



**transalta**<sup>TM</sup>

**Investor Presentation**

**May 2024**





# Disclaimer and forward-looking statements

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This written and accompanying oral presentation contains "forward-looking information", within the meaning of applicable Canadian securities laws, and "forward-looking statements", within the meaning of applicable United States securities laws, including the United States Private Securities Litigation Reform Act of 1995 (collectively referred to herein as "forward-looking statements"). The forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans and readers are cautioned that such statements may not be appropriate for other purposes. TransAlta's actual results could differ materially from those expressed in, or implied by, these forward-looking statements, and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur. Forward-looking statements are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "predicts", "believes", "estimates", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions or future or conditional verbs such as "may", "will", "should", "would" and "could". These statements may include, without limitation, statements regarding: the acquisition of Heartland Generation Ltd; the energy transition; strategic priorities to 2028, including the selective expansion of flexible generation; the Clean Electricity Growth Plan and the Company's ability to realize \$350 million of annual EBITDA with capital investment of \$3.5 billion; our sustainability targets and ability to achieve such targets, including as it relates to decarbonization; the new annual EBITDA to be generated from White Rock and Horizon Hill wind farms; ability to access \$1.7 Billion in liquidity; the Company's 2024 guidance, including adjusted EBITDA, free cash flow and sustaining capital; forecasted price of Alberta and Mid-C power prices; the Company's intention to buy-back \$150 million in common shares; ability to achieve 2024 priorities, including delivering 400 MW of new growth in 2024; the Heartland acquisition, including the annual expected EBITDA to arise relating to such acquisition; the evolution of the Alberta market, including aspects of the Restructured Energy Market; the impacts of the Market Power Mitigation Regulation and Supply Cushion Regulation, and any expected changes to be adopted to the current regulations; the increased volatility in power prices between 2025 and 2030; expected supply growth in renewables and combined cycle gas; the softening of Alberta power prices in the mid-decade; the Company's ability to increase diversification and technological capabilities; the value of the hydro portfolio; the conversion of the Brookfield securities into less than 30% of the hydro assets; the hedge position through 2026 and any financial expectations beyond 2024; our competitive advantage; ability to grow the development pipeline to 2028; the Company's energy marketing capabilities; ability to capture growth returns of greater

than 10%; capital allocation priorities; and ability to fund growth plan and sources of capital.

These statements are based upon certain material factors or assumptions that were applied in developing the forward-looking statements, including: management's current plans and its perception of historical trends; current conditions and expected future developments; merchant power prices in Alberta and the Pacific Northwest; the Alberta hedge position, including price and volume of hedged power; the availability and cost of labour, services and infrastructure; and the satisfaction by third parties of their obligations, including under our power purchase agreements as well as other factors that are believed to be appropriate in the circumstances. Some of the factors, many of which are beyond TransAlta's control and the effects of which can be difficult to predict, that may cause actual results to differ materially from those contemplated or implied by forward looking statements include, but are not limited to: fluctuations in merchant power prices, including lower pricing in Alberta, Ontario and Mid-Columbia; changes in demand for electricity and capacity; our ability to contract or hedge our electricity generation for prices and at volumes that will provide expected returns; risks relating to our early stage development projects, including interconnection, offtake contracts and geotechnical and environmental conditions of such projects; long term commitments on gas transportation capacity that may not be fully utilized over time; our ability to replace or renew contracts as they expire; risks associated with our projects under construction and projects in development; any difficulty raising needed capital in the future, including debt, equity and tax equity, as applicable, on reasonable terms or at all; the inability to obtain regulatory approvals necessary for the acquisition of Heartland Generation, on terms satisfactory to TransAlta or at all; changes to the legislative, regulatory and political environments in the jurisdictions in which we operate; environmental requirements and changes in, or liabilities under, these requirements; operational risks involving our facilities, including unplanned outages; disruptions in the transmission and distribution of electricity, including congestion and basis risk; restricted access to capital and increased borrowing costs; changes in short-term and/or long-term electricity supply and demand; reductions in production; increased costs; a higher rate of losses on our accounts receivables due to credit defaults; impairments and/or write-downs of assets; adverse impacts on our information technology systems and our internal control systems, including increased cybersecurity threats; commodity risk management and energy trading risks, including the effectiveness of the Company's risk management tools associated with hedging and trading procedures to protect against significant losses; reduced labour availability and ability to continue to staff our operations and facilities; disruptions to our supply chains, including our ability to secure necessary equipment on the expected timelines or at all; the effects of weather, including man-made or natural disasters, as well as climate-change related risks; unexpected increases in cost structure; reductions to our generating units' relative efficiency or capacity factors; disruptions in the source of fuels, including natural gas and coal, as well as the extent of water, solar or wind resources required to operate our facilities; general economic risks, including deterioration of equity markets, increasing interest rates or rising inflation; the inability to fully utilize or monetize the gas transport capacity; failure to meet financial expectations; general domestic and international economic and political developments, including armed

hostilities, the threat of terrorism, diplomatic developments or other similar events; equipment failure and our ability to carry out or have completed the repairs in a cost-effective manner timely manner or at all; industry risk and competition; public health crises and the impacts of any restrictive directives of government and public health authorities; fluctuations in the value of foreign currencies; structural subordination of securities; counterparty credit risk; inadequacy or unavailability of insurance coverage; our provision for income taxes; legal, regulatory and contractual disputes and proceedings involving the Company; reliance on key personnel; and labour relations matters. TransAlta cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on the Company's forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, TransAlta undertakes no obligation to publicly update or revise any forward-looking statements or information in this presentation, whether as a result of new information, future events or otherwise. Past performance is not indicative or a guarantee of future results. The foregoing risk factors, among others, are described in further detail in the Company's Management Discussion and Analysis for the three months ended March 31, 2024 and Annual Information Form for the year ended December 31, 2023, filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and with the U.S. Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this presentation. The purpose of the financial outlooks contained in this presentation are to give the reader information about management's current expectations and plans and readers are cautioned that such information may not be appropriate for other purposes.

This presentation contains references to financial measures that are calculated and presented using methodologies other than in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, including EBITDA, funds from operations ("FFO") and free cash flow ("FCF"), and such measures may not be comparable to similar measures presented by other entities. These measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Please refer to the "Additional IFRS Measures and Non-IFRS Measures" and "Reconciliation of Non-IFRS Measures" section of Management's Discussion and Analysis for the three months ended March 31, 2024 for further discussion of these items, including, where applicable, reconciliations to measures calculated in accordance with IFRS. The Company utilizes these measures in managing the business, including for performance measurement, capital allocation and valuation purposes and believe that providing these performance measures on a supplemental basis to its IFRS results is helpful to investors in assessing the overall performance of TransAlta's businesses. The Company cautions readers that these non-IFRS financial measures or other financial metrics may differ from the calculations disclosed by other businesses and, as a result, may not be comparable to similar measures presented by other issuers and entities.



# TransAlta at a glance



**\$7.9 billion**

**Enterprise value**

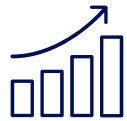
Strong balance sheet  
and capital discipline



**112 years**

**Generation experience**

Foundation of our  
focused strategy



**\$3 billion**

**Market capitalization**

Listed on the  
TSX and NYSE



**1,260**

**Employees**

Central to  
value creation

**6,700 MW**

**Diversified portfolio**

78 generating facilities in Canada,  
United States and Australia

**~\$525 million**

**2024 expected free cash flow**

Continued strong performance

**21 million tonnes**

**Annual emissions reductions  
since 2015**

~10% of Canada's emissions  
reduction target



# Who we are

**A leader in clean electricity  
committed to a sustainable  
future and a responsible  
energy transition**

## Our Strategy

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**Customer needs**

**Operational excellence**

**People**

**Shareholder value**

## Our Values

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**Safety**

**Innovation**

**Sustainability**

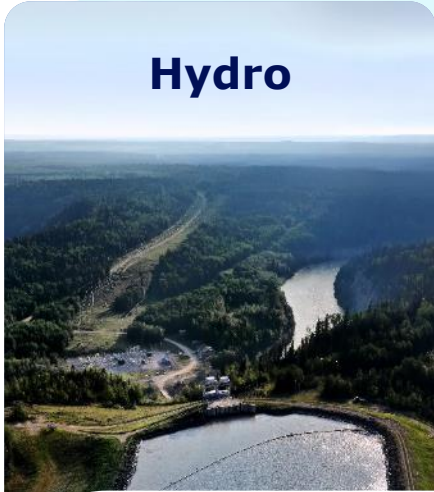
**Respect**

**Integrity**



# transalta™

**Hydro**



**Gas**



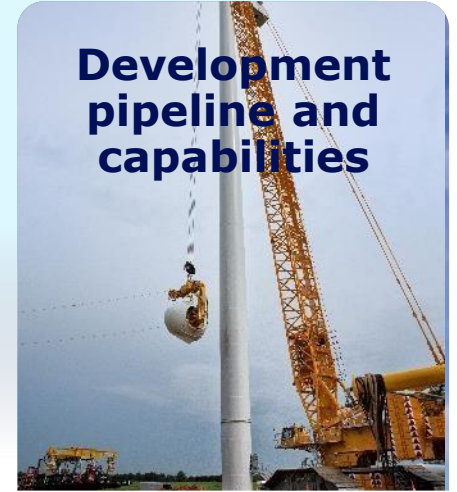
**Wind and solar**



**Energy  
marketing**



**Development  
pipeline and  
capabilities**



**Highly diversified portfolio of high-quality assets  
Stable contracted base with Alberta merchant upside**

# Fleet Overview



Wind, Solar and Storage

**36 Facilities**



Hydro

**25 Facilities**



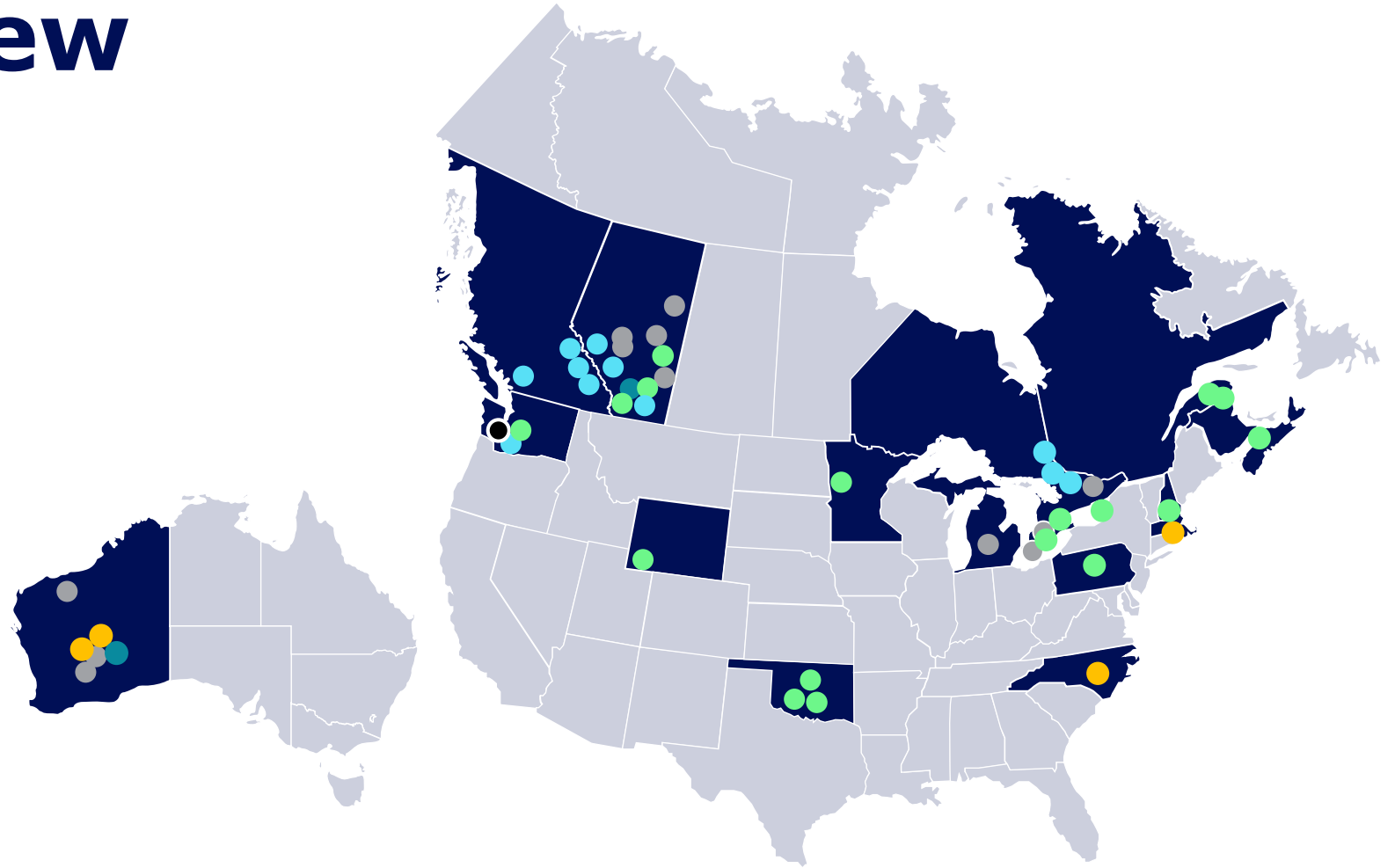
Natural Gas

**17 Facilities**



Coal

**1 Facility**



## Technology:

● Wind ● Solar ● Hydro ● Battery ● Natural Gas ● Coal



# Strategic position strengthened since 2021



## Progressed Clean Electricity Growth

**+800 MW** of wind and solar

**+2.5 GW** increase in development pipeline



## Simplified Corporate Structure

**+1.2 GW** increase in economic ownership of capacity through TransAlta Renewables acquisition



## Advanced Carbon Transition

**-800 MW** of thermal generation retired



## Expanded Alberta Diversification

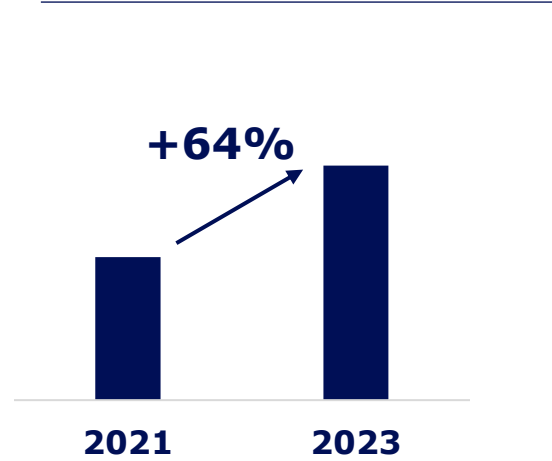
**+1.8 GW** of complementary flexible capacity through Heartland acquisition



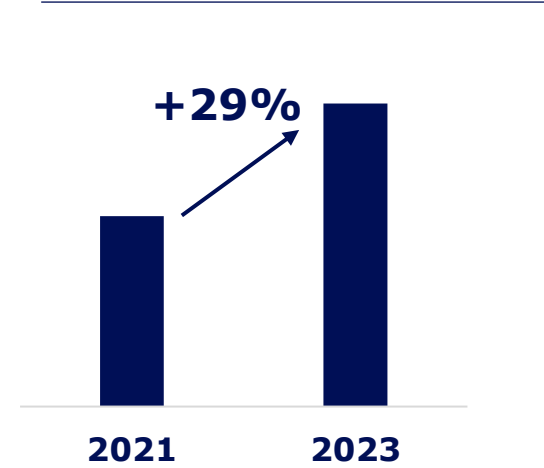


# Delivered exceptional results

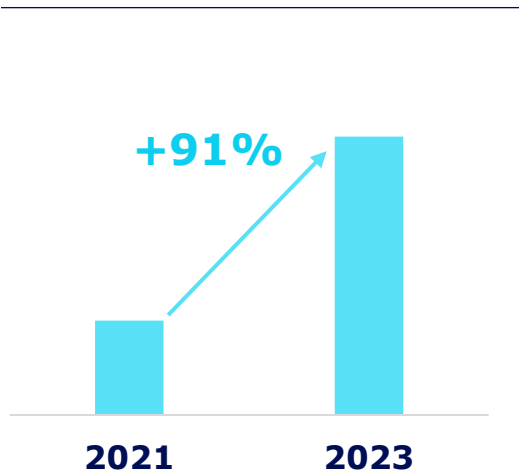
Free Cash Flow<sup>1</sup>



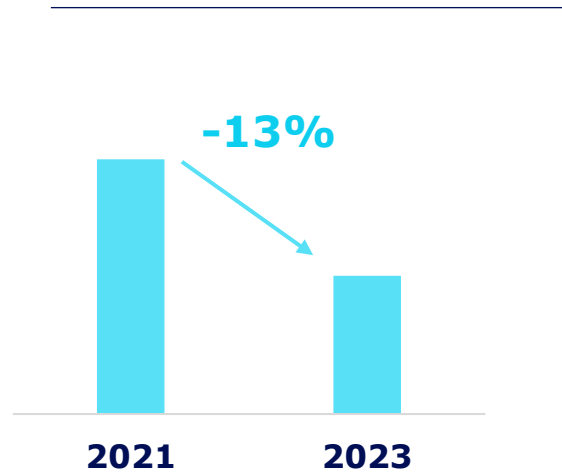
Adjusted EBITDA<sup>1</sup>



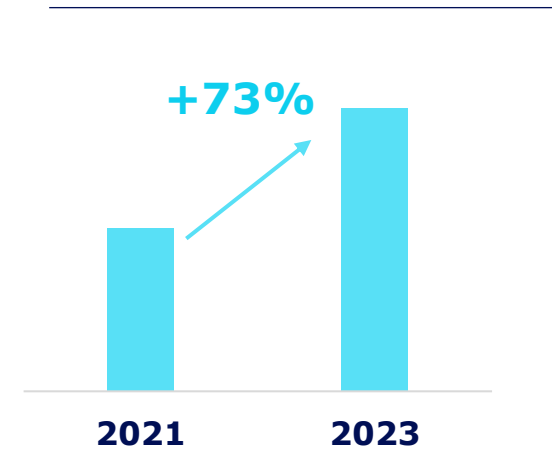
Contractedness<sup>1,2</sup>  
(MW)



Emissions reductions  
(Millions tonnes CO<sub>2</sub>)



Renewable capacity<sup>1,2</sup>  
(MW)



## Since our last Investor Day

Free Cash Flow<sup>1</sup> increased by

**\$350 Million**

EBITDA<sup>1</sup> increased by

**\$370 Million**

Contractedness<sup>1,2</sup> increased by

**1.7 GW**

Emissions reduced by

**2.6 million tonnes CO<sub>2</sub>**

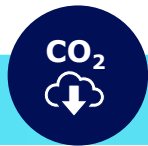
Increased renewable capacity<sup>1,2</sup> by

**1.4 GW**





# Electrification presents significant opportunities



Global efforts to **decarbonize** are accelerating at a rapid pace



Policy responses are fast-tracking the emergence of a **clean electricity economy**






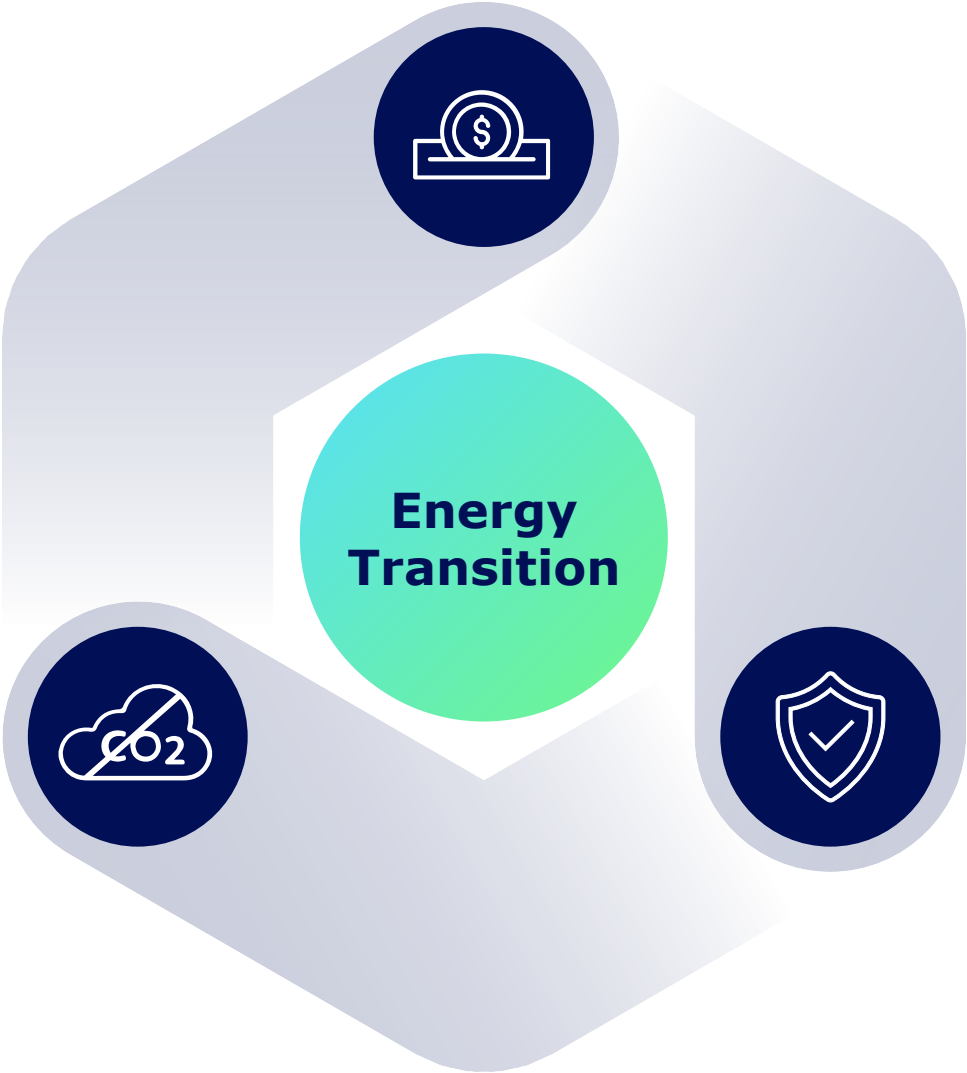
Corporations and investors are **leading** by committing to net-zero goals



**Significant investment** required to meet the challenge

# Balanced approach required for success in energy transition

-  **Affordability**
-  **Reliability**
-  **Decarbonization**



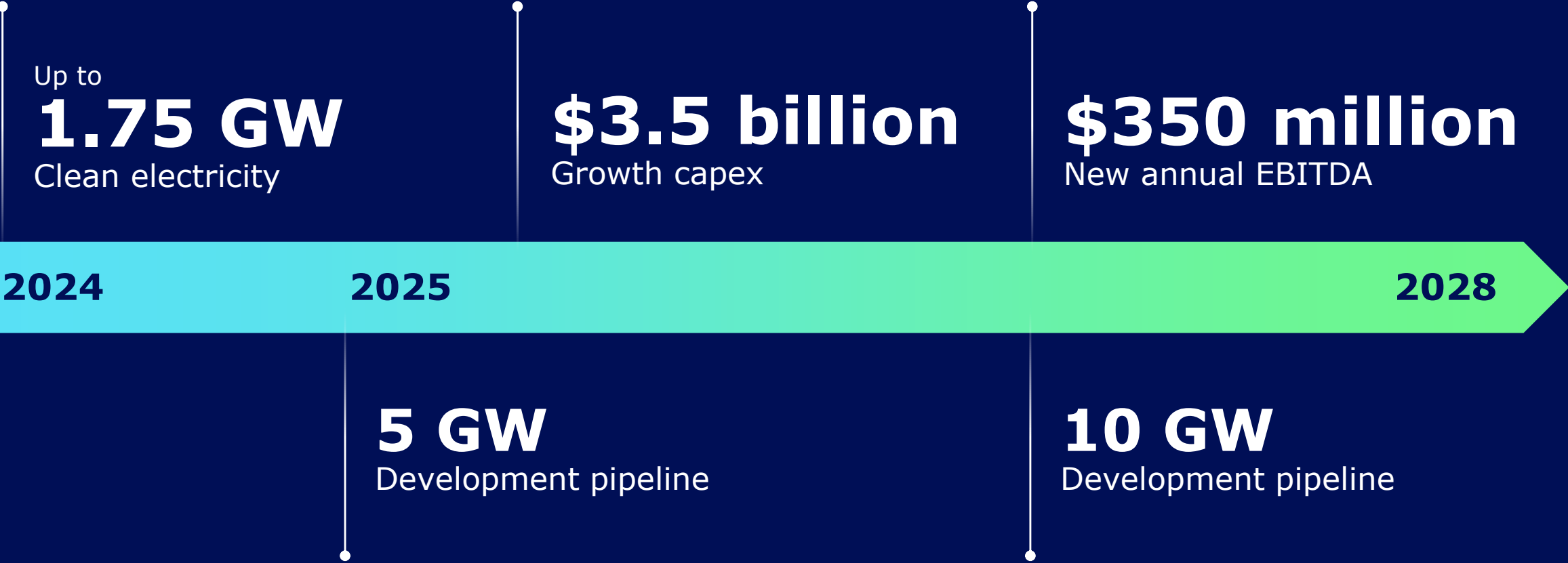
# Strategic priorities to 2028

- 1 Optimize Alberta portfolio
- 2 Execute Clean Electricity Growth Plan
- 3 Selective expansion of flexible generation and reliability assets
- 4 Maintain financial strength and capital allocation discipline
- 5 Define next generation of power solutions
- 6 Lead in ESG and market policy development





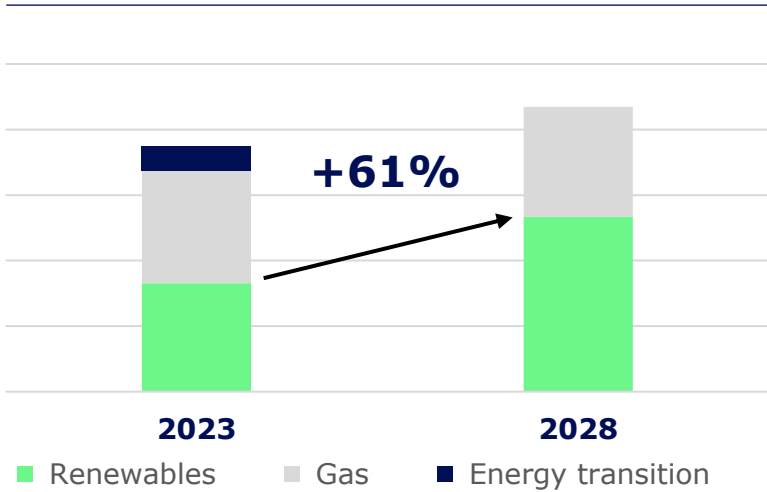
# Clean Electricity Growth Plan to 2028



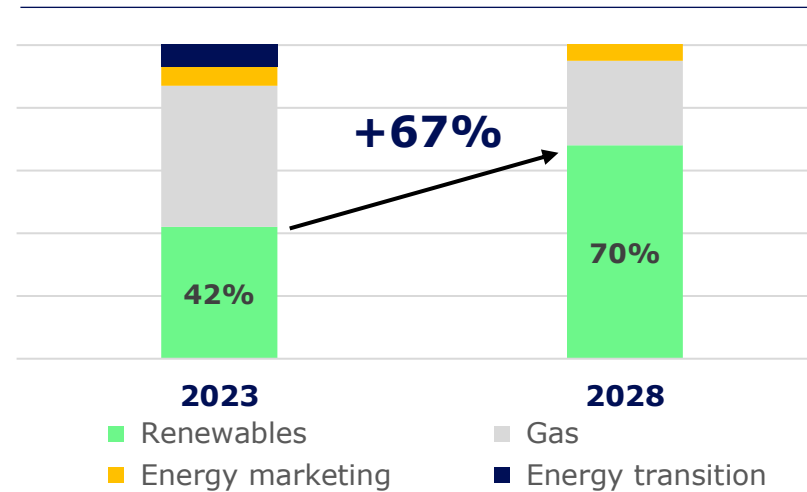
# Evolution of the company

Capacity (MW)<sup>1</sup>

Renewables



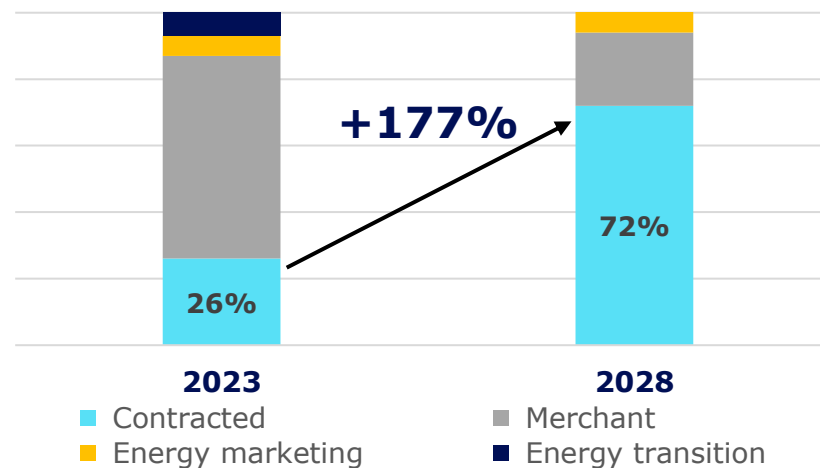
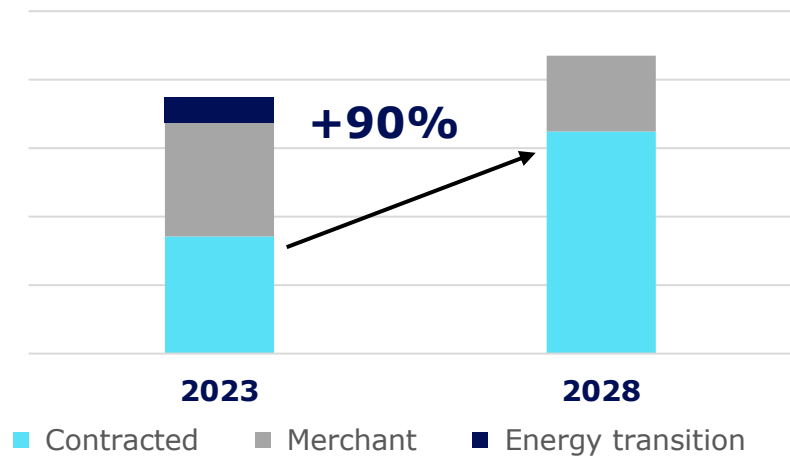
Adjusted EBITDA (%)



Growing our **renewable** generation

Growing our **contracted** base

Contracted



EBITDA attributable to renewables will reach **70%**



# Foundations for our success



Optimization and trading expertise



Highly credible developer



Local presence



Operational excellence



Strong balance sheet



Technological innovation





# Sustainability targets



## Environmental goals

**Net zero** by 2045

Reduce GHG emissions by **75%** by 2026<sup>1</sup>

**Verify 80%** of our scope 3 emissions by 2024

**End coal** generation in US by 2025



## Social goals

Support for **indigenous communities**

**Reclaim** mined land in Alberta and Washington State

By 2024, **80% of our spend** will be with suppliers committed to sustainability



## Governance goals

**50%** female Board representation by 2030

**40%** company-wide female employment by 2030

**Leadership on ESG** reporting within financial disclosures



# Committed to emissions reductions

## TransAlta carbon reductions achieved to date<sup>1</sup>

↓ 66%

From 2015 levels

↓ 21M

Annual tonnes from 2015

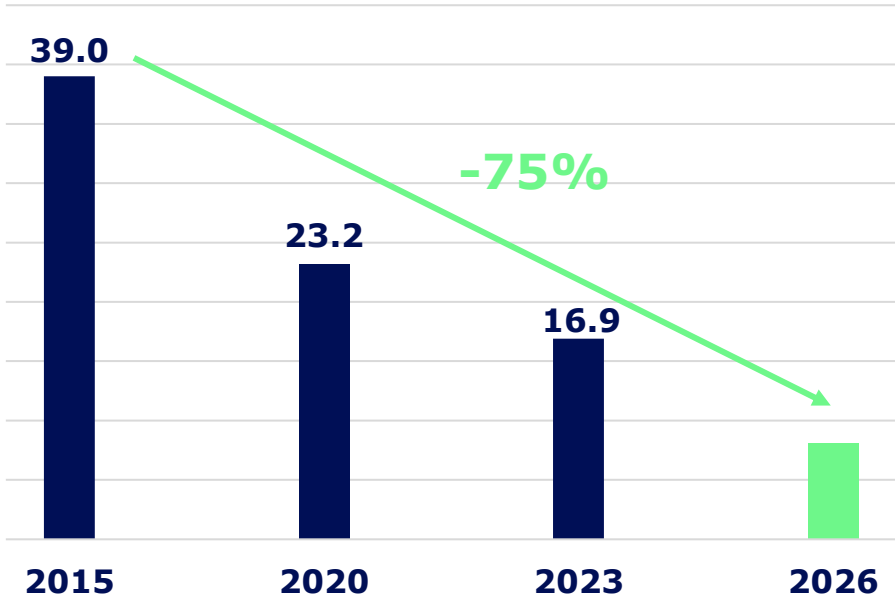
~10%

Of Canada's Paris Agreement Target

0%

Coal-fired emissions in Canada

## Combined emissions of TransAlta and Heartland<sup>2</sup> (million tonnes CO<sub>2</sub>)



<sup>1</sup> TransAlta's carbon reductions achieved to date do not include Heartland assets.  
<sup>2</sup> Heartland's emissions are estimated values based on available data. As required by internationally accepted calculation methodologies, we will review our base-year emissions for any significant impacts as a result of changes in available data, calculation methodologies and major acquisitions or divestments.







# 2024 performance

*Horseshoe, Alberta*





# Q1 2024 achievements and strategic initiatives



## Results and financial position

Adjusted EBITDA<sup>1</sup> of **\$328 million**  
54% from renewables

FCF<sup>1</sup> of **\$206 million** or **\$0.67/share**  
~40% of guidance midpoint

Quarter over quarter, FCF and  
adjusted EBITDA **increased 70%**  
**and 13%**, respectively

Strong operational availability of  
**92.3%**

Access to **\$1.7 billion** in liquidity<sup>2</sup>



## Growth and customer solutions

**Mount Keith** 132kV expansion  
completed

**White Rock and Horizon Hill**  
wind facilities completed

Completed projects will add **\$115 million** annual EBITDA<sup>1</sup>



## Strategic initiatives

Advancing acquisition of  
**Heartland Generation**

Announced **CFO succession** plan

**Alberta** greenfield **growth** initiatives  
**on hold** pending Restructured Energy  
Market

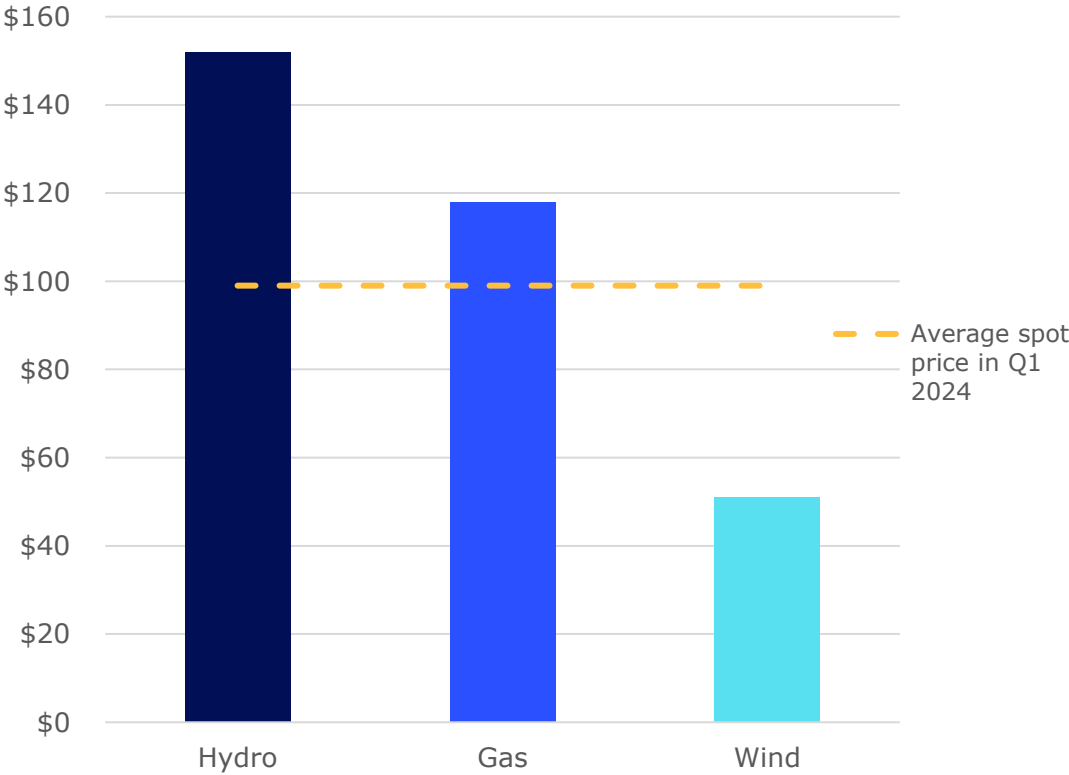
<sup>1</sup> Adjusted EBITDA, Free Cash Flow, and Free Cash Flow per share are non-IFRS measures, certain additional disclosure for these specified financial measures have been incorporated by reference and can be found on slide two of this presentation.

<sup>2</sup> As at March 31, 2024, we had access to \$1.7 billion in liquidity, including \$419 million in cash, which significantly exceeds the funds required for share repurchases, growth initiatives, sustaining capital and productivity projects.



# Alberta electricity portfolio

### Q1 2024 realized prices



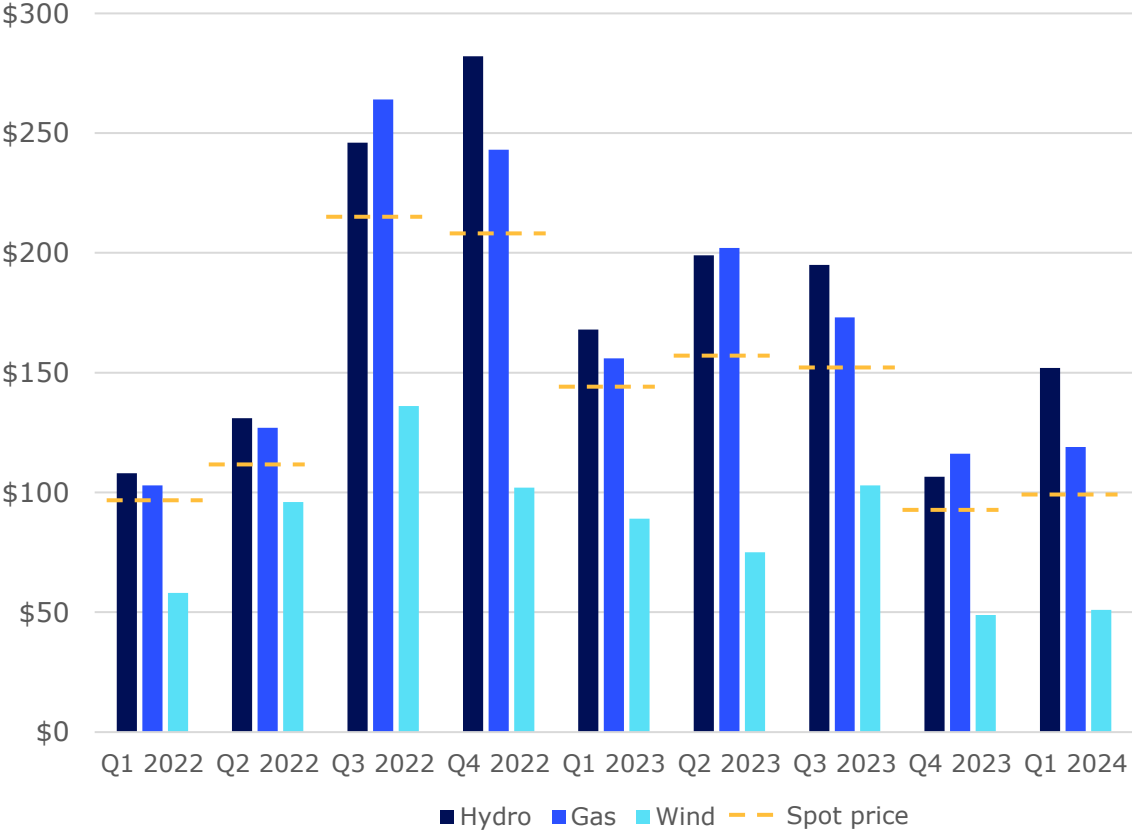
**153%**

AB Hydro average realized merchant energy price to spot in Q1 2024<sup>1</sup>

**119%**

AB Gas average realized merchant energy price to spot in Q1 2024<sup>1</sup>

### Quarterly realized merchant prices



<sup>1</sup> Excludes gains and losses from hedging positions.



# TransAlta segmented results

Three months ended March 31, 2024 (\$millions)

Adjusted EBITDA <sup>1</sup>	Q1 2024	Q1 2023
Hydro	87	106
Wind and Solar	89	88
Gas	134	240
Energy Transition	26	54
Energy Marketing	20	39
Corporate	(28)	(24)
Total	328	503

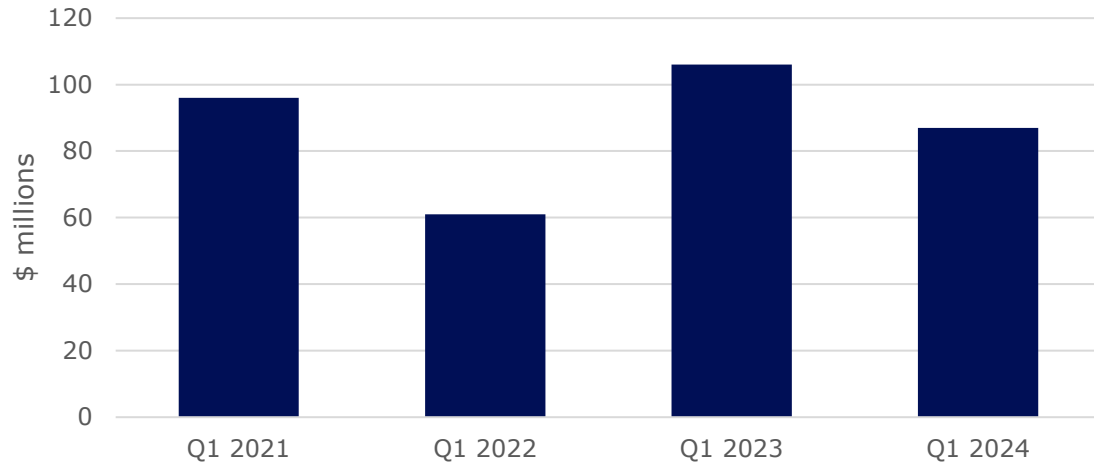
**Strong performance from Hydro and Gas fleet**



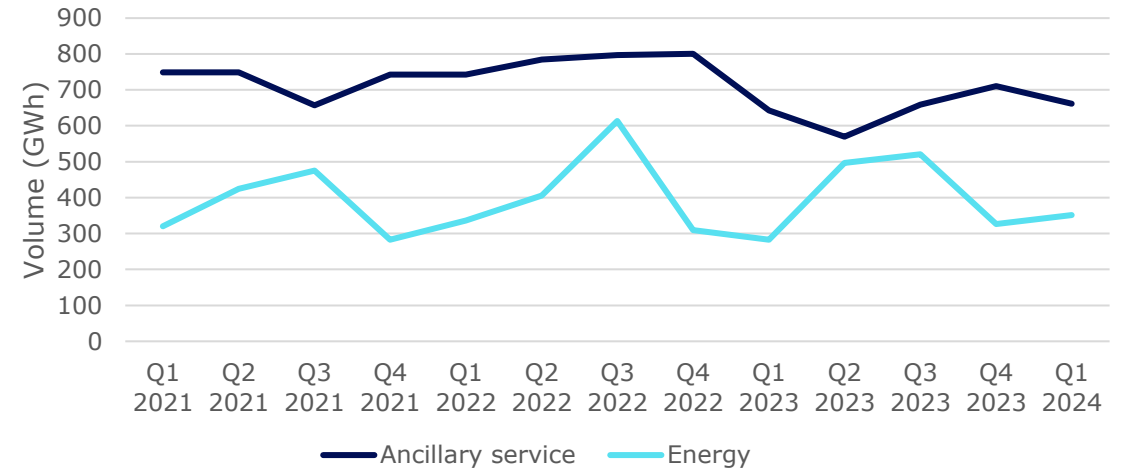


# Alberta hydro continues to perform to expectations

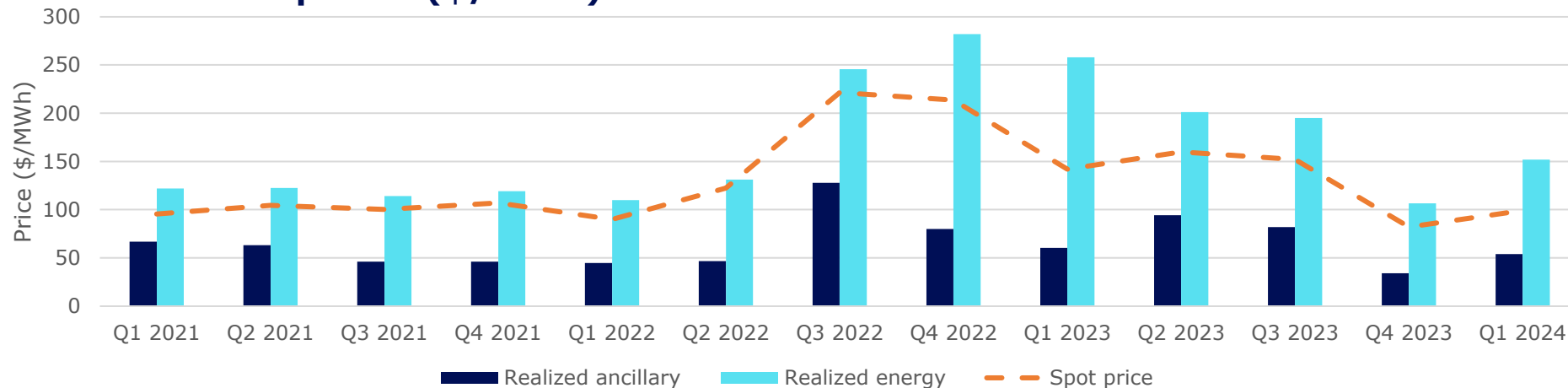
## Hydro adjusted EBITDA<sup>1</sup> (\$millions)



## Hydro volumes (GWh)



## Realized prices (\$/MWh)



**50%**<sup>2</sup>

Average Realized Ancillary Price to Spot

**128%**<sup>2</sup>

Average Realized Energy Price to Spot

<sup>1</sup> Adjusted EBITDA is a non-IFRS measure, certain additional disclosure for these specified financial measures have been incorporated by reference and can be found on slide two of this presentation.

<sup>2</sup> Average from Q1 2021 until Q1 2024.



# 2024 outlook

*Windrise, Alberta*





# 2024 guidance affirmed

(\$ millions)	2024 Outlook
<b>Adjusted EBITDA<sup>1</sup></b>	<b>1,150 to 1,300</b>
<b>FCF<sup>1</sup></b>	<b>450 to 600</b>
<b>FCF (\$/share)</b>	<b>1.47 to 1.96</b>
<b>Sustaining capital</b>	<b>130 to 150</b>

Market	2024 Outlook
<b>Alberta spot (\$/MWh)</b>	<b>75 to 95</b>
<b>Mid-C spot (US\$/MWh)</b>	<b>75 to 85</b>
<b>AECO gas price (\$/GJ)</b>	<b>1.75 to 2.25</b>

**Early look  
2025  
expectations  
broadly in line  
with 2024**



# 2024 YTD share repurchases

## Highlights

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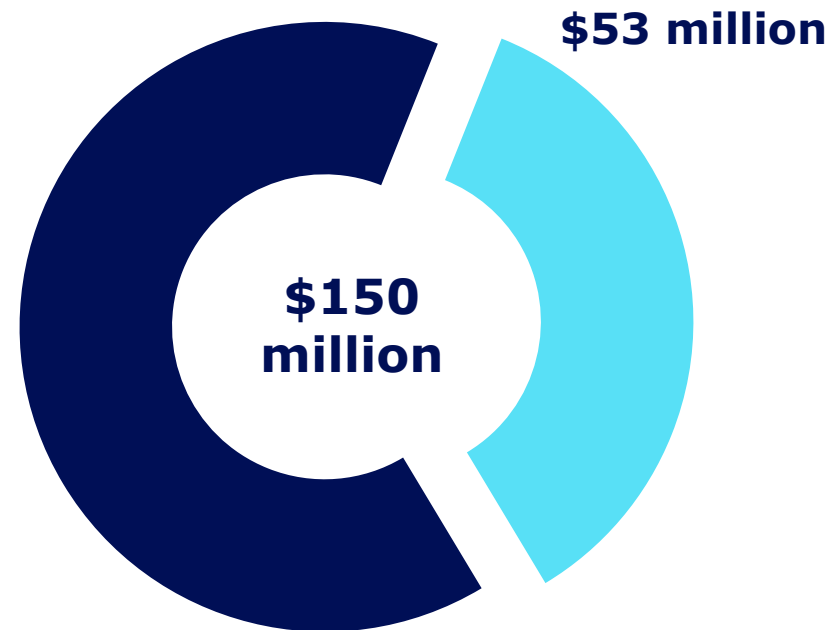
Returned **\$53 million of capital** through the buyback of ~**6 million** common shares; **35%** of up to \$150 million 2024 program

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Long-term **shareholder value creation** drives our investment and capital allocation decisions

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Enhancing shareholder returns through dividend and **share repurchases**



**Balanced,  
prudent and  
disciplined  
approach to  
capital  
allocation**





# 2024 in-year priorities

*Windrise, Alberta*



# 2024 priorities



## Safety, reliability and availability

Improve leading and lagging safety performance, including **TRIF of 0.0**

Achieve fleet availability of **93.1%**



## Growth and commercial

**Completed** Mount Keith, Horizon Hill and White Rock

Target **400 MW** of new growth

Add **1.5 GW** new development projects to growth pipeline

Prudent and disciplined approach to progress growth



## Strategic initiatives

Progress CO2 **emissions reduction** to 75% from 2015 levels by 2026

Progress towards **net-zero by 2045**

**Progress ESG** efforts including mine reclamation

Prepare for the **next generation of power solutions**



## Competitive

Drive operational **efficiencies, performance and results**

Close and **integrate** Heartland Generation



## Financial

Deliver adjusted EBITDA of **\$1,150 - \$1,300 million**

Deliver FCF of **\$450 - \$600 million**

**Enhance** share repurchase program

Maintain **strong balance sheet** and credit ratings



## People, culture, health and values

Continue progress towards **40% gender diversity** target

Advance **leadership and talent** development



# Heartland remains a compelling acquisition



**Expands flexible generation**

Ownership in additional  
**~1.8 GW** of assets

Expands **fast-ramping capacity**

Diversifies fleet to meet supply intermittency and **reliability** needs



**Aligned with Alberta market strategy**

Enhances competitive positioning in response to **changing dynamics**

Assets acquired at cost **significantly lower** than new build

**Increases contractedness** of owned MW and cash flows



**Attractive deal metrics**

**5.5x** TEV<sup>1</sup>/EBITDA<sup>2</sup> multiple at closing

**~\$115 million** annual average EBITDA<sup>2</sup> contribution

**\$357 cost per kW<sup>3</sup>**, significantly lower than new build

**55% contracted** revenue cash flows

**Highly accretive to free cash flow and cash yield upon closing**





# Alberta market evolution

*Big Horn, Alberta*



# Alberta business



## Maximize

shareholder returns through **active management** of our **diversified** merchant **portfolio**



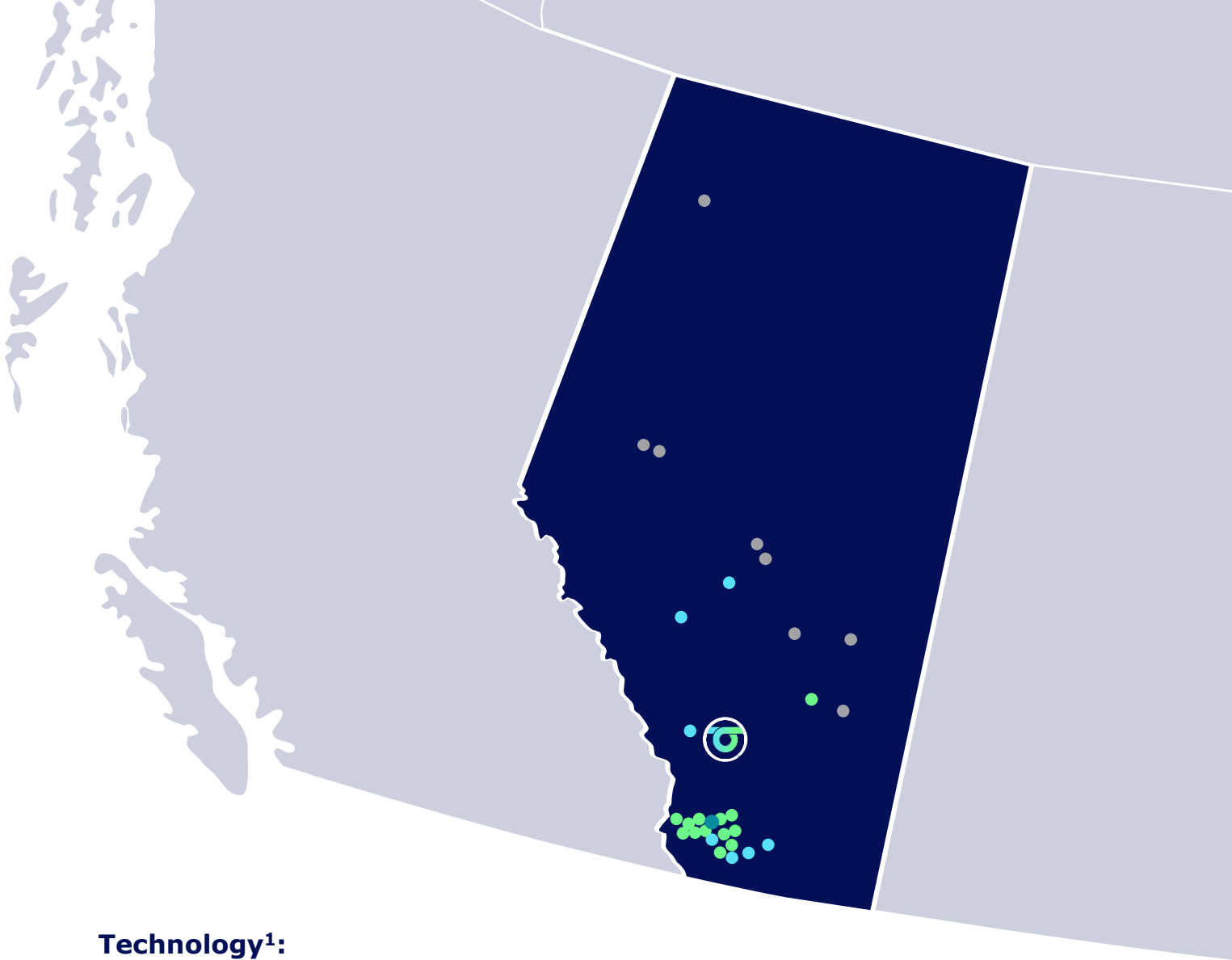
## Provide

dynamic, cost-effective and low-carbon **solutions** to meet **customer power demand** and **ESG goals**



## Identify

and evaluate market and technological sources for **long-term growth**



Technology<sup>1</sup>:

- Wind
- Hydro
- Battery
- Natural Gas
- Head Office

<sup>1</sup> Includes Heartland Generation assets





# Hedging and optimization increases our advantage

**112-year** extensive operating expertise

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Exceptional **in-house forecasting and analytical** capabilities

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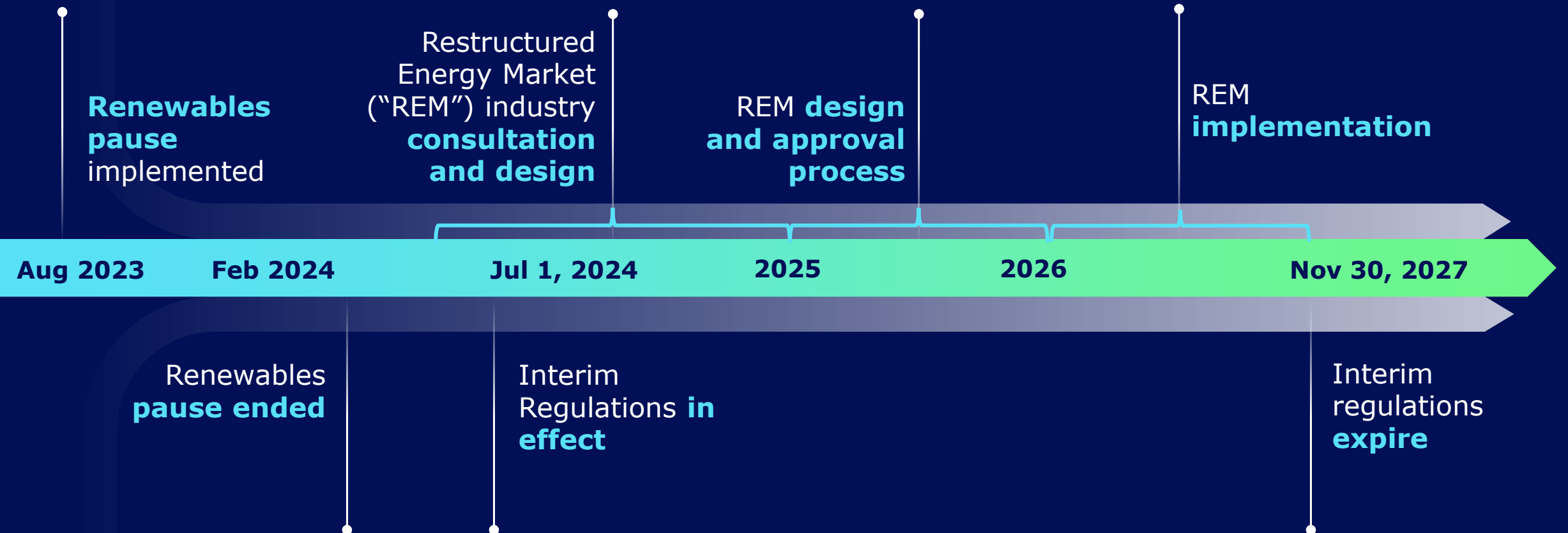
Integrated **asset optimization and operations** to ensure portfolio value maximization

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**Large customer base** spanning the wholesale, commercial and industrial base



# Alberta regulatory change timeline



# Alberta interim regulations

July 1, 2024 to November 30, 2027

1

## Market power mitigation regulation

Creates offer limit for only gas-fired resources with offer control  $\geq 5\%$

Triggered when monthly cumulative **net revenues** exceeds 2 months of annualized costs for a theoretical combined cycle unit

**Offers** from gas-fired resources will be limited at the greater of \$125/MWh or 25 times the day-ahead gas price

**Offer limit resets** at start of every month

2

## Supply cushion regulation

Requires the AESO to direct long lead time assets to operate at minimum stable

**Targets a supply cushion** of 932 MW<sup>1</sup>

The long lead time assets would be **compensated for variable costs net of revenues earned**

**Do not expect the interim regulations to significantly impact TransAlta**



# Restructured Energy Market



## State of play

Potential features:

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Day-ahead market

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Administrative scarcity pricing mechanism

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Allowance of negative pricing

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Higher price cap

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Reduction of settlement windows



## TransAlta's positioning

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Changing energy landscape requires a long-term focus

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Market redesign is necessary to deliver reliable, affordable electricity

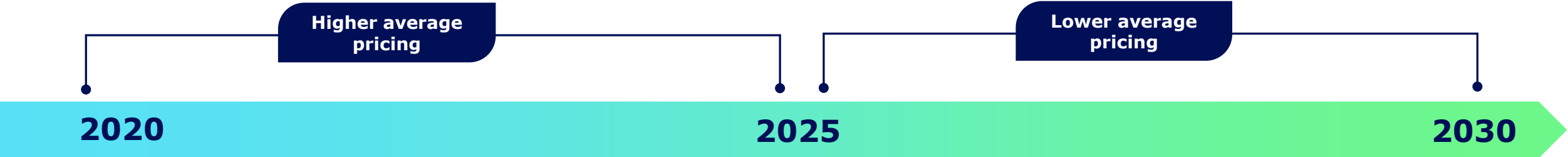
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Market will have to be incentivized to be effective

**Market requires low-cost, flexible and fast-responding generation for grid reliability**



# Merchant electricity market evolution



## Moderate volatility

Baseload generation

Higher carbon footprint

Hedging and optimization



## Higher volatility

Peaking generation and fleet diversity

Lower carbon footprint

Optimization

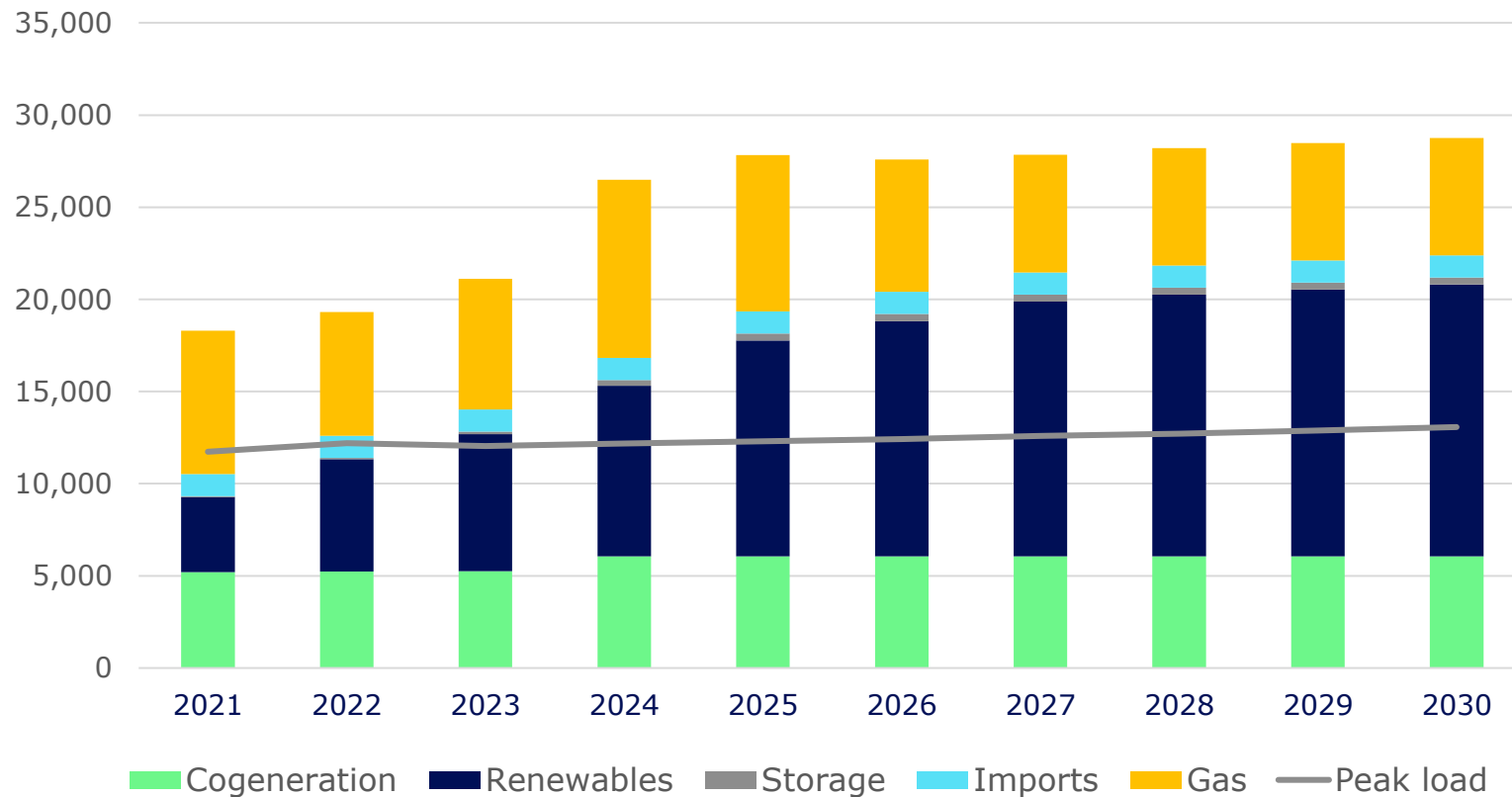
Grid reliability services





# Major supply shift continues

## Alberta installed capacity and peak load (MW)



**+185%**

**Expected supply growth in renewables**

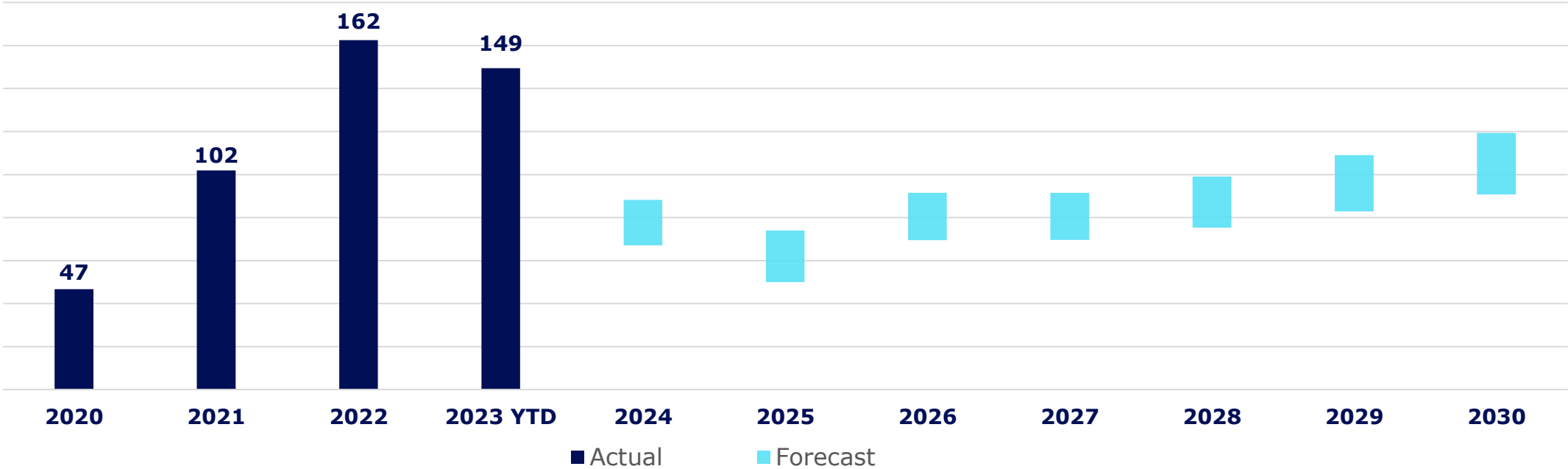
**+140%**

**Expected supply growth in combined cycle gas**



# Prices expected to soften mid-decade with supply

Annual average power price forecast (\$ per MWh)

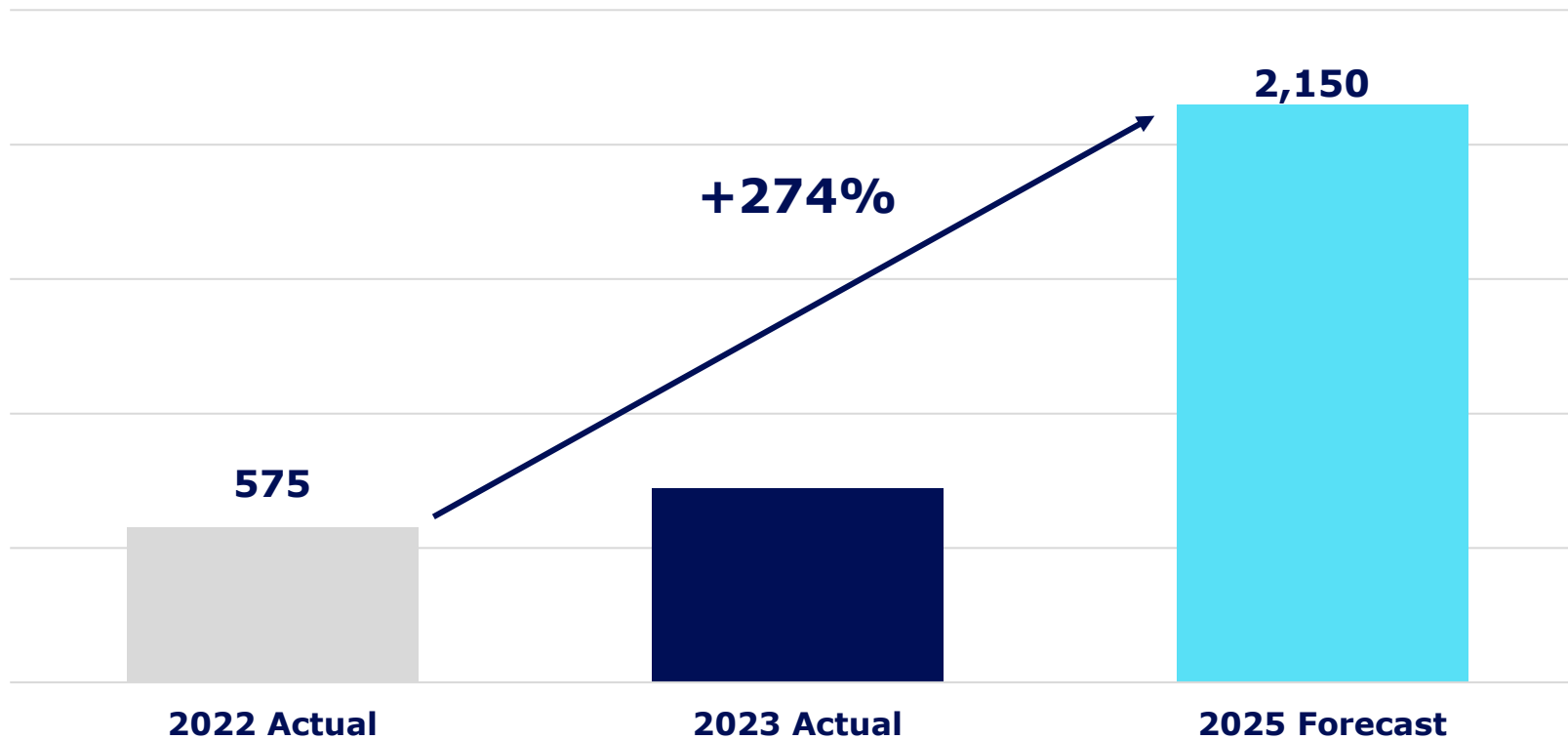


Prices to decline before **rebounding** later in the decade



# Intraday volatility of renewable supply

Renewable generation - maximum hourly change (MW)



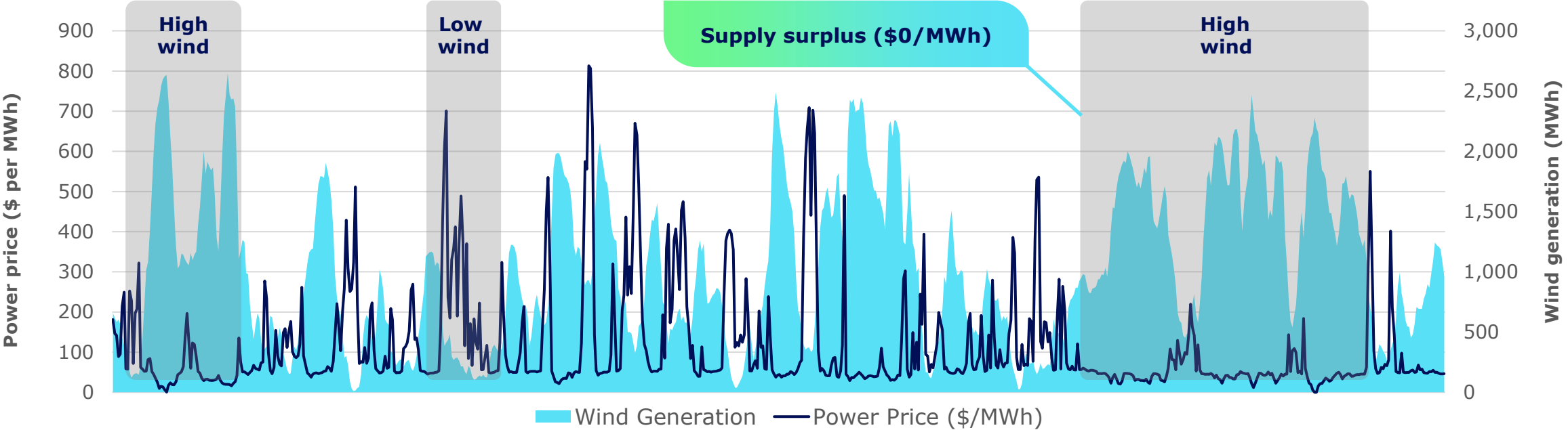
Increasing renewable generation will result in larger hour-to-hour changes in output

Challenging the reliability of the system



# Wind penetration will increase volatility in price

## September 2023 wind generation and power price volatility



**Low wind generation allows for higher prices, while high wind generation tends to drive lower pricing or even supply surplus conditions.**





# Increasing diversification of future portfolio



**Wind<sup>1</sup>**



**Hydro<sup>2</sup>**



**Storage<sup>3</sup>**



**Thermal Gas<sup>4</sup>**



**Peaking Gas<sup>4</sup>**



**Cogen Gas<sup>4</sup>**

**Assets**

<b>12</b>	<b>17</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>5</b>
<b>Capacity</b>					
734 MW	834 MW	350 MW	2,439 MW	387 MW	542 MW
Intermittent Carbon-free	Baseload and peaking energy	Energy arbitrage / peaking	Baseload + dispatchable – long lead start-ups	Peaking/ flexible	Non-dispatchable
Energy only	Ancillary services	Ancillary services including fast frequency response	Energy plus ancillary services	Energy plus ancillary services	Energy only

**Total All Types: 5.3 GW**

<sup>1</sup>Includes all Alberta wind assets.  
<sup>2</sup>Includes all Alberta hydro assets.  
<sup>3</sup>Includes Tent Mountain and WaterCharger.  
<sup>4</sup>Includes Heartland Generation.



# Comparison of technology capabilities

Technology	Baseload Energy <sup>1</sup>	Fast Response Energy <sup>1</sup>	Carbon Free Energy <sup>1</sup>	Regulating Reserve	Spinning Reserve	Supplemental Reserve	Fast Frequency Response
Hydro	✓	✓	✓	✓	✓	✓	
Wind / Solar			✓				
Thermal CTG	✓			✓	✓		
NGCC	✓			✓	✓	✓	
NG Peaking		✓			✓	✓	
Storage		✓	✓		✓	✓	✓

**Legend:**

● TA capabilities<sup>2</sup>

<sup>1</sup>Baseload energy is capable of running 24 hours per day; fast response energy can deliver within 10 minutes or less; carbon free energy cannot respond to system operator instructions.  
<sup>2</sup> Includes Heartland Generation.



# Value of hydro portfolio



**Key supplier** of regulating reserves



Market size of ancillary services to be in the range of **\$200M to \$400M** per year



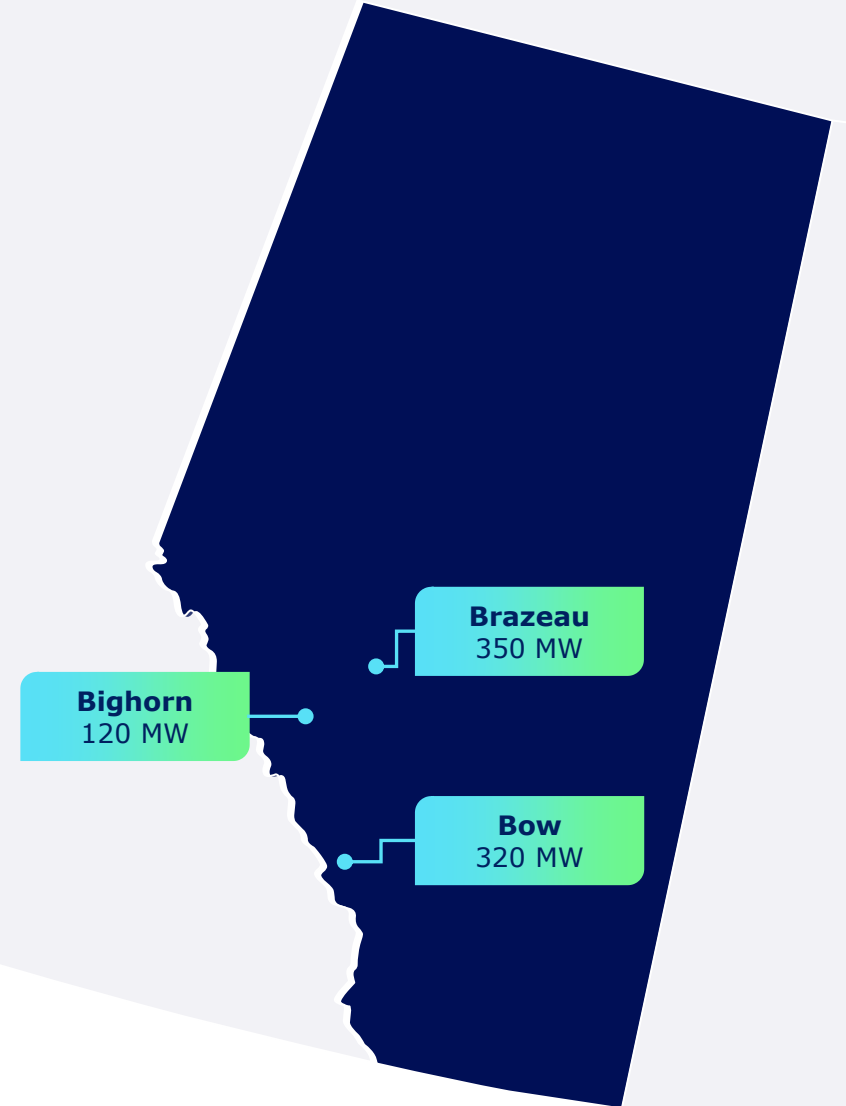
Merging conventional hydro and battery storage **expands optionality**



Growth in electrification, demand, renewables and energy imports are **all supportive of hydro** valuation

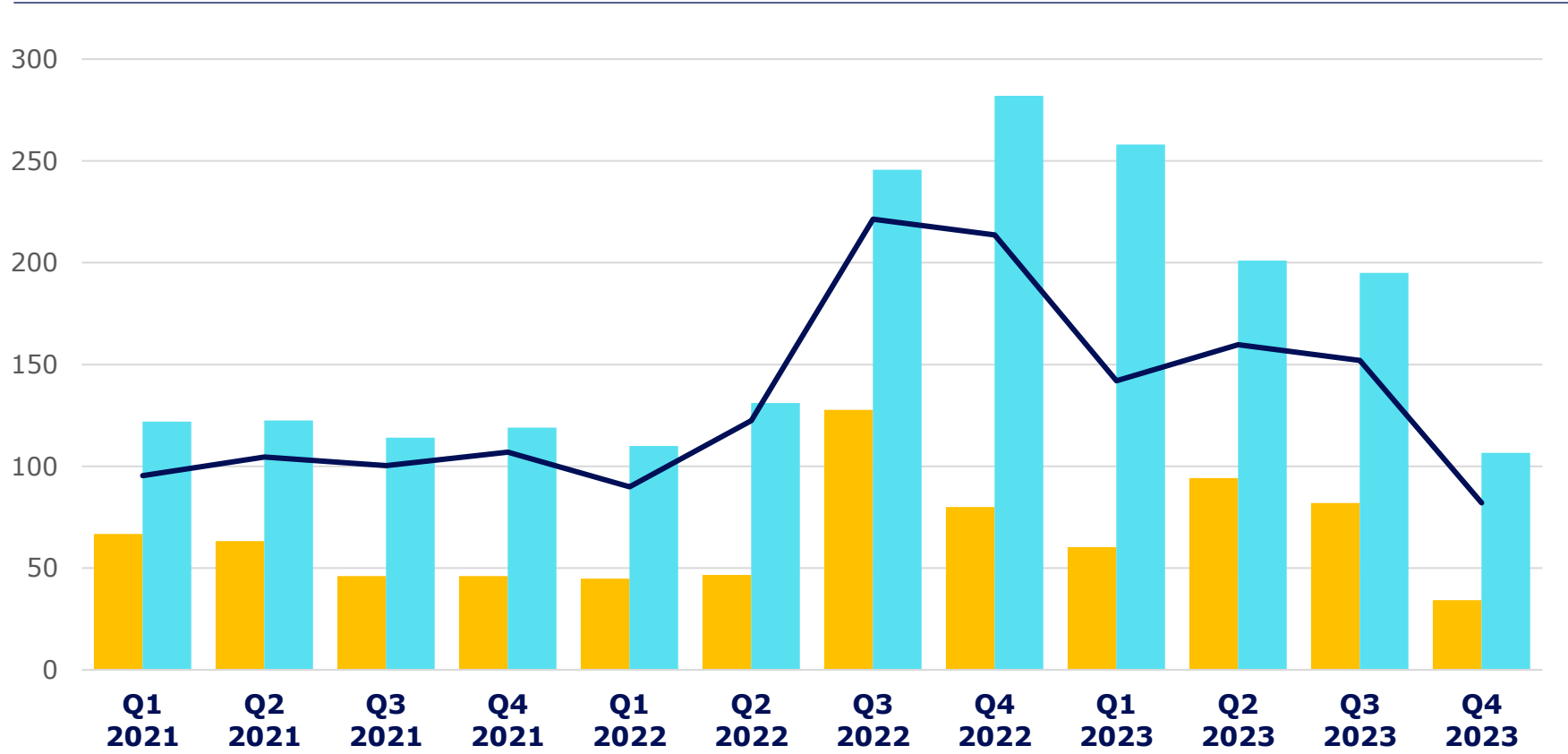


Brookfield conversion expected to be **below 30%** due to **strong performance**



# Strong track record of realized pricing and optimization

Realized energy and ancillary prices (\$ per MWh)



**50%**

Average Realized Ancillary Price to Spot

**126%**

Average Realized Energy Price to Spot





# Value of CTG portfolio



Operates in the **high-value part** of the offer curve – acting as **super-peakers**



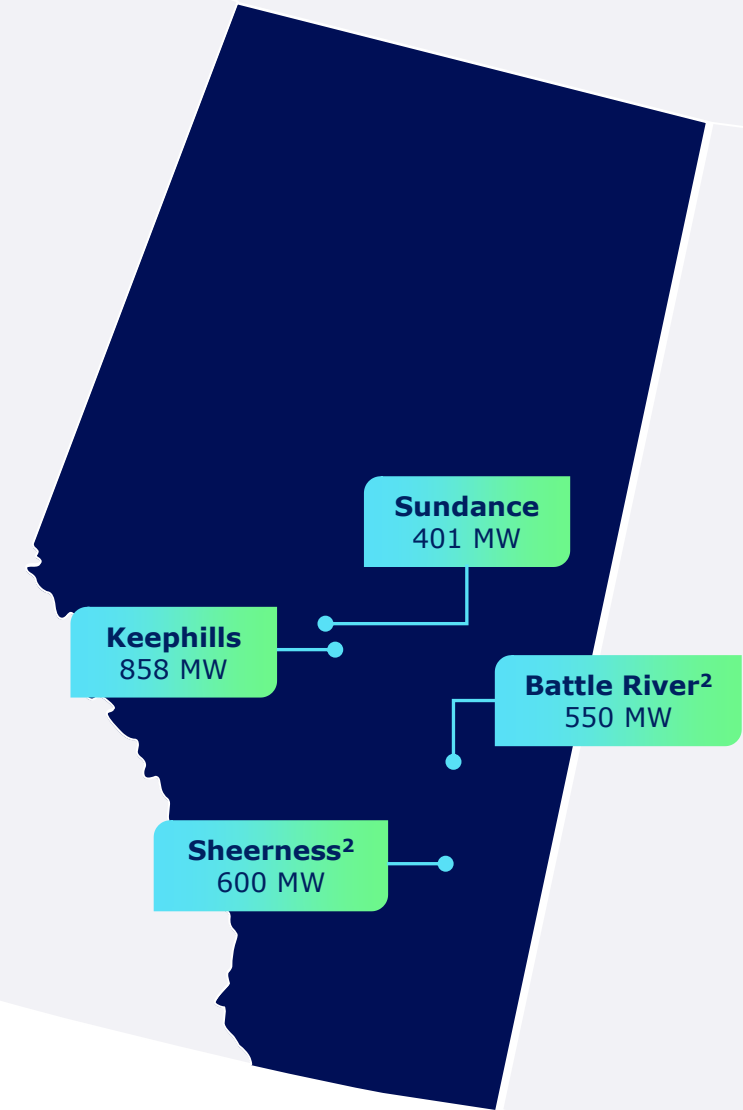
Key resources needed for **market reliability**



Retirement and/or mothball decisions based on **economics**



**Optimization** and **market expertise** to ensure effective dispatch and portfolio efficiency



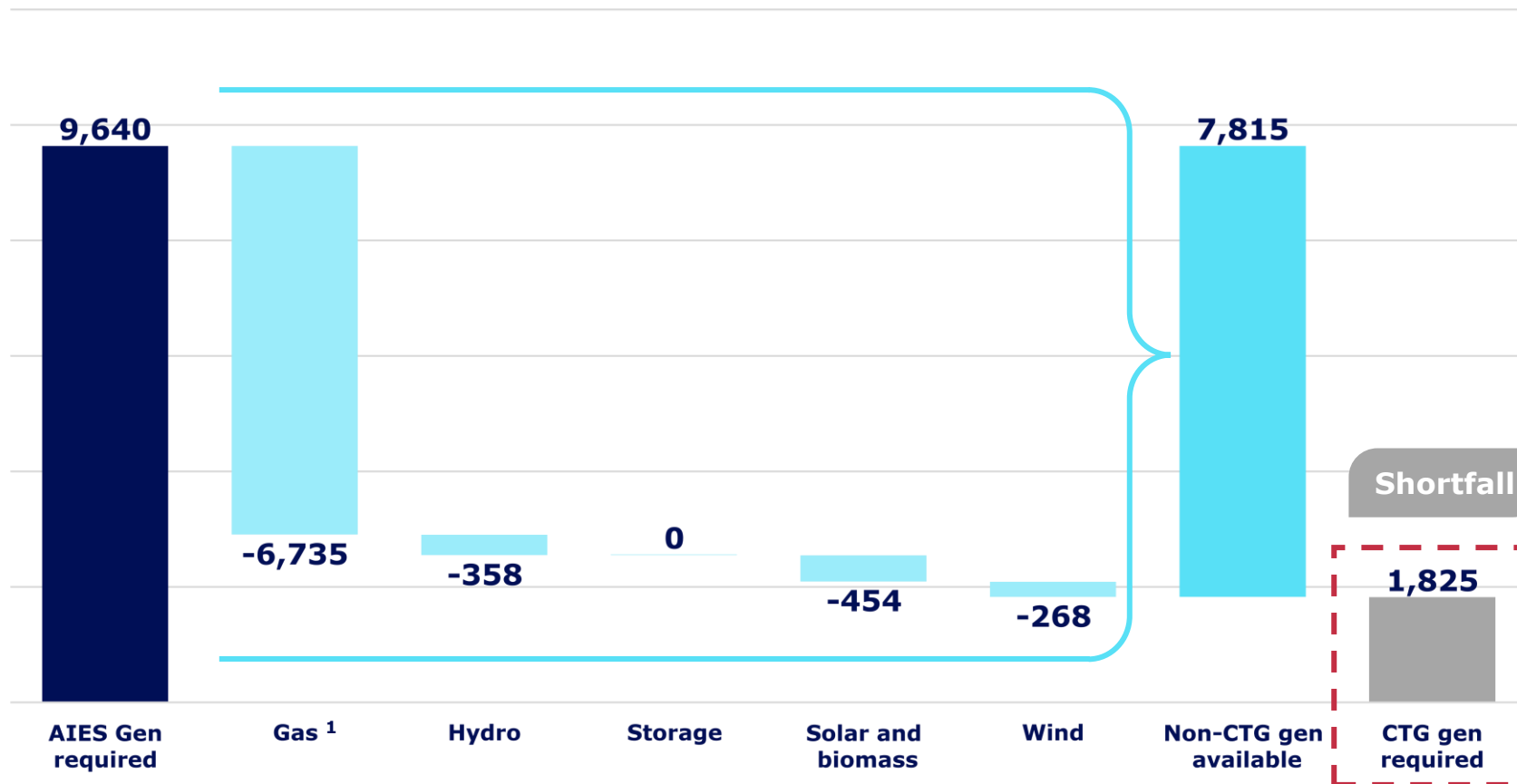
<sup>1</sup> CTG refers to coal-to-gas units.

<sup>2</sup> Heartland Generation assets. TransAlta owns 400 MW of Sheerness.



# Thermal gas required when renewable resources are low

Estimated thermal gas generation required (MW)



Thermal gas capacity is required to meet Alberta demand and reliability

Province loses 5.5 GW of capacity on low renewable-resource days



# Value of peaking portfolio



Peaking asset **value to increase** with intermittent generation



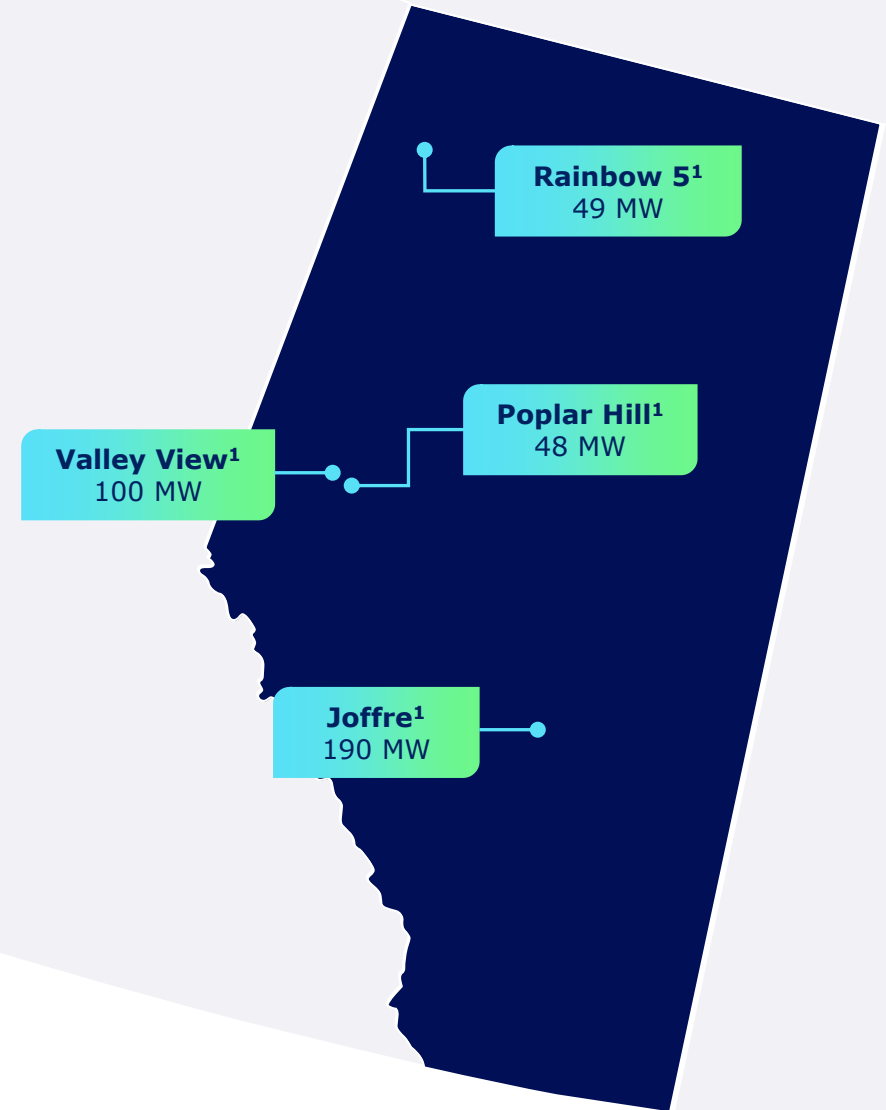
Fast-ramping **flexible units** and combined with our hydro, coal-to-gas and storage cover the entire dispatch curve



Best-in-class asset **optimization team**



Backstops **hydro** in the ancillary services market



# Value of storage portfolio



Strategically-located units will store surplus generation for **discharge at peak periods**



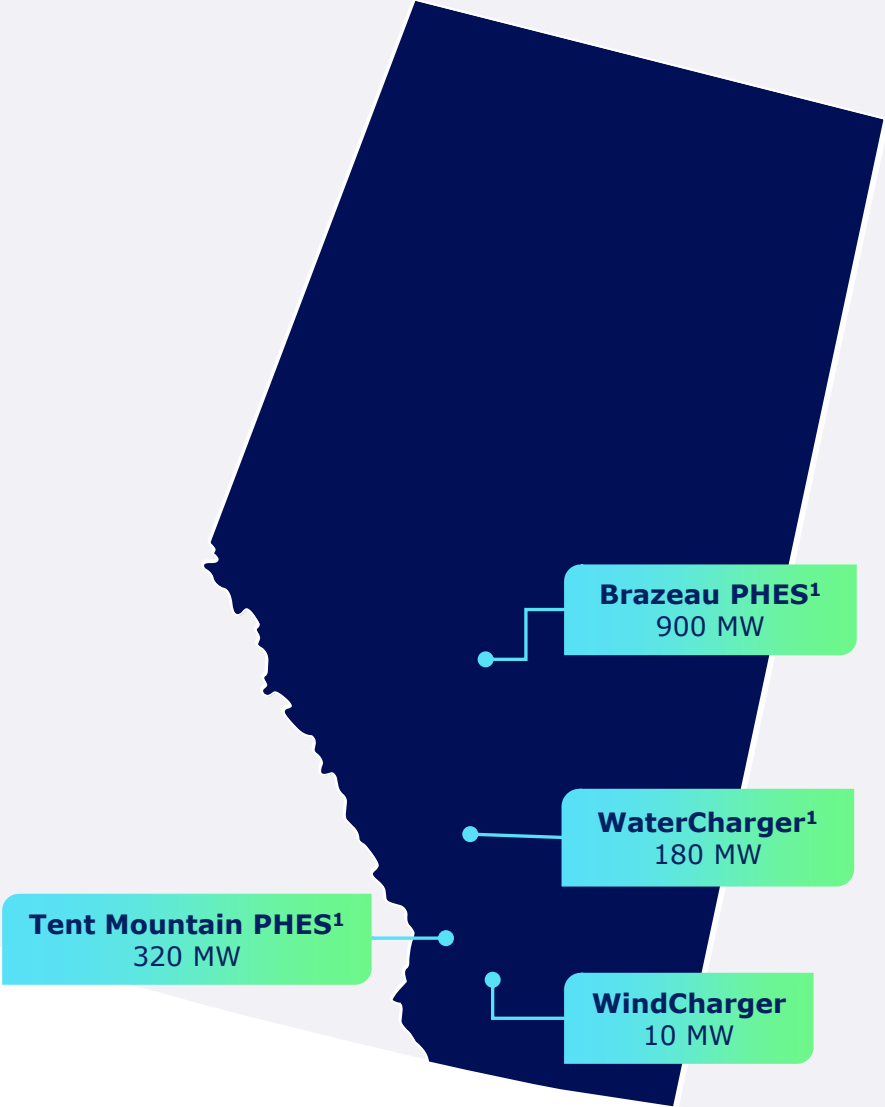
**Extremely valuable** in ancillary services and fast-frequency response markets



**Volatile price environment** expected



Opportunities for **pumped hydro**

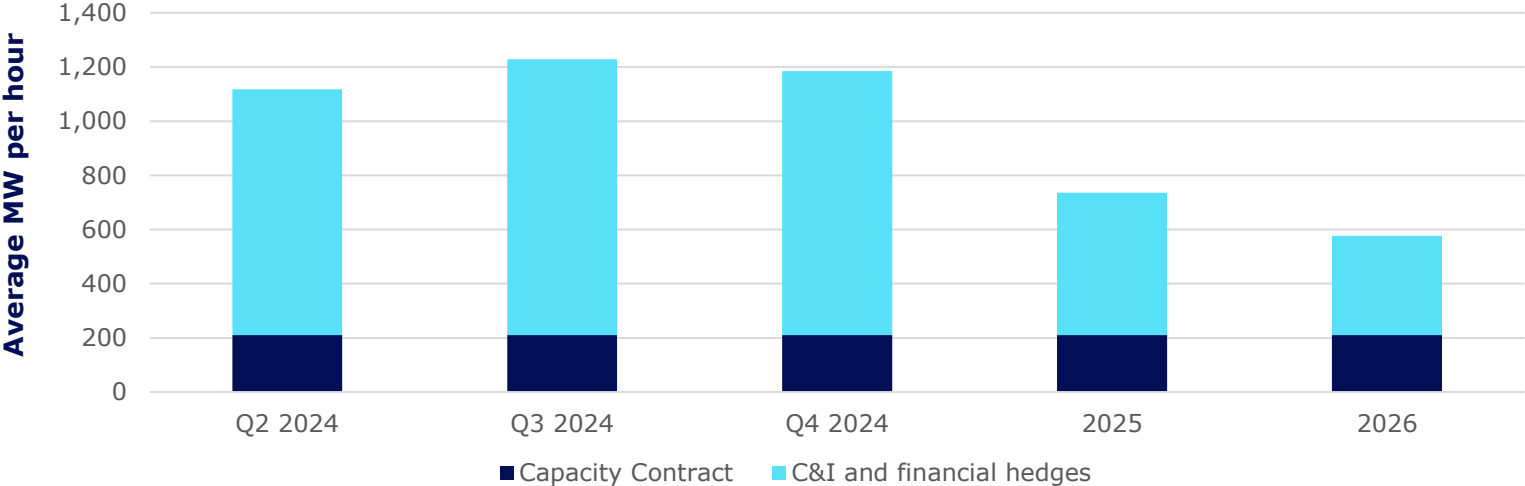


<sup>1</sup> Assets in development pipeline.





# Strong hedge position through 2026



**Expected 2024 thermal production largely hedged**

	Q2 2024	Q3 2024	Q4 2024	Full year 2025	Full year 2026	
<b>Price (\$/MWh)</b>	85	85	85	79	80	<b>Power</b>
<b>Volume<sup>1</sup> (GWh)</b>	1,983	2,249	2,153	4,614	3,215	
<b>Price (\$/GJ)</b>	2.80	2.84	2.80	3.52	3.67	<b>Natural Gas</b>
<b>Volume (M GJ)<sup>2</sup></b>	14	14	15	28	18	

**Hedged power price above forward curve**

<sup>1</sup> C&I and financial hedges; excludes capacity contract.  
<sup>2</sup> Millions of GJ.



# Growth execution

*Horizon Hill, Oklahoma*



# Our investment focus to 2028



## Renewables and storage

**Expand** core focus of **onshore wind**

**Expand** position in **solar**

**Expand** position in **storage** to meet future grid stability

**Expand** position in **hybrid solutions**

**Optimize** legacy Alberta **hydro** assets to **maximize** cash flow



## Responsive and flexible generation for reliability

**Optimize** legacy **gas generation** to maximize cash flow and fund renewables and storage growth

Complete Heartland Generation acquisition and **integrate 1.8 GW**

Pursue **selectively higher-returning** natural gas generation where TransAlta can add tangible value



## New technology

Monitor and assess **new technologies** such as storage, hydrogen, fusion, SMRs and carbon capture for deployment post-2025



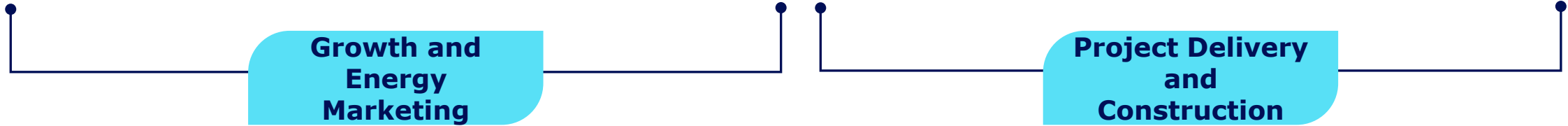
# Our competitive advantage

-  Owner / operator business model
-  Optimization and trading excellence
-  Strong balance sheet
-  Extensive wind platform
-  Full life cycle capabilities and risk control
-  Strong customer relationships
-  Demonstrated ESG results





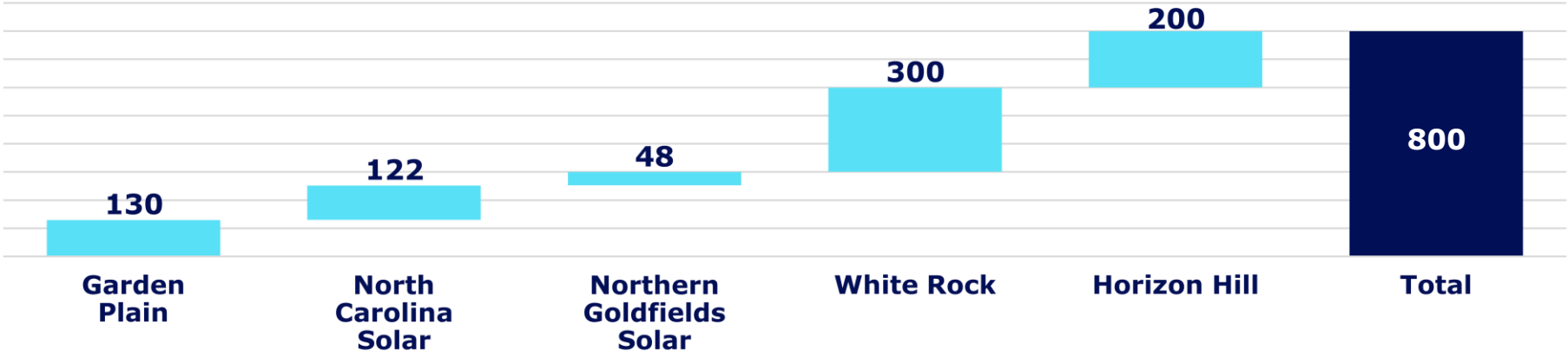
# TransAlta project development lifecycle



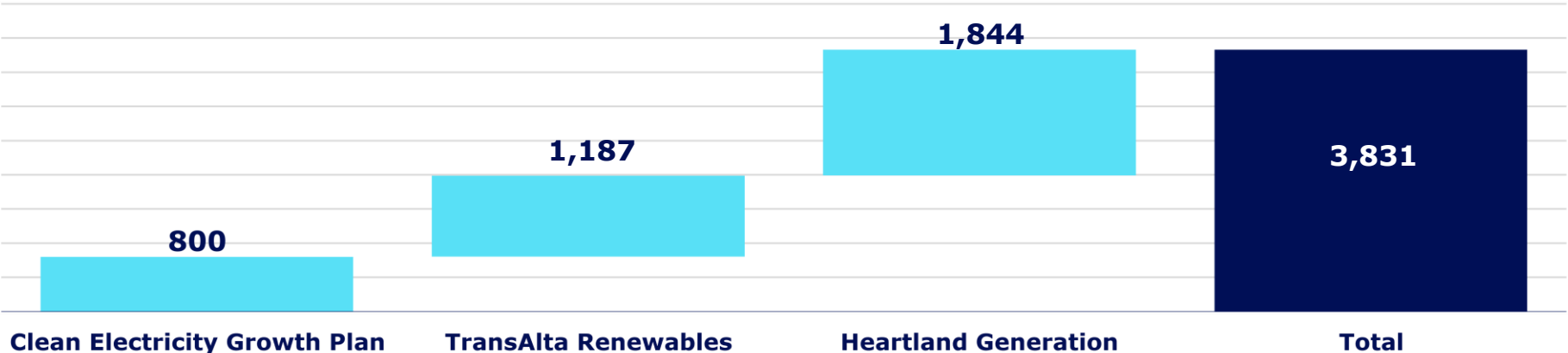


# Growing our fleet

Clean Electricity Growth Plan progress (MW)



Clean Electricity Growth Plan and strategic transactions (MW)



**800 MW**

delivered since 2021

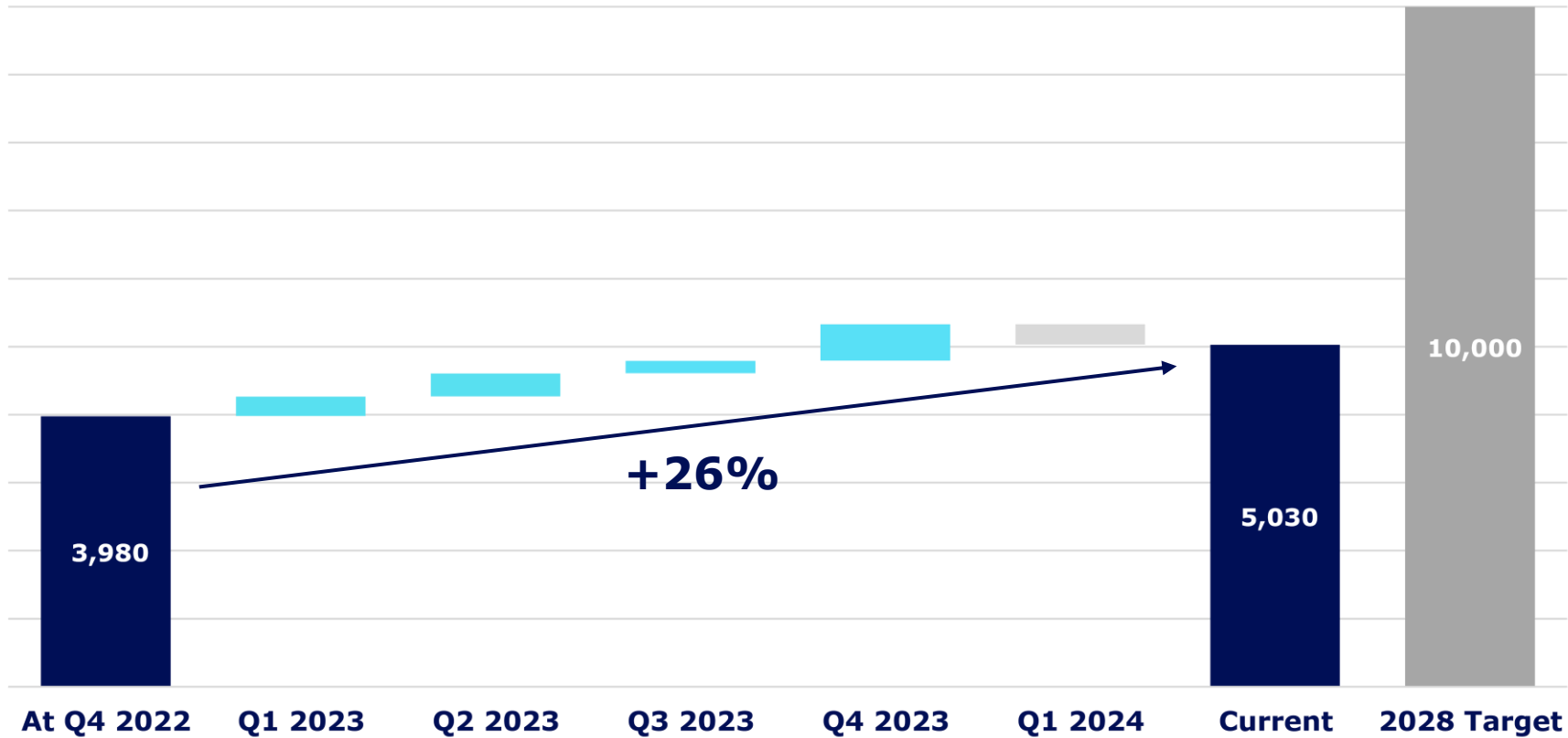


**3 GW**

through strategic transactions



# Development pipeline



Pipeline expanded by

**>1.3 GW**

Since 2022



Surpassed goal of

**5 GW**

pipeline

By 2025



New target to deliver

**10 GW**

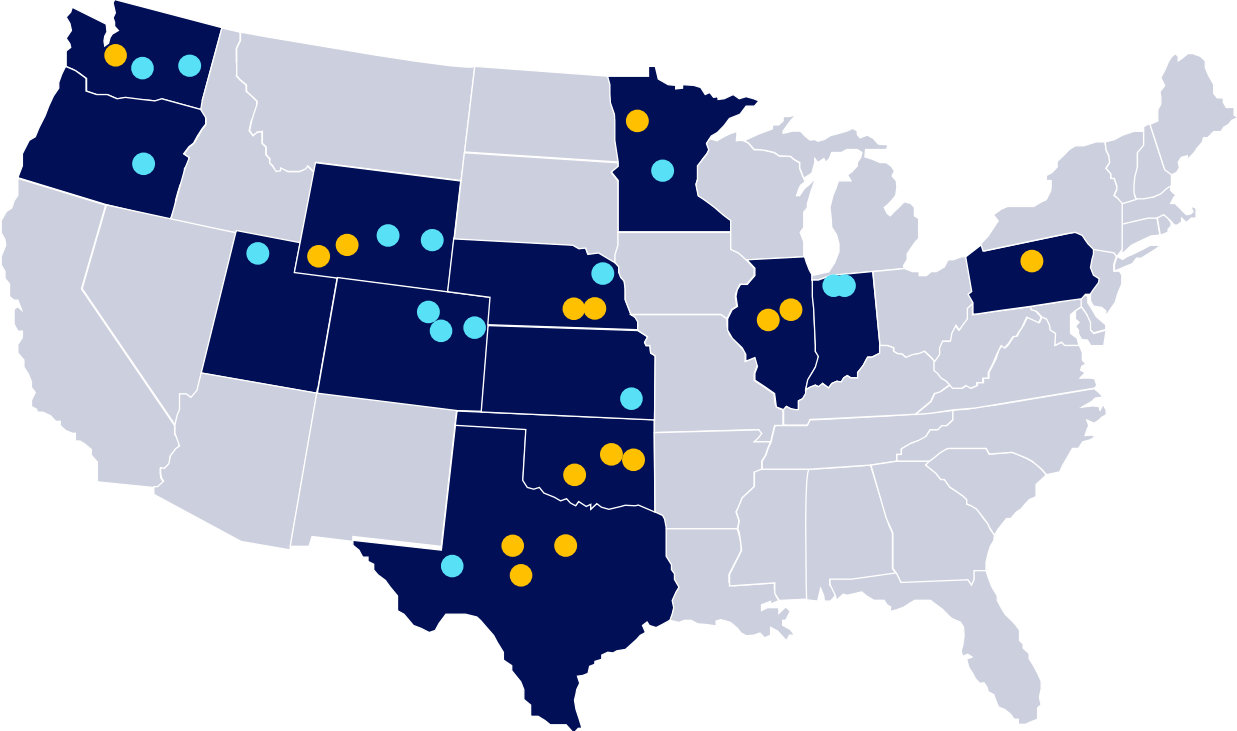
pipeline

By 2028



# Development pipeline

United States



**Legend:**

- Prospects
- Early

Potential development (excluding prospects):

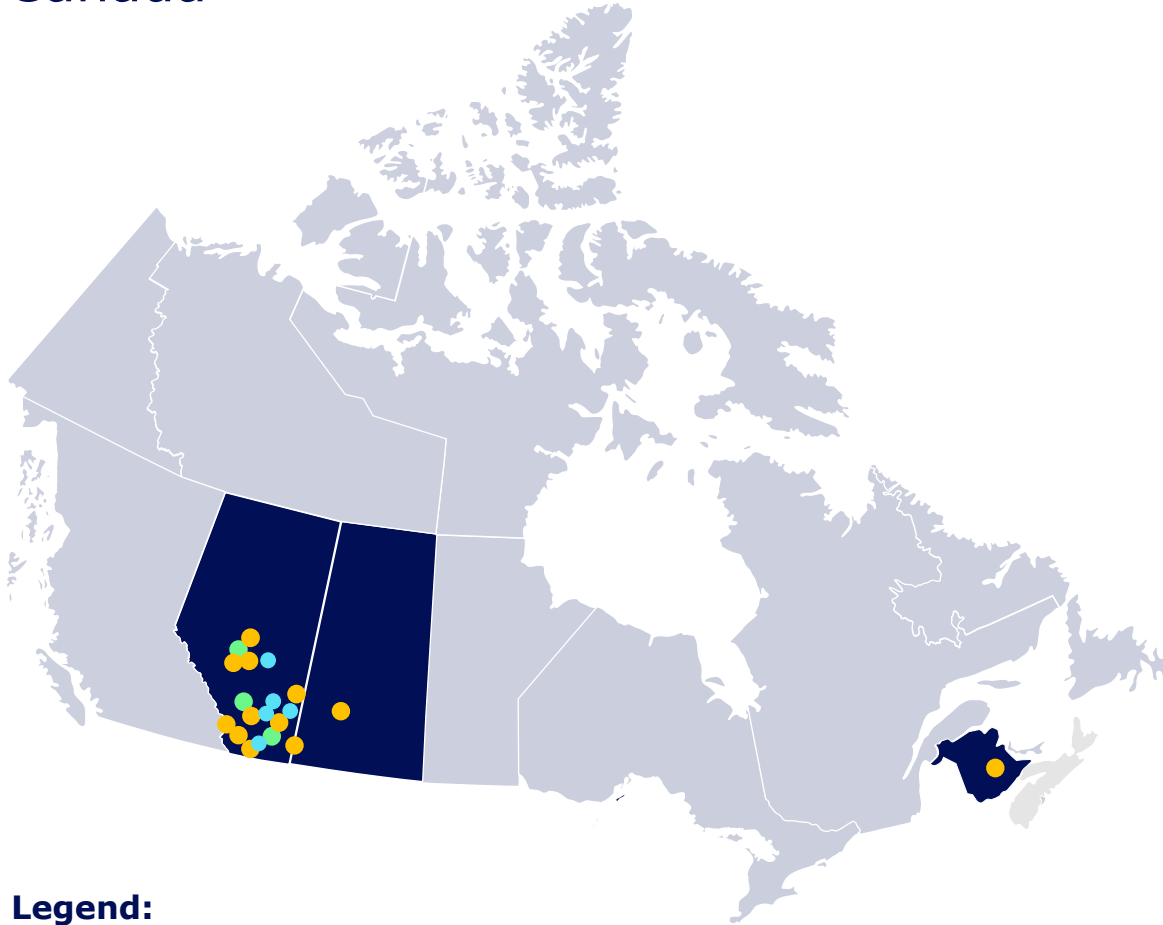
**2,148 – 2,398 MW**

Project	MW	Technology	State	Stage	FID
Monument Road	152	Wind	NE	●	2025
Swan Creek	126	Wind	NE	●	2025
Dos Rios	242	Wind	OK	●	2025
Old Town	185	Wind	IL	●	2026
Cotton Belle 1	104	Solar	TX	●	2026
Cotton Belle 2	81	Solar	TX	●	2026
Quick Draw	174	Wind	TX	●	2026
Square Top	195	Solar	OK	●	2026
Canadian River	250	Wind	OK	●	2026
Prairie Violet	130	Wind	IL	●	2026
Big Timber	50	Wind	PA	●	2026
Trapper Valley	225	Wind	WY	●	2027
Wild Waters	40	Wind	MN	●	2027+
Other US Opportunities	144	Wind	Various	●	2026+
Centralia Site Redevelopment	250-500	Various	WA	●	TBD



# Development pipeline

## Canada



### Legend:

- Prospects
- Early
- On hold

Potential development (excluding prospects):

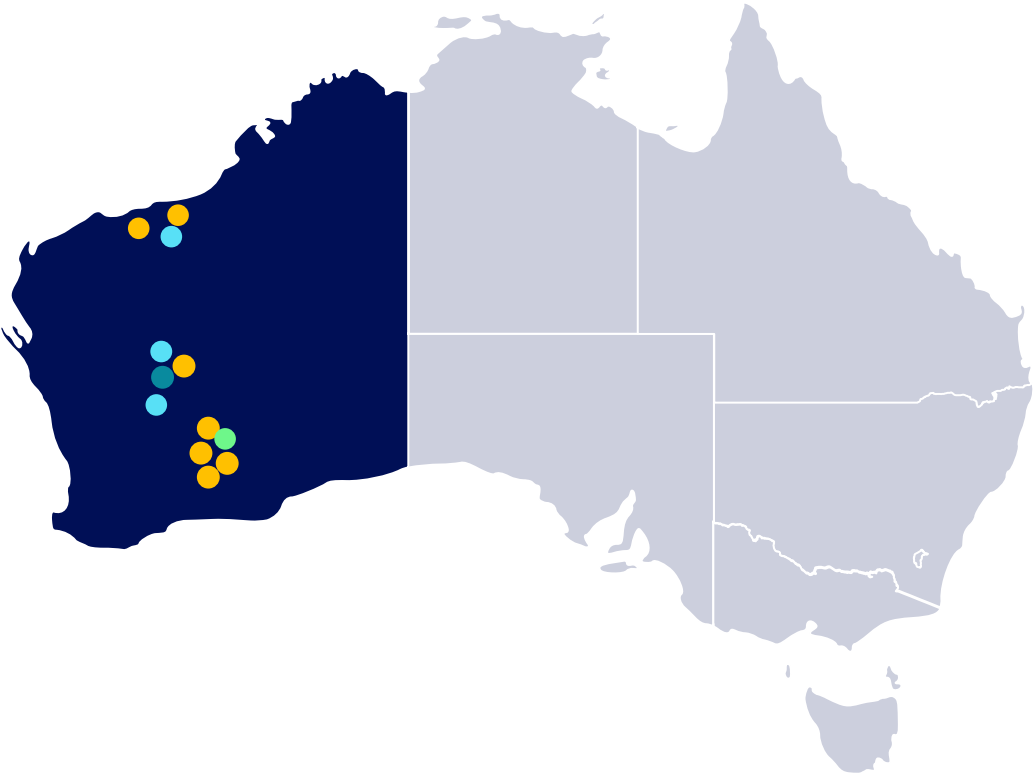
# 1,747 – 2,597 MW

Project	MW	Technology	Location	Stage	FID
Tempest	100	Wind	AB	●	On hold
WaterCharger	180	Battery	AB	●	On hold
Pinnacle 1 and 2	44	Gas	AB	●	On hold
New Brunswick Power Battery	10	Battery	NB	●	2025
Sunhills Solar	170	Solar	AB	●	2026
McNeil Solar	57	Solar	AB	●	2026
Tent Mountain	160	Pumped storage	AB	●	2026
Provost	170	Wind	AB	●	2026
Antelope Coulee	200	Wind	SK	●	2027+
Red Rock	100	Wind	AB	●	2027
Willow Creek 1 and 2	140	Wind	AB	●	2027
Brazeau	300-900	Pumped storage	AB	●	TBD
Alberta Thermal Redevelopment	250-500	Various	AB	●	TBD
Other Canadian opportunities	190	Various	AB	●	2026+



# Development pipeline

Australia



**Legend:**

- Prospects
- Early
- Advanced
- Construction

Potential Development (excluding prospects):

**494 MW**

Project	MW	Technology	Location	Stage	FID
Mt. Keith West Network Upgrade	N/A	Transmission	Mt Keith	<span style="color: darkblue;">●</span>	2025
SCE Capacity Expansion	94	Gas	Kalgoorlie	<span style="color: green;">●</span>	2024
Boodarie Solar	50	Solar	Port Hedland	<span style="color: yellow;">●</span>	2024
Southern Cross Energy	120	Solar/Wind	Kalgoorlie	<span style="color: yellow;">●</span>	TBD
Transmission Expansion Projects	N/A	Transmission	Various	<span style="color: yellow;">●</span>	2024+
Other Australian Prospects	230	Various	Various	<span style="color: yellow;">●</span>	2024+







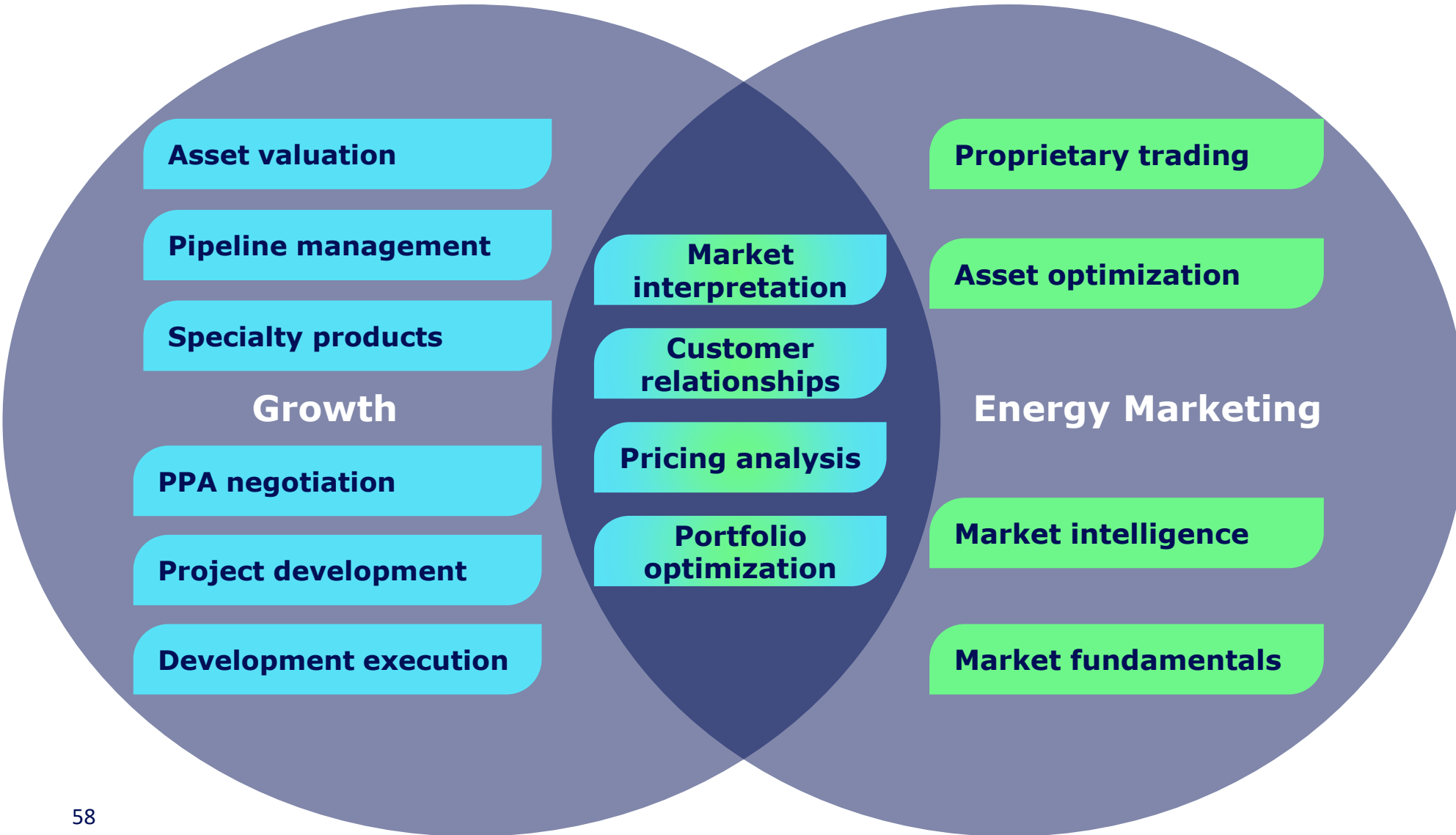
# Enhancing Value with Energy Marketing

*Le Nordias, Quebec*





# Aligning Growth and Energy Marketing



Aligned global team committed to accelerating value delivery of **high-quality portfolio** through cross-team enablement



# Energy marketing capabilities

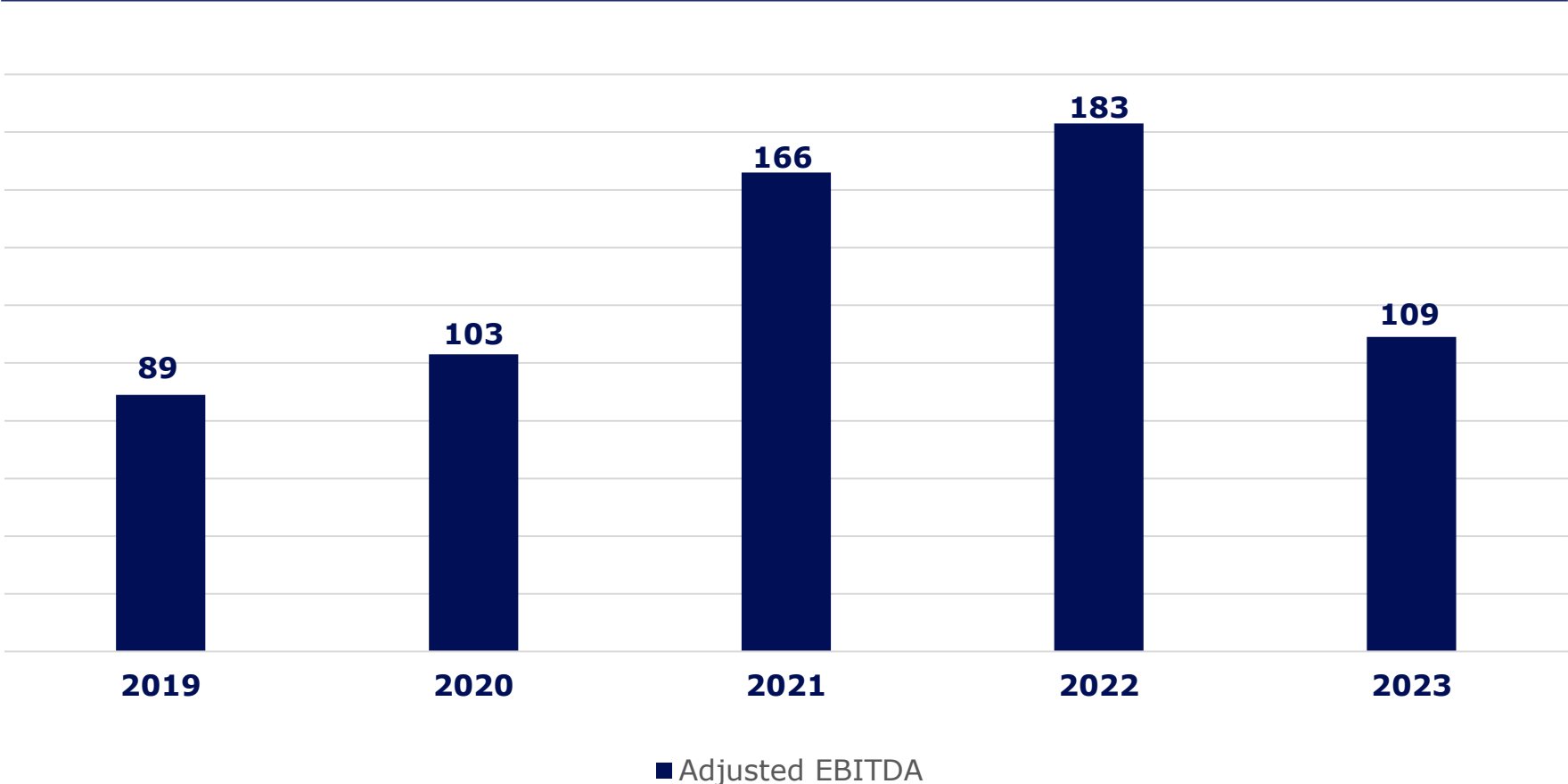
	Electricity	Natural Gas	Emissions	
<b>Markets</b>	NWPP, CAISO, SPP, SWPP, IESO, ISO-NE, NYISO, PJM, MISO, ERCOT	Canada and US	Canada and US	
<b>Products</b>	Execution for TransAlta and third-party assets	✓	✓	
	Origination and structured products	✓	✓	
	Real-time trading	✓	✓	-
	Term trading	✓	✓	✓
	Congestion trading	✓	-	-
	Transmission / transportation	✓	✓	-
	Options	✓	✓	✓

Diverse product knowledge base provides key insights into North American Markets



# EBITDA contribution of over \$650 million since 2019

EBITDA contribution (\$ million)



Increasing volatility across North American markets

Positioned to deliver value in all market conditions

Tightly managed risk profile

\$135 million 4-year average EBITDA





# Financial strategy and plan

*Brazeau, Alberta*





# Investment return targets

- ✓ Disciplined capital allocation to enhance shareholder value
- ✓ Project returns are assessed based on the unique characteristics of each project

**Targeting returns at 10% or higher**

**Required return evaluation criteria**

**Investment size**

**Contractedness**

**Customer quality**

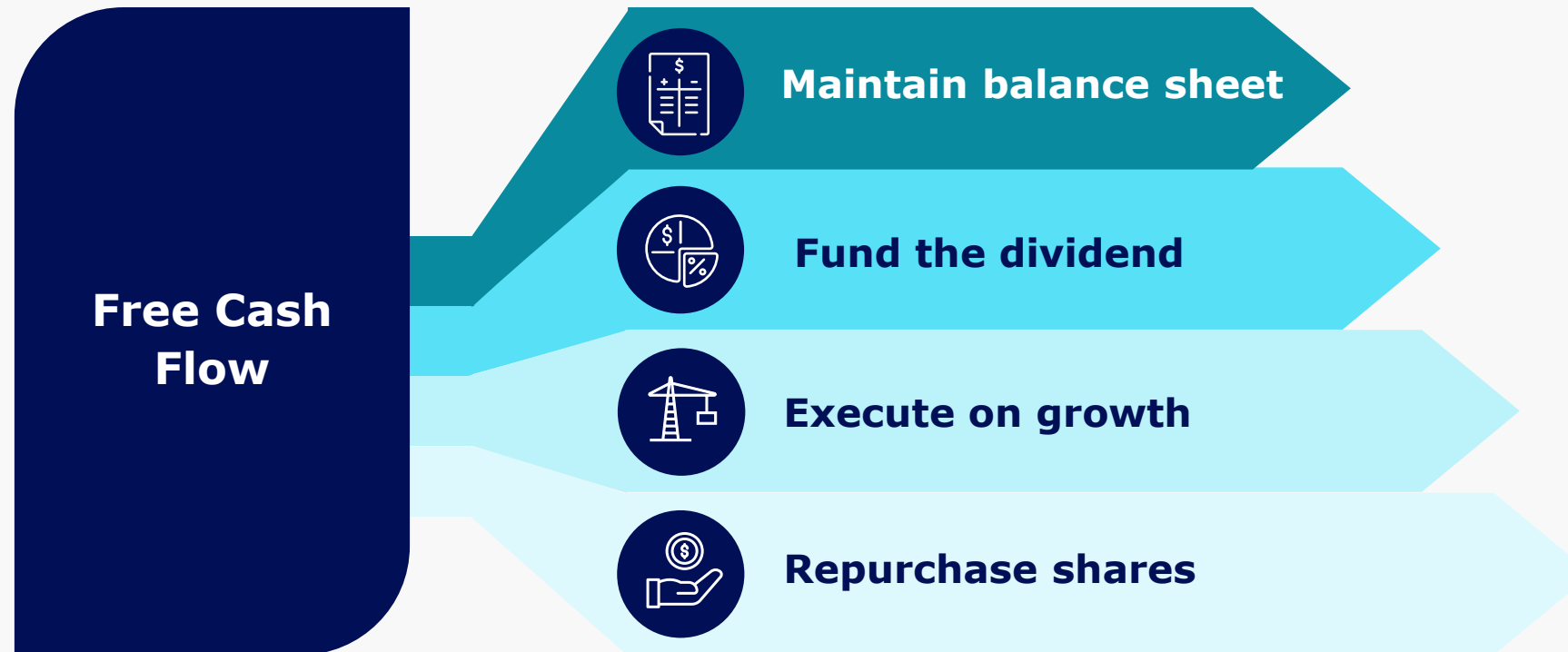
**Future business potential**

**Construction risk**

**Ability to finance**



# Simplified capital allocation



## Since 2021

Maintained **strong credit metrics**

Returned **\$160 million** in dividends

Dividend increased by **10%** annually

Deployed **\$1.4 billion** towards the Clean Electricity Growth Plan

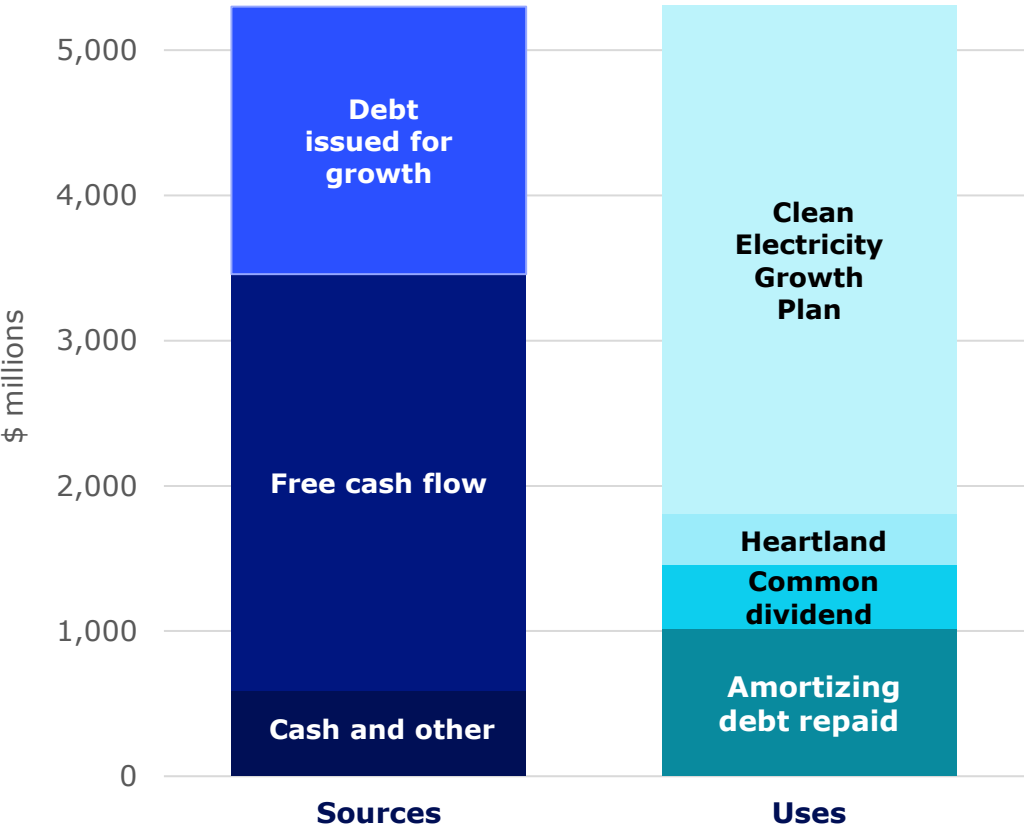
Invested **\$1.4 billion** to acquire TransAlta Renewables

Returned **\$125 million** through share buybacks

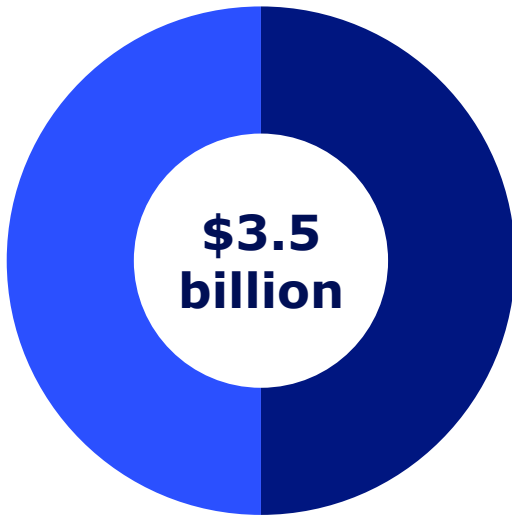


# Growth plan is well funded

Consolidated sources and uses 2024-2028



Growth funding 2024-2028



Legend:

- Free cash flow
- Debt issued for growth

**Operating cash flow will fund equity requirements for growth program**



# Prudent capital management



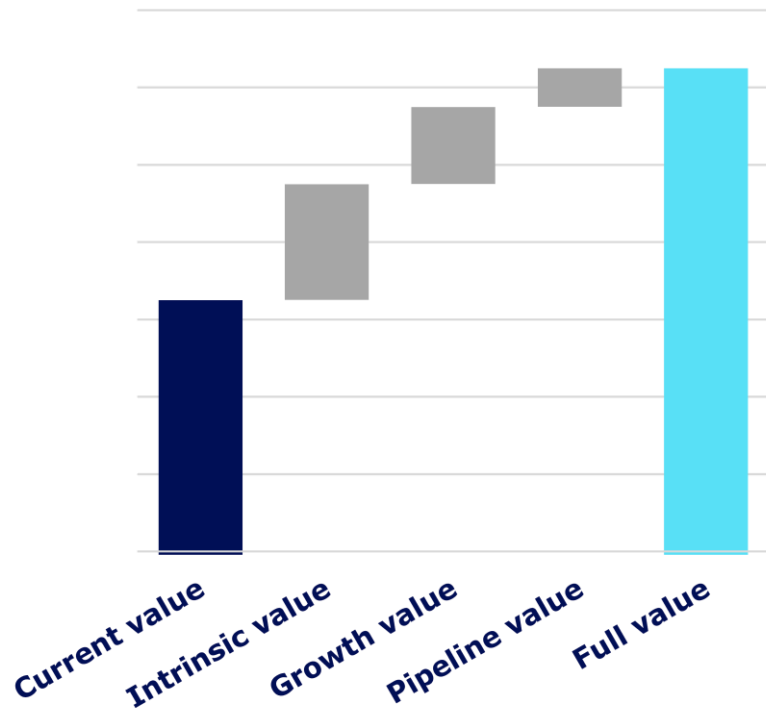
Share Valuation



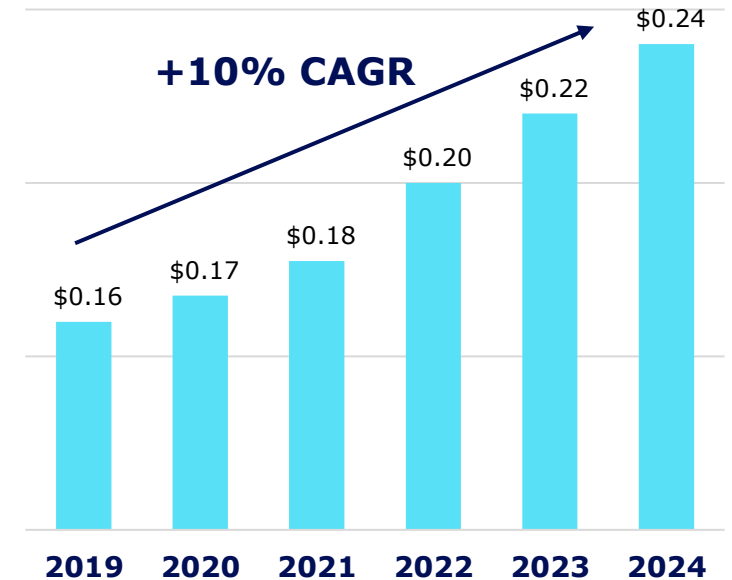
Credit ratings



Dividend



<b>S&amp;P</b>	BB+
<b>Moody's</b>	Ba1
<b>DBRS</b>	BBB (low)
<b>Debt/EBITDA target</b>	<b>3.0 - 4.0x</b>



# Our Value Proposition



**Diversified and resilient fleet**



**Clean electricity leader with ESG focus**



**5 GW growth pipeline**



**Strong financial position**







# Questions & Answers

Visit us at: [www.transalta.com](http://www.transalta.com)

[Investor\\_relations@transalta.com](mailto:Investor_relations@transalta.com)

