



Q4 and Annual 2022 Results

February 23, 2023



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: our shareholder buybacks; ability to deliver the remainder of the two GW Clean Electricity Growth Plan; the Company's projects under construction, including the timing of commercial operations, expected annual EBITDA and the capital costs of the Horizon Hill wind project ("Horizon Hill Wind project"), the White Rock wind projects ("White Rock Wind"), Northern Goldfields solar project, Garden Plain wind project, and the Mount Keith 132kV transmission expansion; our ability to deliver 70% of the Company's EBITDA from renewable and storage assets by the end of 2025; maintaining a leadership position in climate change and achieving net-zero by 2045; the execution of the Company's early and advanced stage development pipeline in the United States, Canada and Australia, including the size, cost, expected timing and EBITDA from the projects; expanding the Company's development pipeline by adding 1,500 MW of development sites; the ability to realize future growth opportunities in Australia, including with our customer BHP Billiton Nickel West; the Fall Economic Statement and the Inflation Reduction Act supporting our growth in Canada and the US; costs for new projects; the timing of the rehabilitation of the Kent Hills wind facilities; the financial outlook for 2023, including adjusted EBITDA, cash available for distribution, and free cash flow per share; financial performance of the Energy Marketing segment; investment decisions related to 500 MW of additional clean energy projects; a new technology roadmap that aligns with the Company's Clean Electricity Growth Plan; ESG targets, including Indigenous cultural awareness training and achieving at least 40 per cent female employees by 2030; and our 2023 priorities, including as it pertains to our strategic initiatives, growth and commercial priorities, safety and reliability, and financial flexibility priorities. The forward-looking statements contained herein are based on current expectations, estimates, projections and assumptions, having regard to the Corporation's experience and its perception of historical trends, and includes, but is not limited to, expectations, estimates, projections and assumptions relating to: the impacts of inflation; the demand of renewable energy; the timing of regulatory approvals; foreign exchange rates; the availability and cost of labour, services and infrastructure; and the satisfaction by third parties of their obligations, including under power purchase agreements. 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: fluctuations in market prices, including lower merchant pricing in Alberta, Ontario and Mid-Columbia; 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; our ability to obtain regulatory and any other third-party approvals on the expected timelines or at all in respect of our growth projects; risks associated with development and construction projects, including as it pertains to increased capital costs, permitting, labour and engineering risks, disputes with contractors and potential delays in the construction or commissioning of such projects; restricted access to capital and increased borrowing costs; 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; 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; disruptions in the transmission and distribution of electricity; the effects of weather, including man-made or natural disasters and other climate-change related risks; increases in costs; inability to satisfy the conditions to closing of the acquisition of an interest in the Tent Mountain pumped hydro development project; 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, including as it applies to the rehabilitation and replacement of turbine foundations of the Kent Hills 1 and 2 wind 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; armed hostilities, including the war in Ukraine and associated impacts; the threat of terrorism; adverse diplomatic developments or other similar events that could adversely affect our business; industry risk and competition; structural subordination of securities; counterparty credit risk; public health crisis risks, including any further impacts of COVID-19; changes to our relationship with, or ownership of, TransAlta Renewables; changes in the payment or receipt of future dividends, including from TransAlta Renewables; inadequacy or unavailability of insurance coverage; our provision for income taxes and any risk of reassessment; 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, 2022. 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 ("CAFD") 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, 2022 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



2022 Achievements

2022 Results and Financial Position



Adjusted EBITDA¹ of **\$1,634 million**

FCF¹ of **\$961 million** or **\$3.55** per share

Operational availability of **90%**

Access to **\$2.1 billion** in liquidity, ~ **\$1.1 billion** in cash

Dividend increase of **10%** to **\$0.22** per year starting Jan. 1, 2023

Refinanced US\$400 million senior notes

Growth and Customer Solutions



200 MW of growth projects secured

Added **1,980 MW** to renewables development pipeline including **374 MW** of advanced stage projects

Executed **contract extensions** and renewals with all customers including the IESO at at Sarnia into the 2030s

10-year contract extension at Kent Hills and **advanced rehabilitation**

Strategic Initiatives



54% of generation EBITDA from renewables and storage in 2022

Reduced emissions by 18% over 2021 levels or 2.3 million tonnes

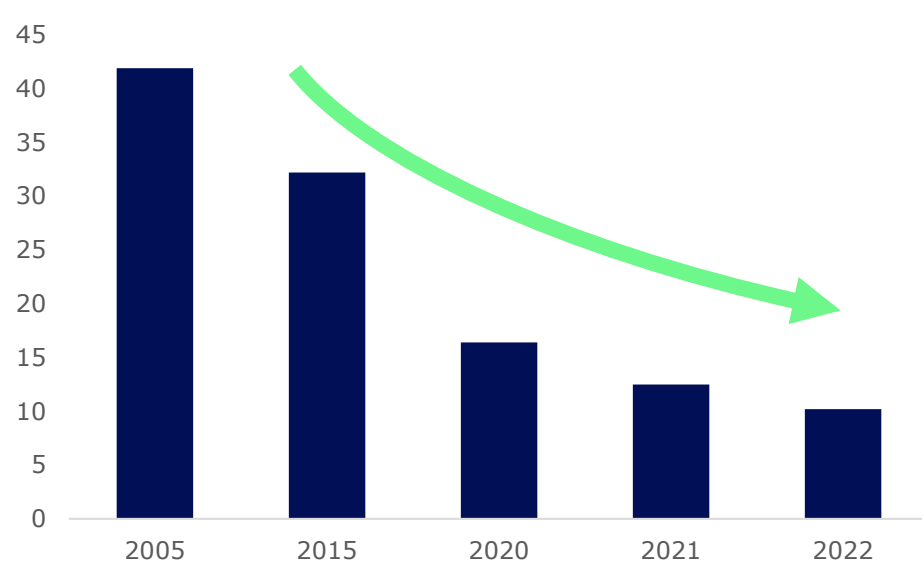
Upgraded ESG ratings with MSCI (A) and CDP (A-)

Returned \$54 million to shareholders through NCIB



Emissions Reductions

GHG Emissions (Million tonnes CO₂)



68% ↓

Reduction in CO₂ emissions since 2015

75% ↓

Target emissions reductions by 2026

**Net-Zero
by 2045**

Emissions reductions targets on track



Development Pipeline

Changes to Development Pipeline (MW)



374 MW

Currently in advanced stage development in Alberta and Western Australia

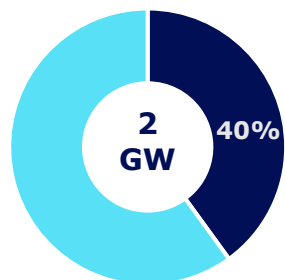
Development pipeline expansion on track to meet 2025 target



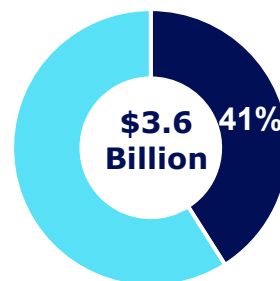
Clean Electricity Growth Plan Execution

	MW	Location	Capital (\$millions)	PPA Term	Customer	EBITDA (\$millions)	COD
North Carolina Solar	122	North Carolina	US\$99	11 years	Duke	US\$9	In service
Garden Plain Wind	130	Hanna, AB	\$190 - \$200	17 years ¹	Pembina and investment-grade customer	\$14 - \$15	H1 2023
Northern Goldfields Solar	48	Western Australia	AU\$69 - \$73	16 years	BHP	AU\$9 - \$10	H1 2023
White Rock Wind	300	Caddo County, OK	US\$470 - \$490	Long-term	Amazon	US\$48 - \$52	H2 2023
Horizon Hill Wind	200	Logan County, OK	US\$300-\$315	Long-term	Meta	US\$30 - \$33	H2 2023
Mt Keith Transmission Expansion	NA	Western Australia	AU\$50 - \$53	15 years	BHP	AU\$6 - \$7	H2 2023

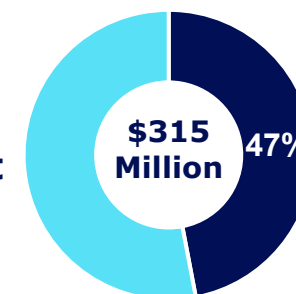
Capacity Target



Capital Target



Incremental EBITDA Target

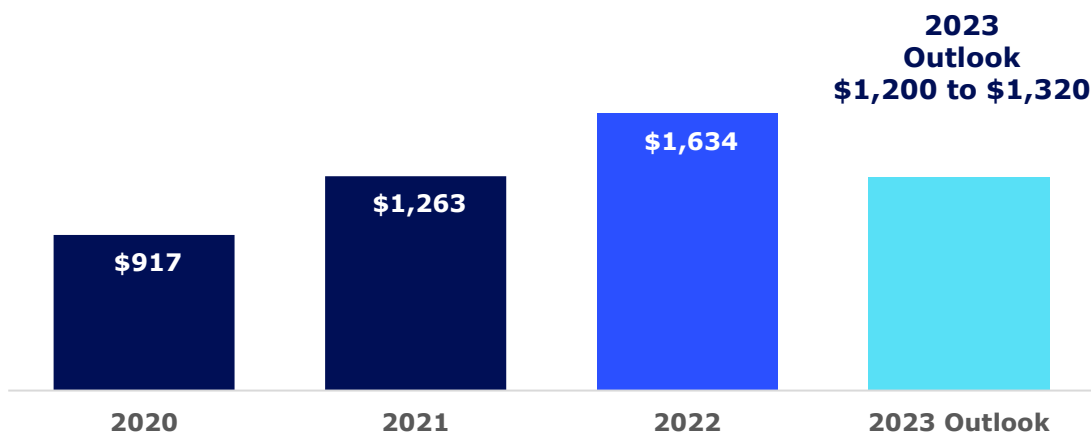


Projects under construction totaling ~\$1.4 Billion

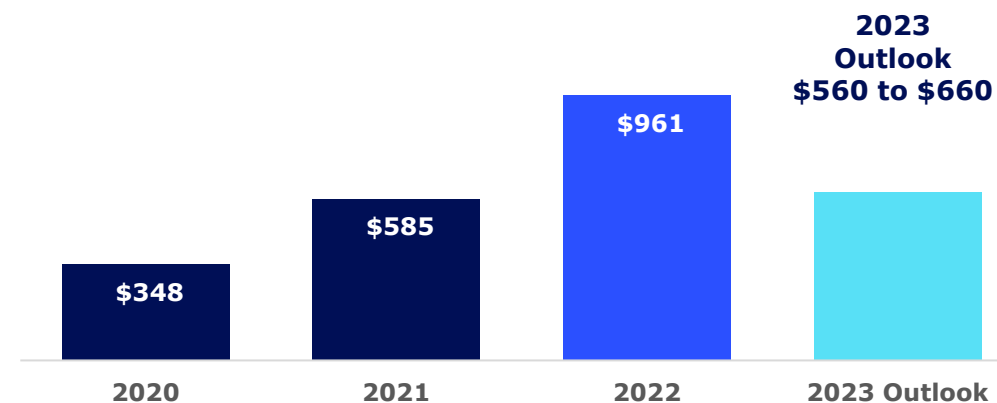


2023 Outlook

Adjusted EBITDA¹ (\$millions)



FCF¹ (\$millions)



Continued strong cash flow generation





Todd Stack

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

President, TransAlta Renewables Inc.

Alberta Electricity Portfolio

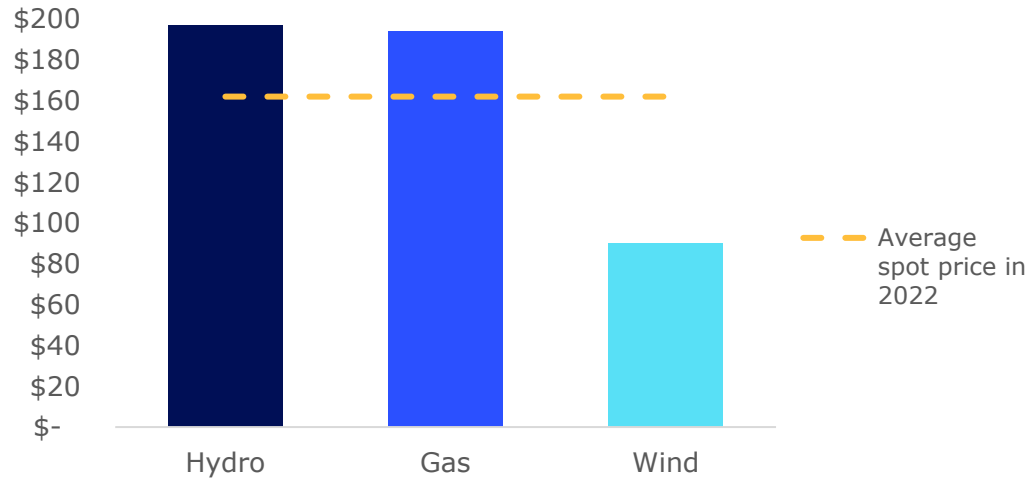
2022 Realized Merchant Prices

122%

Alberta Hydro average realized energy price to spot in 2022

120%

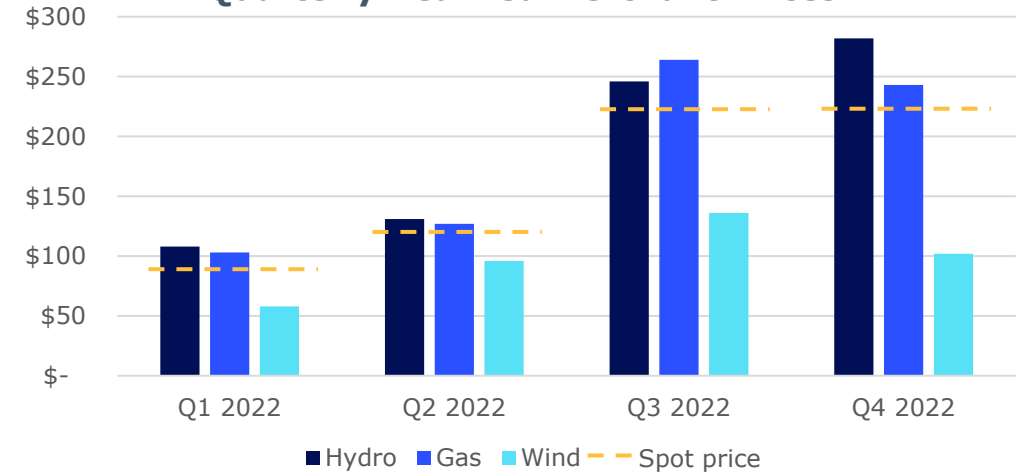
Gas average realized energy price to spot in 2022¹



2023 Hedging

	Volume	Average Hedge Price
Energy	6,874 GWh	~\$98 / MWh
Natural Gas	89% ²	\$2.54 / GJ

Quarterly Realized Merchant Prices



Realizing the value of our diversified fleet in Alberta



¹ Excludes gains and losses from hedging positions that are entered into in order to mitigate the impact of unfavourable market pricing.

² 64 million GJ representing 89% of 2023 hedged energy production.

TransAlta Segmented Results

3 and 12 Months Ended December 31, 2022

(\$millions)

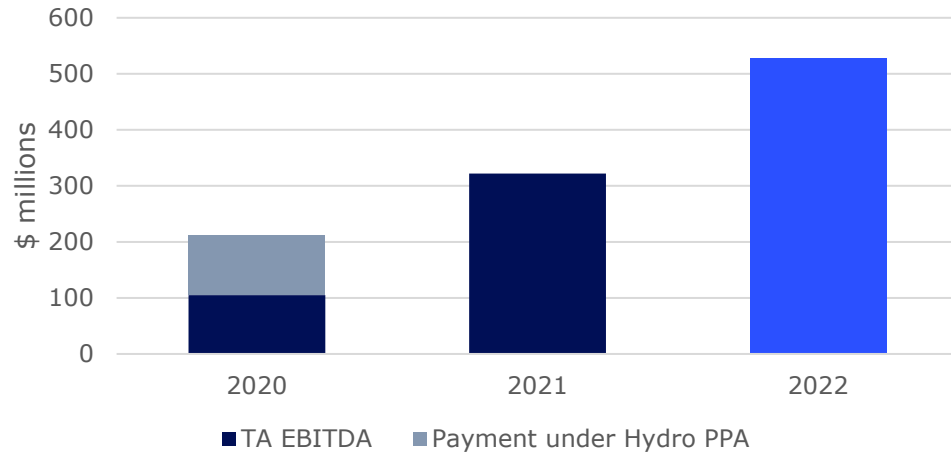
Q4 2022	Q4 2021	Adjusted EBITDA ¹	2022	2021
133	67	Hydro	527	322
92	76	Wind and Solar	311	262
264	103	Gas	629	488
19	37	Energy Transition	86	133
63	(11)	Energy Marketing	183	166
(30)	(29)	Corporate	(102)	(85)
541	243	Total	1,634	1,286

54% of generation EBITDA from renewable sources

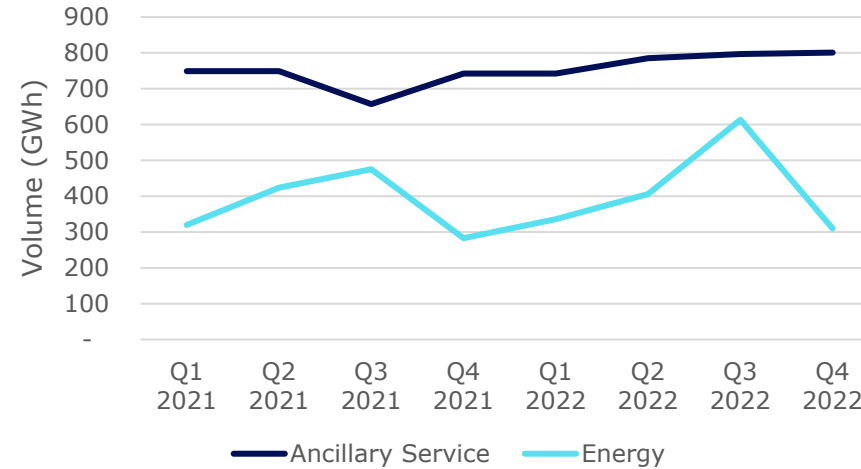


Alberta Hydro Exceeds Expectations

Hydro Adjusted EBITDA¹ (\$millions)

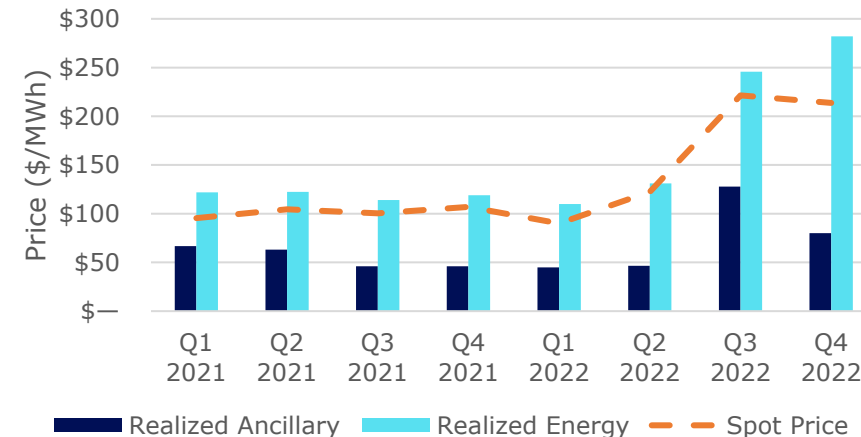


Hydro Volumes (GWh)



Hydro delivers exceptional value for TransAlta shareholders

Realized Prices (\$/MWh)



49%

Average Realized Ancillary Price to Spot

118%

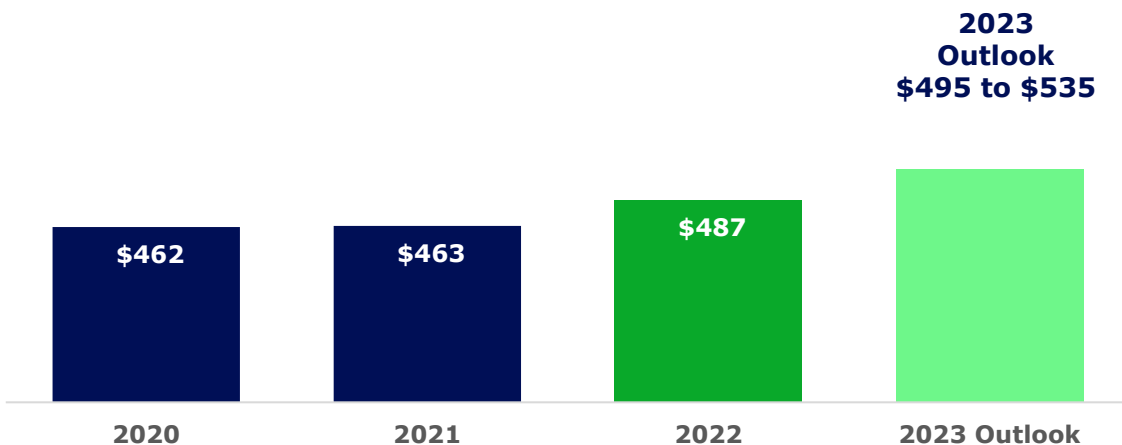
Average Realized Energy Price to Spot

¹ Adjusted EBITDA is a non-IFRS measure. Certain additional disclosure for these specified financial measures have been incorporated by reference and can be found on pages M40-M50 in the 2022 MD&A, are available on SEDAR at www.sedar.com, and on www.transalta.com under the Investors section.

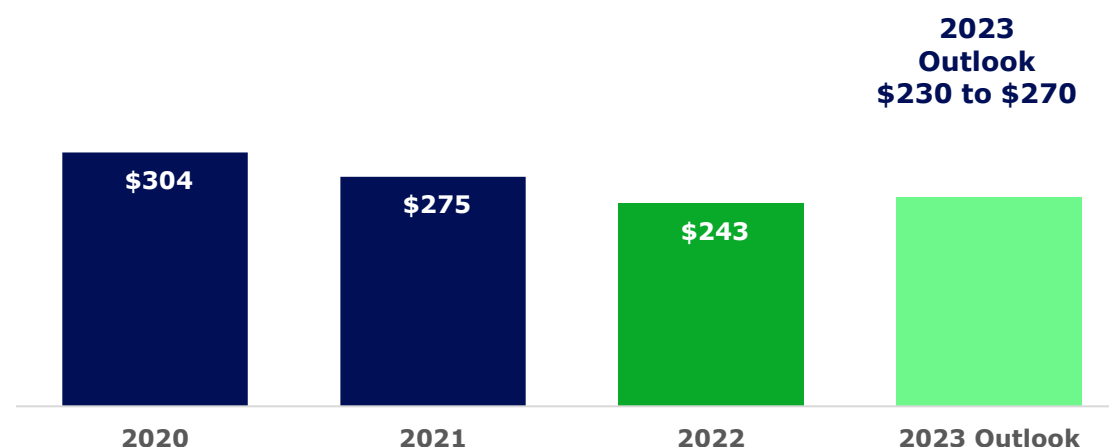


TransAlta Renewables Highlights and 2023 Outlook

Adjusted EBITDA¹ (\$millions)



CAFD¹ (\$millions)



Stable cash flows



2023 Priorities

Safety, Reliability and Availability



Achieve strong safety performance

Achieve strong fleet availability of 91.8%

Growth and Commercial



Secure 500 MW of growth

Complete Garden Plain, Northern Goldfields Solar, White Rock, Horizon Hill and Mount Keith

Expand pipeline by adding 1,500 MW

Secure long-term contracts for Alberta merchant fleet

Strategic Initiatives



Accelerate CO2 emissions reduction to 75% from 2015 levels by 2026

Progress towards net-zero by 2045

Progress ESG efforts including mine reclamation

Competitive



Drive operational efficiencies, performance and results as "One TransAlta"

Financial Flexibility



Deliver Adjusted EBITDA of \$1,200 to \$1,320 million

Deliver FCF of \$560 to \$660 million

Complete rehabilitation and return to service of Kent Hills

Deliver permanent financing for growth projects

Health and Values



Complete Indigenous Cultural Awareness Training across the US and Australia

Continue progress towards 40% gender diversity target



Our Value Proposition



Diversified and resilient fleet



Clean electricity leader with ESG focus

4.3+ GW growth pipeline



Strong financial position



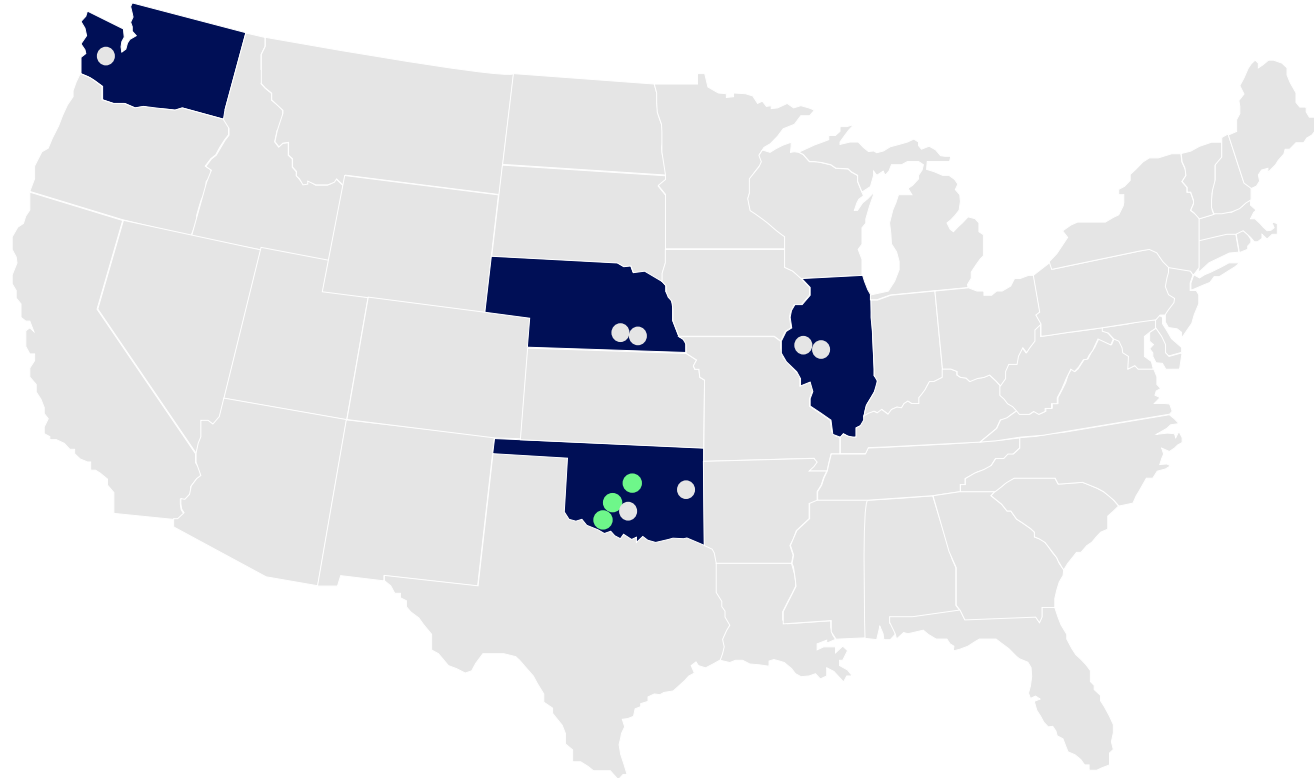
The Transalta logo features the word "transalta" in a lowercase, sans-serif font. The letters "transal" are in a light blue color, and "ta" is in a green color. A small "TM" trademark symbol is positioned to the upper right of the "a".

transalta™

Questions and Answers

Visit us at: www.transalta.com
Investor_relations@transalta.com

TAC Development Pipeline: United States



Legend

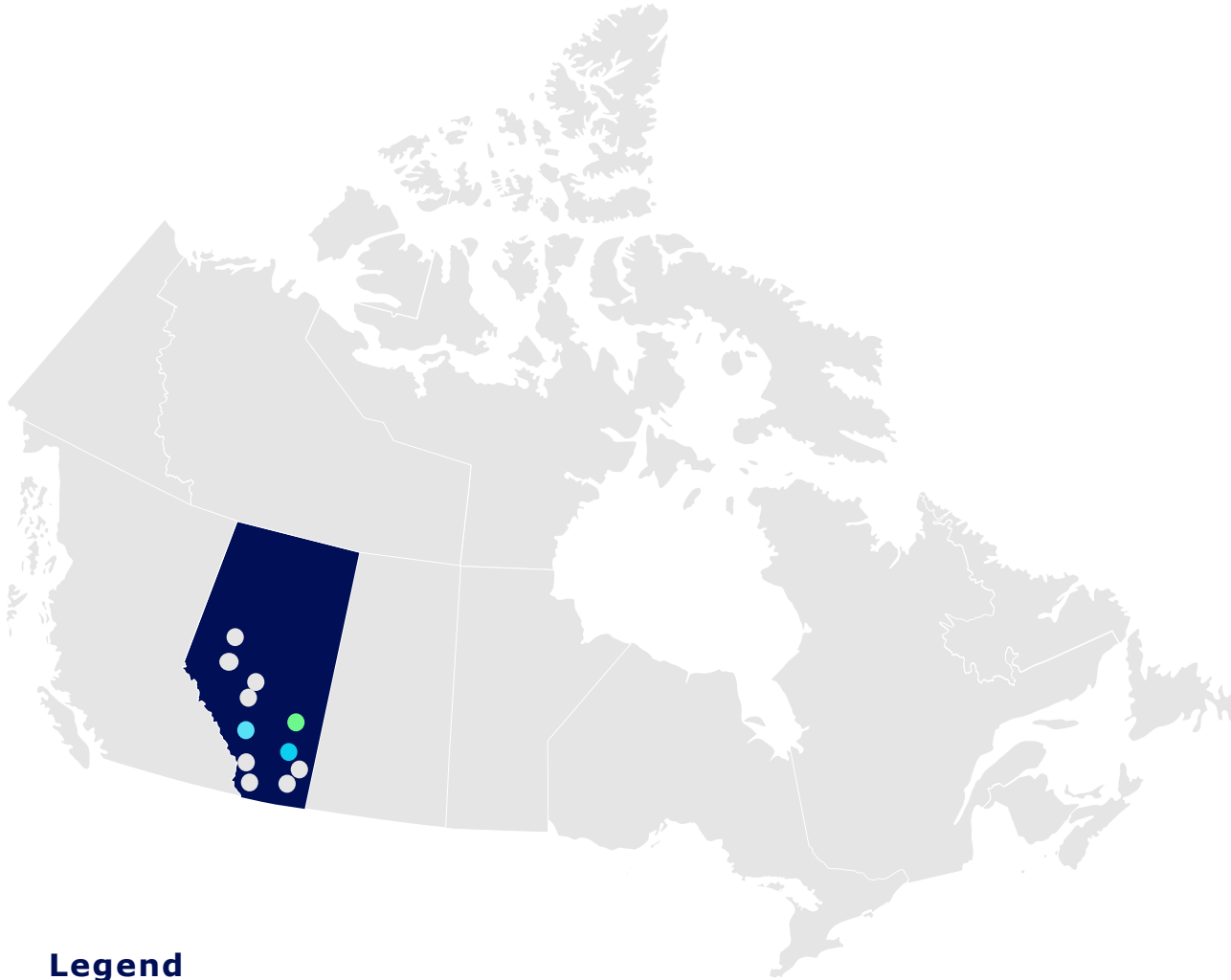
- Early-stage development site
- Under construction

Total All Stages: **2,054 MW – 2,304 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	○	2025
Monument Road	152	Wind	NE	○	2025-2026
Dos Rios	242	Wind	OK	○	2025-2026
Oklahoma Solar	100	Solar	OK	○	2026+
Milligan 3	126	Wind	NE	○	2026
Other US Wind and Solar Prospects	369	Wind	Various	○	2025+
Centralia Site Redevelopment	250 – 500	Various	WA	○	TBD



TAC Development Pipeline: Canada



Legend

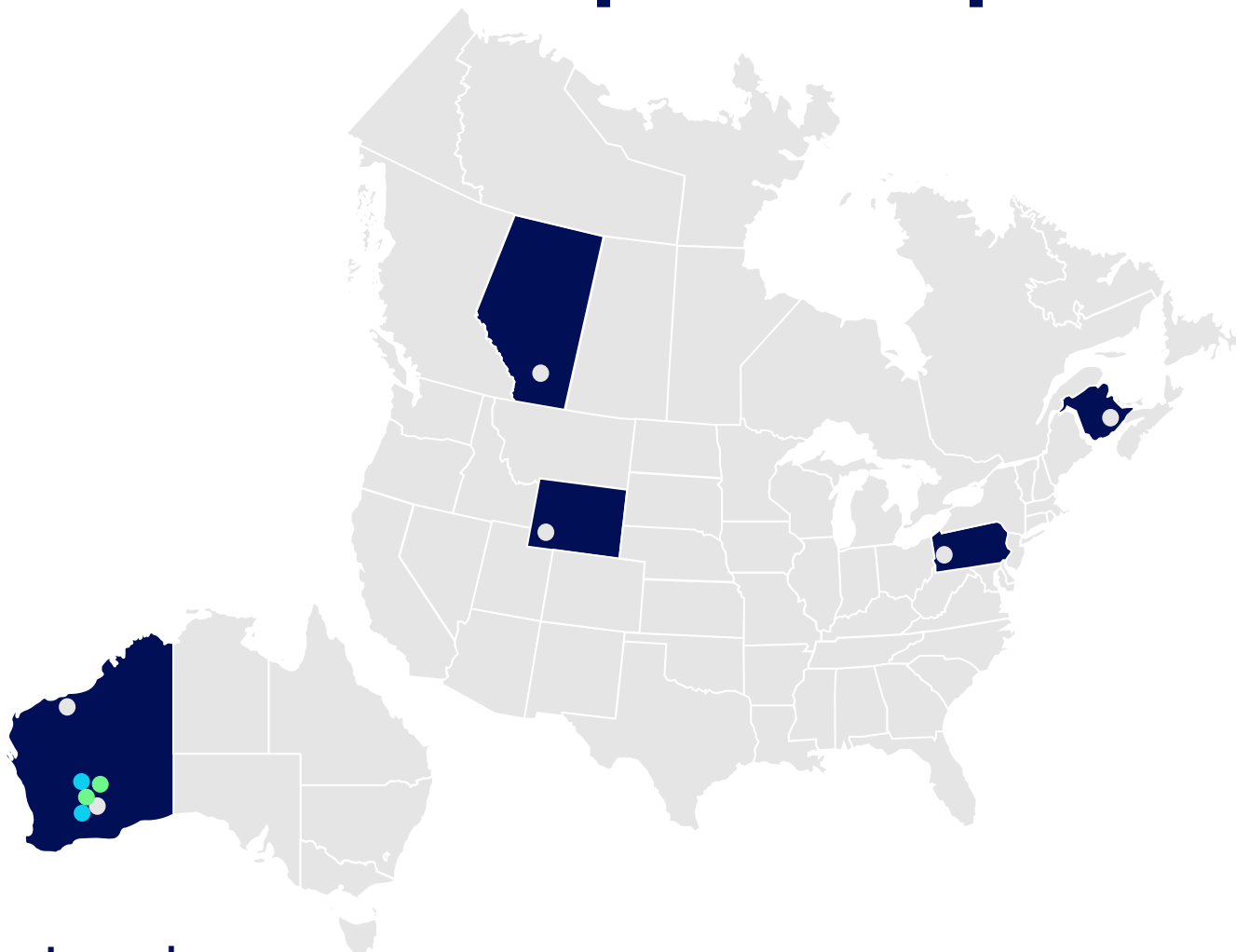
- Advanced-stage development site
- Early-stage development site
- Under construction

Total All Stages: **2,062 MW – 2,912 MW**

Project	MW	Fuel	Location	Stage	COD Range
Garden Plain	130	Wind	AB	●	2023
Tempest	100	Wind	AB	●	2025
WaterCharger	180	Battery	AB	●	2024
Riplinger	300	Wind	AB	●	2025
Red Rock	100	Wind	AB	●	2025-2026
SunHills Solar	115	Solar	AB	●	2024
McNeil Solar	57	Solar	AB	●	2024
Canadian Wind	370	Wind	Various	●	2025+
Tent Mountain Pumped Storage	160	Hydro	AB	●	2028-2030
Brazeau Pumped Storage	300-900	Hydro	AB	●	2032
Alberta Thermal Redevelopment	250-500	Various	AB	●	TBD



RNW Development Pipeline



Legend

- Advanced-stage development site
- Early-stage development site
- Under construction

Total All Stages: **827 MW**

Project	MW	Fuel	Location	Stage	COD Range
Canada					
Willow Creek 1	70	Wind	AB	○	2026
Willow Creek 2	70	Wind	AB	○	2026
Canadian Battery	10	Battery	NB	○	2024+
United States					
Big Timber	50	Wind	PA	○	2026
Trapper Valley	225	Wind	WY	○	2026
Other US Wind Prospects	40	Wind	Various	○	2025+
Australia					
Northern Goldfields Solar	48	Solar and Battery	WA	●	2023
Mt Keith 132kV Expansion	N/A	Transmission	WA	●	2023
SCE Capacity Expansion	94	Gas	WA	●	2025
Australia Transmission Expansion	N/A	Transmission	WA	●	2023
Goldfields Expansions	170	Wind, Solar, Gas	WA	○	2024
South Hedland Solar	50	Solar	WA	○	2024

