



Q1 2022 Results

MAY 6, 2022



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: our Clean Electricity Growth Plan and ability to achieve the target of 2 GW of incremental renewables capacity with an investment of \$3 billion by 2025; the Company's future growth pipeline, including the timing of commercial operations and the costs of the advanced and early-stage projects; the source of funding for the Clean Electricity Growth Plan; our transformation, growth, capital allocation and debt reduction strategies; growth opportunities from 2022 to 2030 and beyond; the White Rock East and White Rock West Wind Power Projects ("White Rock Wind Projects"), including the total construction costs, ability to secure tax equity financing, and the timing of commercial operation; the Garden Plain wind project, including construction capital; the satisfaction of conditions in respect of the contract extensions with the Sarnia industrial customers; the Northern Goldfields Solar Project, including the total construction capital; the Mount Keith Transmission Expansion with BHP, including the annual EBITDA and commercial operation date; the ability to realize future growth opportunities with BHP Billiton Nickel West; the Horizon Hill wind project including the anticipated EBITDA and commercial operation date; the outage at Kent Hills 1 and 2 wind facilities and the extent of any remediation, the timing and cost of such remediation, and the ability to secure waivers in respect of the Kent Hills bonds for any potential event of default; the expected impact and quantum of carbon compliance costs; 2022 Alberta hedging price and volume; financial outlook for 2022, including adjusted EBITDA, cash available for distribution and annual dividend; and our 2022 priorities, including as it pertains to our strategic initiatives and growth and commercial priorities. Forward-looking statements are subject to a number of significant risks, uncertainties and assumptions that could cause actual plans, performance, results or outcomes to differ materially from current expectations. Factors that may adversely impact what is expressed or implied by forward-looking statements contained in this presentation include, but are not limited to: the impact of COVID-19, including more restrictive directives of government and public health authorities; increased force majeure claims; 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 and to obtain regulatory approvals on the expected timelines or at all in respect of our growth projects; restricted access to capital and increased borrowing costs; changes in short-term and/or long-term electricity supply and demand; fluctuations in market prices, including lower merchant pricing in Alberta, Ontario and Mid-Columbia; 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; 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; changes in demand for electricity and capacity and our ability to contract our electricity generation for prices that will provide expected returns and replace contracts as they expire; changes to the legislative, regulatory and political environments; 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; failure to meet financial expectations; general domestic and international economic and political developments, including escalation of armed hostilities at Ukraine, the threat of terrorism, cyberattacks, diplomatic developments or other similar events; equipment failure and our ability to carry out or have completed the repairs in a cost-effective manner or timely manner or at all, including if the remediation at the Kent Hills wind facilities is more costly than expected; the holders of the Kent Hills bonds declaring the principal and interest on the Kent Hills bonds and all other amounts, together with any amounts due thereunder, to be immediately due and payable; industry risk and competition; fluctuations in the value of foreign currencies; structural subordination of securities; counterparty credit risk; changes to our relationship with, or ownership of, TransAlta Renewables; changes in the payment or receipt of future dividends, including from TransAlta Renewables; risks associated with development projects and acquisitions, including capital costs, permitting, engineering risks, and delays in the construction or commissioning of projects; 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. The foregoing risk factors, among others, are described in further detail under the heading "Risk Factors" in our Annual Information Form and our Management's Discussion and Analysis for the year ended December 31, 2021. 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 or Adjusted EBITDA, Free Cash Flow ("FCF") and cash available for distribution 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" and "Reconciliation of Non-IFRS Measures" section of the Management Discussion & Analysis for the nine months and year ended December 31, 2021 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 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**



Q1 2022 Achievements



2022 RESULTS AND FINANCIAL POSITION

- ✓ EBITDA¹ of \$266 million
- ✓ FCF¹ of \$115 million or \$0.42 per share
- ✓ Share buybacks of \$18 million
- ✓ Access to \$2.4 billion in liquidity, over \$1 billion in cash
- ✓ 53% of generation EBITDA¹ from renewables and storage in Q1 2022 versus 35% in 2020



GROWTH AND CUSTOMER SOLUTIONS

- ✓ 200 MW of growth announced in Oklahoma at Horizon Hill wind facility
- ✓ Identified Amazon as customer at White Rock wind facility
- ✓ Mount Keith Transmission Expansion project with BHP
- ✓ PPA for remaining 30 MW at Garden Plain with investment-grade customer
- ✓ Kent Hills rehabilitation progress
- ✓ Contract extensions with industrial customers at Sarnia



STRATEGIC INITIATIVES

- ✓ Advanced Clean Electricity Growth Plan
- ✓ Retirement of remaining coal facilities in Canada - Sundance Unit 4 and Keephills Unit 1
- ✓ Hydrogen investment in Ekona Power Inc.
- ✓ Investment in Energy Impact Partners
- ✓ ESG rating with MSCI upgraded from BBB to A

Continued to advance our Clean Electricity Growth Plan

4 ¹ EBITDA and Adjusted EBITDA, Free Cash Flow, and Free Cash Flow per share are non-IFRS measures. Reconciliations to the nearest IFRS measures are included in the Q1 earnings release and other documents available at www.transalta.com.

Horizon Hill Wind with Meta

Project Highlights

Location	Logan County, OK	Contracted	100%
Size	200 MW	Customer	Meta
Technology	Vestas	EBITDA	US\$27-30 million
COD	H2 2023	Term	Long-term

~90% of project capital fixed

Provides a significant step towards 2 GW target

Consists of 34 Vestas turbines

Our 8th wind facility in the US



On-site construction to begin in Q4 2022



Mt. Keith Transmission Expansion

Project Highlights

Location	W. Australia	Contracted	100%
Customer	BHP	EBITDA	AU\$6-7 million
COD	H2 2023	Term	15 years

Supports BHP's operations

Facilitates the connection of additional generating capacity to our network

Building our relationship with BHP



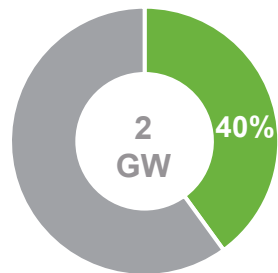
On-site construction underway



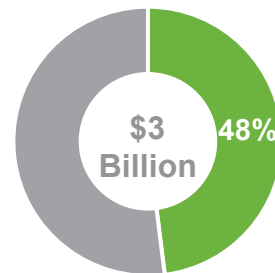
Clean Electricity Growth Plan Execution

	MW	Location	Capital (\$ millions)	PPA Term	Customer	EBITDA (\$ millions)	COD
Garden Plain Wind	130	Hanna, AB	\$190 - \$200	17 years ¹	Pembina and investment-grade customer	\$14 - \$18	H2 2022
Northern Goldfields Solar	48	Western Australia	AU\$69 - \$73	16 years	BHP	AU\$9 - \$10	H2 2022
White Rock Wind	300	Caddo County, OK	US\$460 - \$470	Long-term	Amazon	US\$42 - \$46	H2 2023
North Carolina Solar	122	North Carolina	US\$99	11 years	Duke	US\$9	In service
Horizon Hill Wind	200	Logan County, OK	US\$290-\$310	Long-term	Meta	US\$27-\$30	H2 2023
Mt Keith Transmission Expansion	NA	Western Australia	AU\$50 - \$53	15 years	BHP	AU\$6 - \$7	H2 2023

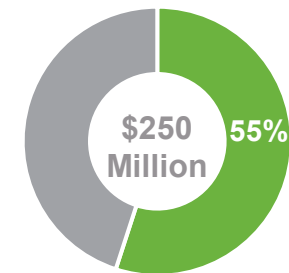
Capacity Target



Capital Target



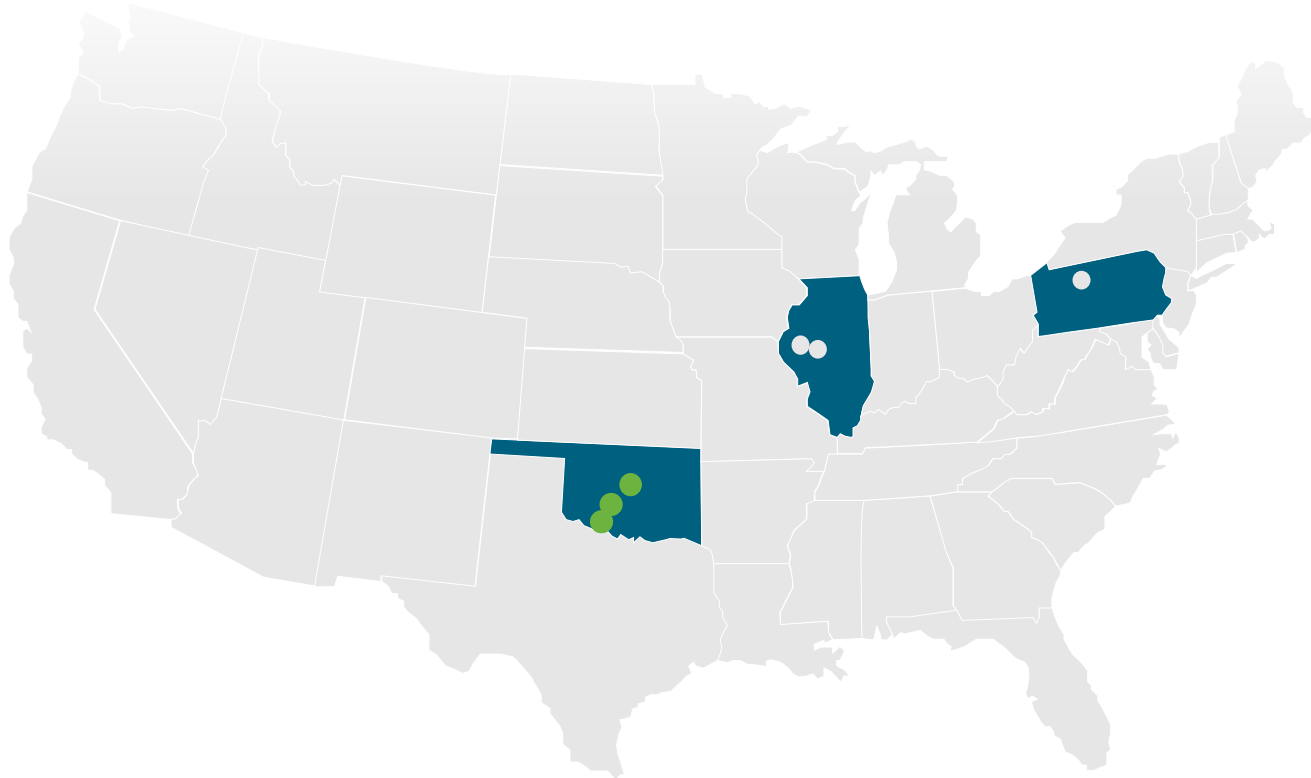
Incremental EBITDA Target



40% of Clean Electricity Growth Plan secured with over 3 years remaining in plan

Development Pipeline

UNITED STATES



LEGEND

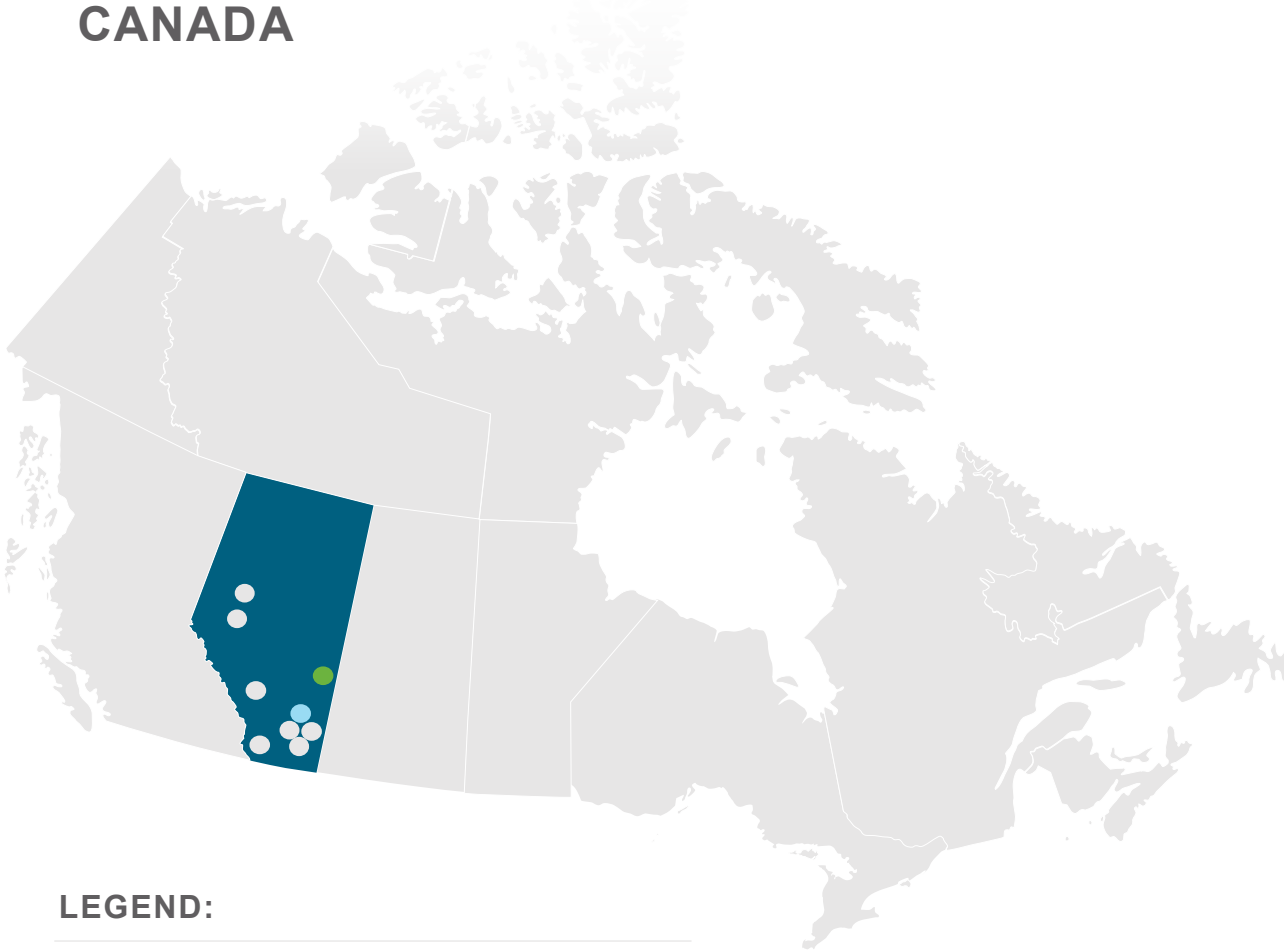
- ADVANCED-STAGE DEVELOPMENT SITE
- EARLY-STAGE DEVELOPMENT SITE
- UNDER CONSTRUCTION

Total All Stages: 1,275 MW

PROJECT	MW	FUEL	LOCATION	STAGE	COD RANGE
White Rock West	100	Wind	OK	●	2023
White Rock East	200	Wind	OK	●	2023
Horizon Hill	200	Wind	OK	◎	2023
Prairie Violet	130	Wind	IL	○	2026
Old Town	185	Wind	IL	○	2024-2025
Big Timber	50	Wind	PA	○	2026
Other US Wind Prospects	410	Wind	Various	○	TBD

Development Pipeline

CANADA



LEGEND:

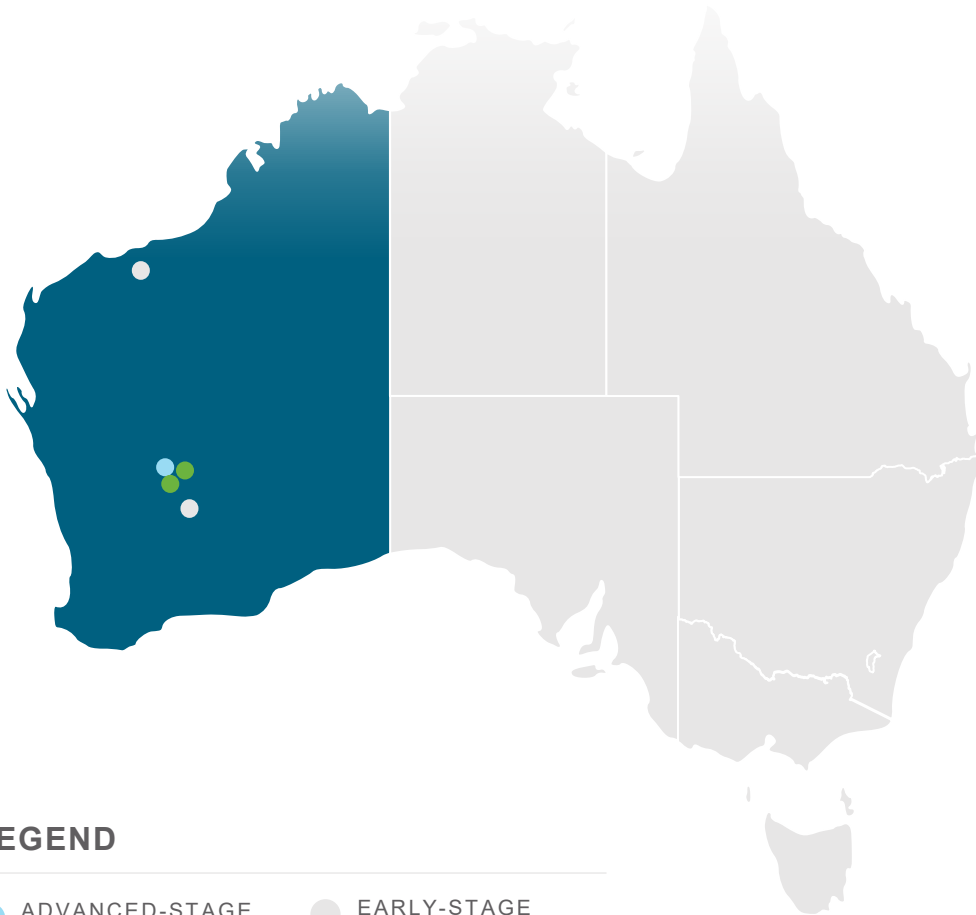
- ADVANCED-STAGE DEVELOPMENT SITE
- EARLY-STAGE DEVELOPMENT SITE
- UNDER CONSTRUCTION

Total All Stages: 1,520 – 2,120 MW

PROJECT	MW	FUEL	LOCATION	STAGE	COD RANGE
Garden Plain	130	Wind	AB	●	2022
Tempest	100	Wind	AB	⊙	2024
Riplinger	300	Wind	AB	○	2025
Willow Creek 1	70	Wind	AB	○	2024-2025
Willow Creek 2	70	Wind	AB	○	2024-2025
WaterCharger	180	Battery	AB	○	2023
SunHills Solar	80	Solar	AB	○	2024
Alberta Solar	40	Solar	AB	○	2024
Canadian Wind	250	Wind	Various	○	TBD
Brazeau Pumped Storage	300-900	Hydro	AB	○	2032

Development Pipeline

AUSTRALIA



LEGEND

- ADVANCED-STAGE DEVELOPMENT SITE
- EARLY-STAGE DEVELOPMENT SITE
- UNDER CONSTRUCTION

Total All Stages: 228 MW

PROJECT	MW	FUEL	LOCATION	STAGE	COD RANGE
Northern Goldfields Solar	48	Solar and Battery	WA	●	2022
Mt Keith 132kV Expansion	N/A	Transmission	WA	◎	2023
SCE Capacity Expansion	40	Gas	WA	●	2023
Goldfields Expansions	90	Wind, Solar, Gas	WA	○	2024
South Hedland Solar	50	Solar	WA	○	2024

Todd Stack

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

**President,
TransAlta Renewables Inc.**



Alberta Electricity Portfolio

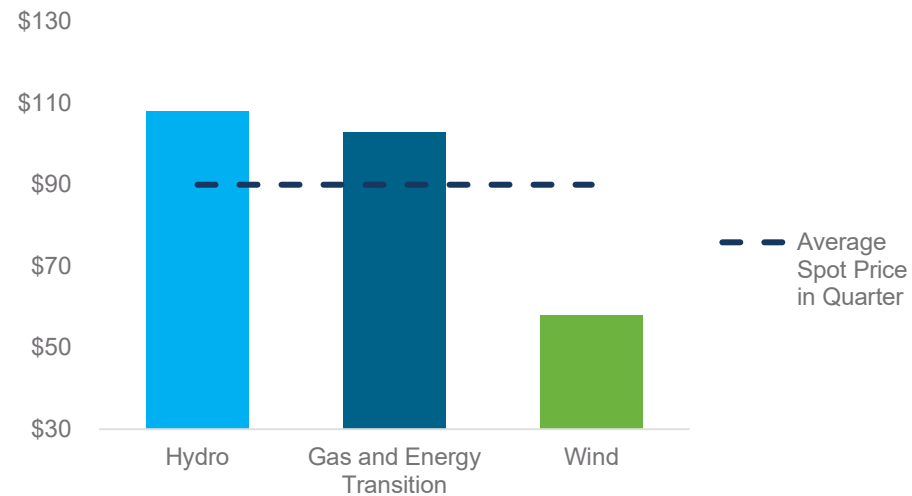
Q1 2022 Realized Prices and 2022 Balance of Year Hedging

20%

ALBERTA HYDRO
AVERAGE PREMIUM IN Q1 2022

14%

GAS AND ENERGY TRANSITION
AVERAGE PREMIUM IN Q1 2022



Hedging 2022 BOY Assumptions

	Volume	Average Hedge Price
Energy	4,890 GWh	~\$73 / MWh
Natural Gas	75% ¹	\$3.00 / GJ

¹140 million GJ's representing 75% of hedged energy production

Demonstrating the value of our diversified fleet in Alberta

TransAlta Segmented Results

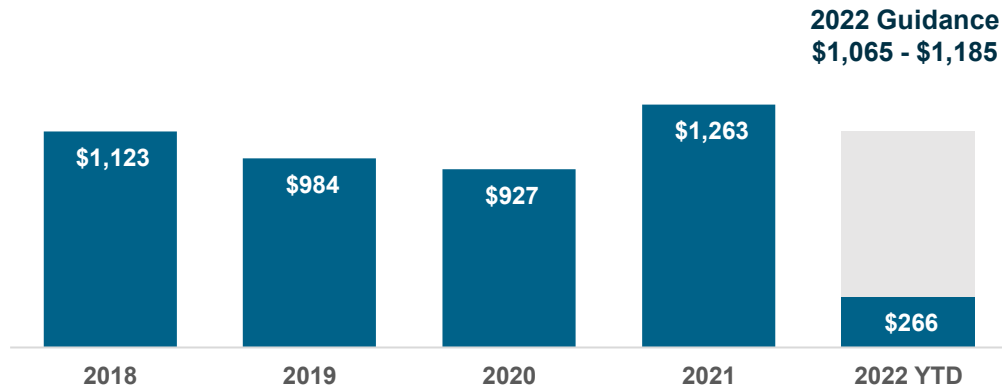
3 Months Ended March 31, 2022

	Q1 2022	Q1 2021
Hydro	61	77
Wind and Solar	89	76
Gas	102	106
Energy Transition	5	16
Energy Marketing	27	43
Corporate	(18)	(8)
Total Adjusted EBITDA¹	266	310

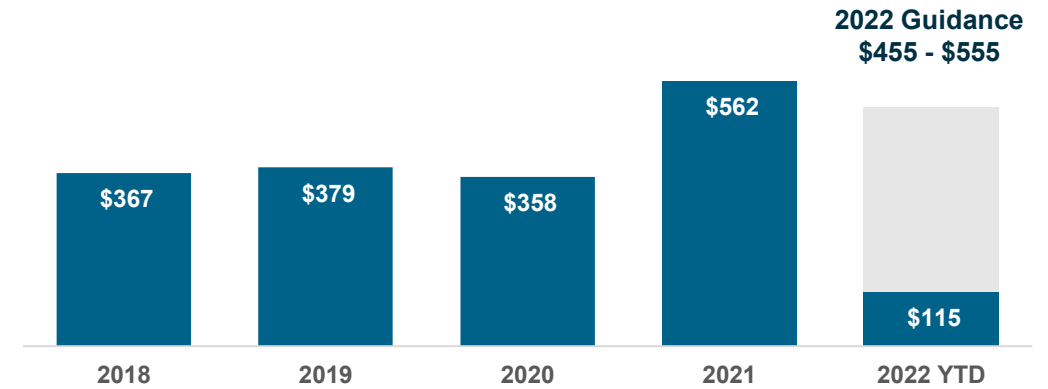
Tracking to expectations

Financial Strength

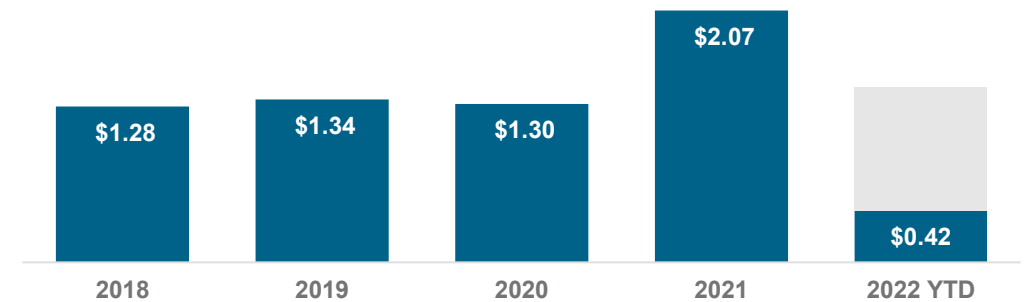
ADJUSTED EBITDA¹ (\$MILLIONS)



FCF¹ (\$MILLIONS)



FCF PER SHARE¹



~\$2 Billion

CASH AND AVAILABLE CREDIT FACILITY

TransAlta Renewables Q1 2022 Highlights

3 Months Ended March 31, 2022

	Q1 2022	Q1 2021
Adjusted EBITDA ¹	139	123
CAFD ¹	90	90
CAFD per share ¹	0.34	0.34
Dividends per share	0.23	0.23

2022 Priorities



SAFETY, RELIABILITY AND AVAILABILITY

- Achieve strong safety performance
- Achieve strong fleet availability



GROWTH AND COMMERCIAL

- Reach FID on 400 MW of additional clean energy projects
- Achieve COD on Garden Plain and Northern Goldfields Solar
- Commence construction on White Rock, Horizon Hill and Mount Keith Transmission
- Expand growth pipeline



STRATEGIC INITIATIVES

- Accelerate CO₂ emissions reduction to 75% from 2015 levels by 2026
- Progress ESG efforts including reclamation activities at Alberta and Centralia mines
- Position company as thought leader in policy development for “net zero electricity”



COMPETITIVE

- Finalize implementation of “One TransAlta” Operations and Shared Services model to drive further business efficiencies



FINANCIAL FLEXIBILITY

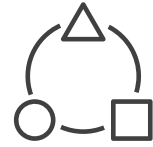
- Deliver EBITDA of \$1.065 - \$1.185 billion
- Deliver FCF of \$455 - \$555 million
- Recontract Sarnia
- Rehabilitate Kent Hills for safe return to service in 2023
- Secure long-term contracts for AB merchant fleet
- Refinance ~US\$400 million senior notes



HEALTH AND VALUES

- Continue progress towards 40% gender diversity targets
- Execute Indigenous Cultural Awareness Training

Our Value Proposition



Diversified and resilient fleet

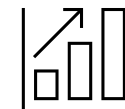


Clean power leader with ESG focus

~3 GW growth pipeline



Strong financial position



Questions & Answers

Visit us at: www.transalta.com

Investor_Relations@TransAlta.com

