

transalta™

Q3 2023 Results

November 7, 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 advanced stage development projects, including the estimated spend, EBITDA contribution, and target completion dates; the re-energization of Kent Hills; the Company's projects under construction, including the Horizon Hill wind farm, the Mt. Keith transmission expansion, the Northern Goldfields Solar project and the White Rock wind project, and the expected timing to achieve commercial operation; the development pipeline, including expected growth in the development pipeline to 2025; the ability of hydro to continue to realize premiums to spot prices; the acquisition of Heartland, including the ability to obtain regulatory approval and the timing of closing; the annual average EBITDA contribution of Heartland; the total enterprise value of Heartland to EBITDA at closing; the 2023 priorities, including ability to accelerate CO2 emissions reductions and progress towards net-zero by 2045; and ability to realize financial guidance, including Adjusted EBITDA and free cash flow. The forward-looking statements contained in this presentation are based on current expectations, estimates, projections and assumptions, having regard to the Company's experience and its perception of historical trends, and includes, but is not limited to, expectations, estimates, projections and assumptions relating to: power prices in Alberta, Ontario and Mid-Columbia; the political and regulatory environments; the availability and cost of labour, services and infrastructure; and the satisfaction by third parties of their obligations, including under our 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; operational risks involving Heartland's facilities; supply chain disruptions impacting major maintenance and growth projects; failure to obtain necessary regulatory approvals in a timely fashion, or at all; inability to economically or technologically advance the Battle River Carbon Hub Project to final investment decision or commercial operation; any loss of value in the Heartland portfolio during the interim period prior to closing; 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, 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; 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; 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; changes to our relationship with, or ownership of, TransAlta Renewables; 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; 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 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" 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

Q3 2023 Achievements

Q3 2023 Results and Financial Position



Adjusted EBITDA¹ of **\$453 million**

FCF¹ of **\$228 million** or **\$0.87** per share

Availability of **91.9%**

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

Growth and Customer Solutions

418 MW of advanced-stage development projects

Garden Plain achieved COD

Energized **36 turbines** at the Kent Hills wind facilities

Advanced construction on Horizon Hill, Mount Keith, Northern Goldfields and White Rock



Strategic Initiatives



TransAlta Renewables acquisition adds proportionate capacity of **+1.2 GW**

Ownership in additional **~1.8 GW** of assets through acquisition of Heartland Generation

Added **186 MW** to development pipeline across Australia, Canada and the US in Q3

¹ Adjusted EBITDA, Free Cash Flow, 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 pages M30-M38 in the MD&A for the third quarter of 2023, are available on SEDAR at www.sedarplus.ca, and on www.transalta.com under the Investors section.

² As at Sept. 30, 2023, we had access to \$2.6 billion in liquidity, including \$1.2 billion in cash; well in excess of the funds required for committed growth, sustaining capital and productivity projects. On Oct. 5, 2023, \$800 million of cash was used for the TransAlta Renewables transaction.



Projects Under Construction



Horizon Hill Wind

All turbines fully assembled

Transmission interconnection construction is underway



Mt. Keith Transmission

Nearing completion

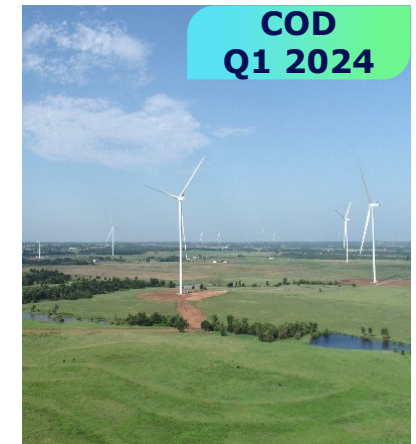
Transformer installation complete



Northern Goldfields Solar

Commercial operations to be achieved by year end

Final commissioning underway



White Rock Wind

34 turbines assembled

All major equipment delivered

All projects under construction to be completed by early 2024



Advanced-Stage Projects

	MW	Location	Type	Estimated Spend (\$millions)	EBITDA (\$millions) ¹	Target Completion Date
WaterCharger	180	Cochrane, AB	Battery Storage	\$150 – \$170 ²	\$15 – \$17	2025
Australian Transmission Expansion	n/a	Western Australia	Transmission	AU\$70 – AU\$75	AU\$7 – AU\$8	2025
Pinnacle 1 and 2	44	Keephills, AB	Gas	\$60 – \$70	\$12 – \$15	2025
SCE Capacity Expansion	94	Western Australia	Gas	AU\$210 – AU\$230	AU\$28 – AU\$32	2025
Tempest	100	Warner County, AB	Wind	\$250 – \$270	\$23 – \$25	2026

418 MW
Advanced stage projects

~27%
Incremental EBITDA target

2025-26
Completion dates

20% of Clean Electricity Growth Plan target is in advanced stage

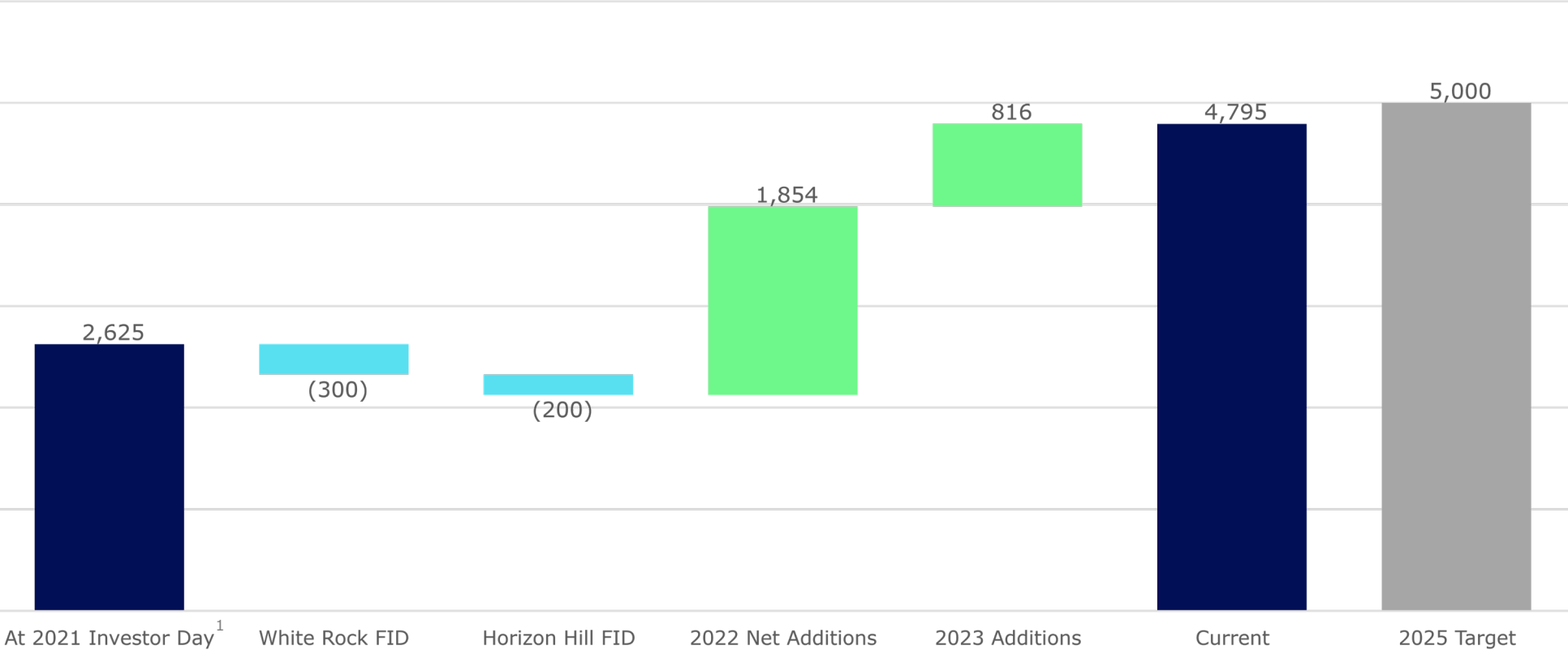


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² Estimated spend is net of government funding and anticipated tax credits.

Development Pipeline

Changes to Development Pipeline (MW)



~4.8 GW

Currently in development in our 3 core geographies

On track to exceed development pipeline 2025 target





Todd Stack

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

Alberta Electricity Portfolio

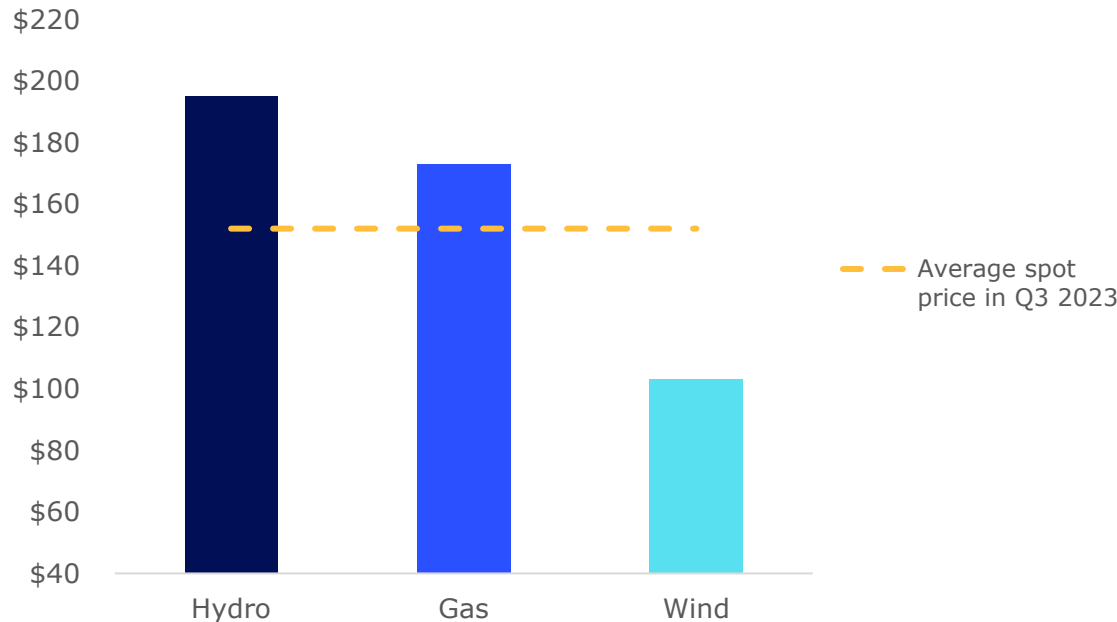
Q3 2023 Realized Prices

128%

AB Hydro average realized merchant energy price to spot in Q3 2023

114%

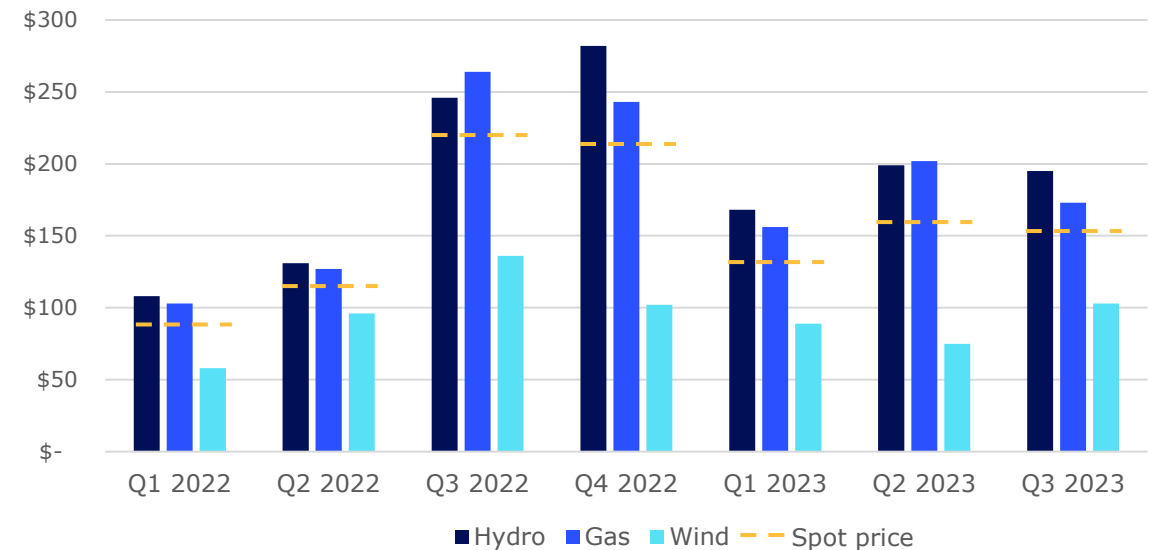
AB Gas average realized merchant energy price to spot in Q3 2023¹



Alberta Hedging

		Q4 2023	2024
Energy	Price	\$89 / MWh	\$84 / MWh
	Volume	1,697 GWh	6,642 GWh
Natural Gas	Price	\$2.34 / GJ	\$2.73 / GJ
	Volume	95% ²	85% ³

Quarterly Realized Merchant Prices



Diversified fleet in Alberta continues to outperform



¹ Excludes gains and losses from hedging positions.

² 17 million GJ representing 95% of Q4 2023 hedged energy production.

³ 59 million GJ representing 85% of 2024 hedged energy production.

TransAlta Segmented Results

3 and 9 Months Ended September 30, 2023

(\$millions)

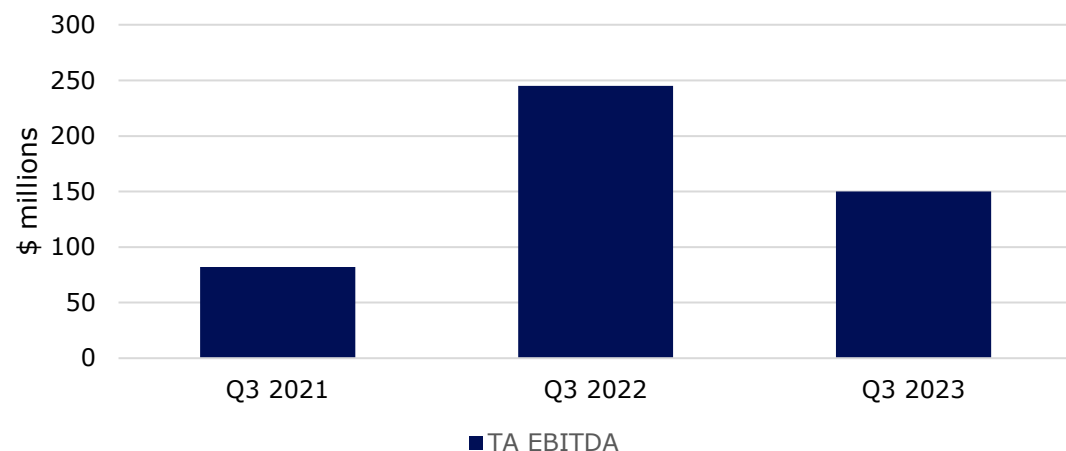
Q3 2023	Q3 2022	Adjusted EBITDA ¹	YTD 2023	YTD 2022
150	245	Hydro	403	394
37	42	Wind and Solar	175	219
254	195	Gas	660	365
29	51	Energy Transition	96	67
13	53	Energy Marketing	95	120
(30)	(31)	Corporate	(86)	(72)
453	555	Total	1,343	1,093

Alberta Gas fleet continues to have exceptional value

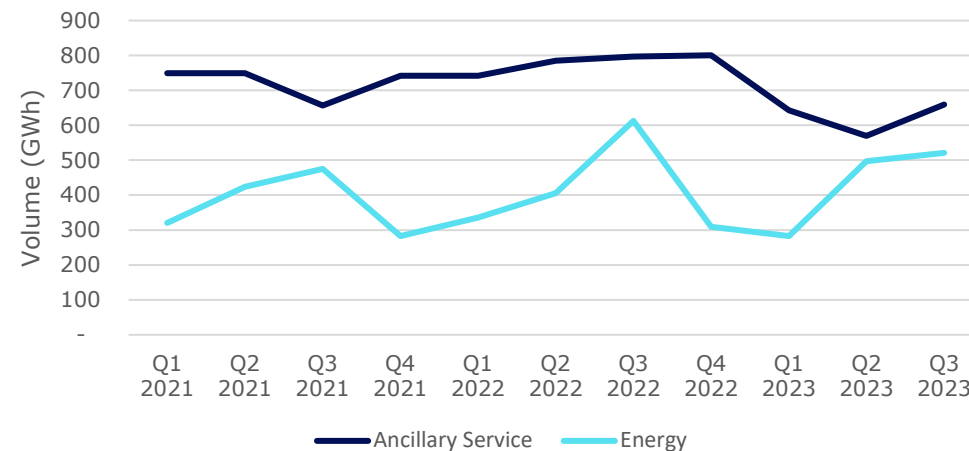


Strong Performance from Alberta Hydro

Hydro Adjusted EBITDA¹ (\$millions)

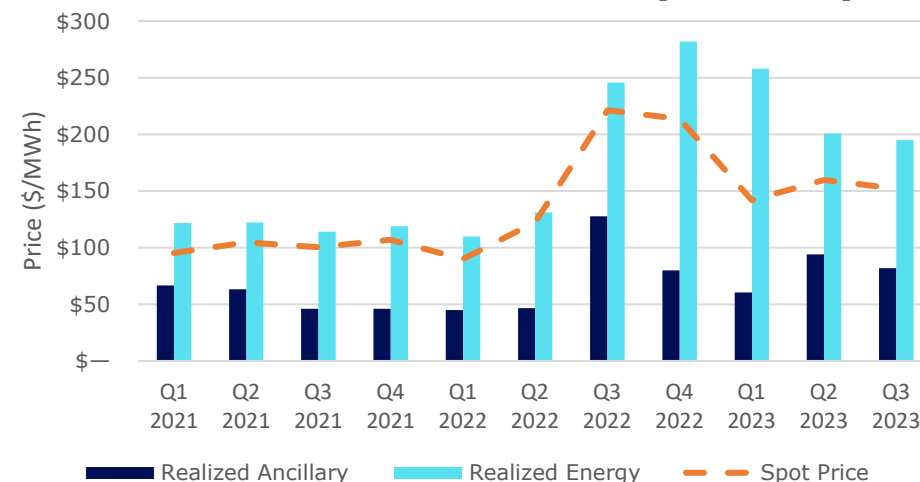


Hydro Volumes (GWh)



Hydro continues to provide premiums to spot prices

Realized Prices (\$/MWh)



50%

Average Realized Ancillary Price to Spot

126%

Average Realized Energy Price to Spot



Attractive Deal Metrics for Heartland Transaction

TEV¹/EBITDA²
Multiple at Closing



Annual Average
EBITDA² Contribution



Cost per kW³



Contracted Cash
Flows



~5.5x
Multiple

~\$115
Million

\$357
Per kW

~55%
Revenue

Adds 1,844 MW of complementary flexible capacity

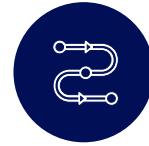


Heartland Transaction at a Glance



November 2023

Purchase price of \$390 million plus \$268 million of low-cost debt



Subject to customary closing conditions and regulatory approvals



2024

Transaction closes

Financed using available liquidity



2023 Priorities

Safety, Reliability and Availability



Achieve strong safety performance

Achieve strong fleet availability

Growth and Commercial



Progress 418 MW advanced-staged projects

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

Expand development pipeline

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 \$1,700 to \$1,800 million

Deliver FCF of \$850 to \$950 million

Complete rehabilitation and return to service of Kent Hills

Deliver 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

4.8+ GW growth pipeline



Strong financial position





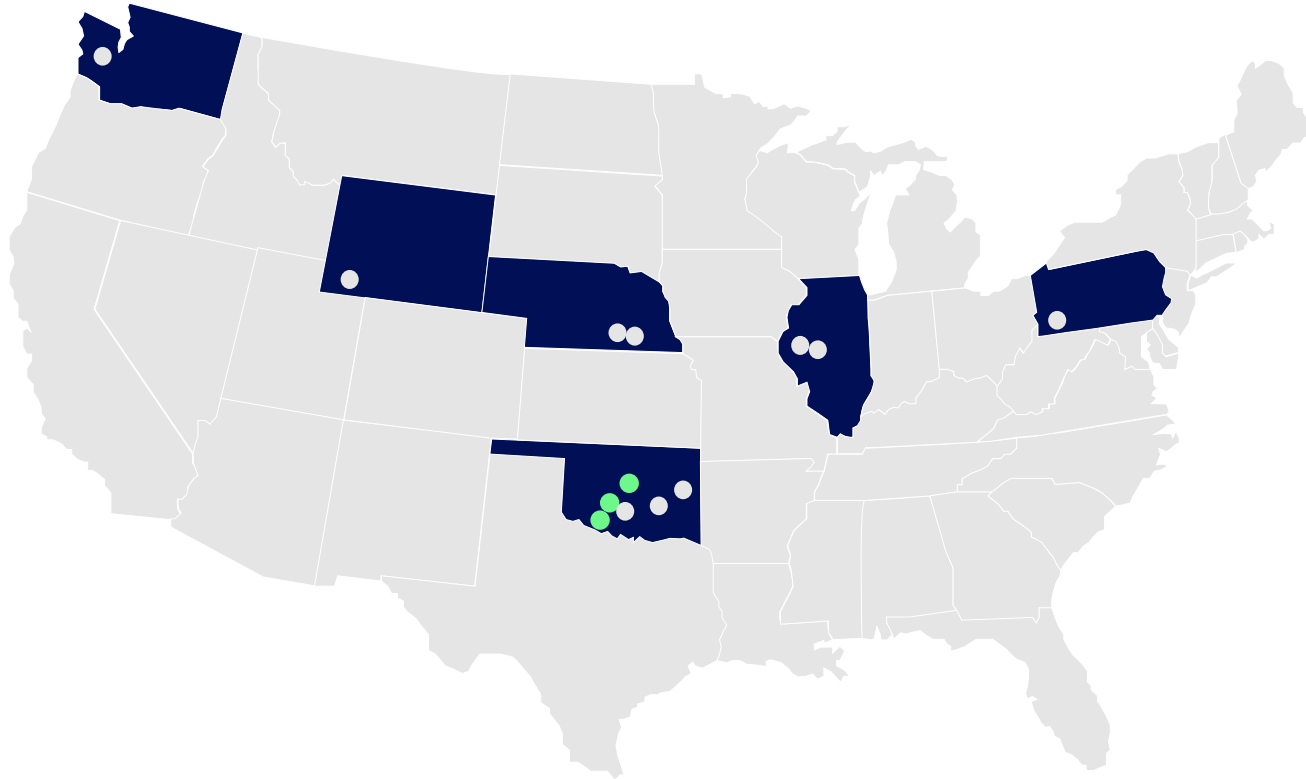
Questions and Answers

Visit us at: www.transalta.com

Investor_relations@transalta.com

Development Pipeline: United States

Total All Stages: **2,735 MW – 2,985 MW**



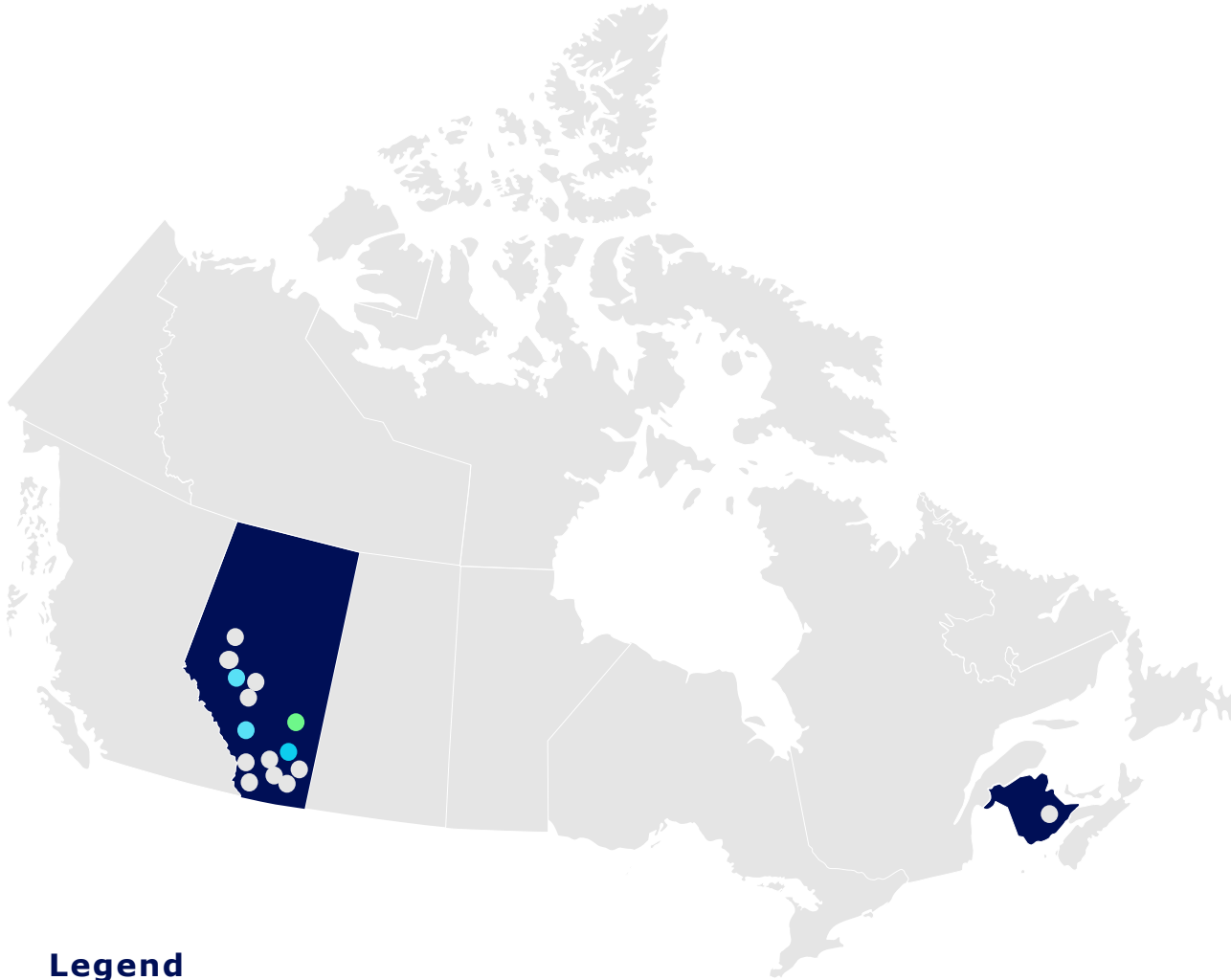
Legend

- Early-stage development site
- Under construction

Project	MW	Type	Location	Stage	COD Range
White Rock West	100	Wind	OK	●	2024
White Rock East	200	Wind	OK	●	2024
Horizon Hill	200	Wind	OK	●	2024
Old Town	185	Wind	IL	●	2026
Trapper Valley	225	Wind	WY	●	2028
Monument Road	152	Wind	NE	●	2025
Dos Rios	242	Wind	OK	●	2026
Canadian River	250	Wind	OK	●	2027
Prairie Violet	130	Wind	IL	●	2027
Big Timber	50	Wind	PA	●	2027
Square Top Solar	195	Solar	OK	●	2026
Swan Creek	126	Wind	NB	●	2027
Other US Wind and Solar Prospects	430	Wind and Solar	Various	●	2025+
Centralia Site Redevelopment	250 – 500	Various	WA	●	TBD



Development Pipeline: Canada



Legend

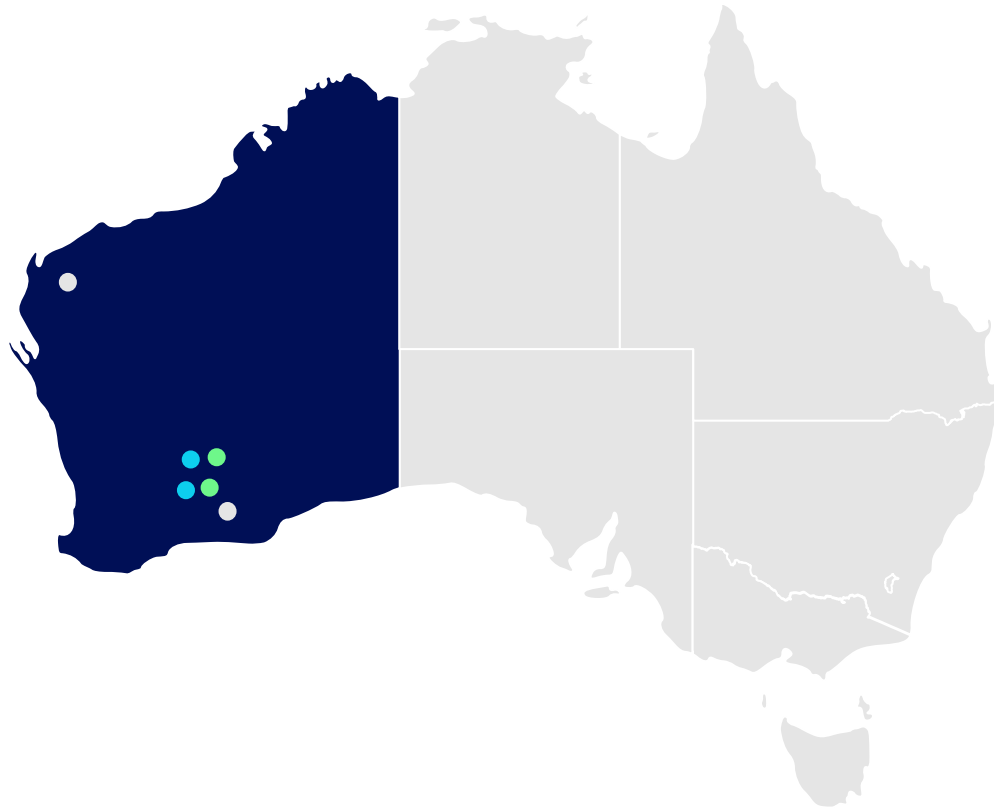
- Advanced-stage development site
- Early-stage development site
- Under construction

Total All Stages: **2,181 MW – 3,031 MW**

Project	MW	Type	Location	Stage	COD Range
Tempest	100	Wind	AB	●	2026
WaterCharger	180	Battery	AB	●	2025
Pinnacle 1 and 2	44	Gas	AB	●	2025
Riplinger	300	Wind	AB	○	2027
Red Rock	100	Wind	AB	○	2028
Willow Creek 1	70	Wind	AB	○	2028
Willow Creek 2	70	Wind	AB	○	2028
Sunhills Solar	170	Solar	AB	○	2027
McNeil Solar	57	Solar	AB	○	2026
Canadian Battery	10	Battery	NB	○	2026
Canadian Wind	370	Wind	Various	○	2027+
Tent Mountain Pumped Storage	160	Hydro	AB	○	2028-2030
Brazeau Pumped Storage	300-900	Hydro	AB	○	2037
Alberta Thermal Redevelopment	250-500	Various	AB	○	TBD



Development Pipeline: Australia



Total All Stages: **427 MW**

Project	MW	Type	Location	Stage	COD Range
Northern Goldfields Solar	48	Hybrid Solar	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	●	2025
Australian prospects	235	Wind, Solar, Gas	WA	○	2025+
South Hedland Solar	50	Solar	WA	○	2026

Legend

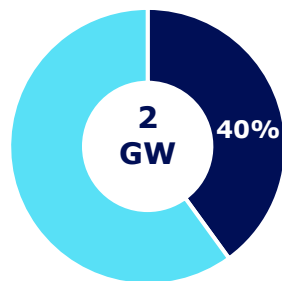
- Advanced-stage development site
- Early-stage development site
- Under construction



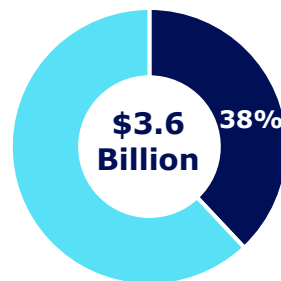
Clean Electricity Growth Plan Execution

	MW	Location	Capital (\$millions)	PPA Term	Customer	EBITDA (\$millions)	COD
North Carolina Solar	122	North Carolina	-	10 years	Duke	US\$9	In service
Garden Plain Wind	130	Hanna, AB	-	17 years ¹	Pembina and Pepsi	\$13 - \$14	In service
Northern Goldfields Solar	48	Western Australia	AU\$69 - \$73	16 years	BHP	AU\$9 - \$10	Q4 2023
White Rock Wind	300	Caddo County, OK	US\$510 - \$530	Long-term	Amazon	US\$53 - \$57	Q1 2024
Horizon Hill Wind	200	Logan County, OK	US\$330 - \$340	Long-term	Meta	US\$31 - \$33	Q1 2024
Mt Keith Transmission Expansion	NA	Western Australia	AU\$54 - \$57	15 years	BHP	AU\$6 - \$7	Q4 2023

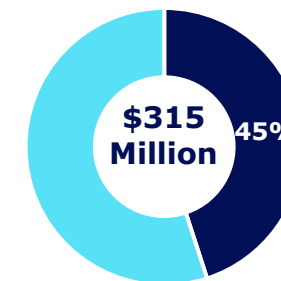
Capacity Target



Capital Target



Incremental EBITDA Target



Construction for 548 MW of renewables and transmission underway

