



Q3 2021 Results

NOVEMBER 9, 2021



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 "Corporation", "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 Windrise project and that the project will reach commercial operation later this month; the Northern Goldfields Solar and Storage project, and that construction is expected to begin in the first quarter of 2022; the suspension of the Sundance 5 repowering project; the retirement of Keephills Unit 1 at the end of this year and Sundance Unit 4 early in 2022; the coal-to-gas conversion of Keephills Unit 3; that all of our Alberta facilities will be generating on lower-carbon-emitting natural gas at year end; the outage at the Kent Hills 1 and Kent Hills 2 wind facilities, including cost and timing of remediation; the North Carolina solar portfolio and the contribution to EBITDA; the Garden Plain project, including the timing for commercial operation and the contribution to EBITDA; the development of Horizon Hill and White Rock wind projects and timing for final investment decision; executing on opportunities to maximize the value of our hydro and wind fleets with a new focus on battery storage and solar in Alberta; expand our pipeline to 5 GW by 2025 to enable our growth plans to double our renewables fleet by the end of the decade; production from the Corporation's Thermal assets in the fourth quarter of 2021; strong forward prices for the balance of the year and into 2022; the Alberta Thermal segment continuing to retain significant open capacity in order to realize potential higher pricing during times of peak market demand; higher gas prices continuing into the fourth quarter and 2022 and the upward pressure on power prices; key 2021 financial targets at TransAlta Renewables Inc. to be slightly lower relative to our previous guidance range, including changes to comparable EBITDA and cash available for distribution; potential drop downs to TransAlta Renewables Inc; the 2021 financial outlook for the Corporation, including in respect of EBITDA and free cash flow; increased gross margin contribution from Energy Marketing; 2021 balance of year priorities; resiliency of cash flows; and the extent of decarbonization and reduction in greenhouse gas emissions.

The forward-looking statements contained in this presentation are based on many assumptions including, but not limited to, the following: Alberta spot prices of \$95 /MWh to \$105/MWh in 2021; Mid-Columbia spot prices of US\$50/MWh to US\$60/MWh in 2021; the Corporation's proportionate ownership of TransAlta Renewables not changing materially; no decline in the dividends to be received from TransAlta Renewables; and the growth of TransAlta Renewables. 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 risks relating 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; impairments and/or write-downs of assets; adverse impacts on our information technology systems and our internal control systems, including increased cyber security threats; commodity risk management and energy trading risks, including the effectiveness of the Corporation'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 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; and other risk factors described in further detail in the Corporation's Annual Information Form and Management's Discussion & Analysis for the year ended Dec. 31, 2020, filed under the Corporation's profile with the Canadian securities regulators on www.sedar.com and the US Securities and Exchange Commission ("SEC") on www.sec.gov.

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 nine months ended September 30, 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 Corporation 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.

John Kousinioris

**President and
Chief Executive Officer**



Q3 Achievements



Q3 RESULTS AND FINANCIAL POSITION

- ✓ EBITDA increase of 49%
- ✓ FCF per share increase of 79%
- ✓ Upward revision to guidance
- ✓ Outstanding performance from Alberta Portfolio and Energy Marketing
- ✓ 11% increase on common share dividend
- ✓ Access to \$2.3 billion in liquidity, including approximately \$1.1 billion in cash



GROWTH AND CUSTOMER SOLUTIONS

- ✓ 122 MW North Carolina Solar Portfolio acquisition
- ✓ Started construction on 130 MW Garden Plain Wind Project
- ✓ Issued full notice to proceed on 48 MW Northern Goldfields Solar Project
- ✓ 206 MW Windrise Wind Project in final stages of commissioning



STRATEGIC INITIATIVES

- ✓ Announced Clean Electricity Growth Plan
- ✓ Suspension of Sundance Unit 5 repowering
- ✓ Retirement of Keephills Unit 1 and Sundance Unit 4
- ✓ Keephills Unit 3 conversion in progress

Strong Free Cash Flow Driven by Exceptional Alberta Fleet Performance

North Carolina Solar

Portfolio Highlights

Location	North Carolina	Contracted	100%
Size	122 MW	Customer	Duke Energy
Technology	Solar PV	Term	12 years
Acquisition	November 5, 2021	EBITDA	US\$9 million

Acquisition cost of US\$99 million

Expected production of approximately 195,000 MWh per year

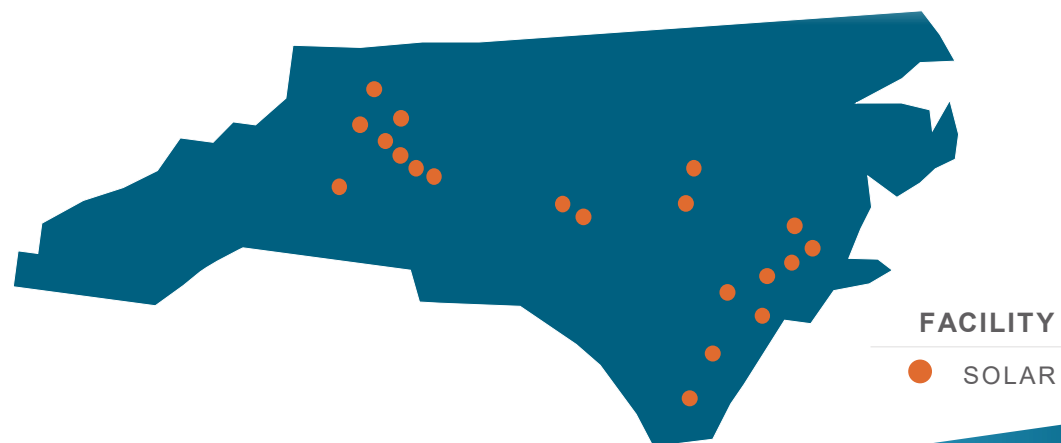
Long term contracted cashflows with investment grade counterparties

20 operating facilities across North Carolina ranging in size from 3.2 MW to 6.7 MW

Our 2nd solar portfolio in the US



COD dates ranging from Nov. 2019 to May 2021



Windrise

Project Highlights

Location	Ft Macleod, Alberta	Contracted	100%
Size	206 MW	Customer	AESO
Technology	SiemensGamesa v4.8 - 145	Term	20 years
COD	November 2021	EBITDA	\$20-\$22 million

41 of 43 turbines commissioned and now in operation

Transmission interconnection fully complete and commissioned

Work successfully competed through the pandemic

Project in final stages of commissioning



All turbines fully assembled



Garden Plain

Project Highlights

Location	Hanna, Alberta	Contracted	77%
Size	130 MW	Customer	Pembina
Technology	Siemens Gamesa SG5.0-145	Term	18 years
COD	H2 2022	EBITDA	\$14-\$18 million

Alberta Utilities Commission permits have been secured for the wind and interconnection facilities

Detailed engineering ongoing with full geotechnical complete

Advanced negotiations underway for the remaining 30 MW capacity

Our 11th wind facility in Alberta

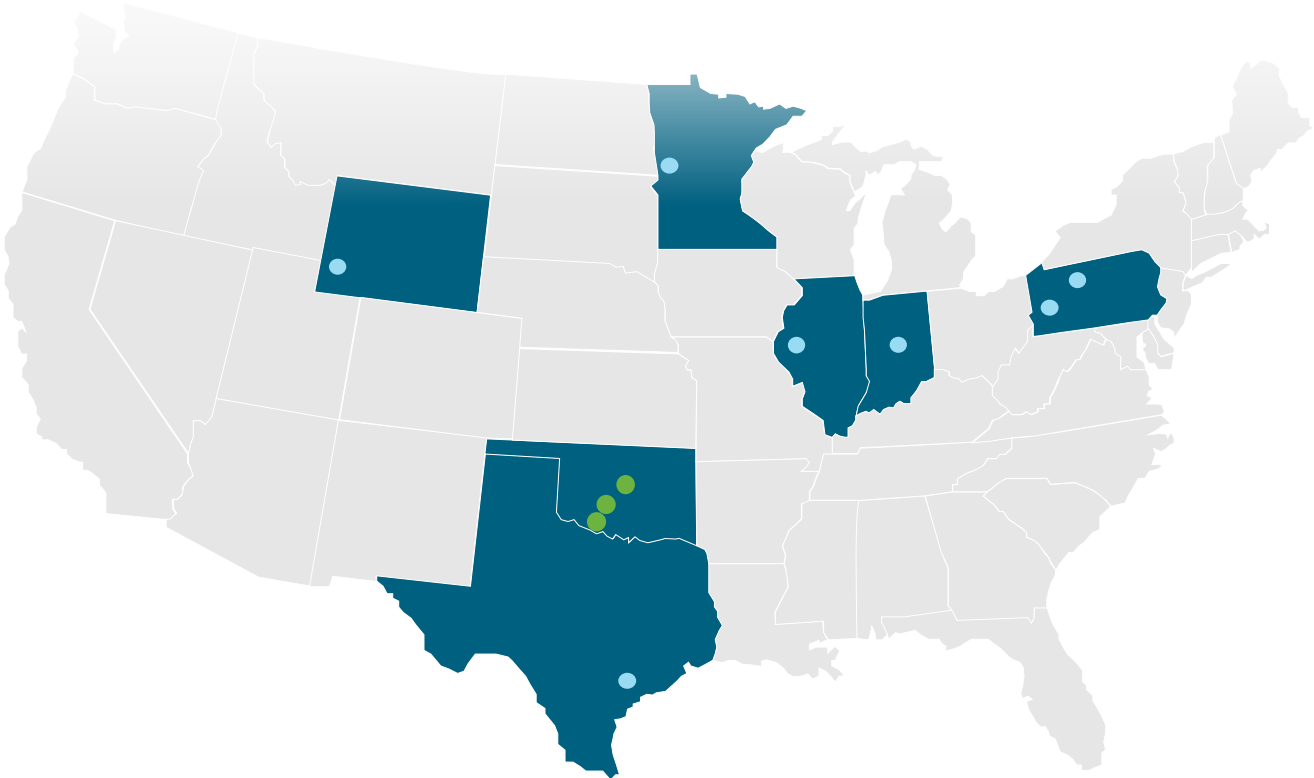


Construction activities now underway



Development Pipeline

UNITED STATES



LEGEND

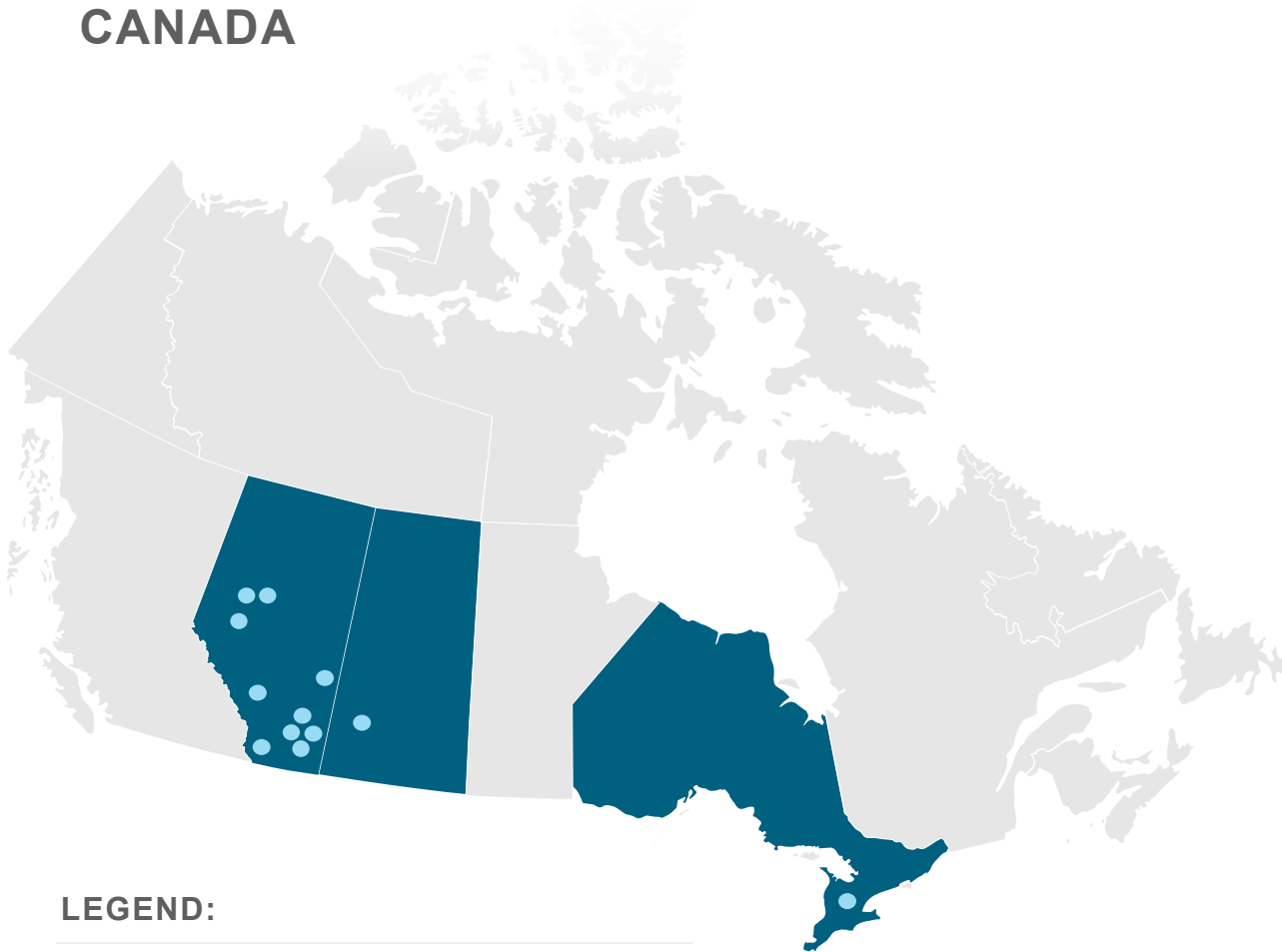
- ADVANCED-STAGE DEVELOPMENT SITE
- EARLY-STAGE DEVELOPMENT SITE

Total All Stages: 1,195 MW

PROJECT	MW	FUEL	LOCATION	STAGE	COD RANGE
Horizon Hill	200	Wind	OK	<div></div>	2023
White Rock East	200	Wind	OK	<div></div>	2023
White Rock West	100	Wind	OK	<div></div>	2023
Prairie Violet	185	Wind	IL	<div></div>	2024-2025
Big Timber	50	Wind	PA	<div></div>	2024-2025
Wild Waters	40	Wind	MN	<div></div>	2024-2025
Coolspring	120	Wind	PA	<div></div>	2025-2026
Wyoming Exp.	100	Wind	WY	<div></div>	2024-2025
Chisholm	100	Solar	TX	<div></div>	2025-2026
Big Blue River	100	Solar	IN	<div></div>	TBD

Development Pipeline

CANADA



LEGEND:

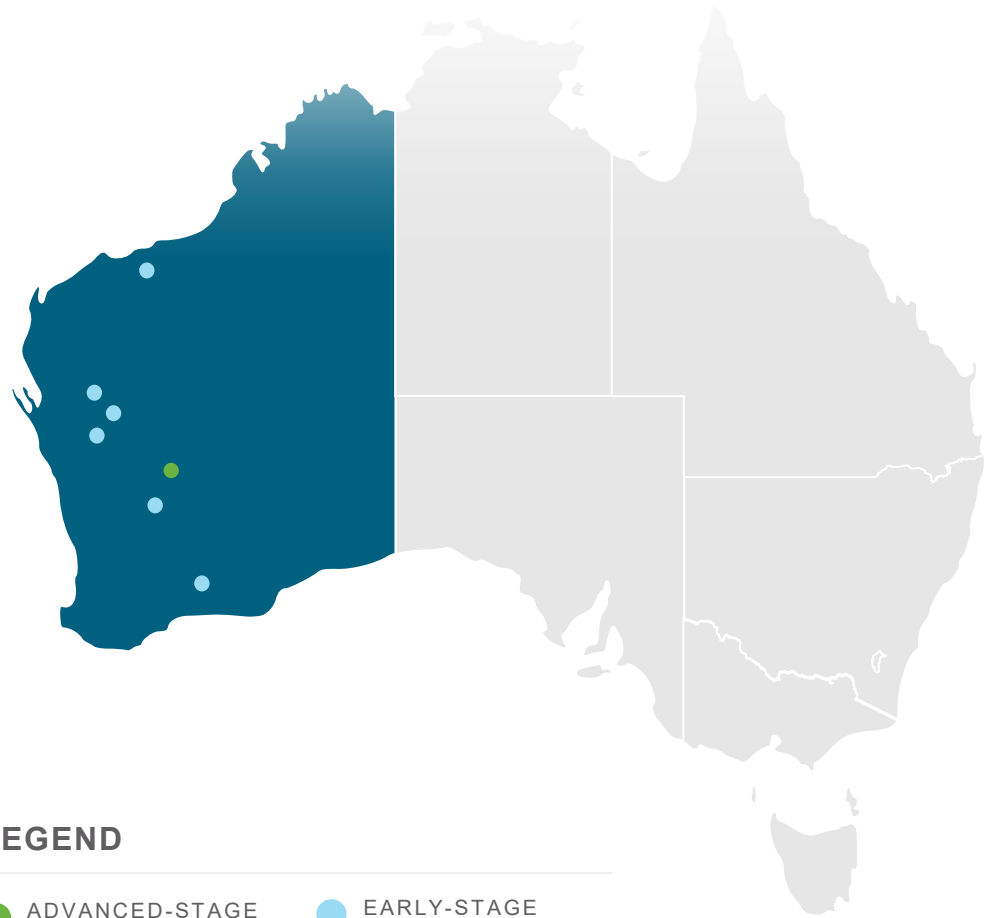
- ADVANCED-STAGE DEVELOPMENT SITE
- EARLY-STAGE DEVELOPMENT SITE

Total All Stages: 1,385 – 2,000 MW

PROJECT	MW	FUEL	LOCATION	STAGE	COD RANGE
Riplinger	300	Wind	AB	●	2024-2025
Willow Creek 1	70	Wind	AB	●	2024
Willow Creek 2	70	Wind	AB	●	2024
Tempest	90	Wind	AB	●	2024
Alberta Cogen	15-30	Gas	AB	●	2023
Ontario Cogen	20	Gas	ON	●	2023
WaterCharger	100	Battery	AB	●	2023
SunHills Solar	85	Solar	AB	●	2023
Alberta Solar	85	Solar	AB	●	2024
Antelope Coulee	200	Wind	SK	●	TBD
Red Rock	50	Wind	AB	●	TBD
Brazeau Pumped Storage	300-900	Hydro	AB	●	2032

Development Pipeline

AUSTRALIA



LEGEND

- ADVANCED-STAGE DEVELOPMENT SITE
- EARLY-STAGE DEVELOPMENT SITE

Total All Stages: 210 – 270 MW

PROJECT	MW	FUEL	LOCATION	STAGE	COD RANGE
Mt Keith Capacity Additions	25 - 50	Gas	WA	<div></div>	2023
New Mine Supply	25	Gas	WA	<div></div>	2024
SCE North Wind	25 - 60	Wind	WA	<div></div>	2023
Higginsville Supply	-	Transmission Line	WA	<div></div>	2024
South Hedland Solar	50	Solar	WA	<div></div>	2022
New Mine Supply	85	Gas	WA	<div></div>	2025

Todd Stack

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

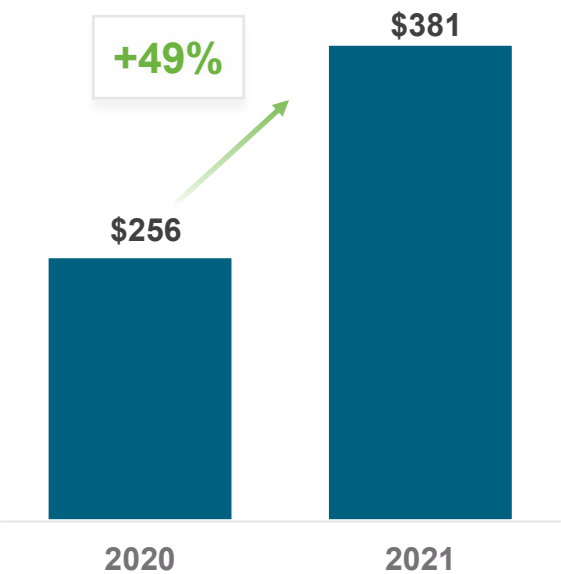
**President,
TransAlta Renewables Inc.**



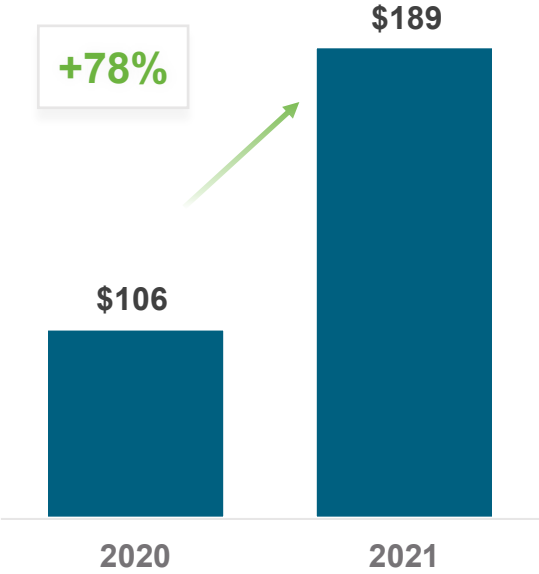
2021 Q3 Financial Highlights

3 Months Ended September 30, 2021

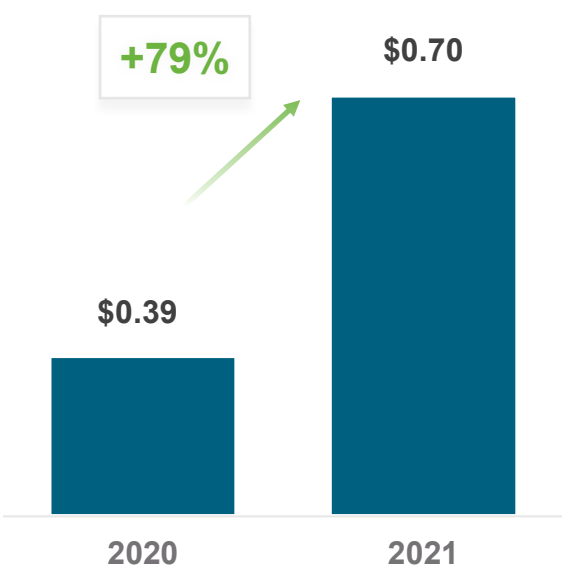
COMPARABLE EBITDA
(\$ millions)



FREE CASH FLOW
(\$ millions)



FCF PER SHARE
(\$ / share)



Cash Flow Generation Driven by Alberta Portfolio & Energy Marketing

TransAlta Segmented Results

3 & 9 Months Ended September 30, 2021

Q3 2021	Q3 2020	EBITDA	YTD 2021	YTD 2020
82	28	Hydro	255	83
55	36	Wind and Solar	186	171
35	29	North American Gas	88	85
36	34	Australian Gas	99	93
104	47	Alberta Thermal	232	121
35	49	Centralia	61	109
58	49	Energy Marketing	128	90
(24)	(16)	Corporate	(56)	(59)
381	256	Comparable EBITDA	993	693
189	106	Free Cash Flow	456	306

Diversified Portfolio Continues to Deliver Exceptional Results

Alberta Electricity Portfolio

3 Months Ended September 30, 2021

	AB Thermal	AB Hydro		AB Gas	AB Wind
	Energy	Energy	Ancillary	Energy	Energy
Total Production	2,508 GWh	475 GWh	657 GWh	117 GWh	237 GWh
Hedge Volume (%)	74%	-	-	-	-
Average Realized Prices(\$ / MWh)	\$101	\$114	\$46	\$73	\$71
Average Pool Price (\$ / MWh)	\$100				

Hedging BOY and 2022				
	Production (GWh)	Average Price (\$ / MWh)	Hedged Gas Volumes (GJ)	Hedged Gas Prices (\$/GJ)
Q4	1,407	\$76	15 million	2.77
2022	4,387	\$71	49 million	2.74

TransAlta Renewables Q3 2021 Highlights

3 & 9 Months Ended September 30, 2021

Q3 2021	Q3 2020		YTD 2021	YTD 2020
102	96	Comparable EBITDA	322	329
57	76	AFFO	214	261
54	73	CAFD	184	232
0.21	0.29	AFFO per share	0.80	0.98
0.20	0.27	CAFD per share	0.69	0.87
0.23	0.23	Dividends per share	0.70	0.70

2021 Outlook Update

(\$millions)	Previous Outlook as of Q2 2021	Revised Outlook Q3 2021	Change from Previous Midpoint
Comparable EBITDA	\$1,100 – \$1,200	\$1,200 to \$1,300	Up ~9%
FCF	\$440 – \$515	\$500 - \$560	Up ~11% on a per share basis

Market	Power Prices (\$/MWh) 2021 Outlook as of Q2	Power Prices (\$/MWh) 2021 Revised Outlook Q3	Change from Previous Midpoint
Alberta Spot	\$80 to \$100	\$95 to \$105	Up ~11%
Mid-C Spot (US\$)	\$45 to \$55	\$50 to \$60	Up ~11%

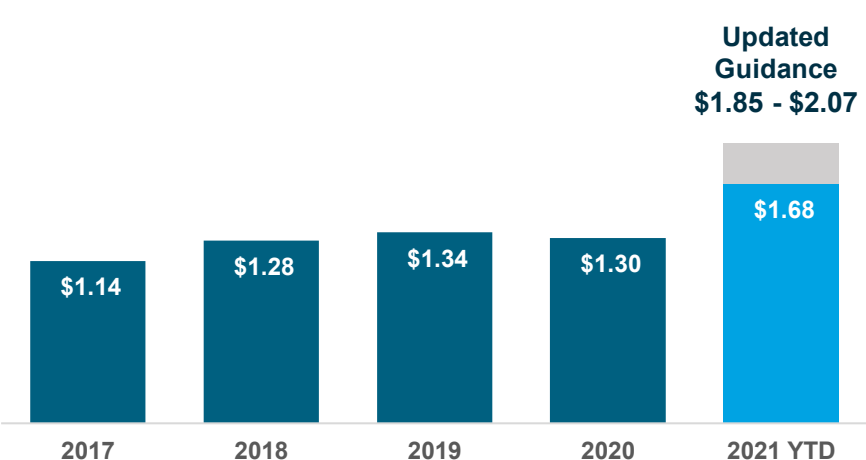
Excellent cash generation enables another upwards revision to guidance

2021 Financial Strength

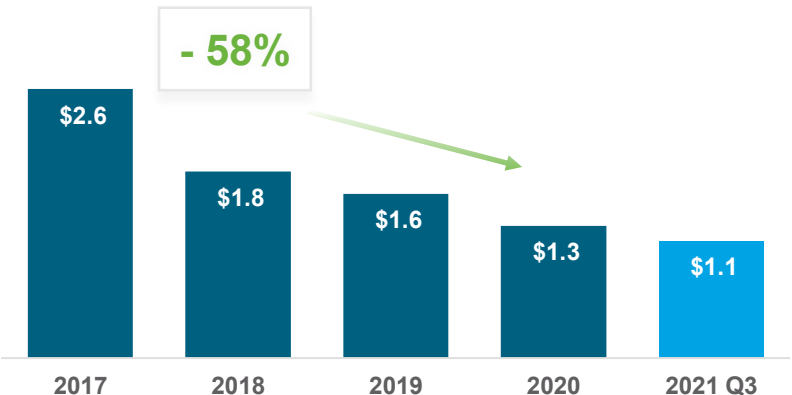
FCF (\$MILLIONS)



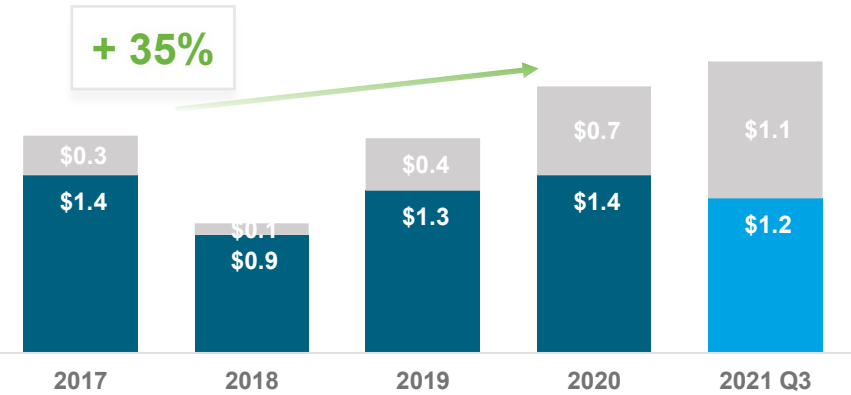
FCF PER SHARE



SENIOR CORPORATE DEBT (\$BILLIONS)



LIQUIDITY (\$BILLIONS)



2021 Balance of Year Priorities



SAFETY, RELIABILITY AND AVAILABILITY

- Achieve strong safety performance
- Achieve strong fleet availability



GROWTH AND CUSTOMER SOLUTIONS

- Complete Windrise
- Advance construction on Garden Plain Wind
- Commence construction planning on Northern Goldfields Project
- Secure US wind project
- Expand growth pipeline focused on renewables and storage



STRATEGIC INITIATIVES

- Recontract Sarnia
- Complete Keephills 3 CTG



COMPETITIVE

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



FINANCIAL FLEXIBILITY

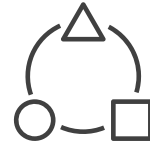
- Deliver EBITDA and FCF at revised guidance range
- Arrange project financing on Windrise



HEALTH, VALUES AND PEOPLE

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

Our Value Proposition



**Diversified and
resilient fleet**

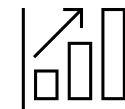


**Clean power leader
with ESG focus**

**~3 GW
growth pipeline**



**Strong
financial position**



Questions & Answers

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