



TransAltaTM

Q2 2021 Results

August 10, 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 3; the repowering of Sundance Unit 5; ability to successfully execute on the growth pipeline; achieving our 2021 revised outlook, including free cash flow and comparable EBITDA; our hedging strategies, including in respect of the Alberta hydro assets; and the Company’s priorities for the balance of 2021, 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 \$80/MWh to \$100/MWh; Mid-C spot prices of US\$45/MWh to US\$55/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 six months ended June 30, 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 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; results and exposures of our Energy Marketing segment, including deviations from historical variances; disruptions to the operations, including unplanned outages, equipment failure and our ability to carry out repairs in a cost-effective or timely manner; and general competition and industry risks. 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 six months ended June 30, 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



Q2 Achievements

Q2 Results and Financial Position

- ✓ EBITDA increase of 39%
- ✓ FCF per share increase of 55%
- ✓ Upward revision to guidance
- ✓ Outstanding performance from Alberta Portfolio
- ✓ Outstanding performance from Energy Marketing
- ✓ Strong safety performance
- ✓ Access to \$2 billion in liquidity, including approximately \$650 million in cash



Growth and Customer Solutions

- ✓ 48 MW Northern Goldfields Solar & Storage Project with BHP Nickel West Pty Ltd.
- ✓ 130 MW Garden Plain Wind Project with Pembina Pipeline
- ✓ 207 MW Windrise Wind Project 88% complete
- ✓ 500 MW of advanced wind projects in growth pipeline
- ✓ Added 500 MW of renewables to growth pipeline
- ✓ Advanced recontracting at Sarnia



Strategic Initiatives

- ✓ Keephills 2 CTG complete
- ✓ Sale of the Pioneer Pipeline complete
- ✓ Sundance 5 Repowering
- ✓ Sheerness fully off coal – registered as gas asset with AESO
- ✓ Resolved disputes
- ✓ RNW named to Best 50 Corporate Citizens list



Launched 48 MW Northern Goldfields Solar & Storage Project in Australia



- ~16-year PPA with BHP
- Reduces BHP's Scope 2 emissions by up to 12% at Mount Keith and Leinster
- \$64 - \$68 million capital
- Expected EBITDA of \$8 - \$9 million
- Target COD H2 2022



**TransAlta's 1st Renewable Project in Australia
Supports BHP's Sustainability Goals**

Launched the Garden Plain 130 MW Wind Project in Alberta



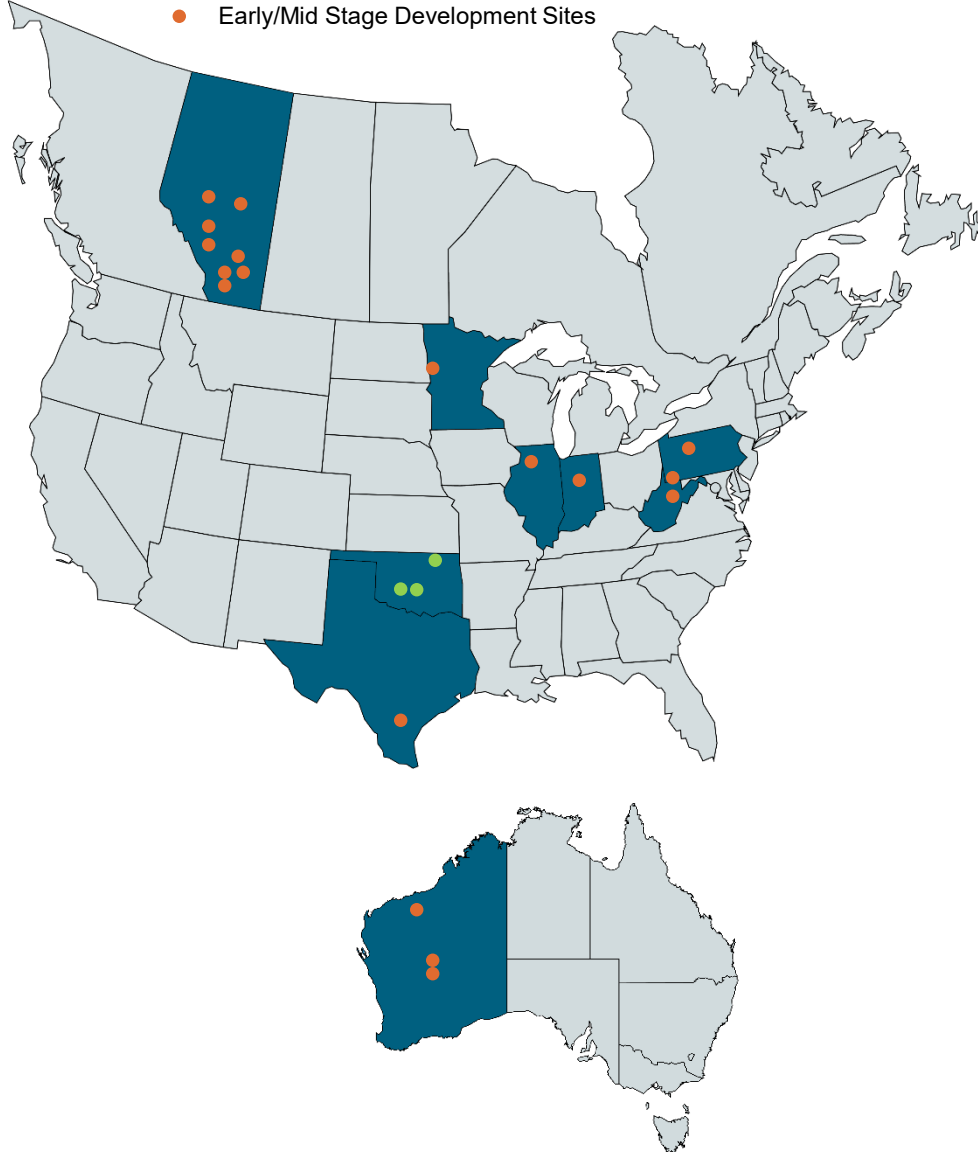
- 18-year 100 MW renewable PPA with Pembina
- Advances Pembina's ESG objectives
- \$190 - \$200 million capital
- Expected EBITDA of ~\$14 – \$18 million
- Target COD H2 2022



**Continuing to Grow Our Alberta Fleet
The 11th Wind Farm in the Province**

TransAlta's Growth Pipeline

- Advanced Stage Development Sites
- Early/Mid Stage Development Sites



Projects	MW	Location (COD)
Advanced-Stage Projects in Development (500 MW)		
Horizon Hill Wind	200	OK (2023-24)
White Rock East Wind	200	OK (2023-24)
White Rock West Wind	100	OK (2023-24)
Early/Mid-Stage Prospects (2.3GW – 2.9GW)		
Riplinger Wind	300	AB
Willow Creek 1&2 Wind	140	AB
Tempest Wind	90	AB
Brazeau Pumped Hydro	300-900	AB
Prairie Violet Wind	185	IL
Big Timber Wind	50	PA
Wild Waters Wind	40	MN
Alberta Solar Opportunities	170	AB
Canadian Wind Opportunities	250	AB & SK
Alberta Storage Opportunities	100	AB
PJM Wind Prospects	220	PA/WV
US Solar Prospects	200	TX/IN
Northern Goldfields Expansions	85	WA
South Hedland Solar	50	WA
Remote mining on-site gas	85	WA
Total All Stages (2.8GW – 3.4GW)		

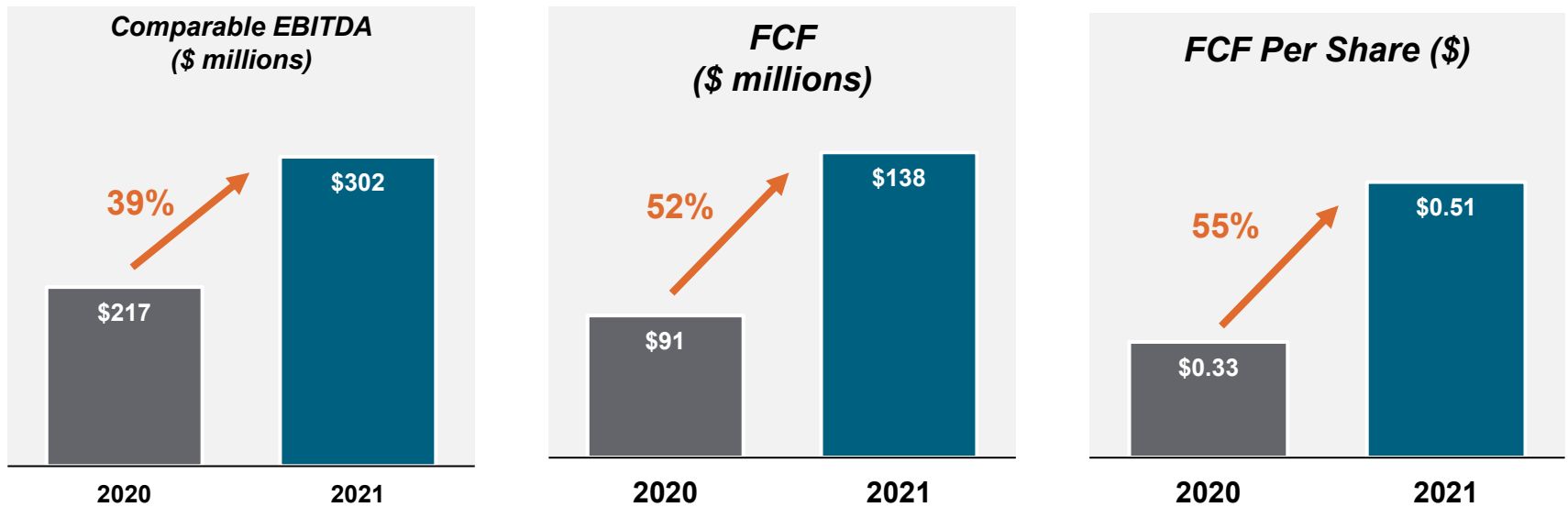
Todd Stack

EVP, Finance and
Chief Financial Officer



2021 Q2 Financial Highlights

3- MONTHS ENDED JUNE 30, 2021



Excellent Cash Flow Generation Driven by Alberta Operations

Segmented Results

3 MONTHS ENDED JUNE 30, 2021

	EBITDA			Cash Flow		
	Q2 2021	Q2 2020	Change (%)	Q2 2021	Q2 2020	Change (%)
Hydro	96	29		90	27	
Alberta Thermal	85	30		26	21	
Wind and Solar	55	61		50	57	
North American Gas	18	27		26	25	
Australian Gas	31	29		26	29	
Centralia	14	27		4	20	
Energy Marketing	27	28		35	30	
Corporate	(24)	(14)		(29)	(18)	
Total Segmented Results	302	217	39%	228	191	19%

**Strong Benefits From Portfolio Diversification
Completed Keephills 2 Conversion**

Alberta Electricity Portfolio

3- MONTHS ENDED JUNE 30, 2021

	AB Thermal	AB Hydro		AB Gas	AB Wind
	Energy	Energy	Ancillary	Energy	Energy
Total Production	2,386 GWh	423 GWh	749 GWh	105 GWh	204 GWh
Hedge Volume (%)	71%	-	-	-	-
Average Realized Prices (\$ / MWh)	\$93	\$133	\$64	\$95	\$73
Average Pool Price (\$ / MWh)	\$105				

Hedging BOY and 2022		
	Production (GWh)	Average Price (\$ / MWh)
Q3	1,841	\$75
Q4	848	\$68
2022	2,663	\$62

TransAlta Renewables Q2 2021 Highlights

3 & 6 MONTHS ENDED JUNE 30, 2021

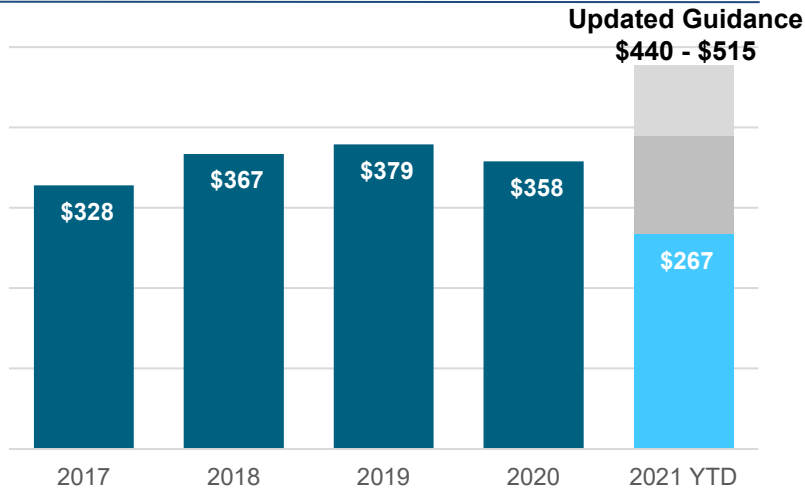
Q2 2021	Q2 2020		YTD 2021	YTD 2020
97	115	Comparable EBITDA	220	233
64	90	AFFO	157	184
40	67	CAFD	130	158
0.24	0.34	AFFO per share	0.59	0.69
0.15	0.25	CAFD per share	0.49	0.59
0.23	0.23	Dividends per share	0.47	0.47

2021 Outlook Update

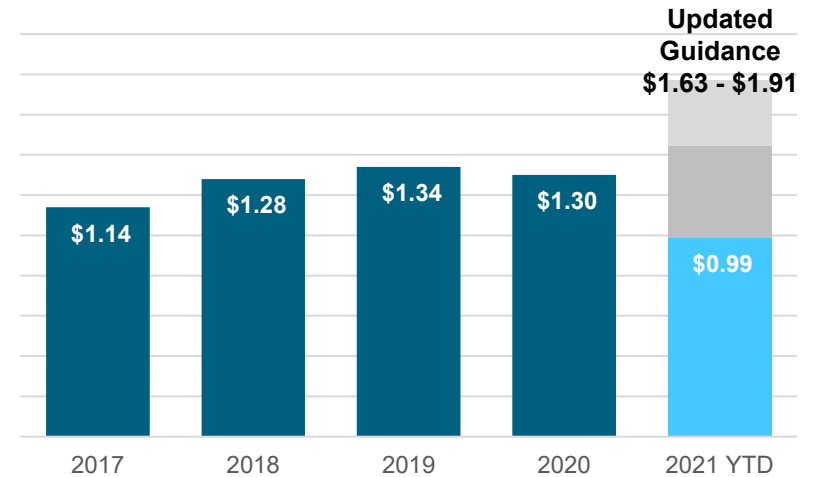
(\$ millions)	Original	Updated	Change from Previous Midpoint
Comparable EBITDA	\$960 – \$1,080	\$1,100 – \$1,200	Up ~13%
FCF	\$340 – \$440	\$440 – \$515	Up ~22% on a per share basis
Sustaining CAPEX	\$175 – \$210	\$200 - \$225	Revisions to planned maintenance and reliability spare

2021 Financial Strength

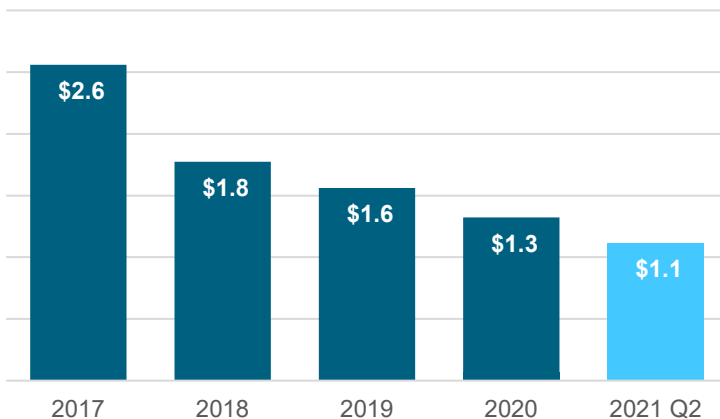
FCF (\$MILLIONS)



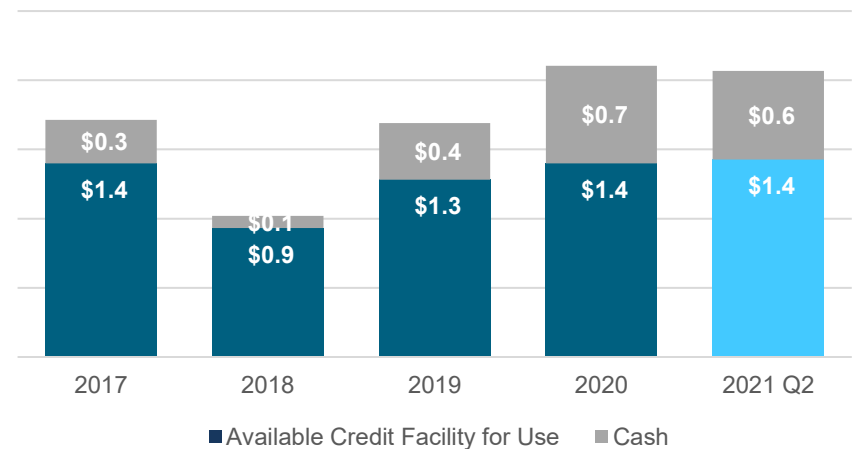
FCF PER SHARE



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



Strategic Initiatives

- Recontract Sarnia
- Complete Keephills 3 CTG
- 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 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



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 **~3 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)