



transalta™

Second Quarter 2024 Results

August 1, 2024



Disclaimer and forward-looking statements

This presentation includes "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"). All forward-looking statements are based on the beliefs as well as assumptions of TransAlta Corporation (the "Company", "TransAlta", "we" or "our") based on information available at the time the assumption was made and on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors deemed appropriate in the circumstances. Forward-looking statements are not facts, but only predictions and generally can be identified by the use of statements that include phrases such as "may", "will", "can", "could", "would", "shall", "believe", "expect", "estimate", "anticipate", "intend", "plan", "forecast", "foresee", "potential", "enable", "continue" or other comparable terminology. These statements are not guarantees of our future performance, events or results and are subject to risks, uncertainties and other important factors that could cause our actual performance, events or results to be materially different from that set out in or implied by the forward-looking statements.

In particular, this presentation contains forward-looking statements including, but not limited to, statements relating to: the potential features of Alberta's Restructured Energy Market (the "REM"), the potential opportunities arising from the REM and the impact on the Company; the significant opportunities available to TransAlta's legacy sites and ability to surface significant value; ability of hedge program to protect cash flows; maintain a strong hedge position through 2026; our 2024 financial guidance, including adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), free cash flow, and sustaining capital; our share repurchase plans and the allocation of up to \$150 million towards the repurchase of common shares of the Company in 2024; and TransAlta 2024 priorities, including as it pertains to safety performance, growth and commercial opportunities and realization of new growth, balance sheet resilience, and our environmental, social and governance ("ESG") targets. The forward-looking statements contained in this presentation are based on current expectations, estimates, projections and assumptions, including, but not limited to, the following: no significant changes to power price and hedging assumptions; no significant changes to gas commodity price assumptions and transport costs; no significant changes to the demand and growth of renewables generation; no significant changes to the Company's debt and credit ratings; no unforeseen changes to economic and market conditions; and no other significant event occurring outside the ordinary course of business. These assumptions are based on information currently available to TransAlta.

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Readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on them, which reflect the Company's expectations only as of the date hereof. The forward-looking statements included in this document are made only as of the date hereof and we do not undertake to publicly update these forward-looking statements to reflect new information, future events or otherwise, except as required by applicable laws. In light of these risks, uncertainties and assumptions, the forward-looking statements might occur to a different extent or at a different time than we have described or might not occur at all. We cannot assure that projected results or events will be achieved.

Certain financial information contained in this presentation, including EBITDA, Adjusted EBITDA and Free Cash Flow ("FCF") may not be standard measures defined under International Financial Reporting Standards ("IFRS") and 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", "Full Year Reconciliation of Non-IFRS Measures on a Consolidated Basis by Segment" and "Full Year Reconciliation of Cash Flow from Operations to FFO and FCF" sections of the Management Discussion & Analysis for year ended December 31, 2023, for further discussion of these items, including, where applicable, reconciliations to measures calculated in accordance with IFRS. The purpose of the financial outlooks contained herein 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 and that such outlooks is given as of the date of this presentation. The Company is not making any offer or invitation of any kind by communication of this document to the recipient and under no circumstances is it to be construed as a prospectus or an advertisement.

All amounts referenced in this presentation are in Canadian currency unless otherwise specified.



John Kousinioris

President and
Chief Executive Officer



Q2 2024 achievements and strategic initiatives



Results and financial position

Adjusted EBITDA¹ of **\$312 million**
55% from renewables

FCF¹ of **\$172 million** or **\$0.57/share**

On track to meet guidance
FCF 73% of midpoint YTD

Net earnings to common shareholders
of **\$56 million** or **\$0.18 / share**

Strong availability of **90.8%**



Growth and customer solutions

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

Projects completed in H1 2024 will
add ~**\$100 million annual**
EBITDA¹

Legacy thermal site opportunities
for **reliability** and **data centres**

Access to **\$1.7 billion** in liquidity²



Strategic initiatives

Advancing acquisition of
Heartland Generation

Entered **10-year transfer agreement** for the **sale of remaining PTCs** generated from **Oklahoma wind facilities**

CFO succession completed

¹ Adjusted EBITDA, Free Cash Flow (FCF), 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.

² As at June 30, 2024, we had access to \$1.7 billion in liquidity, including \$350 million in cash, which significantly exceeds the funds required for share repurchases, growth initiatives, sustaining capital and productivity projects.



Restructured Energy Market update



State of play

Mandatory day-ahead market

Strategic energy bidding mechanisms

Review of the current price ceiling and floor

Reduction of settlement windows

Dispatch optimization

Intertie expansion market participation options



TransAlta's positioning

Changing energy landscape requires a long-term focus

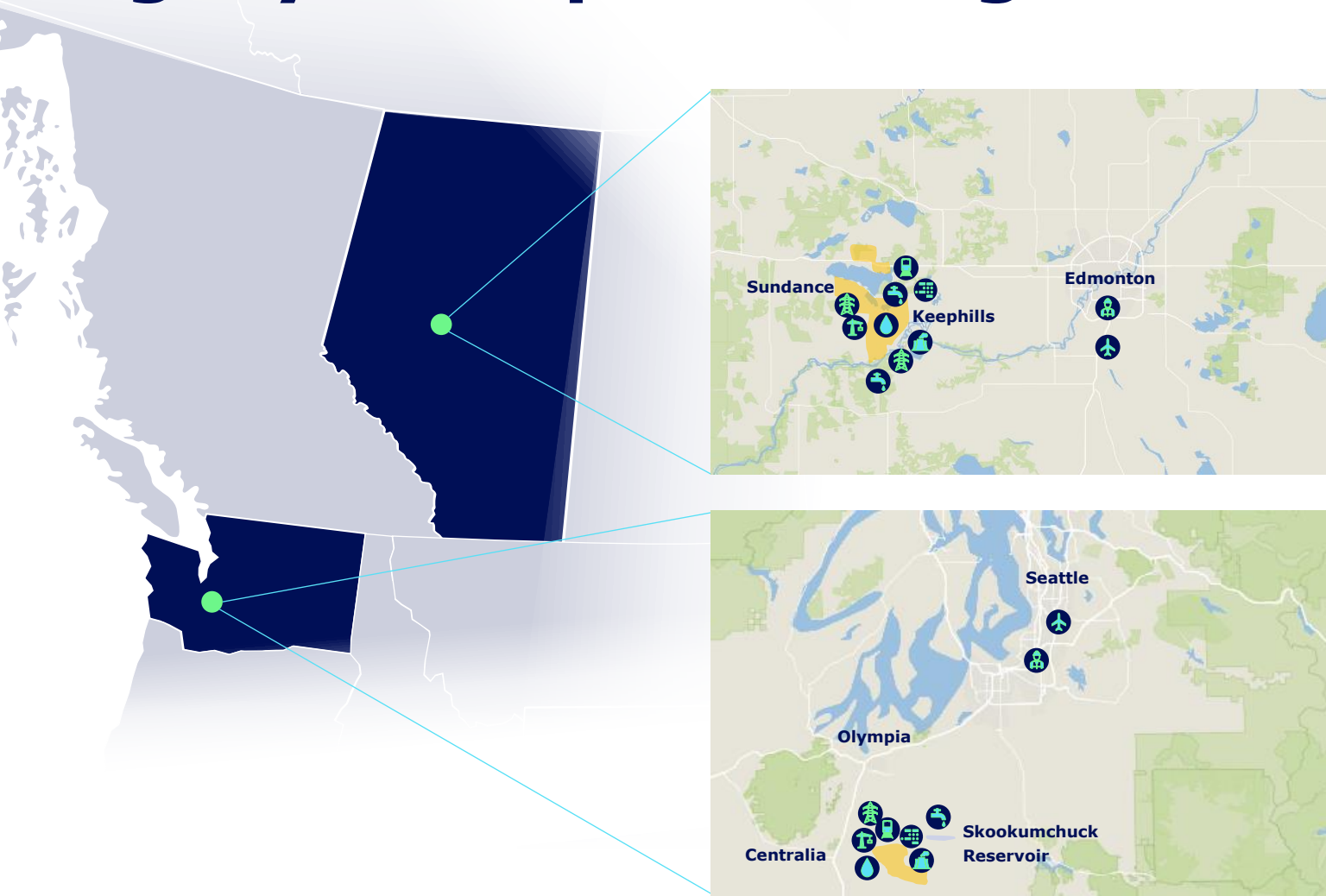
Market redesign is necessary to deliver reliable, affordable electricity

Market will have to be incentivized to be effective

**Market
requires
low-cost
flexible
generation
for grid
reliability**



Legacy sites present significant opportunities



	Alberta Thermal	&	Centralia
Steel in the ground / speed to market			✓
Transmission interconnection			✓
Natural gas			✓
Fibre optic access			✓
Water rights			✓
Temperate climate and existing cooling ponds			✓
Skilled workforce availability			✓
Rail access			✓
International airport			✓
Owned Land:	~42,000 Acres		~12,000 Acres

Opportunity to surface significant value through existing infrastructure



Joel Hunter

**Executive Vice President, Finance
and Chief Financial Officer**



TransAlta segmented results

Three months ended June 30, 2024 (\$millions)

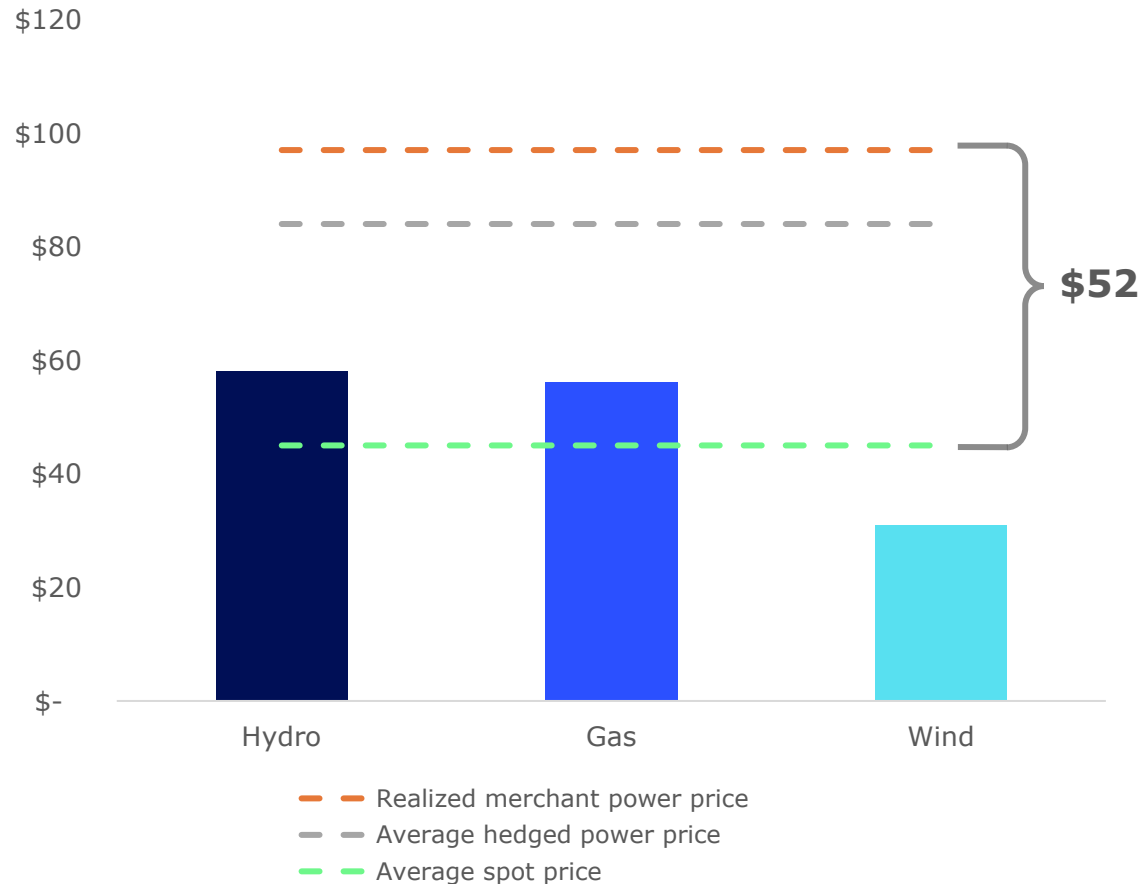
Adjusted EBITDA ¹	Q2 2024	Q2 2023
Hydro	83	147
Wind and Solar	88	50
Gas	146	166
Energy Transition	3	13
Energy Marketing	30	43
Corporate	(38)	(32)
Total	312	387

Strong performance from Wind and Alberta gas fleet



Alberta electricity portfolio

Q2 2024 prices



116%

AB fleet average realized merchant and contract energy price over spot price in Q2 2024¹

29%

AB Hydro average merchant energy price over spot price in Q2 2024²

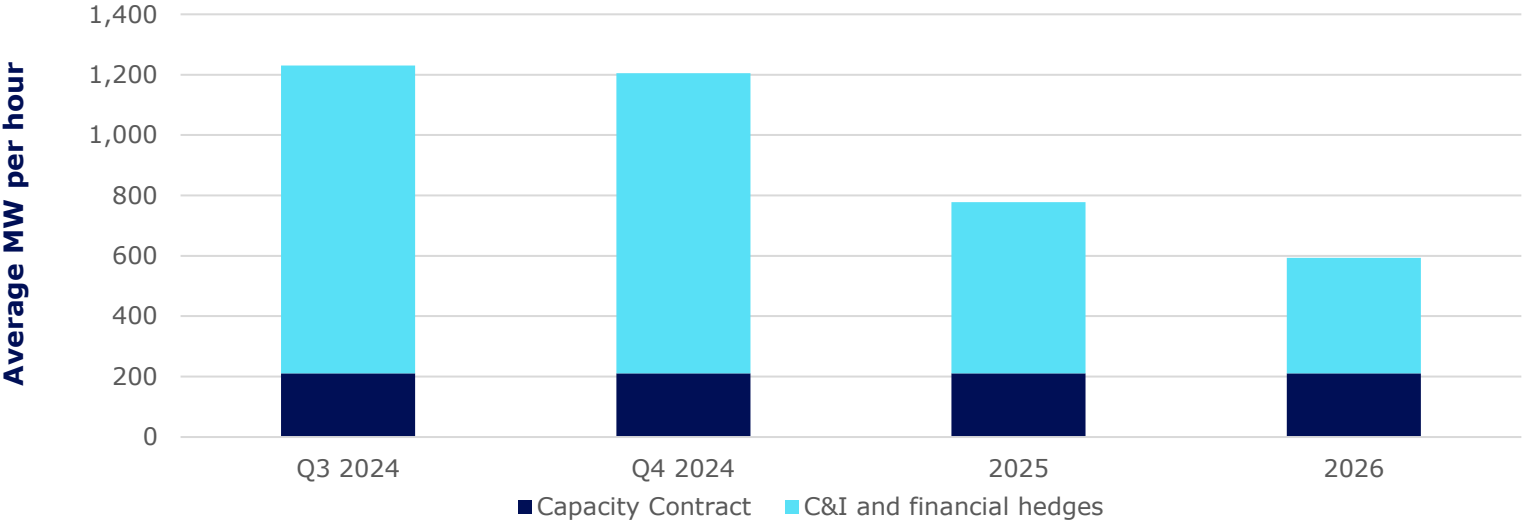
24%

AB Gas average merchant energy price over spot price in Q2 2024²

Asset optimization activities generated significant premiums over settled spot prices



Strong hedge position through 2026



Robust hedge program to protect earnings and cash flows in low price periods

	Q3 2024	Q4 2024	Full year 2025	Full year 2026	
Price (\$/MWh)	85	84	77	80	Power
Volume¹ (GWh)	2,254	2,198	4,977	3,361	
Price (\$/GJ)	2.82	2.82	3.51	3.67	Natural Gas
Volume (M GJ)²	14	14	28	18	

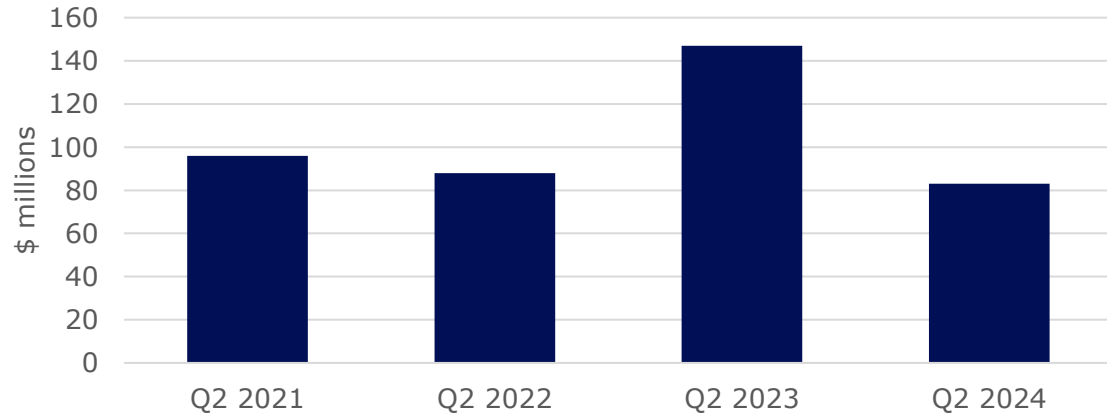
Hedged power prices above forward curve

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

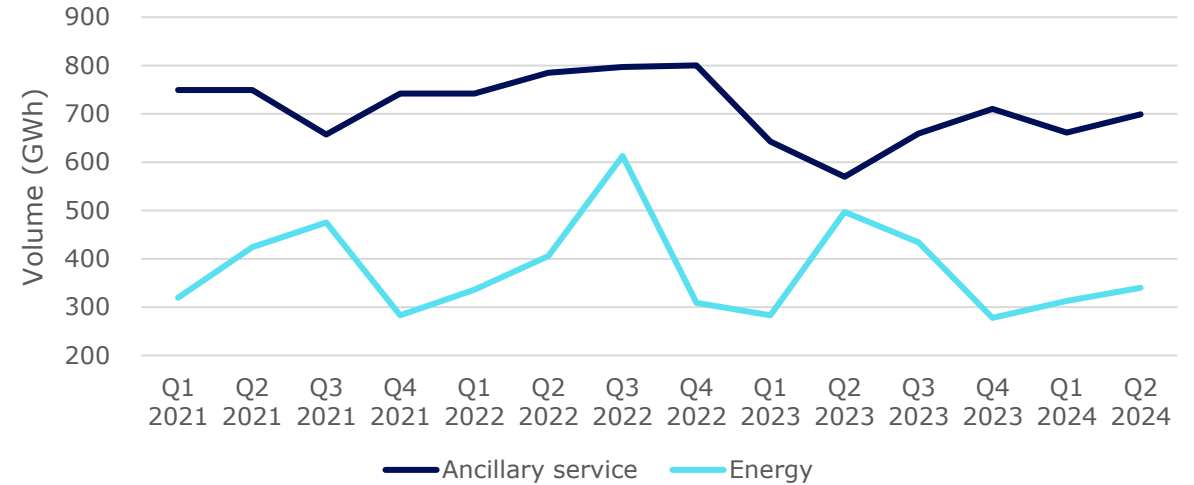


Alberta hydro continues to perform to expectations

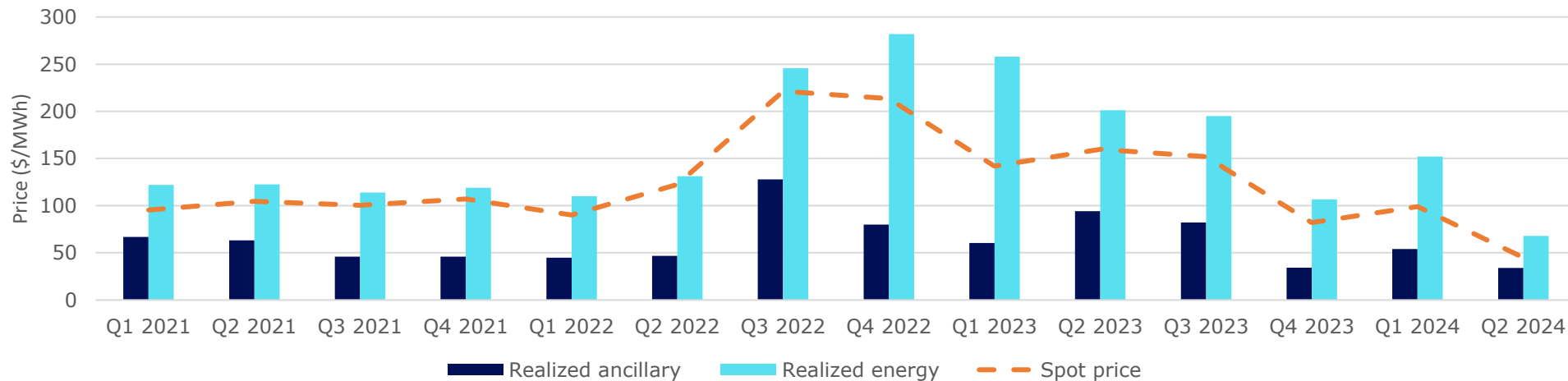
Hydro adjusted EBITDA¹ (\$millions)



Alberta hydro fleet volumes (GWh)



Alberta realized prices (\$/MWh)



51%²

Average realized ancillary price to spot

128%²

Average realized energy price to spot

¹ 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.

² Average from Q1 2021 until Q2 2024.



2024 guidance maintained

(\$ millions)	2024 Outlook
Adjusted EBITDA¹	1,150 to 1,300
FCF¹	450 to 600
FCF (\$/share)	1.47 to 1.96
Sustaining capital	130 to 150

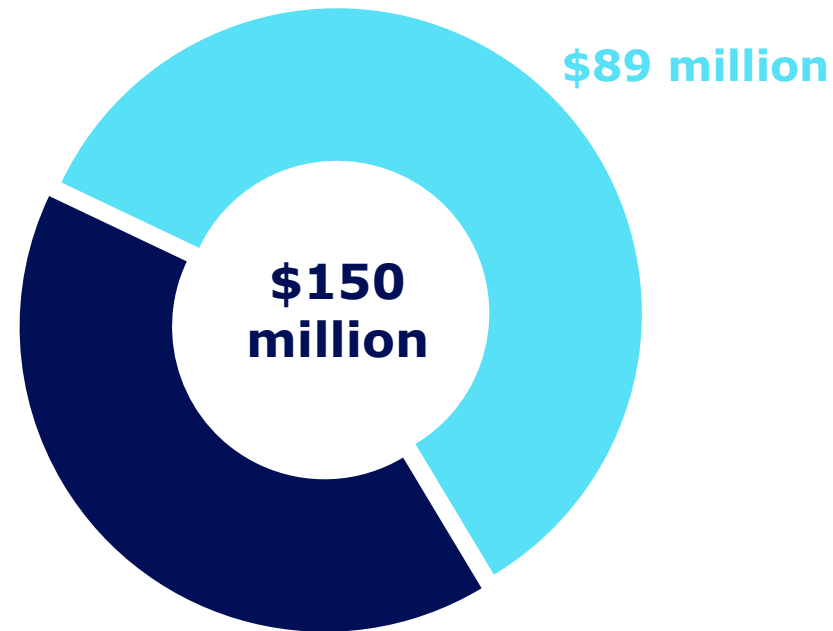
**Confident
in our plan
to deliver
on our
2024
guidance**



2024 share repurchase program enhancing shareholder returns

Repurchased **9.5** million common shares

Delivered 59% of up to \$150 million 2024 program



Balanced, prudent and disciplined approach to capital allocation



2024 priorities



Safety, people and culture

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

Advance **leadership and talent** development

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



Financial and operational

Deliver adjusted EBITDA of **\$1.15 - \$1.3 billion**

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

Execute share repurchase program

Maintain **strong balance sheet** and credit ratings

Achieve fleet availability of **93.1%**



Growth and commercial

Completed Mount Keith, Horizon Hill and White Rock

Target **400 MW** of new growth

Expand growth pipeline by **1.5 GW**



Strategic initiatives

Realize value of legacy thermal energy campuses

Close and integrate **Heartland** Generation

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

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



Our Value Proposition



Diversified and resilient fleet



Clean electricity leader



High potential legacy energy campuses



5 GW growth pipeline



Strong financial position





Questions and answers

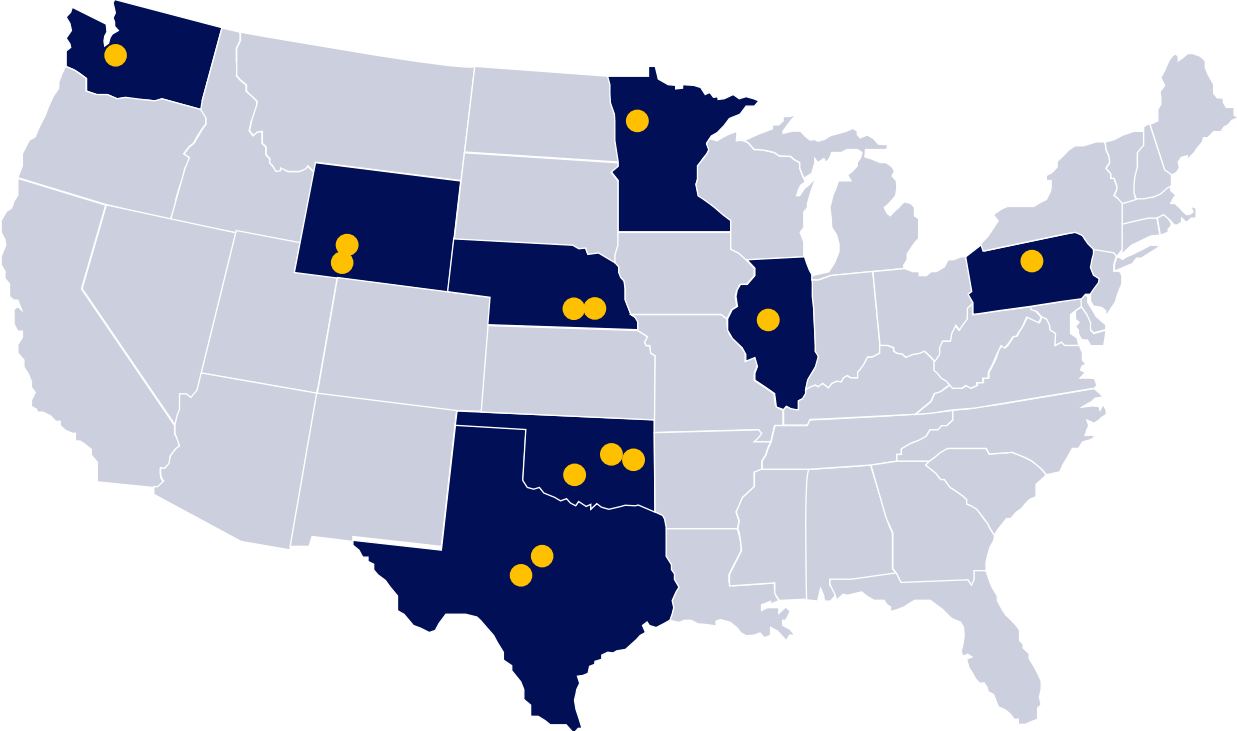
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Development pipeline

United States



Legend:

● Early

Potential development:

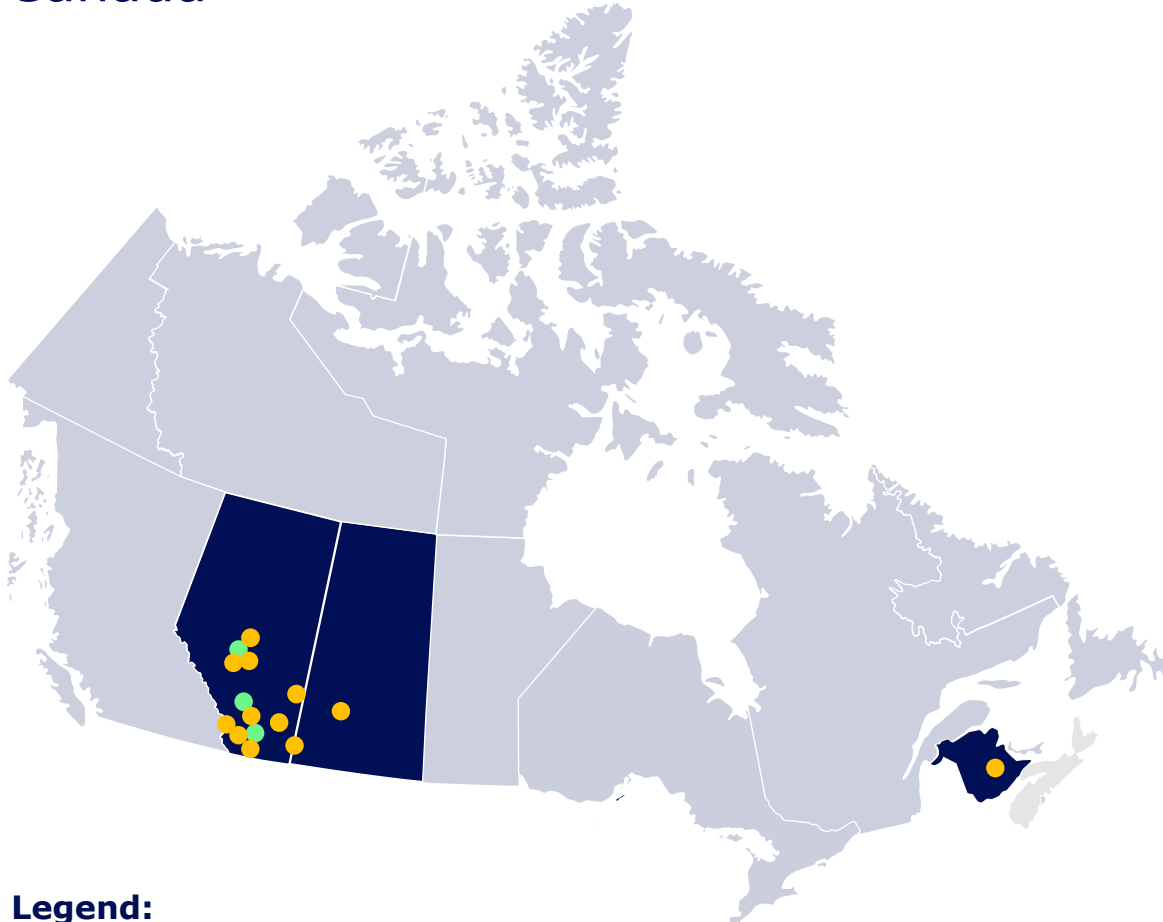
2,294 – 2,794 MW

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
Square Top	195	Solar	OK	●	2026
Canadian River	250	Wind	OK	●	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	500-1000	Various	WA	●	TBD



Development pipeline

Canada



Legend:

- Early
- On hold

Potential development:

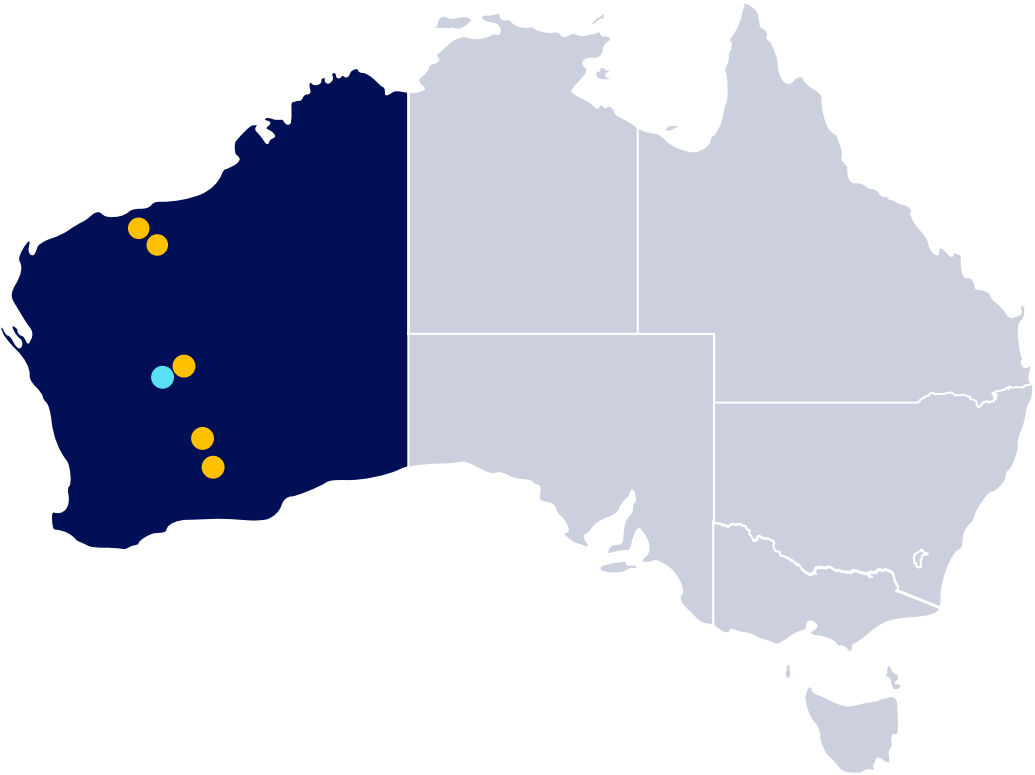
2,014 – 2,864 MW

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
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:

- Early
- Construction

Potential Development:

494 MW

Project	MW	Technology	Location	Stage	FID
Mt. Keith West Network Upgrade	N/A	Transmission	Mt Keith	●	2025
Boodarie Solar	50	Solar	Port Hedland	●	2024
Southern Cross Energy	120	Solar/Wind	Kalgoorlie	●	TBD
Transmission Expansion Projects	N/A	Transmission	Various	●	2024+
Other Australian Prospects	324	Various	Various	●	2024+

