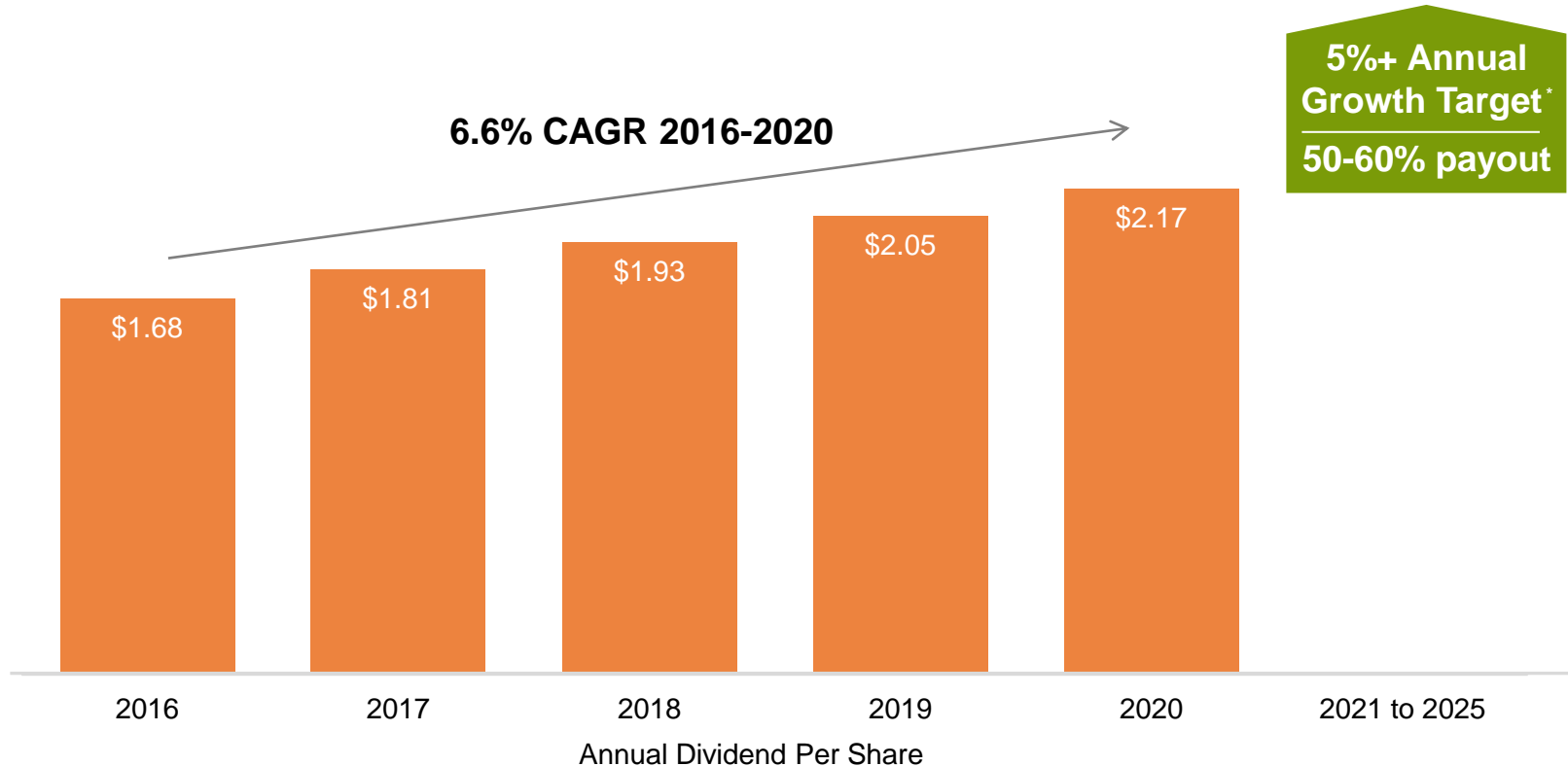
Five-Year Earnings Outlook



* EPS available for common stock, as adjusted, a non-GAAP measure; see Appendix for non-GAAP to GAAP reconciliation and guidance assumptions

Strong Dividend Track Record

50 Consecutive Years of Annual Increases and 78 Consecutive Years Paid



* Future dividends subject to board approval

Investment Highlights by the Numbers

Pure-Play Utility

97% 

Assets utility-owned or contracted to our regulated utilities

49%  51%
Electric Natural Gas

Balanced operating income mix with complementary seasonality

Strong Outlook

5% to 7%

Long-term EPS growth target 2023-2025 CAGR off 2022 base



5%+

Annual dividend growth ¹
3.3% yield as of May 12, 2021
50 consecutive years of increase

Sustainability

1.0 TCIR ² 

Safety culture with results better than industry average

70%  50%
Electric Natural Gas

GHG emissions intensity reduction goals ³

10 of 11 

Independent directors and 4 diverse directors

Note: based on information as of Dec. 31, 2020; Electric businesses include Electric Utilities, Power Generation and Mining

¹ Future dividends subject to board approval

² Total case incident rate is defined as the average number of work-related injuries incurred per 200,000 hours worked during a one-year period (2019 utility industry average of 2.2)

³ Reduction goals of 70% by 2040 for electric operations and 50% by 2035 for gas utilities off a 2005 baseline

Questions

READY TO SERVE

Cheyenne Prairie Generating Station is one of the most advanced, reliable and efficient power generation facilities in the country.

Appendix

- Business Overview
- Regulatory
- Capital Investment
- Environment, Social and Governance
- Other Financial Information, Non-GAAP information and reconciliations
- Values & Mission

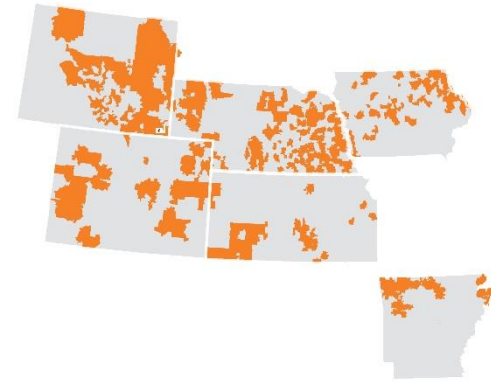
Operations Overview

Electric Utilities, Power Generation & Mining*



- Three electric utilities which generate, transmit and distribute electricity to approximately 216,000 customers in CO, SD, WY and MT
- 1.4 gigawatts** of generation and 8,892 miles of transmission and distribution
 - Five power generation facilities owned by utilities and serving utility customers (992 megawatts)
 - Three power generation facilities delivering capacity and energy under long-term contracts to utility affiliates (423 megawatts**)
 - Efficient mine-mouth generation in WY fueled by low-sulfur Powder River Basin coal (49-year supply of reserves at current production); mine production contracted to on site generation
- East-West interconnection in SD optimizes off-system sale of power and improves system reliability (1 of only 7 east-west interconnections in U.S.)

Natural Gas Utilities*



- 7 natural gas utilities^ which distribute natural gas to approximately 1,083,000 customers in AR, CO, IA, KS, NE and WY
- 4,774 miles of intrastate gas transmission pipelines and 41,838 miles of gas distribution mains and service lines
- Seven natural gas storage facilities in AR, CO and WY with 16.5 Bcf of underground gas storage working capacity
- 52,000 customers served through Choice Gas Program (unbundled natural gas supply)

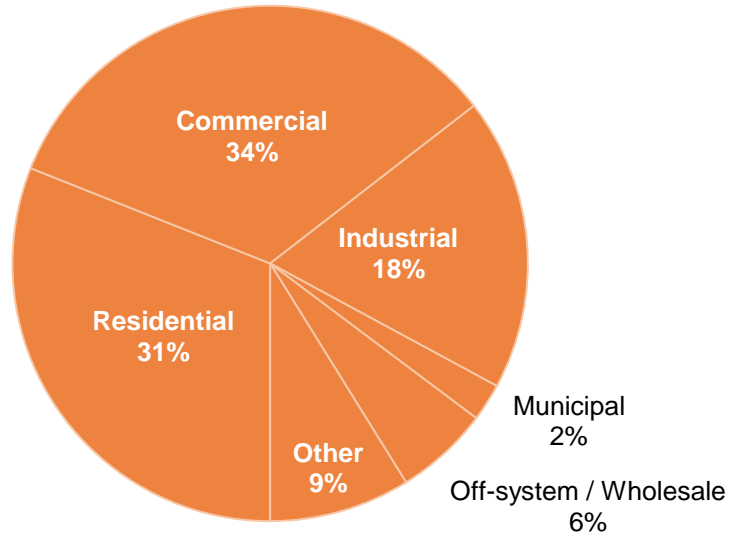
* Information from 2020 Form 10-K Annual Report Filing as of Dec. 31, 2020

** Includes 49.9% third party ownership of Black Hills Colorado IPP reported as noncontrolling interest

^ Excludes minor entities and Shoshone pipeline

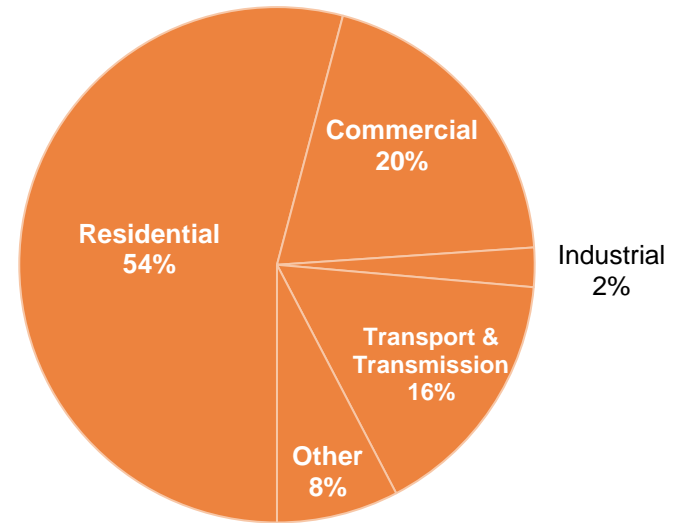
Diverse Mix of Customer Class

Electric Utilities Mix of Residential, Commercial and Industrial



Electric Utilities Revenue*

Gas Utilities Primarily Residential and Commercial



Gas Utilities Revenue*

* Information from 2020 10-K filing for year ending Dec. 31, 2020

Integrated Electric Utility

Power Generation and Mining

- 992 MW of utility-owned generation capacity
- 423 MW of generation capacity owned by Power Generation; 335 MW contracted to Electric Utilities

Gillette Energy Complex

- 745 megawatts of mine-mouth generation on site (partially owned by third parties)
- Efficient coal delivery under life of plant contracts
 - Fixed price plus escalators serving 450 MW
 - Cost Plus Return serving 295 MW(See mining contracts summary for more detail)

Cheyenne Prairie

- Combined- Cycle Gas-Fired Plants
 - 95 MW – 2014 (100% owned: 58% SDE / 42% WYE)
- Gas-fired Combustion Turbine
 - 37 MW – 2014 (100% owned by WYE)

Pueblo Airport Generating Station*

- Combined- Cycle Gas-Fired Plants
 - Two 100 MW Plants – 2012 (50.1%* owned by Power Generation with 20-yr PPA to COE)
- Simple Cycle Gas-Fired Plants
 - Two 90 MW plants – 2011 (100% owned by COE)
- Gas-Fired Combustion Turbine
 - 40 MW – 2016 (100% owned by COE)

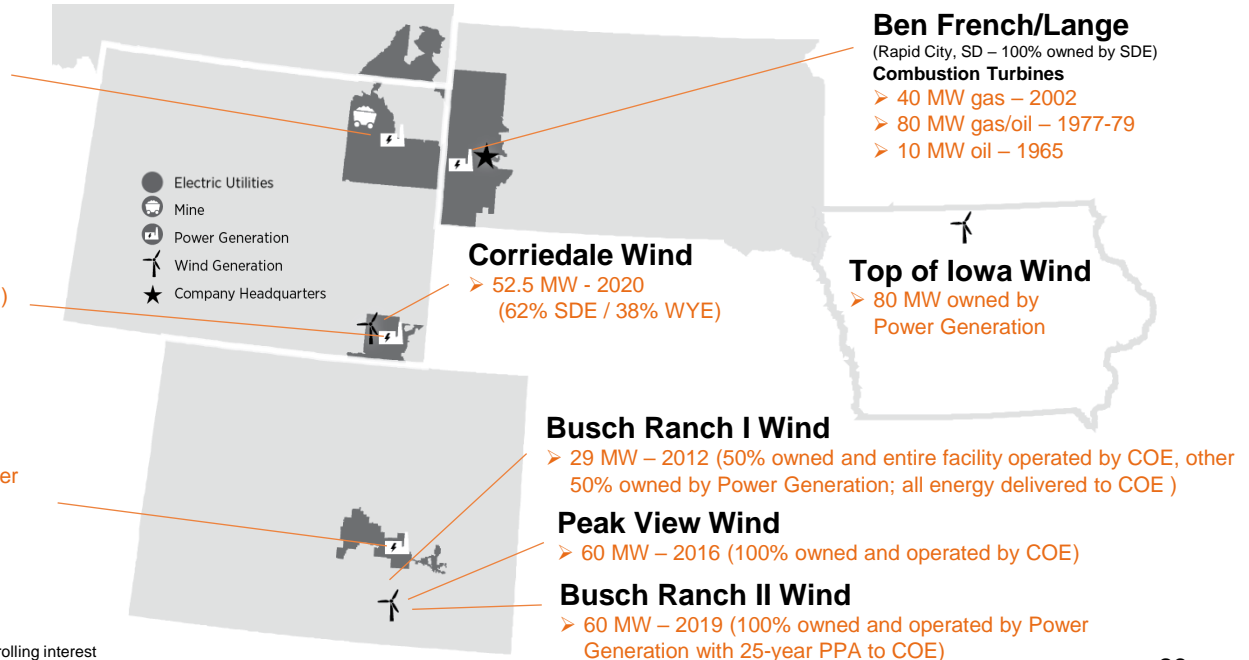
* 49.9% third party ownership of Black Hills Colorado IPP reported as noncontrolling interest
Note: information from 2020 Form 10-K Annual Report Filing as of Dec. 31, 2020; totals approximated

Transmission Network

- 1,872 miles of electric transmission in SD, WY and CO

Distribution Systems

- 7,020 miles of electric distribution in SD, WY and CO



Full Service Natural Gas Utility

Gas Supply

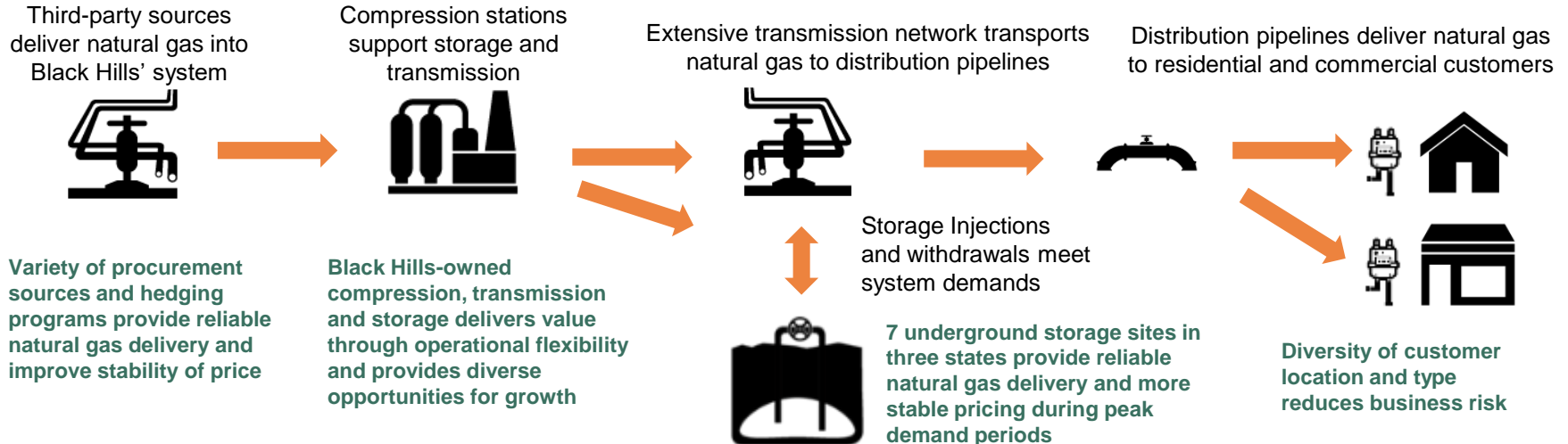
- Diverse procurement sources and hedging programs
- 560 miles of gathering lines

Storage and Transmission

- 4,800 miles of intrastate transmission
- 49,000 horsepower of compression
- 7 natural gas storage sites in AR, CO and WY with over 53 million Mcf total capacity
- 149 million Dth natural gas transported in 2020

Distribution

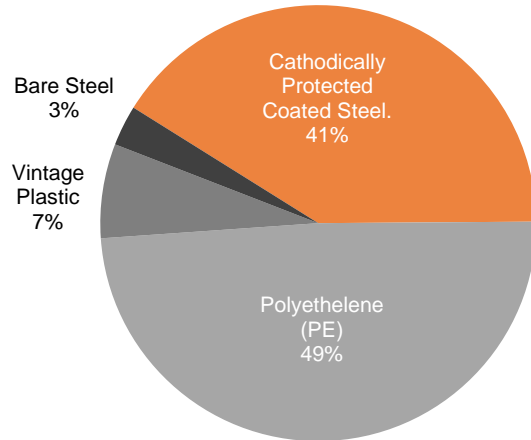
- 30,000-mile natural gas distribution system
- 1.1 million customers with 12,000 miles of service lines
- 98 million Dth natural gas distributed to customers in 2020



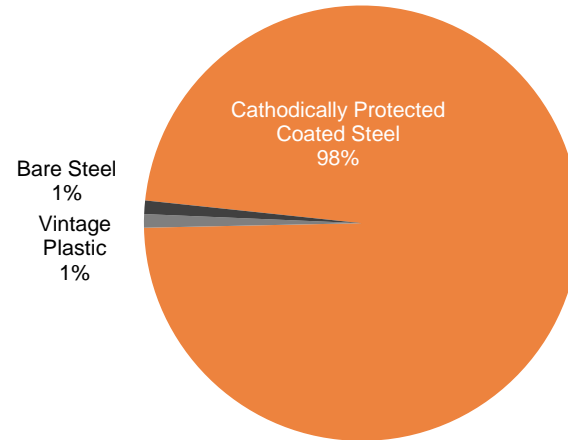
Natural Gas Infrastructure

Risk-Assessed Replacement of At-risk Materials

30,000-mile Distribution System Material Type



4,800-mile Transmission System Material Type

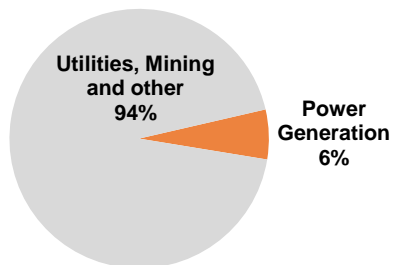


System miles from 2020 Form 10-K Annual Report Filing as of Dec. 31, 2020
Material type information as of Dec. 31, 2019, from 2020 filing with Pipeline Hazardous Materials Safety Administration

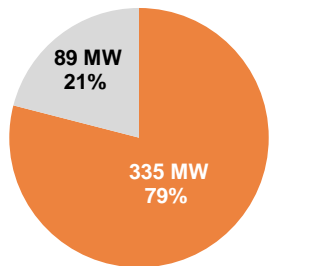
Power Generation Contracts

Capacity Primarily Serves Black Hills' Electric Utilities

Percent of Total Company Revenue*



Capacity Contracted to Electric Utilities



Contracted ■ Uncontracted ■

Plant	Owned Capacity	Contract Capacity	Contracted % Total Owned	Counter-Party	Expiration	Comments
PAGS**	200 MW	200 MW	47.2%	Colorado Electric (COE)	Dec. 31, 2031	Excess power and capacity for benefit of COE
Wygen I	68.9 MW	60 MW	14.2%	Wyoming Electric (WYE)	Dec. 31, 2021	Existing contract
					Dec. 31, 2032	New contract starting Jan. 1, 2022
Busch Ranch I	14.5 MW	14.5 MW	3.4%	COE	Oct. 16, 2037	
Busch Ranch II	60 MW	60 MW	14.2%	COE	Nov. 26, 2044	
Top of Iowa	80 MW					
Total	423.4 MW	334.5 MW	79.0%			

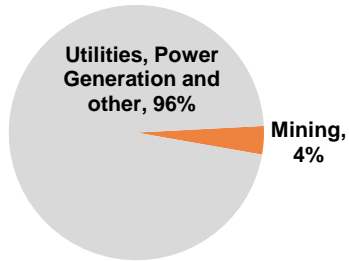
* Information from 2020 Form 10-K Annual Report Filing as of Dec. 31, 2020; percentages in chart based on full-year 2020 revenue

** A third party owns a 49.9% non-operating ownership of Colorado IPP (PAGS) which is reported as noncontrolling interest

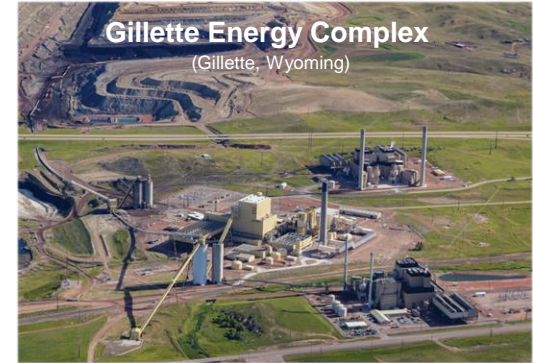
Mining Contracts

93% of Production Serves Mine-Mouth Generation

Percent of Total Company Revenue*



- Nearly half of production sold under contracts priced based on actual mining costs plus a return on mine capital investments; price adjusted annually to include actual mining expenses plus return on capital equal to A-rated utility bonds plus 400 bps with 100% equity capital structure (new Wygen I contract in 2022 will increase share to ~60% of production under this recovery method)
- More than half (~40% share in 2022) of production under contract with price escalators using published indices



Production Contracted

Plant	2021F Production (millions of tons)	Pricing	Price Reopener or Adjustment	Expiration	Contract Quantity
Wyodak Plant (80% owned by PacifiCorp)	1.6	Fixed w/ escalators	n/a	Dec. 2022	All plant usage
Wygen I	0.5	Fixed w/ escalators Cost plus return	n/a Jan. 1, 2022	Dec. 2021 Dec. 2032	All plant usage All plant usage
Wygen II	0.5	Cost plus return	Annual True-Up	Life of plant	All plant usage
Wygen III	0.6	Cost plus return	Annual True-Up	Life of plant	All plant usage
Neil Simpson II	0.5	Cost plus return	Annual True-Up	Life of plant	All plant usage
Other sales (truck)	0.3	Fixed	1-4 years	1-4 years	Various
Total	3.9				

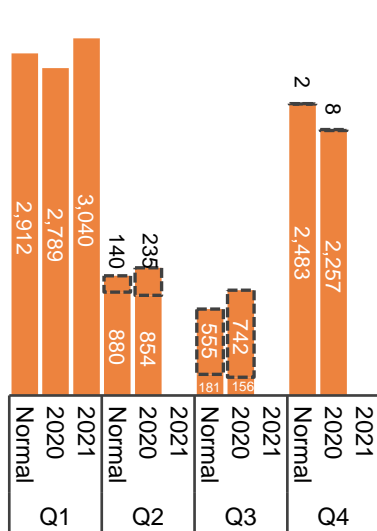
* Based on full-year revenue as of Dec. 31, 2020

Note differences in total due to rounding; information from 2020 Form 10-K Annual Report Filing as of Dec. 31, 2020, and new Wygen I contract to begin Jan. 1, 2022

Utility Weather and Demand

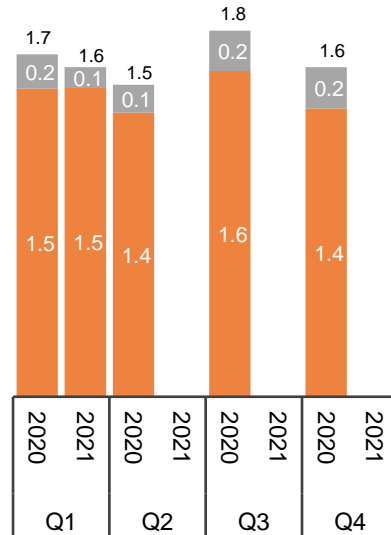
Electric - Degree Days

Total for all electric service areas weighted by customer count



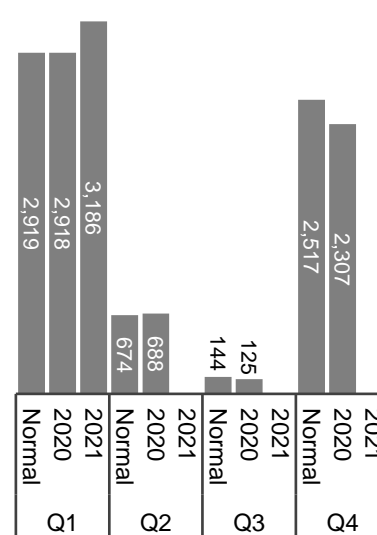
Electric Utility - Total MWh Sales

(in millions)



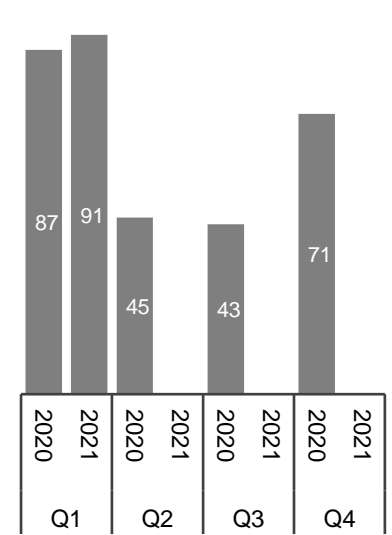
Gas - Degree Days*

Total for all natural gas service areas weighted by customer count



Gas Utility - Total Dth Sales

(in millions)



■ Electric heating degree days
■ Electric cooling degree days

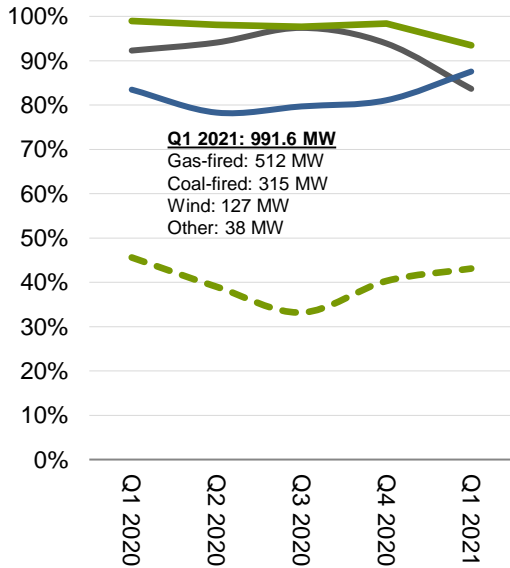
■ Utility customer sales
■ Off-system sales

* Gas Degree Days excludes Kansas data due to weather normalization in the state

Note: normal degree days listed for prior quarters based on data as of 2020; current quarter normal based on average of currently available data

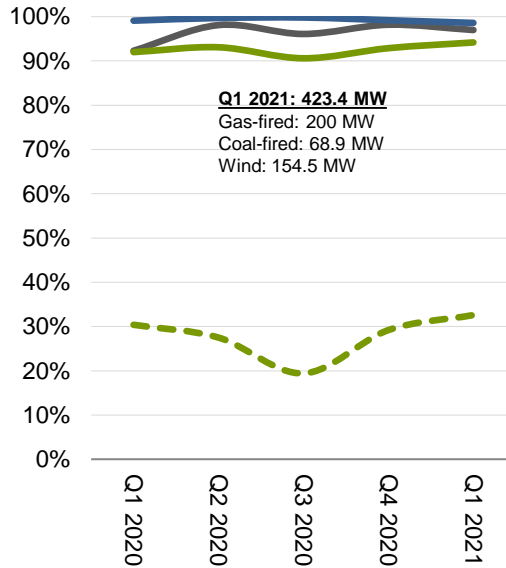
Electric Generation and Mining Performance

Utility-owned Generation Availability

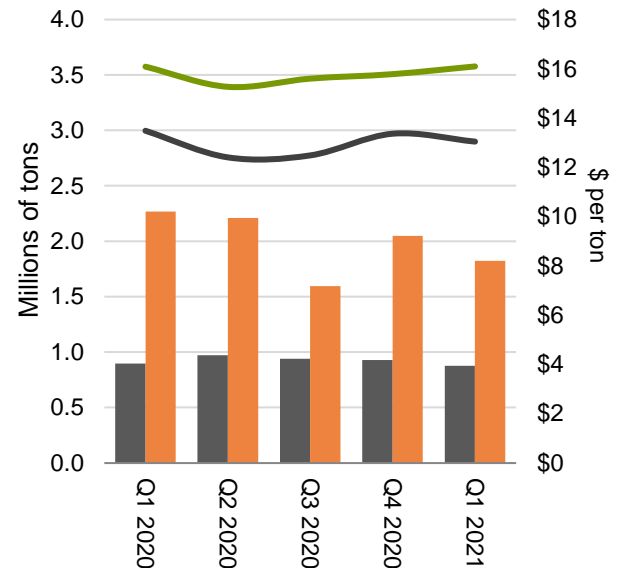


— Gas-fired plants
— Coal and other plants
— Wind generation
- - - Wind capacity factor

IPP Generation Contract Availability



Mining Revenue and Expense per Ton Sold



— Revenue/ton
— Expense/Ton
■ Coal Production
■ Overburden Removed

Regulatory



The flags of all eight states we proudly serve fly at Horizon Point, company headquarters in Rapid City, SD

Optimizing Regulatory Recovery

Electric Utilities

	Environmental Cost	DSM/ Energy Efficiency	Transmission Expense	Fuel Cost	Transmission Cap-Ex	Purchased Power
South Dakota Electric (SD)	<input checked="" type="checkbox"/> ¹		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> ¹	<input checked="" type="checkbox"/>
South Dakota Electric (WY)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
South Dakota Electric (FERC)					<input checked="" type="checkbox"/>	
Wyoming Electric		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Colorado Electric		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Gas Utilities

	DSM/ Energy Efficiency	Integrity Additions	Bad Debt	Weather Normal	Pension Recovery	Fuel Cost	Revenue Decoupling	Fixed Cost Recovery ²
Arkansas Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	39%
Colorado Gas	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>		47%
Colorado Gas Dist.	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>		36%
Iowa Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		70%
Kansas Gas		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		64%
Nebraska Gas		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		70%
Rocky Mountain Natural Gas ³		<input checked="" type="checkbox"/>						
Wyoming Gas	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		53%

Commission approved cost adjustment

¹ South Dakota cost adjustments for environmental and transmission capex included in rate moratorium; applies only to non-FERC jurisdictional assets

² Fixed cost recovery listed for residential customers is as of last rate base review

³ RMNG, an intrastate transmission pipeline, provides natural gas transmission and wholesale services, has an SSIR recovery mechanism; other cost recovery mechanisms are not applicable to RMNG

Estimated Rate Base by State and Segment

	2016	2017	2018	2019	2020
Colorado					\$639
South Dakota (all jurisdictions)					886
Wyoming					429
Total Electric Utilities	\$1,570	\$1,650	\$1,706	\$1,747	\$1,954
Arkansas					554
Colorado					474
Iowa					251
Kansas					212
Nebraska					585
Wyoming					387
Total Gas Utilities	\$1,620	\$1,700	\$1,851	\$2,180	\$2,464
Total Utilities	\$3,190	\$3,350	\$3,557	\$3,927	\$4,418

Note: estimated rate base at year-end calculated using state specific requirements and includes value of rate base recovered through riders

Last Approved Utility Rate Review Results by Jurisdiction

Jurisdiction	Utility	Effective Date	Return on Equity	Capital Structure	Authorized Rate Base (in millions)
Arkansas	Arkansas Gas	Oct. 2018	9.61%	50.9% debt / 49.1% equity	\$451.5
Colorado	Colorado Electric	Jan. 2017	9.37%	47.61% debt / 52.39% equity	\$597.5
Colorado	Colorado Gas	July 2020	9.20%	49.85% debt / 50.15% equity	\$68.3
Colorado	Colorado Gas Dist	July 2020	9.20%	49.85% debt / 50.15% equity	\$162.9
Colorado	RMNG	June 2018	9.90%	53.4% debt / 46.6% equity	\$118.7
Iowa	Iowa Gas	Feb. 2011	Global Settlement	Global Settlement	\$109.2
Kansas	Kansas Gas	Jan. 2015	Global Settlement	Global Settlement	\$127.9
Nebraska	Nebraska Gas	March 2021	9.50%	50% debt / 50% equity	\$504.2
South Dakota	South Dakota Electric	Oct. 2014	Global Settlement	Global Settlement	\$543.9
Wyoming	South Dakota Electric	Oct. 2014	9.90%	46.68% debt / 53.32% equity	\$46.8
Wyoming	Wyoming Electric	Oct. 2014	9.90%	46% debt / 54% equity	\$376.8
Wyoming	Wyoming Gas	Mar. 2020	9.40%	49.77% debt / 50.23% equity	\$354.4

Note: Information from last approved rate review in each jurisdiction

* Includes amounts to serve non-jurisdictional and agriculture customers

Capital Investment for Customer Needs



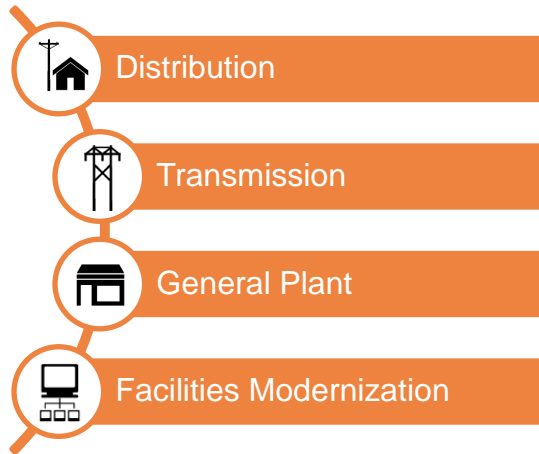
READY TO SERVE

To better serve our customers and improve the safety and reliability of our natural gas system, we are proactively replacing aging natural gas lines.

Long-term Approach to Capital Investment

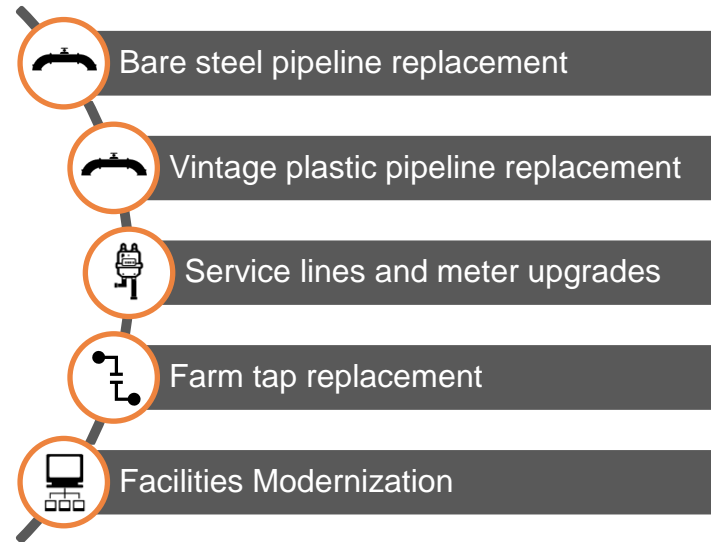
Risk-prioritized Programs Focused on Safety and System Integrity

Electric Utilities



Replacing aging infrastructure to harden and modernize systems

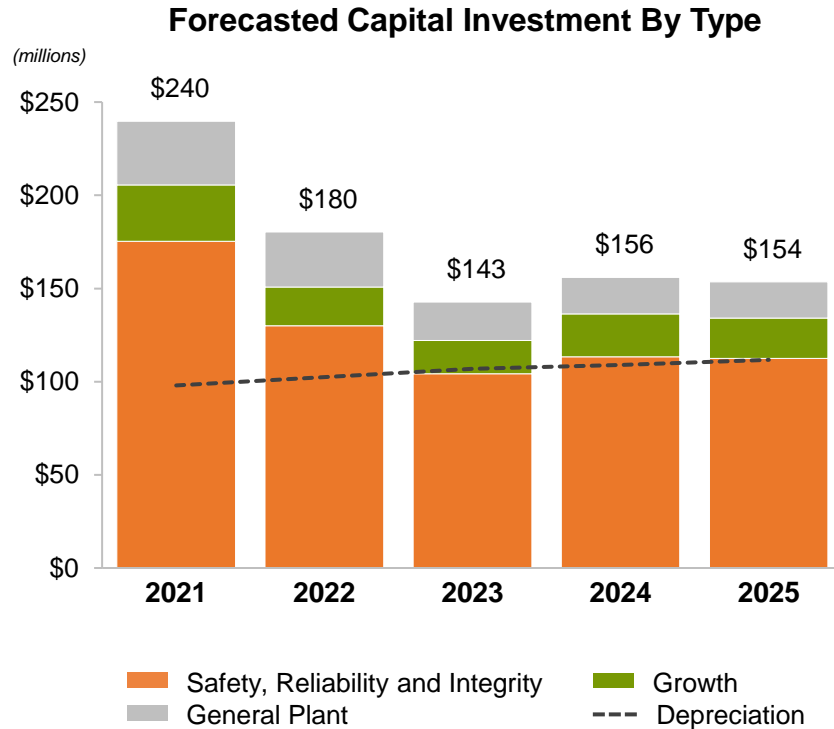
Natural Gas Utilities



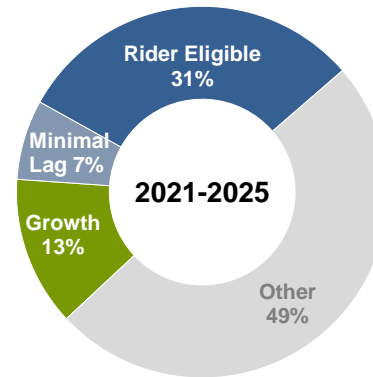
Replacing at-risk materials and modernizing to maintain and enhance system integrity

Electric Utilities Capital Investment

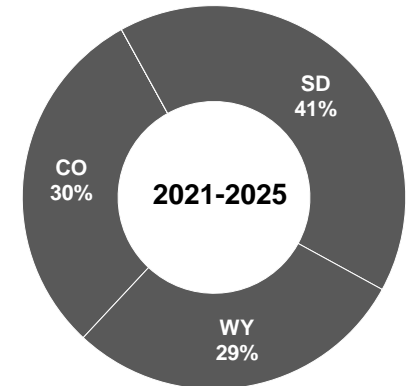
Five-year Forecast of \$0.9+ Billion Focused on Safety, System Integrity and Growth



51% with Timely Recovery*



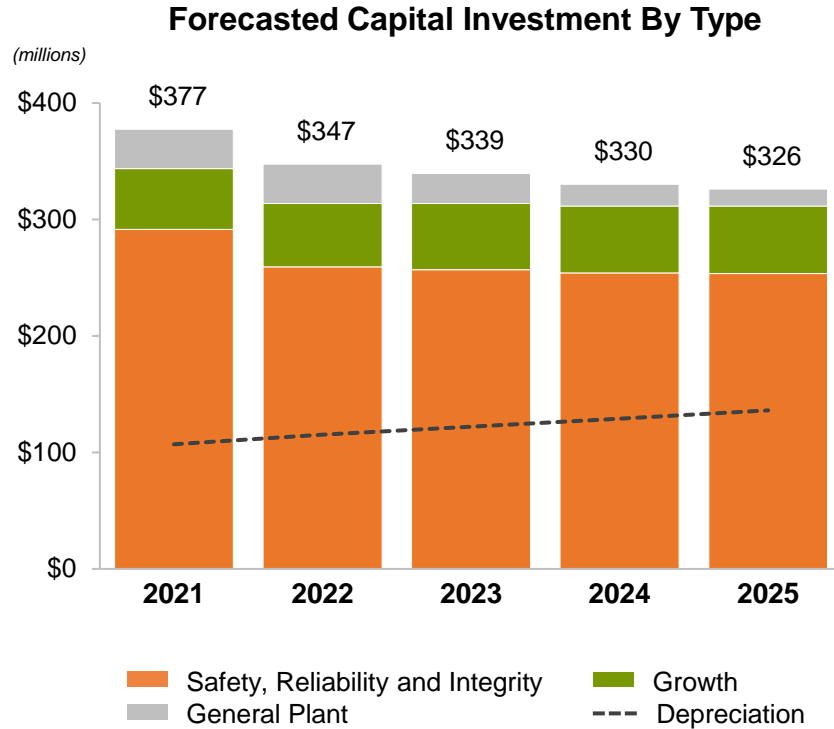
Forecasted Capital by State



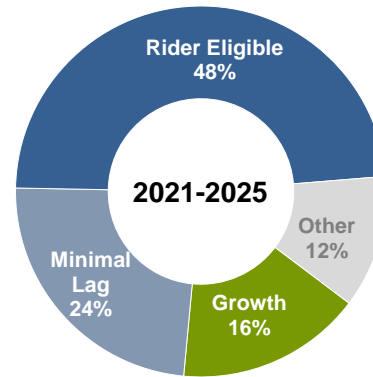
* Growth Capital - generates immediate revenue upon customer connections
 Minimal Lag Capital - capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods
 Rider Eligible Capital - capital expenditures recovered through state specific tariffs or FERC formula rates and meets Minimal Lag Capital definition

Natural Gas Utilities Capital Investment

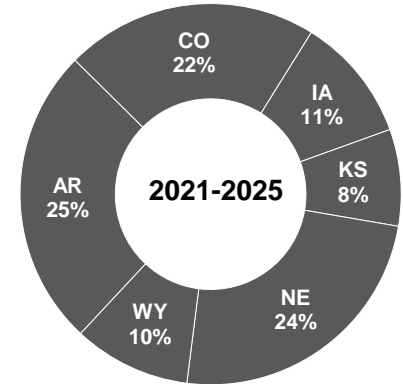
Five-year Forecast of \$1.7+ Billion Focused on Safety, System Integrity and Growth



88% with Timely Recovery*



Forecasted Capital by State



* Growth Capital - generates immediate revenue upon customer connections
 Minimal Lag Capital – capital expenditures with regulatory lag of less than one year or incurred during expected regulatory test periods
 Rider Eligible Capital - capital expenditures recovered through state specific tariffs and meets Minimal Lag Capital definition

Capital Investment by Segment and Recovery

(in millions)

	2021F	2022F	2023F	2024F	2025F	2021-2025F
Minimal Lag Capital - Electric Utilities ¹	\$37	\$23	\$0	\$0	\$0	\$61
Rider Eligible Capital - Electric Utilities ²	89	51	41	51	35	267
Growth Capital - Electric Utilities ³	30	21	18	23	22	114
Other	83	85	84	82	97	431
Electric Utilities	\$240	\$180	\$143	\$156	\$154	\$872
Minimal Lag Capital - Gas Utilities ¹	106	81	76	105	42	\$410
Rider Eligible Capital - Gas Utilities ²	178	169	164	161	161	833
Growth Capital - Gas Utilities ³	52	55	57	58	58	279
Other	42	43	43	7	65	199
Gas Utilities	\$377	\$347	\$339	\$330	\$326	\$1,720
Total Utilities	\$617	\$528	\$482	\$486	\$480	\$2,593
Power Generation	10	9	6	4	5	34
Mining	9	9	9	9	10	47
Corporate	11	5	13	13	13	54
Total Black Hills Base Forecast	\$647	\$550	\$510	\$512	\$508	\$2,727
▲ Incremental Projects	0	~50	~100	~100	~100	~350
Total Black Hills Forecast	\$647	\$600	\$610	\$612	\$608	\$3,077

Incremental projects being evaluated for timing, cost and other factors

¹ Minimal Lag Capital - investment with regulatory lag of less than one year or incurred during expected regulatory test periods

² Rider Eligible Capital - capital expenditures recovered through state specific tariffs or FERC formula rates and meets minimal lag capital definition

³ Growth Capital - generates immediate revenue on customer connections

Note: Some totals may differ due to rounding

Regulated Utility Capital Investment by Type

(in millions)

	2021F	2022F	2023F	2024F	2025F	2021-2025F
Safety, Reliability and Integrity ¹	\$175	\$130	\$104	\$113	\$113	\$635
Growth ²	30	21	18	23	22	114
General Plant	34	30	21	19	19	123
Electric Utilities	\$240	\$180	\$143	\$156	\$154	\$872
Safety, Reliability and Integrity ¹	292	259	257	254	253	1,315
Growth ²	52	55	57	58	58	279
General Plant	34	34	26	19	14	126
Gas Utilities	377	347	339	330	326	\$1,720
Total Utilities	\$617	\$528	\$482	\$486	\$480	\$2,593

Incremental projects being evaluated for timing, cost and other factors

¹ Safety, Reliability and Integrity Capital - capital expenditures related to improving or maintaining system integrity

² Growth Capital - generates immediate revenue on customer connections

Note: Some totals may differ due to rounding

Environmental, Social and Governance



With the completion of the Corriedale Wind Energy Project, shown here, Black Hills Corp. now owns and operates 281 megawatts of renewable wind generation.

Sustainable ESG Profile

Environmental



- 88% coal-free total revenue*
- Reducing GHG emissions intensity 70% by 2040 for electric operations and 50% by 2035 for gas utilities
 - Adding renewables resources
 - Replacing aging and at-risk materials
 - Supporting research
 - Reducing methane emissions beyond requirements

Social



- Safety culture
- Supporting community development
- Donations and volunteerism
- Diversity and inclusion programs
- Highly engaged team
- Continuous improvement

Governance

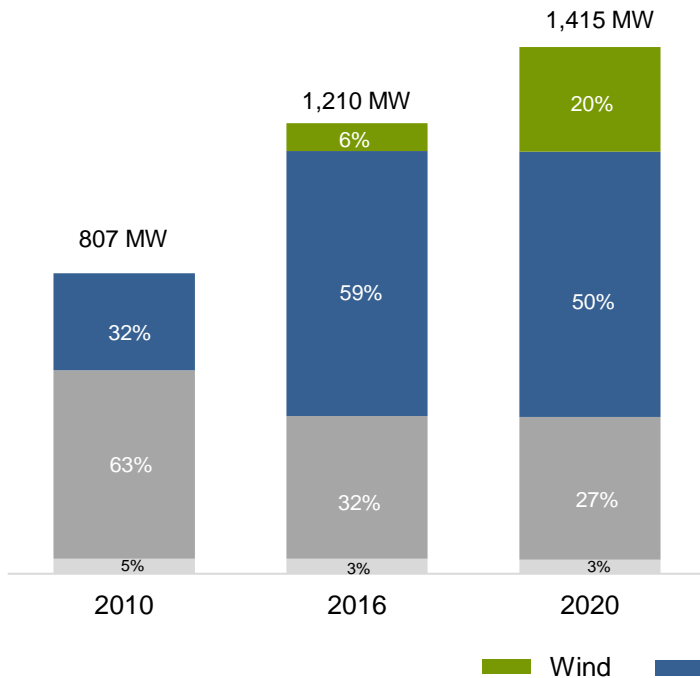


- Independent, diverse and experienced directors
- Stock ownership requirement and compensation philosophy
- Well-established succession planning process with Board engagement

* Revenue as a percent of total company revenue based on full year revenue as of Dec. 31, 2020

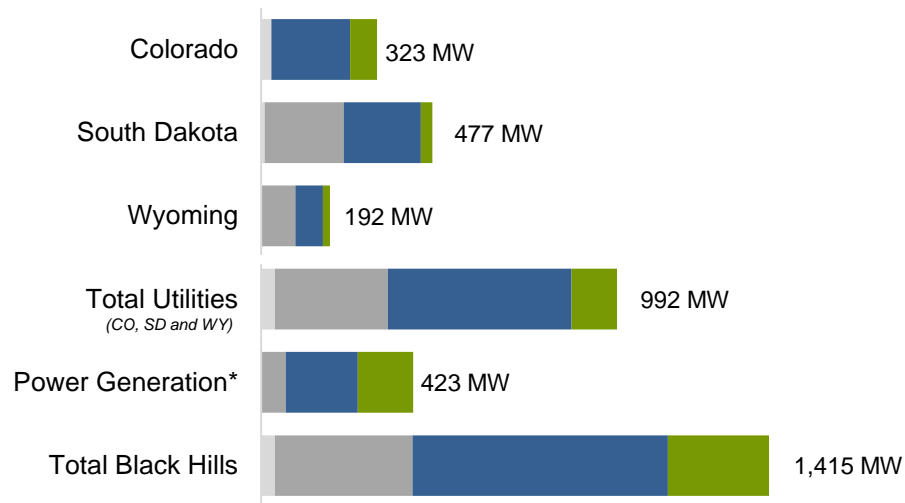
Responsibly Integrating Renewable Energy

Total Electric Generation Capacity *



Current Capacity Mix *

(Dec. 31, 2020)



* Total Black Hills ownership comprised of utility-owned capacity and capacity owned by Power Generation segment, which includes 49.9 percent ownership in Colorado IPP by a third party representing approximately 100 megawatts; excludes power purchase agreements from third parties

Renewable Ready Subscription Program

Responsibly Added Renewable Resources for South Dakota and Wyoming

Innovative Solution to Benefit Customers

- Subscription-based program provides access to renewable energy while keeping larger customers connected to Black Hills' systems
- Utility scale provides more attractive economics than distributed renewable projects
- Initial 40 megawatts expanded to 52.5 megawatts on strong customer demand

Program Supplied by Corriedale Wind Project

- 52.5-megawatt wind farm placed in service in December 2020 in Wyoming
 - Jointly-owned asset of South Dakota and Wyoming electric utilities
 - Added “power-up” technology to improve efficiency



52.5-Megawatt Corriedale Wind Energy Project near Cheyenne, Wyoming

Renewable Advantage

Responsibly Expanding Renewable Resources in Colorado

Supporting Emissions Reduction Goals

- Responsibly add renewable energy resources for the benefit of customers and communities
- Request for proposals for up to 200 megawatts of cost-effective, utility-scale renewable resources including wind, solar or battery storage to be in service by year-end 2023

Strong Bid Response with Low Energy Costs

- 200-megawatt solar project to be constructed in Pueblo County, Colorado, is projected to:
 - Save customers \$66 million over 15 years
 - Provide \$178 million in direct and indirect economic benefits through state and local taxes, federal taxes
 - Increase Colorado renewable energy mix above 50% and significantly reduce carbon emissions in Colorado by approximately 70% since



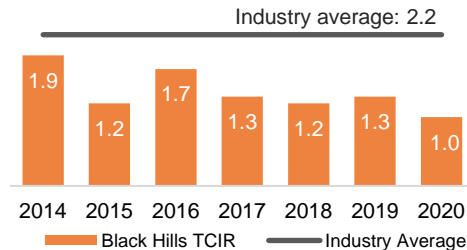
Social Responsibility

Safety Focus

Dedicated "Ready" Safety Culture

- TCIR better than industry average and 47% improved since 2014
- OSHA Voluntary Protection Program Star Status at Pueblo Airport Generating Station
- Strong safety culture including trainings and stop work authority
- Crisis response full-scale mock drills and response plans

⚠ Total Case Incident Rate*



Great Workplace

Engaged and Inclusive

- Achievers 50 Most Engaged Workplaces (2019)
- InHersight's 20 Best Utility Companies to Work For (2019)
- Diversity and inclusion programs
 - Aspire employee resource group for women
 - Veteran's engagement team (VET)
- Support of the Guard and Reserve (ESGR) supporting civilian employment of national guard members
- Department of Labor's Gold Medallion Award for veteran employment (2020)

Community Support

Developing Thriving Local Economies

- \$1.46 billion direct economic impact**
- Local economic development, community sponsorships
- Culture of encouraging volunteerism
- Black Hills Cares energy assistance
- Employee United Way contributions
- Donations to local nonprofits responding to COVID-19 needs
- Tree giveaway programs



In 2020, charitable support for our communities totaled \$5.6 million, including \$628,000 by employees to 50 United Way organizations across our states

* TCIR is defined as the average number of work-related injuries incurred per 200,000 hours worked during a one-year period (represents approximately 100 workers)

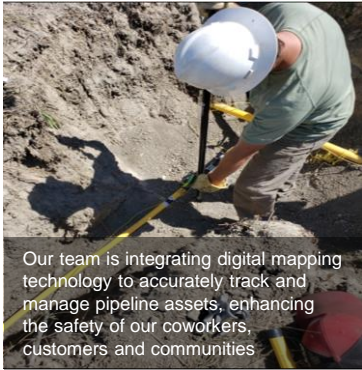
** 2019 estimated direct economic impact includes franchise fees, wages and benefits, property and other taxes, payments to suppliers, and other community impact

Pipeline Safety Leadership

Focused on the Safety of Our Co-workers, Customers and Communities

Black Hills' comprehensive, systematic effort at forefront of industry-wide goal of zero incidents

- Implementing Pipeline Safety Management System framework
- Sharing knowledge through industry leadership roles
- Enhancing emergency response and training
- Investing in technologies such as digital mapping and data collection, artificial intelligence and analytics



Governance

Diverse, Experienced Oversight and Alignment of Stakeholder Interests

Board Composition

- 36% of board members are gender or ethnically diverse
- Average Board tenure of 5.5 years
- 10 of 11 directors are independent
- Independent board chair
- Diverse experience across multiple industries and sectors

Corporate Governance

- Plurality plus voting policy
- Annual board and committee evaluations
- All board committees have authority to retain independent advisors paid for by company
- Code of Business Conduct applies to all employees and Board of Directors
- Code of Ethics for financial officers
- Hedging and pledging company stock prohibited
- Mandatory retirement age for directors
- Board engagement in succession planning process

Compensation Policies

- Maintain robust stock ownership guidelines for directors and executives
- Annual advisory vote on executive compensation
- Board authority to claw back incentive compensation
- Compensation philosophy aligns compensation practices with stakeholder interests

Other Information



READY TO SERVE

The expertise and dedication of our electric line workers keeps our service among the most reliable in the country.

2021 Earnings Guidance Assumptions

2021 EPS available for common stock is expected to be in the range of \$3.80 to \$4.00, based on the following assumptions:

- Normal weather conditions within our utility service territories including temperatures, precipitation levels and wind conditions
- Normal operations and weather conditions for planned construction, maintenance and/or capital investment projects
- Completion of utility regulatory dockets
- No significant unplanned outages at any of our generating facilities
- Production tax credits of \$20 million associated with wind generation assets
- Equity issuance of \$100 million to \$120 million through the at-the-market equity offering program in 2021
- Capital investment of \$647 million in 2021
- No material net impact from COVID-19
- Constructive regulatory outcomes related to recovery of incremental Winter Storm Uri costs

2022 Earnings Guidance Assumptions

2022 EPS available for common stock is expected to be in the range of \$3.95 to \$4.15, based on the following assumptions:

- Normal weather conditions within our utility service territories including temperatures, precipitation levels and wind conditions
- Normal operations and weather conditions for planned construction, maintenance and/or capital investment projects
- Completion of utility regulatory dockets
- No significant unplanned outages at any of our generating facilities
- Adjusted contract price for Wygen I power purchase agreement beginning Jan. 1, 2022
- Production tax credits of \$20 million associated with wind generation assets
- Equity issuance of \$100 million to \$120 million in 2021 and \$60 million to \$80 million in 2022 through the at-the-market equity offering program
- Capital investment of \$647 million in 2021 and \$600 million in 2022
- No material net impact from COVID-19
- Constructive regulatory outcomes related to recovery of incremental Winter Storm Uri costs

Income Statement

(in millions, except earnings per share)

	First Quarter	
	2020	2021
Revenue	\$ 537.1	\$ 633.4
Gross margin* (non-GAAP)	349.2	340.3
Operations and maintenance expense	(139.6)	(144.7)
Depreciation, depletion and amortization	(56.4)	(57.3)
Operating income	153.2	138.3
Interest expense, net	(35.5)	(37.6)
Impairment of investment	(6.9)	-
Other income (expense), net	2.4	0.3
Income before taxes	113.2	101.0
Income tax (expense)	(16.0)	(0.5)
Net income before non-controlling interest	\$ 97.2	\$ 100.5
Net income attributable to non-controlling interest	(4.1)	(4.2)
Net income available to common stock	\$ 93.2	\$ 96.3
Non-GAAP adjustments	5.3	-
Net income available to common stock, as adjusted *	\$ 98.4	\$ 96.3
EPS - Net income available for common stock	\$ 1.51	\$ 1.54
EPS - Net income available for common stock, as adjusted *	\$ 1.59	\$ 1.54
Diluted shares outstanding	61.9	62.7
EBITDA, as adjusted*	\$ 211.9	\$ 195.9

* Non-GAAP measure; defined and/or reconciled to GAAP on slides 61 and 62

Capital Structure

(\$ in millions)

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Capitalization					
Short-term Debt	\$ 325	\$ 4	\$ 94	\$ 243	\$ 823
Long-term Debt	3,137	3,533	3,527	3,528	3,529
Total Debt	3,462	3,537	3,621	3,771	4,352
Equity*	2,523	2,513	2,519	2,561	2,625
Total Capitalization	\$ 5,985	\$ 6,051	\$ 6,140	\$ 6,332	\$ 6,977
Net Debt to Net Capitalization					
Debt	\$ 3,462	\$ 3,537	\$ 3,621	\$ 3,771	\$ 4,352
Cash and Cash Equivalents	(54)	(32)	(7)	(6)	(13)
Net Debt	3,408	3,506	3,614	3,764	4,339
Net Capitalization	\$ 5,931	\$ 6,019	\$ 6,133	\$ 6,326	\$ 6,963
Debt to Capitalization	57.8%	58.5%	59.0%	59.5%	62.4%
Net Debt to Capitalization (Net of Cash)	57.5%	58.2%	58.9%	59.5%	62.3%
Long-term Debt to Total Debt	90.6%	99.9%	97.4%	93.6%	81.1%

* Excludes noncontrolling interest

Non-GAAP Financial Measures

Net Income Available for Common Stock and EPS, as adjusted

We have provided non-GAAP earnings data reflecting adjustments for special items as specified in the GAAP to non-GAAP adjustment reconciliation table in this presentation. Operating Income (loss), as adjusted, Income (loss) from continuing operations, as adjusted, and Net income (loss), as adjusted, are defined as Segment Revenue, Operating Income (loss), Income (loss) from continuing operations and Net income (loss), adjusted for expenses, gains and losses that the company believes do not reflect the company's core operating performance. The company believes that non-GAAP financial measures are useful to investors because the items excluded are not indicative of the company's continuing operating results. The company's management uses these non-GAAP financial measures as an indicator for evaluating current periods and planning and forecasting future periods.

Earnings per share, as adjusted and earnings from continuing operations, per share, as adjusted

Earnings per share from continuing operations available for common stock, as adjusted, and earnings from continuing operations, per share, as adjusted, are Non-GAAP financial measures. Earnings per share, as adjusted, and earnings from continuing operations available for common stock, per share, as adjusted, are defined as GAAP Earnings per share and GAAP earnings from continuing operations, adjusted for expenses, gains and losses that the Company believes do not reflect the Company's core operating performance. Examples of these types of adjustments may include unique one-time non-budgeted events, impairment of assets, acquisition and disposition costs, and other adjustments noted in the earnings reconciliation tables in this presentation. The Company is not able to provide a forward-looking quantitative GAAP to Non-GAAP reconciliation for this financial measure because we do not know the unplanned or unique events that may occur later during the year.

Limitations on the Use of Non-GAAP Measures

Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of these non-GAAP financial measures should not be construed as an inference that our future results will not be affected by unusual, non-routine, or non-recurring items.

Non-GAAP measures should be used in addition to and in conjunction with results presented in accordance with GAAP. Non-GAAP measures should not be considered as an alternative to net income, operating income or any other operating performance measure prescribed by GAAP, nor should these measures be relied upon to the exclusion of GAAP financial measures. Our non-GAAP measures reflect an additional way of viewing our operations that we believe, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. Management strongly encourages investors to review our financial information in its entirety and not rely on a single financial measure.

Non-GAAP Financial Measures

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
EPS available for common stock (GAAP)	\$ 1.51	\$ 0.33	\$ 0.58	\$ 1.23	\$ 1.54
<u>Adjustments (after tax)</u>					
Impairment of investment	0.09	—	—	—	—
Rounding	(0.01)	—	—	—	—
Total adjustments	0.08	—	—	—	—
ESP available for common stock, as adjusted (Non-GAAP)*	\$ 1.59	\$ 0.33	\$ 0.58	\$ 1.23	\$ 1.54

Non-GAAP Financial Measures

	Earnings, as adjusted (in millions)					Earnings Per Share, as adjusted				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Net income (loss) available for common stock (GAAP)	\$ 73.0	\$ 177.0	\$ 258.4	\$ 199.3	\$ 227.6	\$ 1.37	\$ 3.21	\$ 4.66	\$ 3.28	\$ 3.65
Loss from discontinued operations (GAAP)	64.2	17.1	6.9	-	-	1.20	0.31	0.12	-	-
Net income from continuing operations available for common stock (GAAP)	137.1	194.1	265.3	199.3	227.6	2.57	3.52	4.78	3.28	3.65
<u>Adjustments, after tax</u>										
Acquisition / integration costs	29.7	2.8	-	-	-	0.56	0.05	-	-	-
Tax reform and other tax items	-	(11.7)	4.0	-	-	-	(0.21)	0.07	-	-
Legal restructuring - income tax benefit	-	-	(72.8)	-	-	-	-	(1.31)	-	-
Impairment of investment	-	-	-	15.2	5.3	-	-	-	0.25	0.08
Rounding	0.1	0.1	-	-	-	-	-	-	-	-
Total Non-GAAP adjustments	29.8	(8.8)	(68.8)	15.2	5.3	0.56	(0.16)	(1.24)	0.25	0.08
Net income from continuing operations available for common stock, as adjusted (Non-GAAP)	\$ 166.9	\$ 185.3	\$ 196.5	\$ 214.5	\$ 232.9	\$ 3.13	\$ 3.36	\$ 3.54	\$ 3.53	\$ 3.73

Non-GAAP Financial Measures

EBITDA

<i>(in thousands)</i>	For the Three Months Ended March 31,	
	2020	2021
Net income	\$ 97,224	\$ 100,487
Depreciation, depletion and amortization	56,402	57,269
Interest expense, net	35,453	37,600
Income tax expense (benefit)	16,002	494
EBITDA	\$ 205,081	\$ 195,850
Adjustments for unique items:		
Impairment of investment	6,859	—
EBITDA, as adjusted	\$ 211,940	\$ 195,850

Strategic Objectives



Profitable Growth

Achieve consistent growth that creates value

- Meet growing demand through innovative solutions and customer-focused, cost effective, rate-based utility assets
- Enhance reliability and satisfaction
- Acquire small utility systems within or near existing service territories

READY.

Valued Service

Deliver reliable and highly valued products and services

- Invest in infrastructure to maintain safety and reliability of electric and gas systems
- Cost effectively integrate additional renewable resources



Better Every Day

Continuously improve to achieve industry-leading results

- Achieve top-tier performance in a culture of continuous improvement
- Improve efficiencies through continued deployment of technology



Great Workplace

Promote a workplace that inspires individual growth and pride in what we do

- Be the safest company in our industry
- Be one of the best places to work
- Improve the wellness of employees
- Be a workplace of choice for women and minorities

Vision Be the energy partner of choice.

Mission Improving life with energy.

Company Values



Agility

We embrace change and challenge ourselves to adapt quickly to opportunities.



Customer Service

We are committed to providing a superior customer experience every day.



Partnership

Our partnerships with shareholders, communities, regulators, customers and each other make us all stronger.



Communication

Consistent, open and timely communication keeps us focused on our strategy and goals.



Integrity

We hold ourselves to the highest standards based on a foundation of unquestionable ethics.



Respect

We respect each other. Our unique talents and diversity anchor a culture of success.



Creating Value

We are committed to creating exceptional value for our shareholders, employees, customers and the communities we serve ... always.



Leadership

Leadership is an attitude. Everyone must demonstrate the care and initiative to do things right.



Safety

We commit to live and work safely every day.



BH
Black Hills Corporation™
Ready