



transaltaTM

Third Quarter 2024 Results

November 5, 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 significant opportunities available to TransAlta's legacy sites and ability to surface significant value, including Centralia redevelopment; the temporary mothballing of Sundance 6 and its return to service; our acquisition of Heartland; and 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.

Forward-looking statements are subject to a number of significant risks, and uncertainties 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: fluctuations in market prices, including lower merchant pricing in Alberta, Ontario and Mid-Columbia; failure to close the Heartland acquisition or inability to realize the benefits of the Heartland acquisition; supply chain disruptions impacting major maintenance; reduced labour availability and ability to continue to staff our operations and facilities; risks associated with development and construction projects, including disputes with contractors and potential delays in the development, construction or commissioning of such projects; restricted access to capital and increased borrowing costs, including any inability to secure debt, equity or tax equity, as applicable, on reasonable terms or at all; significant fluctuations in the Canadian dollar against the US dollar and Australian dollar; changes in short-term and long-term electricity supply and demand; reductions in production; a higher rate of losses on our accounts receivable; inability to achieve our targets relating to ESG; 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; any inability to contract our generation for prices that will provide expected returns and replace contracts as they expire; 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; disruptions in the transmission and distribution of electricity; the effects of weather, including man-made, natural disasters and climate-change related risks; increases in costs; reductions to our generating units' relative efficiency or capacity factors; disruptions in the source of fuels, including natural gas, coal, water, solar or wind resources required to operate our facilities; operational risks, unplanned outages and equipment failure and our ability to carry out or have completed any repairs in a cost-effective or timely manner or at all; failure to meet financial expectations; general domestic and international economic and political developments; armed hostilities, including the threat of terrorism, adverse diplomatic developments or other similar events; industry risk and competition; structural subordination of securities; counterparty credit risk; public health crisis risks; inadequacy or unavailability of insurance coverage; long term commitments on gas transportation capacity that may not be fully utilized over time; our provision for income taxes and any risk of reassessment thereof; legal, regulatory and contractual disputes and proceedings involving the Company; 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, 2023.

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**



Q3 2024 achievements and strategic initiatives



Results and financial position

Adjusted EBITDA¹ of **\$325 million**
41% from renewables

FCF¹ of **\$140 million** or **\$0.47/share**

Tracking towards **upper end** of
guidance

Excellent **availability** of **94.5%**



Growth and customer solutions

Pursuing **Centralia redevelopment**
opportunities

Advancing options for **reliability** and
data centres

Access to **\$1.8 billion** in liquidity²



Strategic initiatives

Progressing **Heartland Generation**
to **closure**

Mothballed Sundance 6 for **future**
opportunities

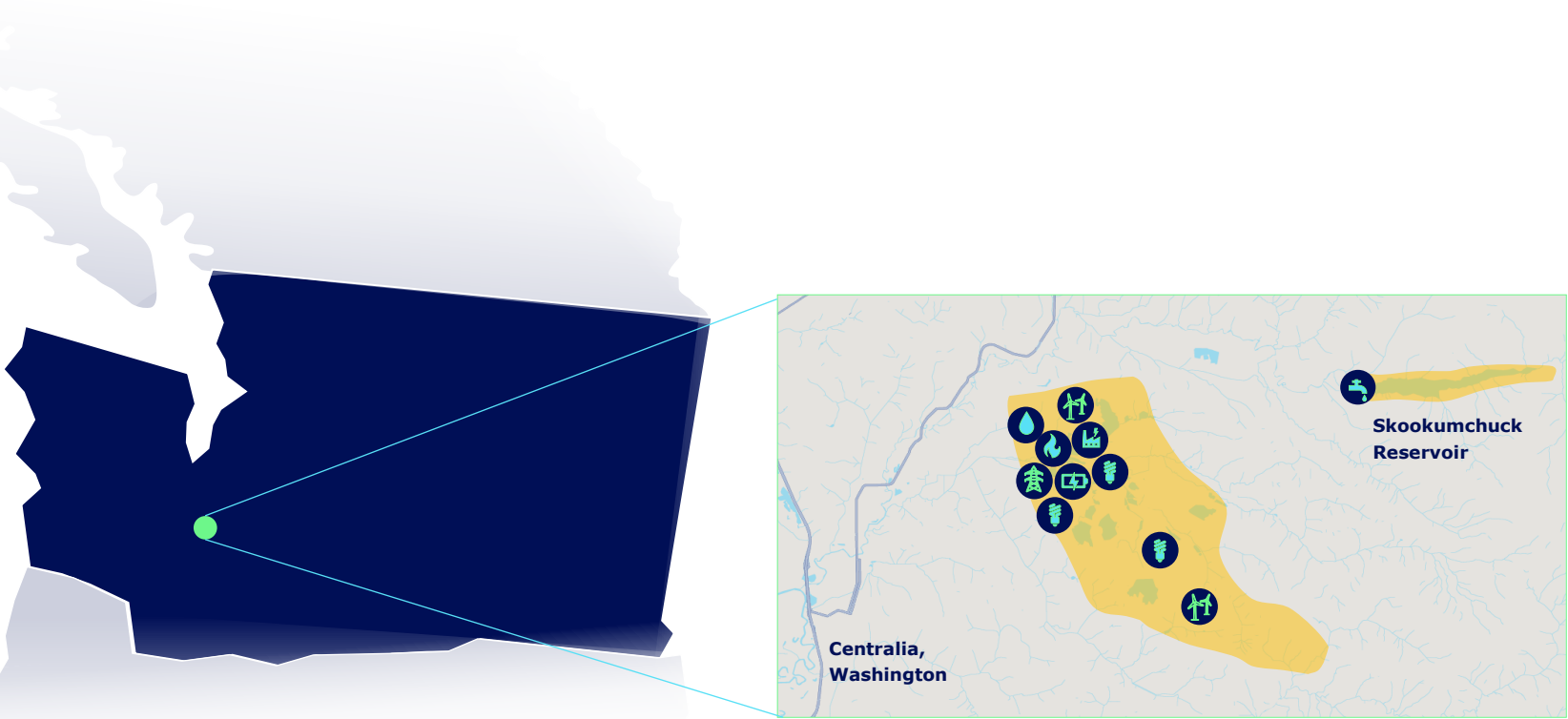
CFO succession completed

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 Sept. 30, 2024, we had access to \$1.8 billion in liquidity, including \$401 million in cash, which significantly exceeds the funds required for share repurchases, growth initiatives, sustaining capital and productivity projects.



Pursuing multiple options for Centralia redevelopment

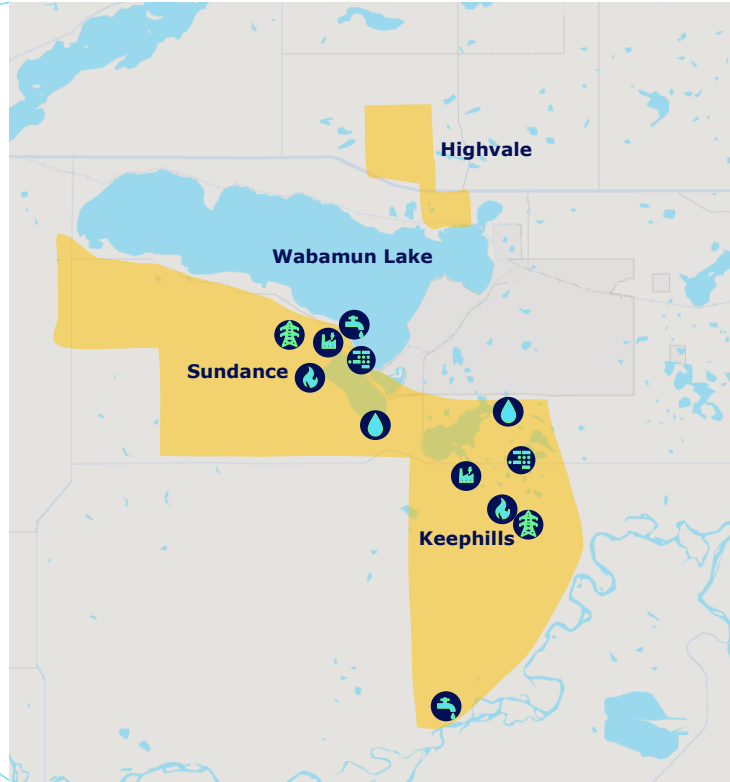
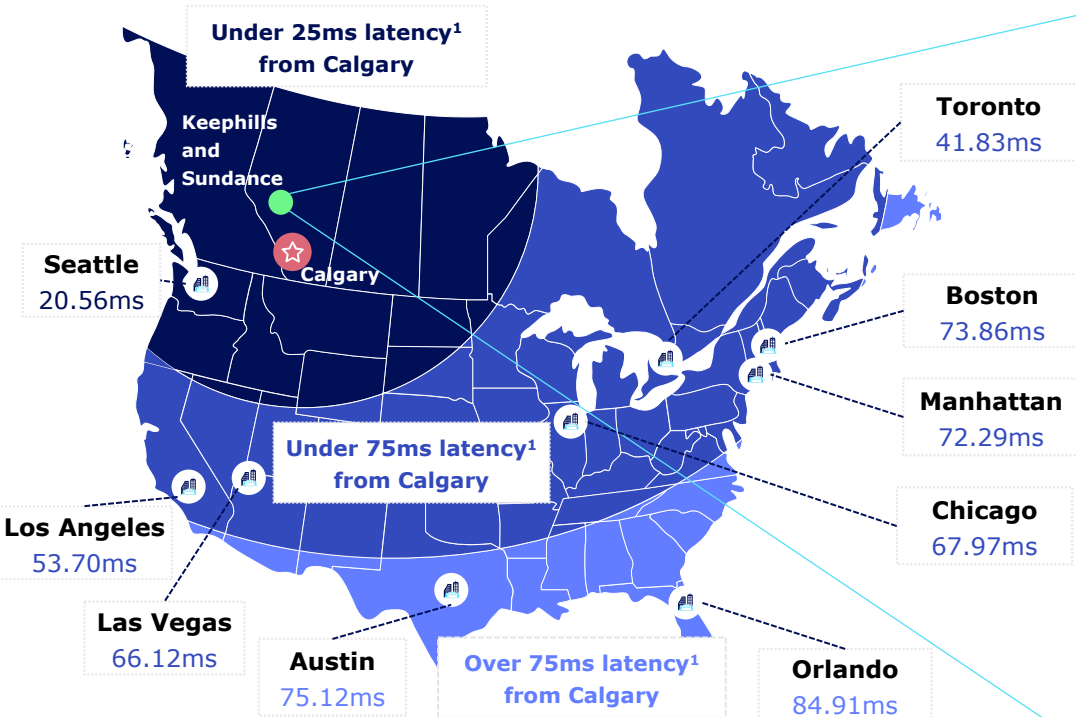


	Operating unit	
	Transmission interconnection	
	Natural gas	
	Next generation technology potential site	
	Water rights	
	Temperate climate and existing cooling ponds	
	Skilled workforce availability	
	Renewables potential site	
	Battery potential site	
	Owned Land:	~12,000 Acres

Potential to surface significant value through existing infrastructure



TransAlta offers great locations for data centres



Wabamun Lake Area	
Reliable operating units / speed to market	
Transmission interconnection	
Natural gas	
Fibre optic access	
Water rights	
Temperate climate and existing cooling ponds	
Owned Land:	~40,000 Acres

TransAlta positioned to deliver latency under 75ms for most of Canada and the US

¹ Network latency is the amount of time it takes for data to travel from a data centre to an end user (i.e., consumer or commercial internet user), measured in milliseconds ("ms") with a low (fast) latency being more desirable; latencies vary by location of fibre optic lines and are not directly correlated with distance. Sourced from Boston Consulting Group.

Tracking toward upper end of 2024 Outlook

(\$ millions)	Nine months ended Sept. 30, 2024	2024 Outlook	
Adjusted EBITDA ¹	968	1,150 to	1,300
FCF ¹	521	450 to	600
FCF (\$/share) ¹	1.72	1.47 to	1.96

**Year-to-date
results
trending
towards
upper end of
guidance**



Joel Hunter

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



TransAlta segmented results

Three months ended Sept. 30, 2024 (\$millions)

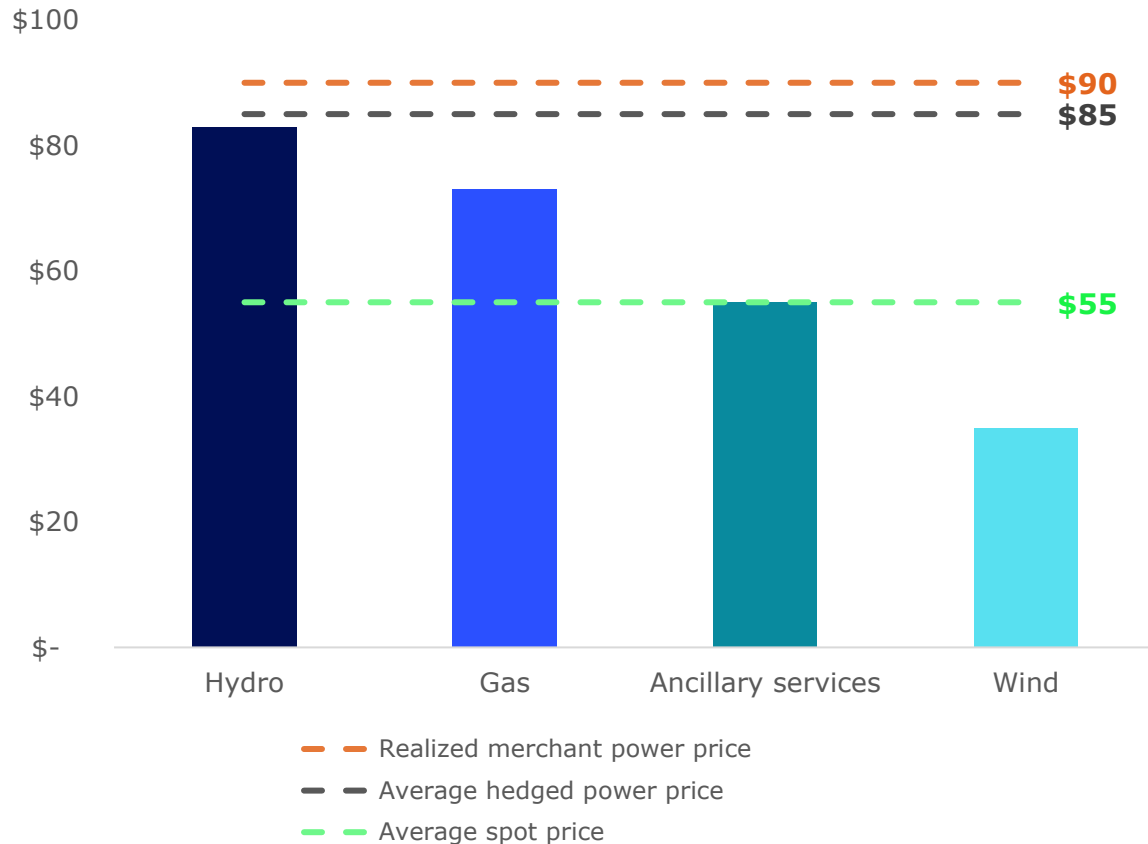
Adjusted EBITDA ¹	Q3 2024	Q3 2023
Hydro	89	150
Wind and Solar	44	37
Gas	139	254
Energy Transition	34	29
Energy Marketing	54	13
Corporate	(35)	(30)
Total	325	453

Strong performance across the entire fleet



Alberta electricity portfolio

Q3 2024 prices



164%

AB fleet average realized merchant and contract energy price premium to spot price in Q3 2024¹

151%

AB Hydro average merchant energy price premium to spot price in Q3 2024²

133%

AB Gas average merchant energy price premium to spot price in Q3 2024²

100%

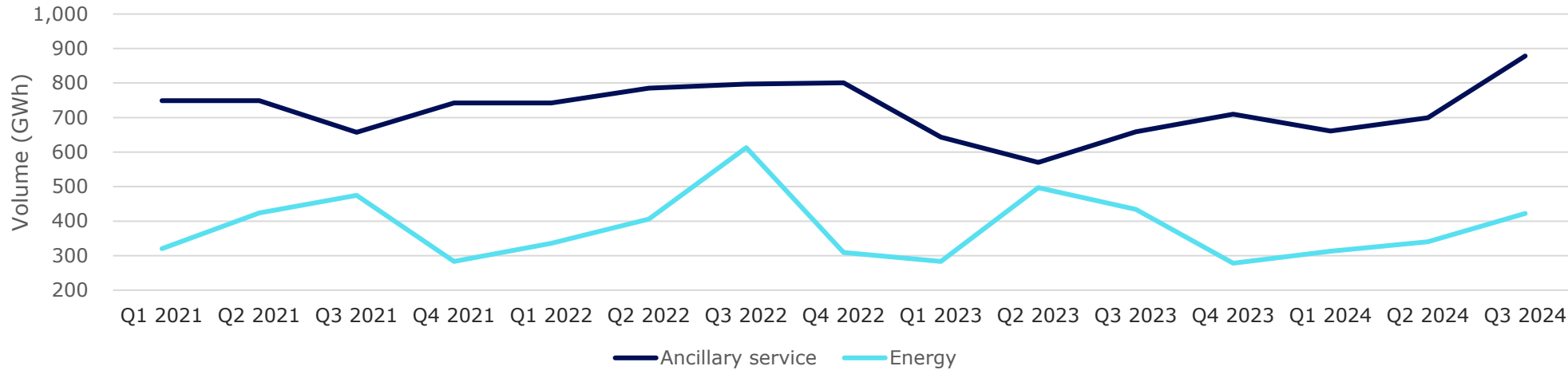
AB Hydro average ancillary price comparable to spot price in Q3 2024

Asset optimization activities generated significant premiums to spot prices



Hydro ancillary services provide stability

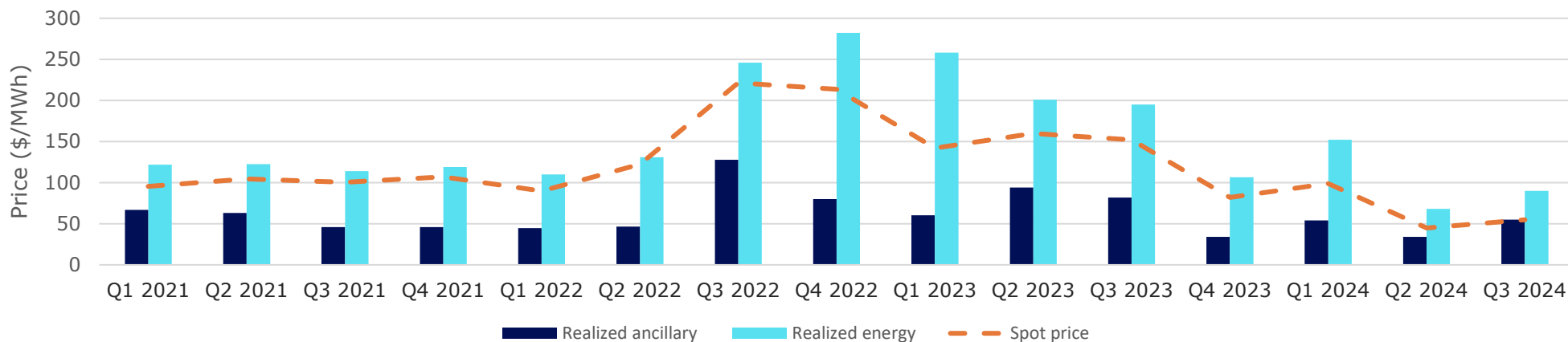
Alberta hydro fleet volumes (GWh)



+33%

Ancillary volume increase year over year

Alberta realized prices (\$/MWh)



52%¹

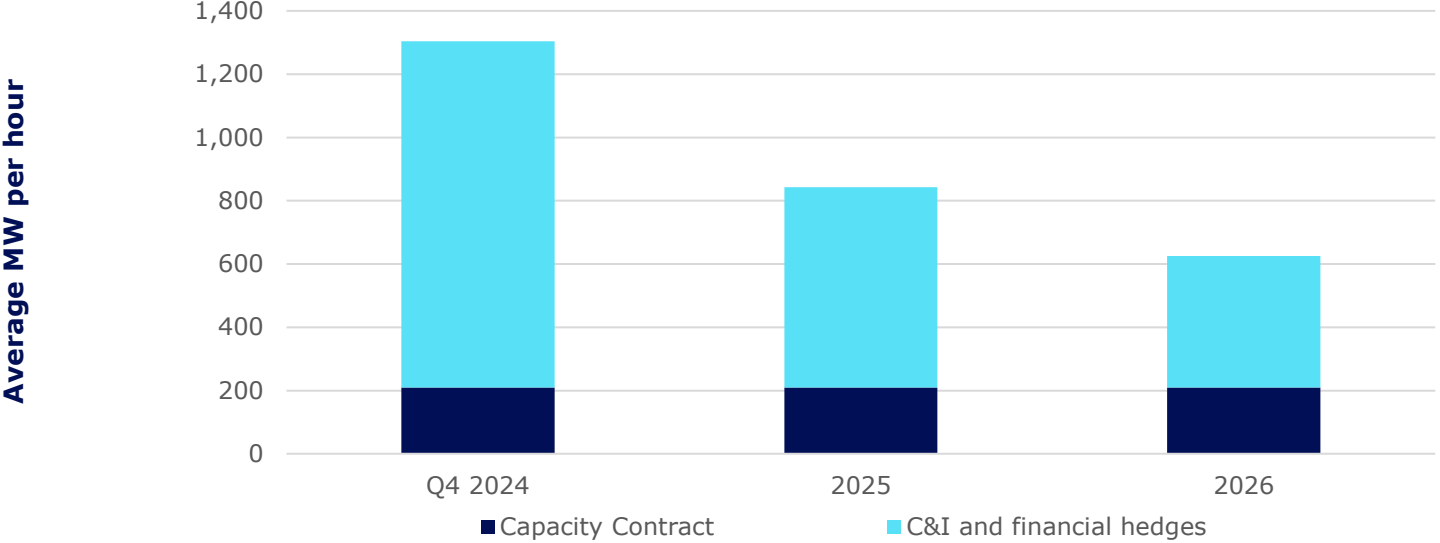
Average realized ancillary price to spot

129%¹

Average realized energy price premium to spot



Strong hedge position through 2026



Strong portfolio hedge position solidifies cash flows into 2026

	Q4 2024	Full year 2025	Full year 2026	
Price (\$/MWh)	82	75	78	Power
Volume¹ (GWh)	2,415	5,541	3,640	
Price (\$/GJ)	2.55	3.51	3.67	Natural Gas
Volume (M GJ)²	15	28	18	

Hedged power prices remain above forward curve

¹ C&I and financial hedges; excludes capacity contract.

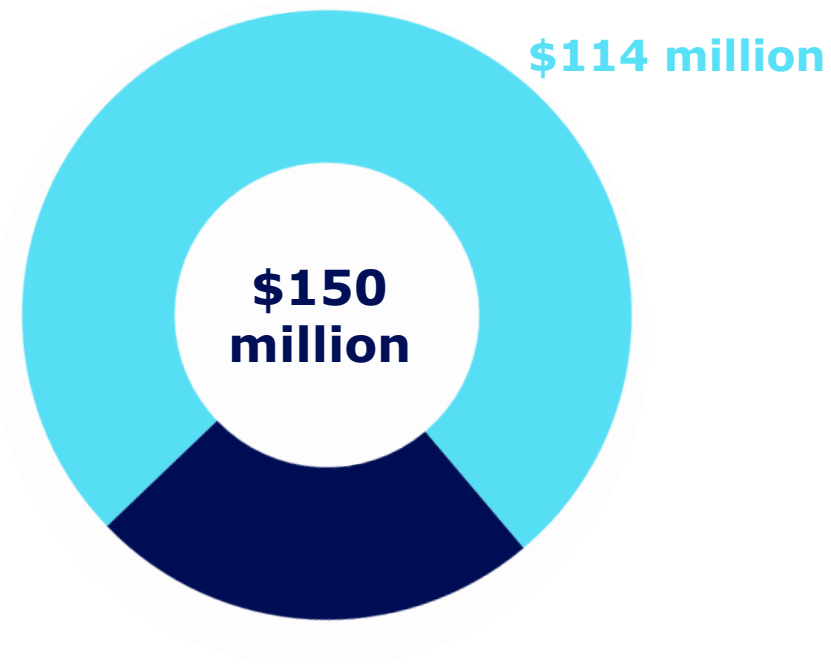
² Millions of GJ.



Enhancing shareholder returns with 2024 share repurchase program

Repurchased **11.8** million common shares

Delivered 76% 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 top end adjusted EBITDA¹ of **\$1.15 - \$1.3 billion**

Deliver top end FCF¹ 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

Visit us at: www.transalta.com

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