



**transalta**<sup>TM</sup>

**Year End and Q4 2024 Results**

**February 20, 2025**





# Forward-looking statements and non-IFRS measures

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 Private Securities Litigation Reform Act of 1995 (collectively referred to herein as "forward-looking statements"). 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 those set out in or implied by the forward-looking statements. In particular, this presentation contains forward-looking statements about the following, among other things: the strategic objectives of the Company and that the execution of the Company's strategy will realize value for shareholders; our capital allocation and financing strategy; our sustainability goals and targets, including those in our 2024 Sustainability Report; our 2025 Outlook; our financial and operational performance, including our hedge position; optimizing and diversifying our existing assets; the increasingly contracted nature of our fleet; expectations about strategies for growth and expansion, including opportunities for Centralia redevelopment, and data centre opportunities; expected costs and schedules for planned projects; expected regulatory processes and outcomes, including in relation to the Alberta restructured energy market; the power generation industry and the supply and demand of electricity; the cyclicity of our business; expected outcomes with respect to legal proceedings; the expected impact of future tax and accounting changes; and expected industry, market and economic conditions.

The forward-looking statements contained in this presentation are based on many assumptions including, but not limited to, the following: no significant changes to applicable laws and regulations; no unexpected delays in obtaining required regulatory approvals; no material adverse impacts to investment and credit markets; no significant changes to power price and hedging assumptions; no significant changes to gas commodity price assumptions and transport costs; no significant changes to interest rates; no significant changes to the demand and growth of renewables generation; no significant changes to the integrity and reliability of our facilities; no significant changes to the Company's debt and credit ratings; no unforeseen changes to economic and market conditions; and no significant event occurring outside the ordinary course of business.

These assumptions are based on information currently available to TransAlta, including information obtained from third-party sources. Actual results may differ materially from those predicted. 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 power prices; changes in supply and demand for electricity; our ability to contract our electricity generation for prices that will provide expected returns; our ability to replace contracts as they expire; risks associated with development projects and acquisitions; any difficulty raising needed capital in the future on reasonable terms or at all; our ability to achieve our targets relating to ESG; long-term commitments on gas transportation capacity that may not be fully utilized over time; changes to the legislative, regulatory and political environments; environmental requirements and changes in, or liabilities under, these requirements; operational risks involving our facilities, including unplanned outages and equipment failure; disruptions in the transmission and distribution of electricity; reductions in production; impairments and/or writedowns 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; reduced labour availability and ability to continue to staff our operations and facilities; disruptions to our supply chains; climate-change related risks; reductions to our generating units' relative efficiency or capacity factors; general economic risks, including deterioration of equity and debt markets, increasing interest rates or rising inflation; general domestic and international economic and political developments, including potential trade tariffs; industry risk and competition; counterparty credit risk; inadequacy or unavailability of insurance coverage; increases in the Company's income taxes and any risk of reassessments; 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 "Governance and Risk Management" in the MD&A. Readers are urged to consider these factors carefully when evaluating the forward-looking statements and are cautioned not to place undue reliance on them. The forward-looking statements included in this presentation 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. The purpose of the financial outlooks contained herein is 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.

Certain financial information contained in this presentation, including Adjusted EBITDA, Annual Average EBITDA, Free Cash Flow ("FCF"), FCF per share do not have standardized meanings as prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similar measures presented by other entities. The most directly comparable measures presented in the financial statements are: (i) in respect of Adjusted EBITDA and Annual Average EBITDA, earnings before income taxes; and (ii) FCF and FCF per share, Cash Flow From Operating. 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 "Key Non-IFRS Financial Ratios" sections of MD&A, 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 that such outlooks 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**



# 2024 delivered solid results in an evolving landscape



## Results and financial position

Adjusted EBITDA<sup>1</sup> of **\$1.25 billion**

FCF<sup>1</sup> of **\$569 million** or **\$1.88/share**

Met **upper range of guidance**

Returned **\$0.71 per share** or **38% of FCF<sup>1</sup>** to shareholders through buybacks and dividends

**Increased** common share **dividend** by **8%**



## Achievements

Closed acquisition of **Heartland Generation** adding ~1.7 GW of assets

Fleetwide **availability** of **91.2%**

Horizon Hill, White Rock, Kent Hills rehabilitation and Mount Keith **achieved commercial operation** adding 650 MW of generation

CO<sub>2</sub> emissions intensity decreased to **0.35 tCO<sub>2</sub>e/MWh**



## Strategic initiatives

Pursuing **Centralia redevelopment** opportunities

**Advancing** options to power **data centres in Alberta**

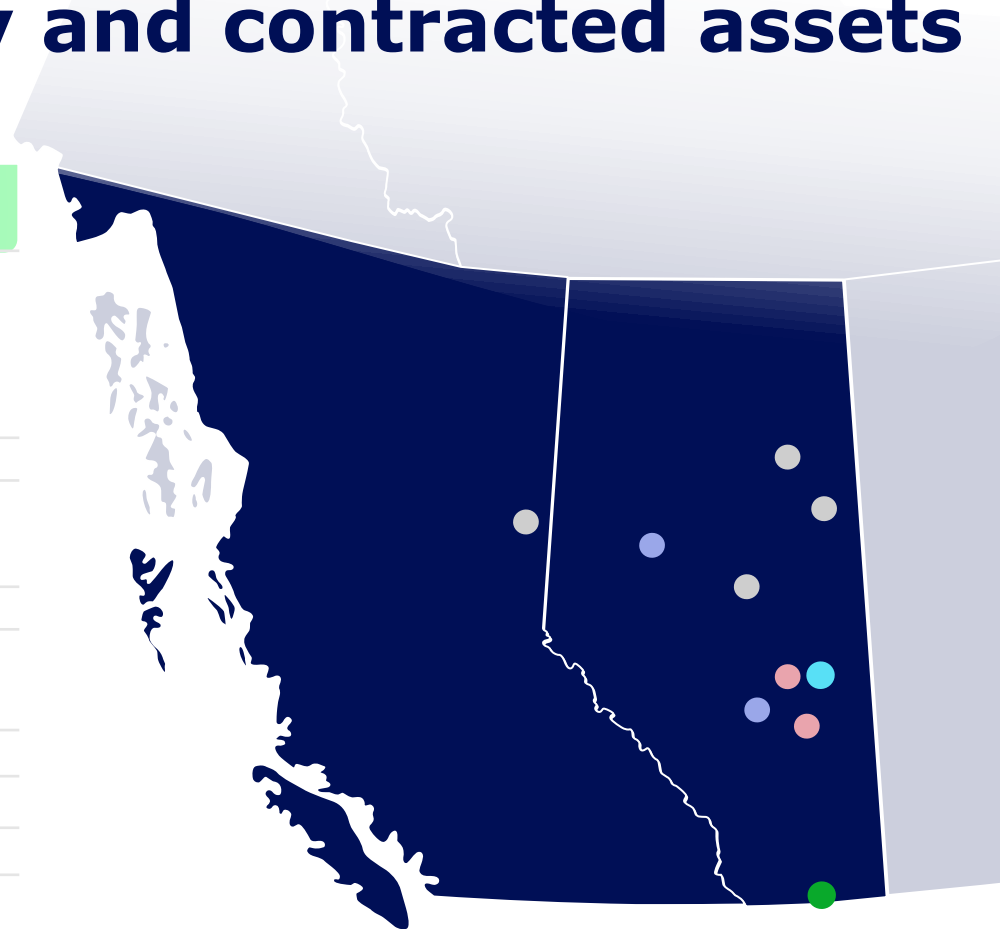
Continue to evolve **Growth Plan**

Engaging on **Alberta Restructured Energy Market**



# Heartland portfolio provides significant upside with reliability and contracted assets

Facility	Type	Contracted Capacity	Gross Capacity (MW)	Owned Capacity (MW)
Muskeg River	Cogen	85%	202	202
Scotford	Cogen	54%	195	195
McMahon	Cogen	100%	120	60
Primrose	Cogen	100%	100	50
<b>Contracted Cogen</b>			<b>617</b>	<b>507</b>
Joffre	Cogen	~26%	474	190
Valleyview 1&2	OCGT	0%	100	100
<b>Peaker Gas</b>			<b>574</b>	<b>290</b>
Sheerness 1&2 <sup>4</sup>	CTG	0%	800	400
Battle River 4&5	CTG	0%	550	550
<b>Coal-to-Gas Units</b>			<b>1,350</b>	<b>950</b>
<b>Total</b>			<b>2,541</b>	<b>1,747</b>
<b>Transmission</b>				
Montana Alberta Tie Line Capacity Contract	Transmission	-	200	200
<b>Development Assets</b>				
Battle River Carbon Hub	Hydrogen	-	400	400



## Facilities

- Contracted cogen
- Peaker gas
- Coal-to-gas
- Development assets
- Transmission

5.4x adjusted EBITDA multiple<sup>1</sup>

~\$270 per kW<sup>3</sup>, significantly lower than new build

~\$85-\$90 million annual average adjusted EBITDA<sup>2</sup> contribution

~60% contracted revenue, 15-year average contract life

Closed Dec. 4, 2024

<sup>1</sup> Adjusted EBITDA multiple is a metric calculated by dividing expected capital expenditures by expected average annual adjusted EBITDA. Readers are cautioned that our method for calculating adjusted EBITDA multiple may differ from methods used by other entities. Therefore, it may not be comparable to similar measures presented by other entities.

<sup>2</sup> Average annual EBITDA is a non-IFRS measure see the forward-looking statements and non-IFRS measures information on slide two of this presentation for more information.

<sup>3</sup> kW is an abbreviation of kilowatt.

<sup>4</sup> Owned capacity does not include the portion of Sheerness that TransAlta Cogeneration owns.



# Centralia

## Valuable redevelopment opportunities for existing infrastructure and land base



**Attractive risk-adjusted returns and build multiples**

**Highly contracted cash flow**

**Advances TransAlta's customer-centred approach**

**Location** Centralia, WA

**Potential Fuel** Gas, Wind, Solar, Battery, New Technology

**Potential Contract Type** Long-term

**Size** 500-1,000 MW

**COD** 2027+

**Owned Land** ~12,000 acres





# TransAlta has entered Keephills into the interconnection queue

## Three phased approach to data centre development

### Phase 1



### Socialization

Engage potential customers  
and gauge interest

### Phase 2



### Technical

Development of technical  
specifications and advancement  
of sites

Current  
phase

### Phase 3



### Commercialization

Contracting with high-  
quality counterparties



# Joel Hunter

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





# TransAlta segmented results

Year and three months ended December 31, 2024

(\$millions)

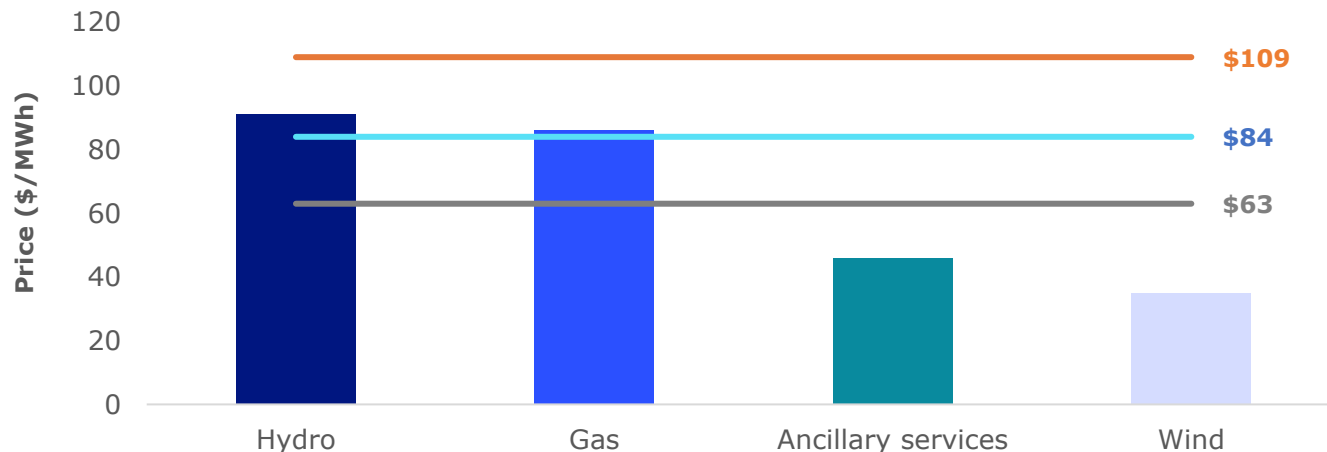
2024	2023	Adjusted EBITDA <sup>1</sup>	Q4 2024	Q4 2023
<b>316</b>	459	Hydro	<b>57</b>	56
<b>316</b>	257	Wind and Solar	<b>95</b>	82
<b>535</b>	801	Gas	<b>116</b>	141
<b>91</b>	122	Energy Transition	<b>28</b>	26
<b>131</b>	109	Energy Marketing	<b>27</b>	14
<b>(136)</b>	(116)	Corporate	<b>(38)</b>	(30)
<b>1,253</b>	1,632	Total	<b>285</b>	289

**Strong  
operating  
and  
financial  
performance**



# Realized significant premiums in Alberta

## 2024 full year prices



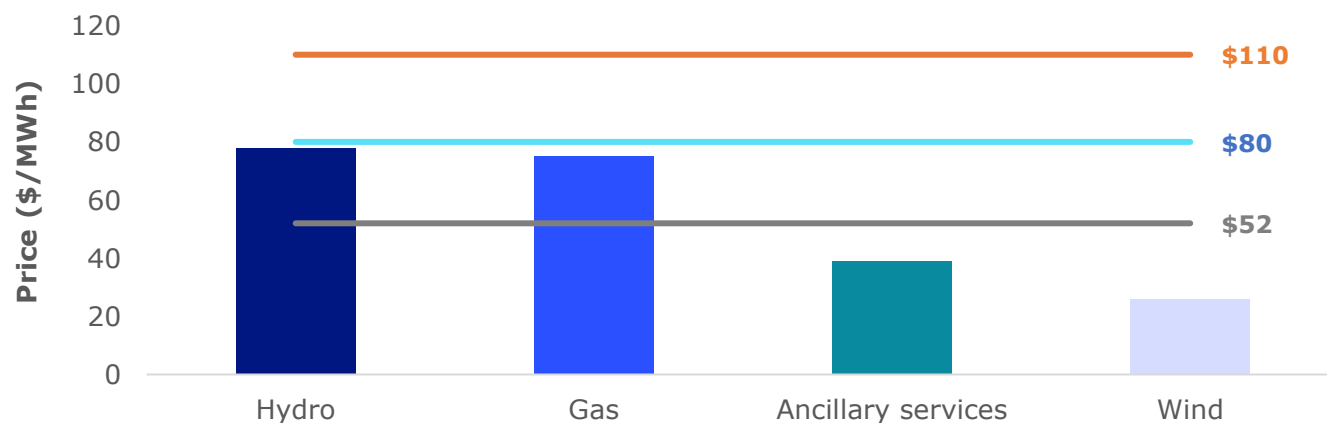
**174% realized premium to spot price<sup>1</sup>**

**144% Hydro premium to spot price<sup>2</sup>**

**137% Gas premium to spot price<sup>2</sup>**

**73% Ancillary services to spot price**

## 2024 Q4 prices



**212% realized premium to spot price<sup>1</sup>**

**150% Hydro premium to spot price<sup>2</sup>**

**144% Gas premium to spot price<sup>2</sup>**

**75% Ancillary services to spot price**

— Realized merchant power price    — Average hedged power price    — Average spot price

<sup>1</sup> Realized merchant power price for the Alberta electricity portfolio is the average price realized as a result of the Company's merchant power sales and portfolio optimization activities (excluding assets under long-term contract and ancillary revenues) divided by total merchant GWh produced.

<sup>2</sup> Excludes gains and losses from hedging positions.



# 2025 guidance

(\$ millions)	2025 Outlook
<b>Adjusted EBITDA<sup>1</sup></b>	<b>1,150 to 1,250</b>
<b>FCF<sup>1</sup></b>	<b>450 to 550</b>
<b>FCF/share (\$/share)<sup>1</sup></b>	<b>\$1.51 to \$1.85</b>
<b>Energy Marketing Gross Margin</b>	<b>110 to 130</b>
<b>Sustaining Capital</b>	<b>145 to 165</b>

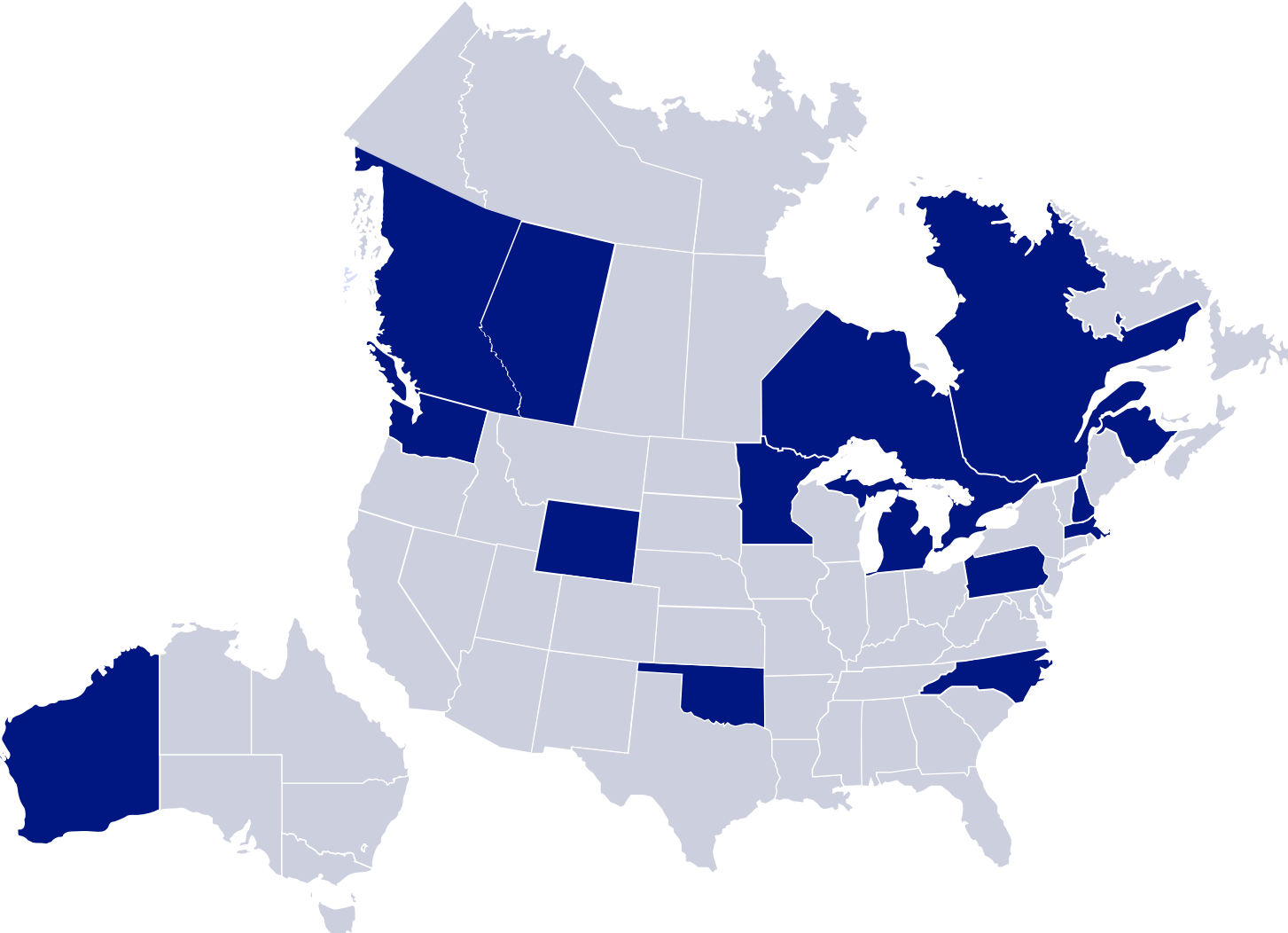
Market	2025 Outlook
<b>Alberta Spot (\$/MWh)</b>	<b>40 to 60</b>
<b>Mid-C Spot (US\$/MWh)</b>	<b>50 to 70</b>
<b>AECO Gas Price (\$/GJ)</b>	<b>1.60 to 2.10</b>

**Reflects strong hedged position and contracted cash flows**





# Portfolio is highly hedged and contracted in 2025



**67%**

Of Alberta fleet revenue contracted or hedged



**73%**

Of US fleet revenue contracted or hedged



**86%**

Of Canadian fleet<sup>1</sup> revenue contracted



**100%**

Of Australian fleet revenue contracted

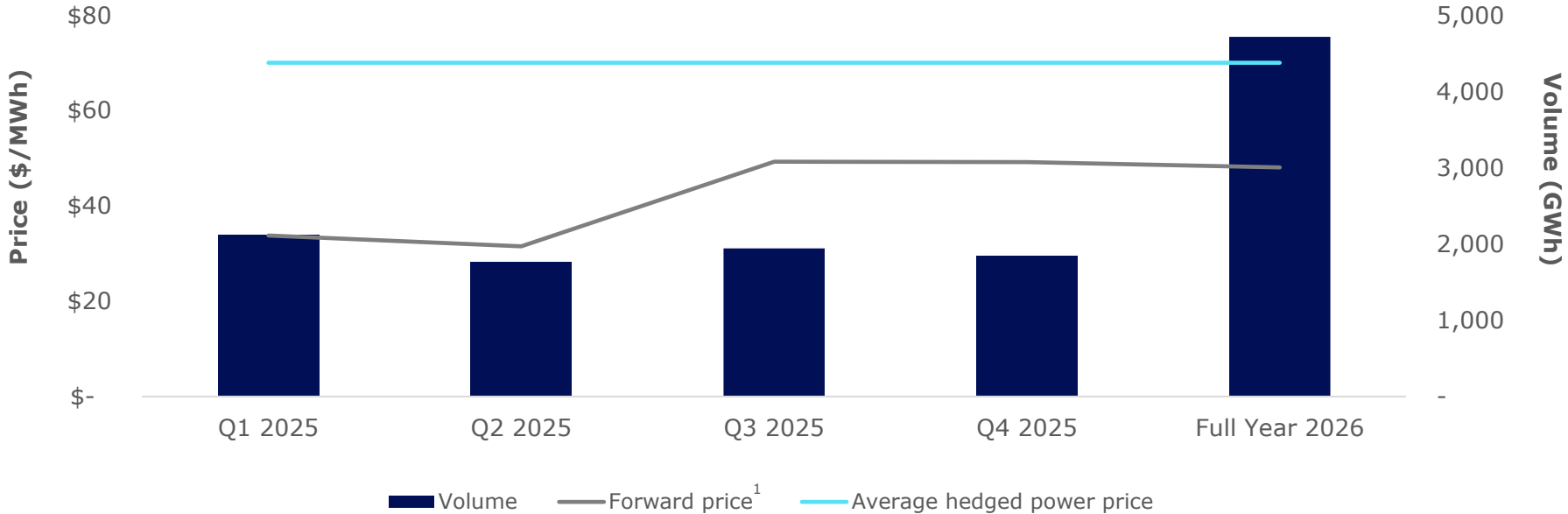
**~75% of generation revenue<sup>2</sup> is expected to come from contracted assets and hedging position**

**52% of total fleet capacity is contracted<sup>3</sup>**

<sup>1</sup> Includes all Canadian assets outside of Alberta.  
<sup>2</sup> Based on 2025 guidance expectations.  
<sup>3</sup> As of December 31, 2024.



# Strong hedge position in Alberta



	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Full year 2026
<b>Price (\$/MWh)</b>	72	70	70	70	75
<b>Volume<sup>2</sup> (GWh)</b>	2,117	1,758	1,942	1,845	4,713

**Hedged power prices above forward curve**

**\$1 per MWh change in spot price ~\$3 million impact on adjusted EBITDA<sup>3</sup>**

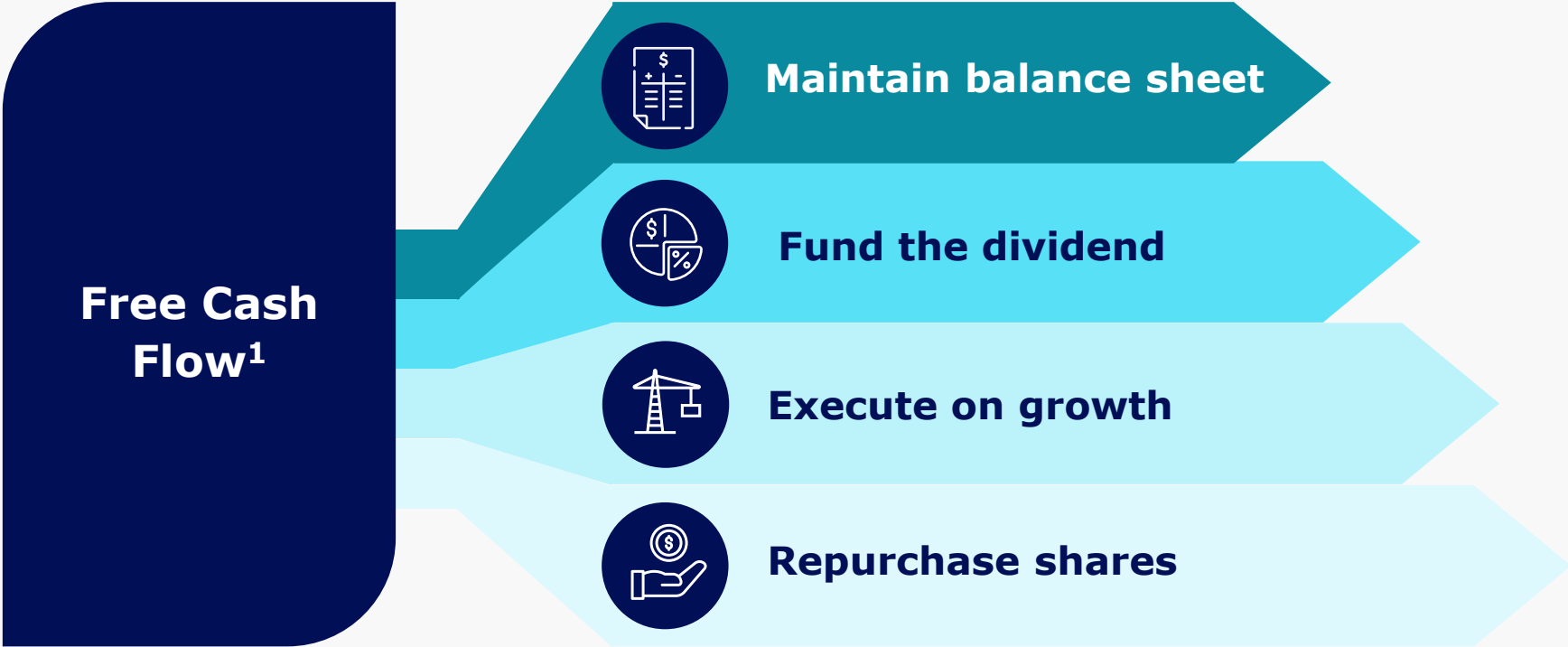
<sup>1</sup> As of February 20, 2024.

<sup>2</sup> C&I and financial hedges; excludes capacity contract.

<sup>3</sup> Adjusted EBITDA is a non-IFRS measure, see the forward-looking statements and non-IFRS measures information on slide two of this presentation for more information.



# Capital allocation maximizes shareholder value



Maintain **strong credit metrics**

Dividend increased by **8%**; payout ratio equates to **15% of expected 2025 FCF<sup>1</sup>**

**Realize value** from legacy thermal sites

Invest in **strategic M&A** opportunities and **long-term Growth Plan**

Return up to **\$100 million** in share repurchases

<sup>1</sup> Free Cash Flow (FCF) is a non-IFRS measure, see the forward-looking statements and non-IFRS measures information on slide two of this presentation for more information.





# 2025 priorities



## Safety, people and culture

Improve leading and lagging **safety performance**

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Advance **leadership and talent** development

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Continue progress towards **40% gender diversity** target by 2030



## Financial and operational

Deliver adjusted EBITDA<sup>1</sup> of **\$1.15 - \$1.25 billion**

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Deliver FCF<sup>1</sup> of **\$450 - \$550 million**

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Maintain **strong balance sheet** and credit ratings

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Achieve fleet availability of **91.8%**



## Strategic initiatives

Maximize value of **legacy thermal energy campuses**

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Successfully integrate **Heartland** Generation

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Execute **strategic M&A** and advance **Growth Plan**

Implement our new **ERP system**

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Develop comprehensive **funding plan** to **facilitate growth**

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Progress CO<sub>2</sub> **emissions reduction** to 75% from 2015 levels by 2026

**Delivering operational excellence and executing strategic initiatives**



# Our Value Proposition



**Safe and reliable operator**



**Diversified and increasingly contracted portfolio**



**Clean electricity leader**



**High potential legacy energy campuses**



**Positioned for growth**



**Financial strength and flexibility**





# Questions and answers

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