

The background of the slide features three large, white, three-bladed wind turbines standing in a field of golden-brown grass. The sky is a clear, vibrant blue with a few wispy white clouds. The turbines are positioned at different heights and angles, creating a sense of depth. A semi-transparent grey box is overlaid on the left side of the image, containing the company logo and text.

TransAltaTM

Q1 2021 Results

May 13, 2021

TransAlta Corporation

Forward-Looking Statements

This presentation includes forward-looking statements or information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable securities legislation. All forward-looking statements are based on our beliefs as well as assumptions based on available information 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”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “project”, “forecast”, “foresee”, “potential”, “enable”, “continue”, or other comparable terminology. These statements are not guarantees of TransAlta Corporation’s (“we”, “our”, Company”) future performance and are subject to risks, uncertainties, and other important factors that could cause actual results or outcomes to be materially different from those set forth in the forward-looking statements. In particular, this presentation includes forward-looking statements pertaining to, among other things: the Garden Plain wind project, including the expected costs, timing to achieve commercial operation and expectations regarding the currently uncontracted 30 MWs; the timing for completion of the Windrise wind project; the conversion of Keephills Unit 2; the repowering of Sundance Unit 5, including the cost and timing thereof, the increase in overall output to 750 MW and an increase in operating flexibility; the potential investment in carbon capture and storage at the repowered Sundance Unit 5; ability to successfully execute on the growth pipeline; our 2021 outlook, including free cash flow and ability deliver at the upper end of guidance; hedging strategies, including in respect of the Alberta hydro assets; and the Company’s 2021 priorities, including securing growth projects in U.S. and Australia, recontracting Sarnia, and ability to secure project financing for the Windrise wind project. The material factors and assumptions used in the preparation of the forward-looking statements contained herein, which may prove to be incorrect, include, but are not limited to: the impacts arising from COVID-19 not becoming significantly more onerous; Alberta spot prices of \$58/MWh to \$68/MWh; Mid-C spot prices of US\$25/MWh to US\$35/MWh; no significant changes to regulatory, tax, securities, credit or market environments; no changes to the GHG compliance costs (beyond those publicly announced); and the assumptions set forth in the related management's discussion and analysis for the three months ended March 31, 2021 and the Company's annual information form for the year-ended December 31, 2020.

The forward-looking statements contained in this presentation 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 the forward-looking statements contained in this presentation include the impacts of COVID-19, which cannot currently be predicted, and which present risks, including, but not limited to: more restrictive directives of government and public health authorities; 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; force majeure claims; curtailments reducing merchant production; our ability to maintain our credit ratings; restricted access to capital and increased borrowing costs; a further decrease in short-term and/or long-term electricity demand and lower merchant pricing in Alberta and Mid-C; further reductions in production; increased costs resulting from our efforts to mitigate the impact of COVID-19; regulatory and environmental processes delays; and/or write-downs of assets; and adverse impacts on our information technology systems and our internal control systems, including increased cyber security threats. Other factors that may adversely impact the Company’s forward-looking statements include, but are not limited to, risks relating to: fluctuations in market prices; changes in demand for electricity and capacity and our ability to contract our generation for prices that will provide expected returns; political uncertainty; disruptions in the transmission and distribution of electricity; the effects of weather, natural disasters and other climate-related risks; disruptions to the operations, including unplanned outages, equipment failure and our ability to carry out repairs in a cost-effective or timely manner; and industry risks and competition. The foregoing risk factors, among others, are described in further detail in the Company's Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2020, which are available on SEDAR at www.sedar.com. 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 and is given as of the date of this presentation. The Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Certain financial information contained in this presentation, including Comparable EBITDA, Adjusted Funds from Operations (“FFO”), 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 three months ended March 31, 2021, for further discussion of these items, including, where applicable, reconciliations to measures calculated in accordance with IFRS

John Kousinioris

President and Chief
Executive Officer



Q1 Achievements

Q1 Results and Financial Position

- ✓ EBITDA increase of 41%
- ✓ FCF per share increase of 23%
- ✓ Strong performance from Alberta Hydro and Energy Marketing
- ✓ Strong safety performance
- ✓ Access to \$2.1 billion in liquidity, including \$650 million in cash – growth program funded



Growth and Customer Solutions

- ✓ 130 MW Garden Plain wind farm launched with Pembina Pipeline
- ✓ 207 MW Windrise wind farm 84% complete
- ✓ 500 MW of advanced wind projects in pipeline
- ✓ Alberta C&I business at 200+ MWs – second largest in Alberta



Strategic Initiatives

- ✓ Credit facilities renewed and extended
- ✓ Sundance 6 CTG complete
- ✓ Keephills 2 CTG in progress
- ✓ Customer recontracting at Sarnia secured
- ✓ Advanced Sun 5 repowering
- ✓ Alberta Business unit established
- ✓ Carbon neutral goal adopted
- ✓ Drop-Downs to TransAlta Renewables completed
- ✓ Mangrove dispute resolved



Launched Garden Plain 130 MW Wind Project in Alberta



- 18-year 100 MW renewable PPA with Pembina
- First for Pembina to advance ESG objectives
- ~\$195 million capital
- Expected EBITDA of ~\$17 million in 2023
- Target COD H2 2022



**TransAlta's 11th Alberta Wind Farm
Growing Our Wind Fleet to Over 2 GW**

TransAlta's Growth Pipeline



● Development Sites



Projects	Owned MW	Location	COD Range
Advanced-Stage Projects in Development			
Garden Plain Wind ✓	130	AB	2022
Horizon Hill Wind	200	OK	2023 – 2024
White Rock East Wind	200	OK	2023 – 2024
White Rock West Wind	100	OK	2023 – 2024
Early/Mid-Stage Prospects			
Australia BHP expansion	35	WA	2022 – 2023
CA / US Wind and Solar	1,360	Multiple	Early Stage
Multiple cogen	600	AB, ON, WA	Early Stage
Brazeau Hydro Pumped Storage	300 – 900	AB	Early Stage

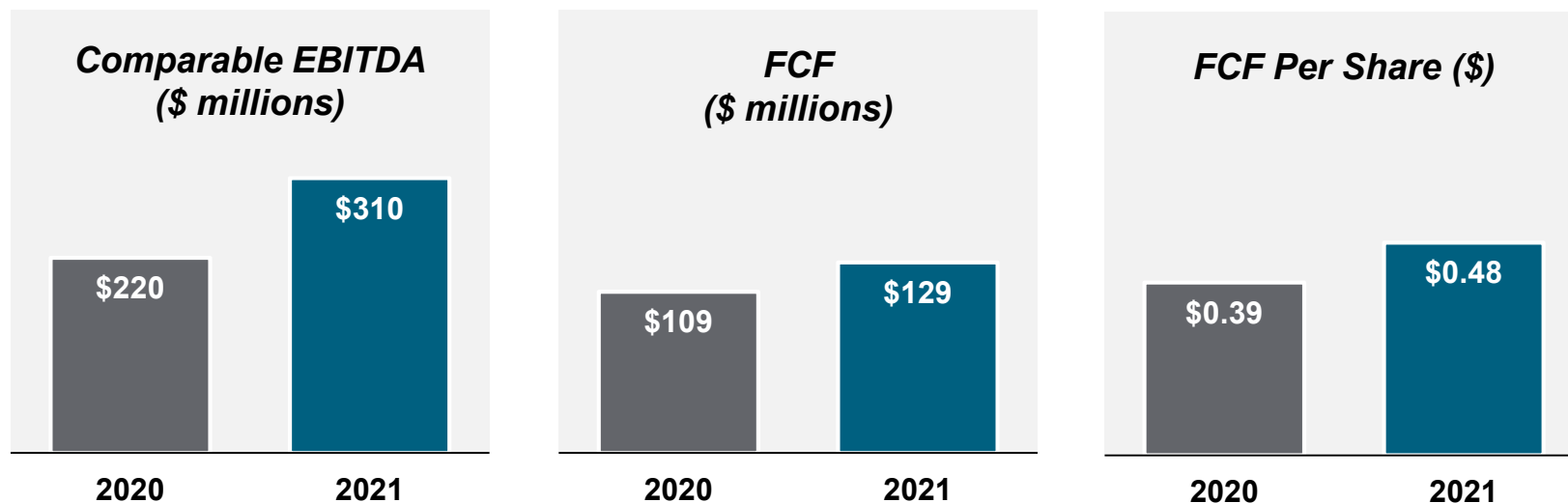
Todd Stack

EVP, Finance and
Chief Financial Officer



2021 Q1 Financial Highlights

3- MONTHS ENDED MARCH 31, 2021



Excellent Cash Flow Generation Driven by Our Alberta Hydro Fleet

Cash Flow Results by Segment

3- MONTHS ENDED MARCH 31, 2021

	Q1 2021	Q1 2020	Change
Hydro	72	23	
Wind and Solar	69	72	
North American Gas	33	29	
Australian Gas	32	28	
Alberta Thermal	17	22	
Centralia	9	28	
Generation segmented cash flow	232	202	15%
Energy Marketing	45	18	
Corporate	(11)	(33)	
Total segmented cash flow	266	187	42%

Strong Benefits From Portfolio Diversification

TransAlta Renewables Q1 2021 Highlights

3- MONTHS ENDED MARCH 31, 2021

	Q1 2021	Q1 2020
Comparable EBITDA	123	118
AFFO	93	94
CAFD	90	91
AFFO per share	0.35	0.35
CAFD per share	0.34	0.34
Dividends per share	0.23	0.23

Stable Cash Flows From Highly Diversified and Contracted Portfolio

Alberta Electricity Portfolio

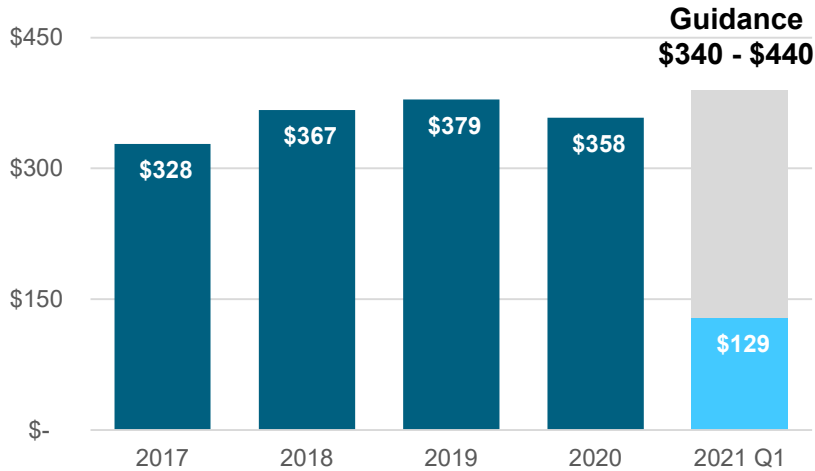
- 2,738 GWh of production during the quarter
- \$284 million of revenue from energy and ancillary services

3- MONTHS ENDED MARCH 31, 2021

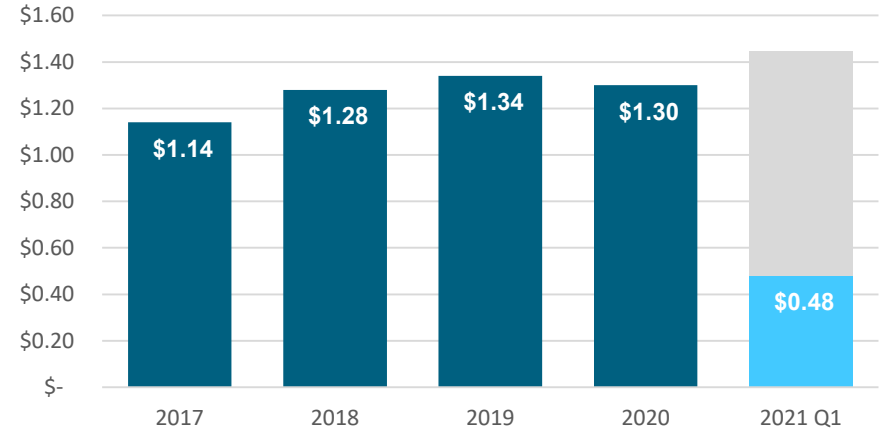
	AB Thermal	AB Hydro
Average Pool Price	\$95/MWh	
Energy		
Total Production	2,108 GWh	320 GWh
Hedged Volumes	~1,600 GWh	-
Average Realized Prices	\$87/MWh	\$122/MWh
Ancillary Services		
Production	-	749 GWh
Average Realized Price	-	\$67/MWh

2021 Financial Strength

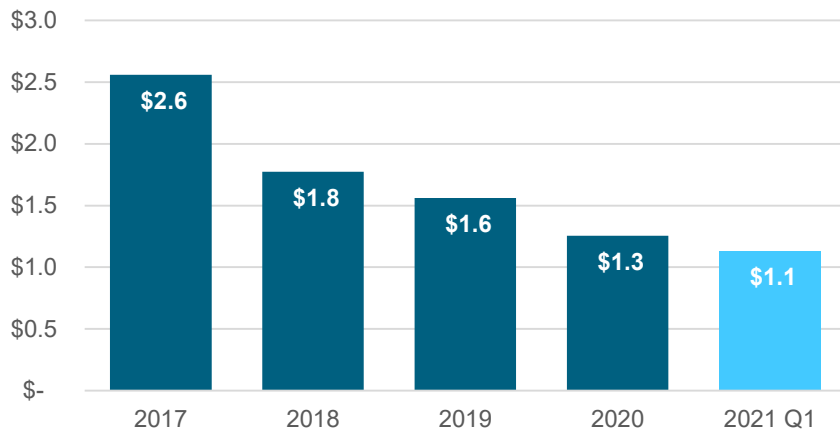
FCF (\$MILLIONS)



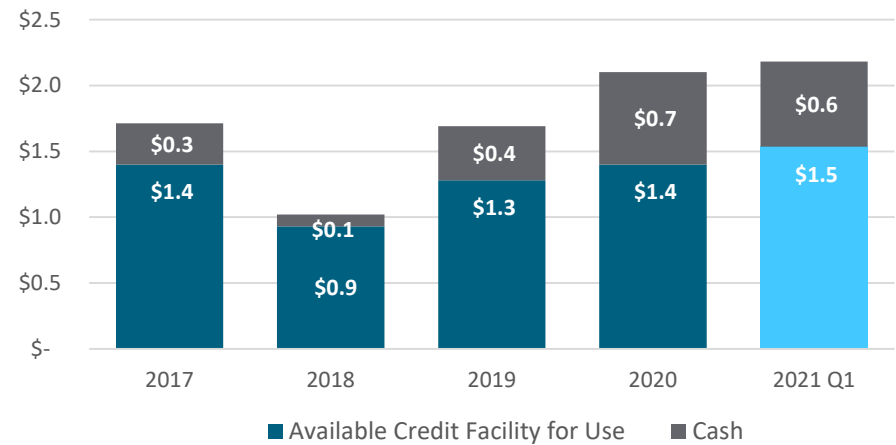
FCF PER SHARE



SENIOR CORPORATE DEBT¹ (\$BILLIONS)



LIQUIDITY (\$BILLIONS)



Notes:(1) Excludes US Tax Equity Financing

2021 Balance of Year Priorities

Safety, Reliability and Availability

- Achieve strong safety performance
- Achieve strong fleet availability



Growth and Customer Solutions

- Complete Windrise
- Commence construction on Garden Plain
- Secure wind facility from US portfolio
- Secure growth project in Australia



Strategic Initiatives

- Recontract Sarnia
- Complete Keephills 2 CTG
- Complete Keephills 3 CTG
- Advance Sundance 5 repowering



Competitive

- Continuously improve “One TransAlta” Operations and Shared Services model to drive further business efficiencies



Financial Flexibility

- Deliver EBITDA and FCF at upper end of guidance
- Arrange project financing on Windrise



Health, Values and People

- Deliver a top-quartile OHI ranking
- Advance our ED&I strategy
- Maintain response to COVID-19 pandemic



TransAlta - An Attractive Investment

Well-**diversified portfolio** of assets
driving **resilient cash flows**

Clean power leader with strong
ESG focus

Robust and diversified pipeline
with **~2.5 GW of opportunities** and
leading development
expertise

Strong financial position, financial
discipline, and **capacity**

Leader in ESG While Delivering Strong Cash Flows



TransAltaTM

**Questions &
Answers**

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