

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 expected outcomes related to our investment in Nova Clean Energy, 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 cyclicality 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, Free Cash Flow ("FCF"), FCF per share and Adjusted Net Debt to Adjusted EBITDA, 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, earnings before income taxes; (ii) FCF and FCF per share, Cash Flow From Operating; and (iii) in respect of Adjusted Net Debt, total credit facilities, long-term debt and lease liabilities. 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.



TransAlta at a glance



\$8.0 billion

Enterprise value¹

Strong balance sheet and capital discipline



114 years

Generation experience

Foundation of our focused strategy



\$3.7 billion

Market capitalization¹

Listed on the TSX and NYSE



1,450

Employees

Central to value creation

~9,000 MW

Diversified portfolio

88 generating facilities in Canada, United States and Australia

~\$500 million

2025 expected **free cash flow**²

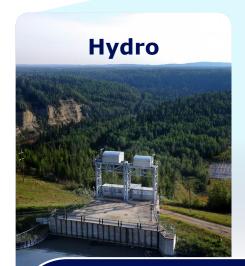
~50%

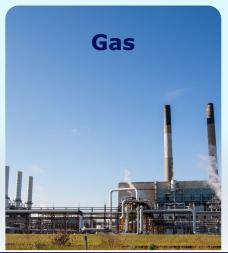
Adjusted EBITDA² attributable to renewables

Hydro and Wind and Solar fleet are core operations



transdita











Well diversified portfolio of high-quality assets Stable contracted base with Alberta merchant upside



Fleet Overview



Wind, Solar and Storage **36 Facilities**



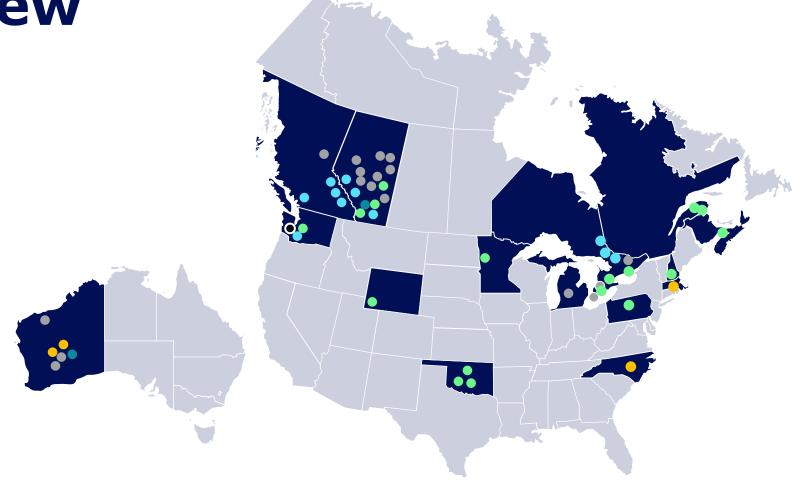
Hydro **25 Facilities**



Natural Gas **26 Facilities**



Coal **1 Facility**

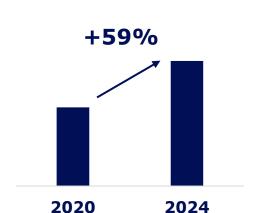


Technology:





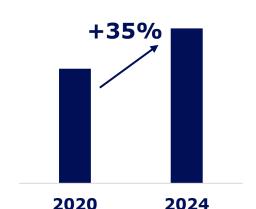
Strategic position strengthened since 2020



Emissions reductions³

(Millions tonnes CO₂)

Free Cash Flow¹



Renewable capacity²

(MW)

Adjusted EBITDA¹

Contractedness² increased by

Free Cash Flow¹

Adjusted EBITDA¹

increased by

\$210 Million

\$330 Million

increased by

2.8 GW

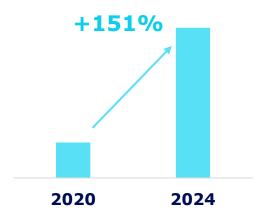
Emissions³ reduced by

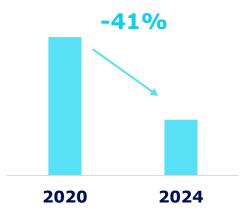
6.8 million tonnes CO₂

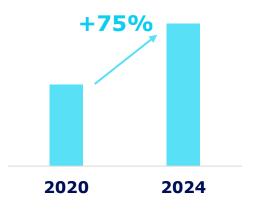
Increased renewable capacity² by

1.5 **GW**

Contractedness² (MW)





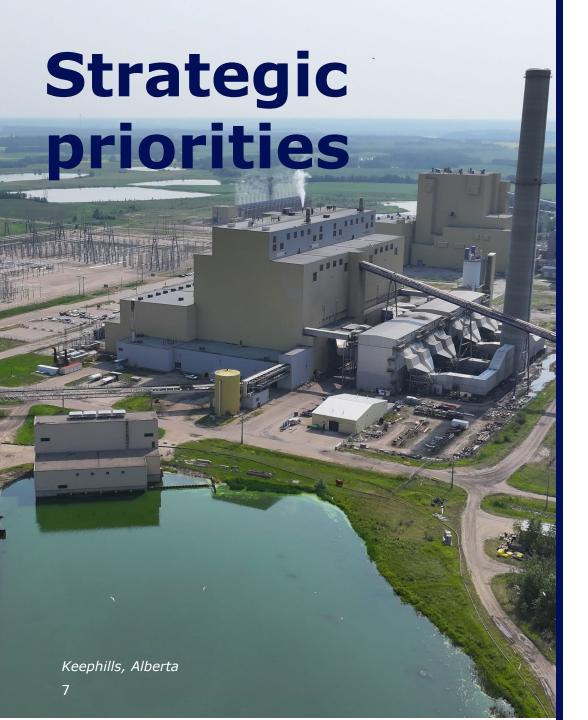


¹ Adjusted EBITDA and free cash flow are non-IFRS measures, see the forward-looking statements and non-IFRS measures information on slide two of this presentation for more information.



²2020 Contractedness and Renewable Capacity have been adjusted to exclude TransAlta's non-controlling interest in TransAlta Renewables.

³Emission reductions include Scope 1 and 2 greenhouse gas emissions but do not include emissions from assets acquired from Heartland Generation on Dec. 4, 2024.



- 1 Optimize Alberta portfolio
- 2 Execute Growth Plan
- Realize the value of legacy generating facilities
- Maintain financial strength and capital discipline
- Define next generation of power solutions
- 6 Lead in ESG and market policy development



Advancing **Growth Plan**



Strategic investment in NOVa





Best-in-class team targeting development in Western Electricity Coordinating Council (WECC)



Exclusive option to purchase advanced-stage clean energy projects at attractive risk adjusted returns enhanced by TransAlta's energy marketing and growth teams



Equity conversion option into Nova Clean Energy

Fuel

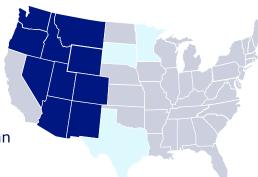
Multiple

Pipeline Size

4 GW+

Investment

- Up to US\$175 million revolver & term loan
- Provides annual return on capital
- Secured against project values







Non-core geographies



Legacy Generation Site Opportunities





Advances customer-centred approach

Contracted cash flow

Expected attractive returns and **build multiples**

Detailed commercial negotiations

Project engineering commenced

Location	Centralia, WA
Potential Fuel	Gas, Wind, Solar, Battery, New Technology
Potential Contract Type	Long-term
Size	650+ MW
COD	2027+
Owned Land	~12,000 acres
Customer	Confidential

Virtual data room active

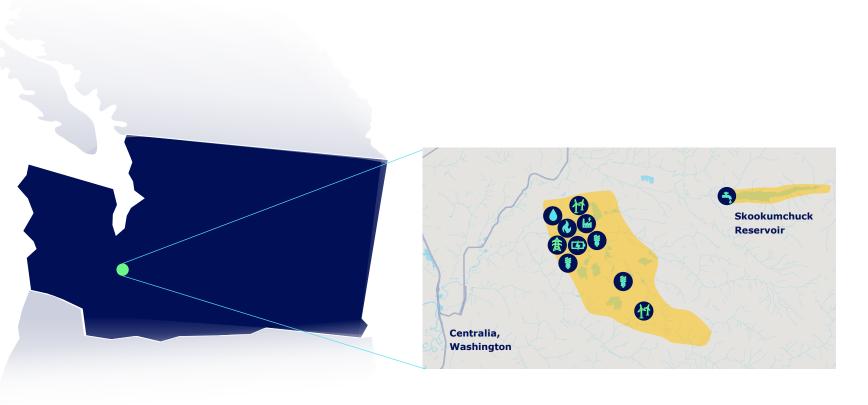


Conversations progressing

Location	Wabamun, AB
Fuel	Gas
Potential Contract Type	Long-term
Size	395+ MW
COD	2027+
Land priority parcels for data centre placement	1,500+ acres
Customer	TBD



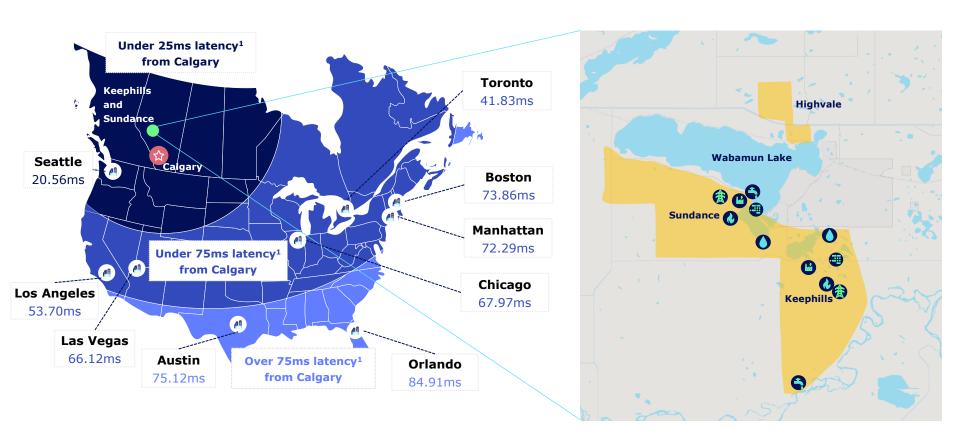
Pursuing multiple options for Centralia redevelopment







TransAlta offers attractive locations for data centres

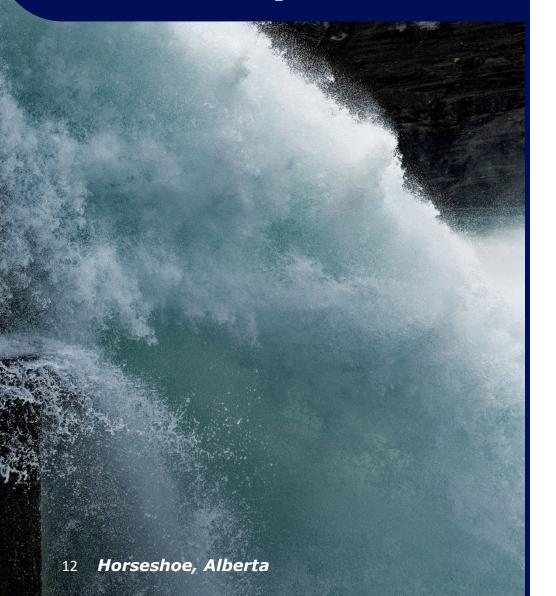


	Wabamum Lake Area
Reliable operating units / speed to market	
Transmission interconnection	食
Natural gas	
Fibre optic access	
Water rights	
Temperate climate and existing cooling ponds	
Owned Land:	~40,000 Acres

Alberta positioned to deliver latency under 75ms for most of Canada and the US



Maintain Financial Discipline



Successfully closed \$450 million green note offering in Q1 2025

2.8 times over subscribed

Repaid \$400 million variable rate term loan with proceeds

Maintains TransAlta's financial strength

Size	\$450 million
Term	7 years
Coupon	5.625%
Rating	BB+ stable - S&P BBB (low) stable - DBRS



Our competitive advantage



Owner / operational excellence



Optimization and trading excellence



Strong balance sheet



Local presence



Full life cycle capabilities and risk control



Strong customer relationships



Demonstrated ESG results





Sustainability targets



Environmental goals



Social goals



Governance goals

Net zero by 2045

Reduce GHG emissions by **75%** by **2026**¹

Reduce GHG emissions intensity by **30%** by **2030**²

End coal generation in US by **2025**

Support for **indigenous communities**

Reclaim mined land in Alberta and Washington State

Achieve a Total Recordable Injury Frequency rate of **0.0**

50% female Board representation by **2030**

40% company-wide female employment by **2030**

Leadership on ESG reporting within financial disclosures





Q1 2025 delivered strong operational performance





Business highlights



Strategic priorities

Adjusted EBITDA¹ of **\$270 million**

FCF¹ of \$139 million or \$0.47/share

Increased common share dividend
by 8%

Repurchased 1.9 million shares YTD at average cost of \$12.42

Fleetwide availability of 94.9%

Sundance 6 facility mothballed

Successful integration of Heartland

Strong performance from **hedging** and optimization

Advancing growth through **strategic investment** in **Nova Clean Energy**

Progressing Centralia redevelopment

Progressing Alberta data centres

Issued \$450 million of senior notes and **repaid \$400 million** term loan



TransAlta segmented results

Three months ended March 31, 2025 (\$millions)

Adjusted EBITDA ¹	Q1 2025	Q1 2024
Hydro	47	87
Wind and Solar	102	89
Gas	104	125
Energy Transition	37	27
Energy Marketing	21	39
Corporate	(41)	(25)
Total	270	342

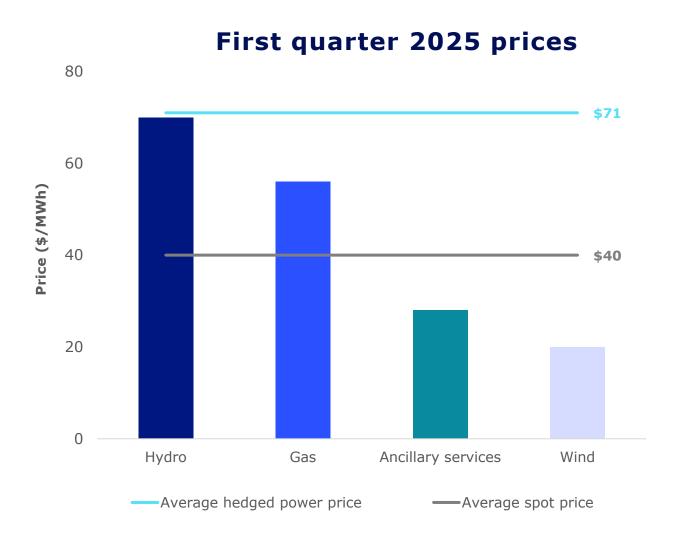
Lower spot pricing in Alberta

Strong average availability of 94.9% across fleet

FCF of \$139 million or \$0.47 per share



Alberta merchant electricity portfolio



178%

Hedged power price premium to spot price

175%

Hydro merchant premium to spot price¹

140%

Gas merchant premium to spot price¹

70%

Ancillary services to spot price

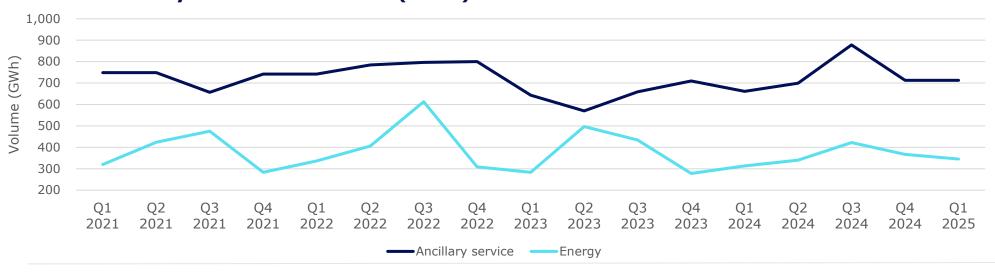
Alberta
merchant
portfolio
continues to
generate
premiums
significantly
higher than
average market
pricing

Realized price of \$122 per merchant MWh produced



Alberta Hydro provides sustained long-term value

Alberta hydro fleet volumes (GWh)



+14%

Ancillary volume increase from 2023 to 2024





53%¹

Average realized ancillary price to spot

132%¹

Average realized energy price premium to spot





2025 guidance

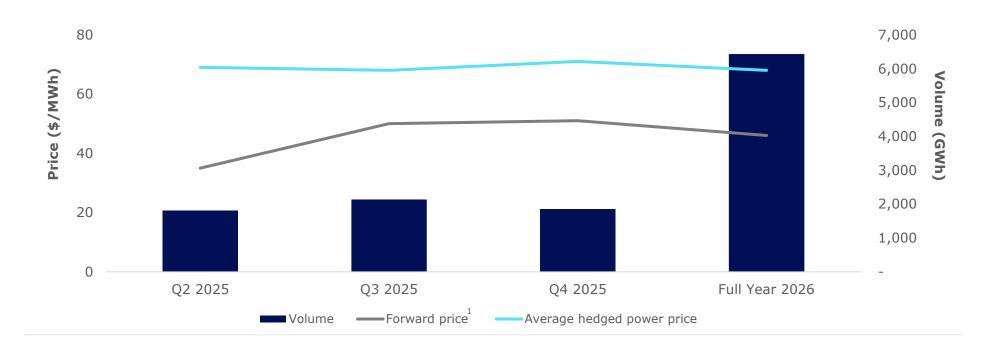
(\$ millions)	2025 Outlook
Adjusted EBITDA ¹	1,150 to 1,250
FCF ¹	450 to 550
FCF/share (\$/share)¹	\$1.51 to \$1.85
Energy Marketing Gross Margin	110 to 130
Sustaining Capital	145 to 165

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

Reflects strong hedged position and contracted cash flows



Alberta hedging provides portfolio stability



	Q2 2025	Q3 2025	Q4 2025	Full year 2026
Price (\$/MWh)	69	68	71	68
Volume² (GWh)	1,809	2,139	1,848	6,432

Hedged power prices above forward curve

\$1 per MWh
change in spot
price ~\$2 million
impact on
adjusted EBITDA³
balance of year
2025

¹ As of May 7, 2025.

² C&I and financial hedges; excludes capacity contract.

³ 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. Pertains to 2025 balance of year.

2025 priorities



Safety, people and culture



Financial and operational

Improve leading and lagging safety performance

Advance leadership and talent development

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

Deliver adjusted EBITDA1 of \$1.15 - \$1.25 billion

Deliver FCF1 of \$450 - \$550 million

Maintain strong balance sheet and credit ratings

Achieve fleet availability of 91.8%



Strategic initiatives

Maximize value of legacy thermal energy campuses

Successfully integrate **Heartland** Generation

Execute strategic M&A and advance Growth Plan

Implement our new ERP system

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

Progress CO₂ **emissions reduction** to 75% from 2015 levels by 2026

Delivering operational excellence and executing strategic initiatives





Alberta business



Maximize

shareholder returns through active management of our diversified merchant portfolio



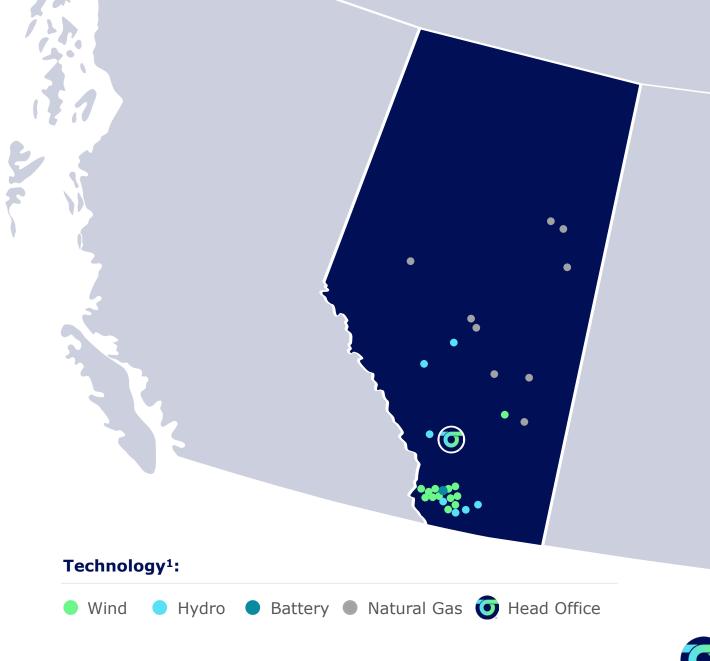
Provide

dynamic, cost-effective and contracted **solutions** to meet **customer power demand**



Identify

and evaluate market and technological sources for **long-term growth**





Hedging and optimization increases our advantage

114-year extensive operating expertise

Exceptional in-house forecasting and analytical capabilities

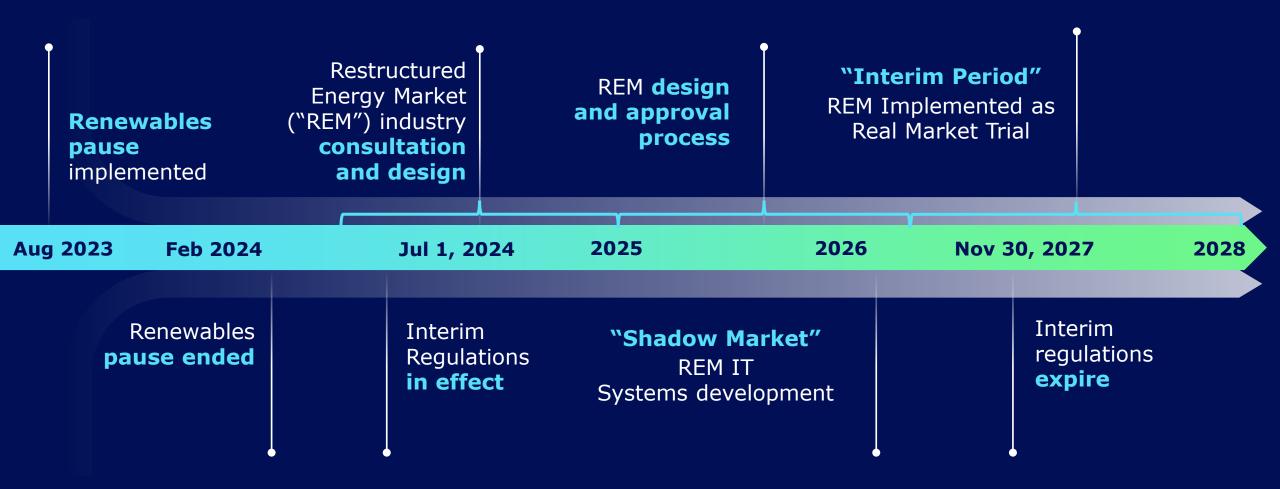
Integrated **asset optimization and operations** to ensure portfolio value maximization

Large customer base spanning the wholesale, commercial and industrial base



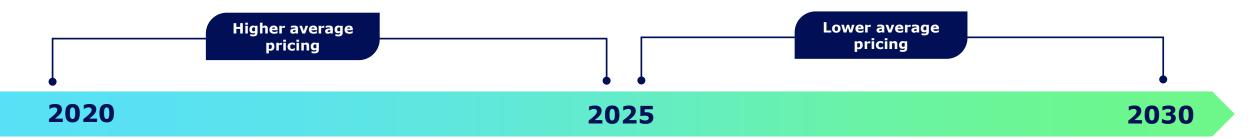


Alberta regulatory change timeline





Merchant electricity market evolution





Moderate volatility

Baseload generation

Higher carbon footprint

Hedging and optimization



Higher volatility

Peaking generation and fleet diversity

Lower carbon footprint

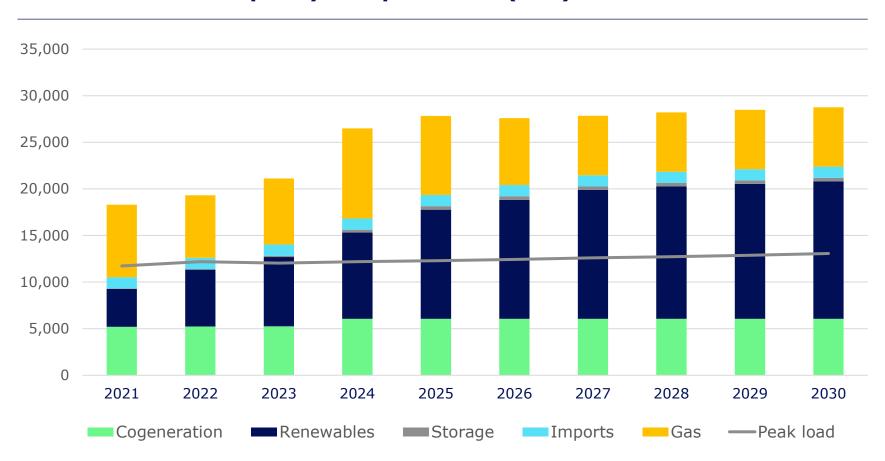
Optimization and hedging

Grid reliability services



Major supply shift continues

Alberta installed capacity and peak load (MW)1



+185%

Expected supply growth in renewables

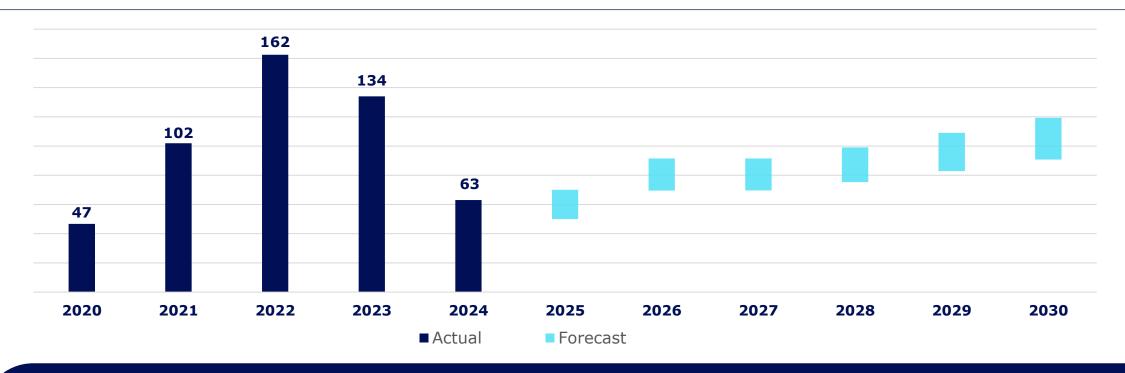
+140%

Expected supply growth in combined cycle gas



Prices expected to soften mid-decade with supply

Annual average power price forecast (\$ per MWh)¹

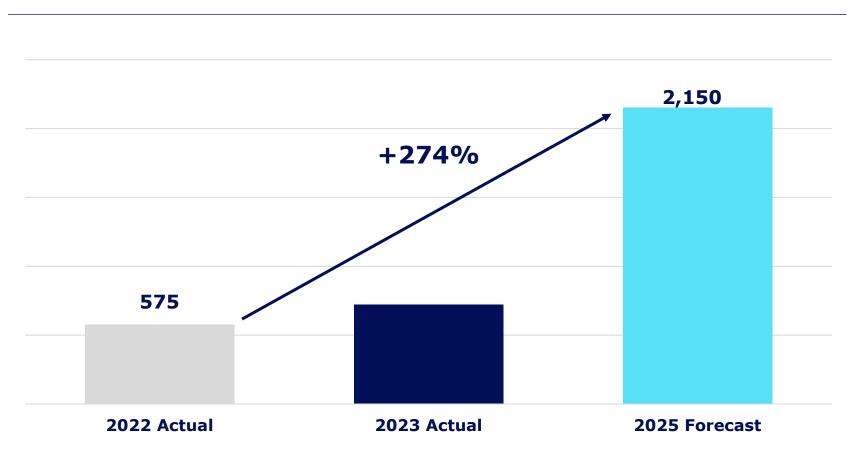


Prices to rebound later in the decade



Intraday volatility of renewable supply





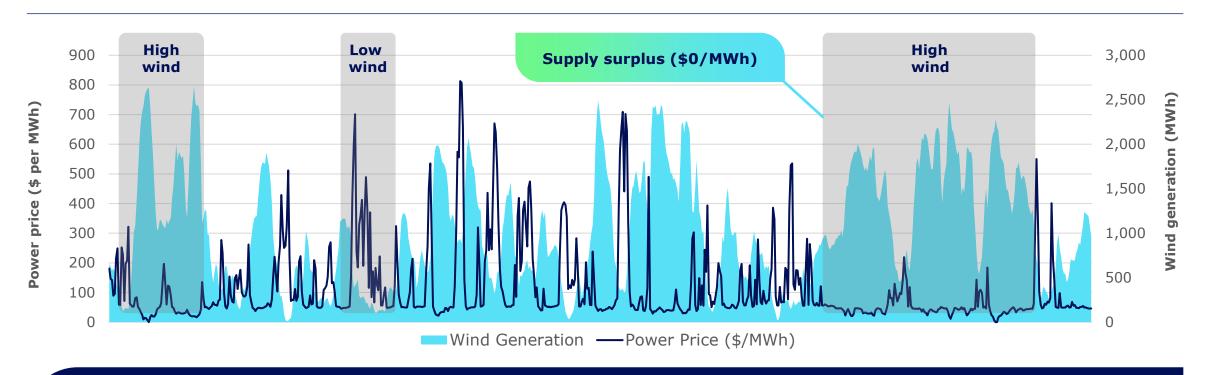
Increasing renewable generation will result in larger hour-to-hour changes in output

Challenging the reliability of the system



Wind penetration increases volatility in price

September 2023 wind generation and power price volatility¹

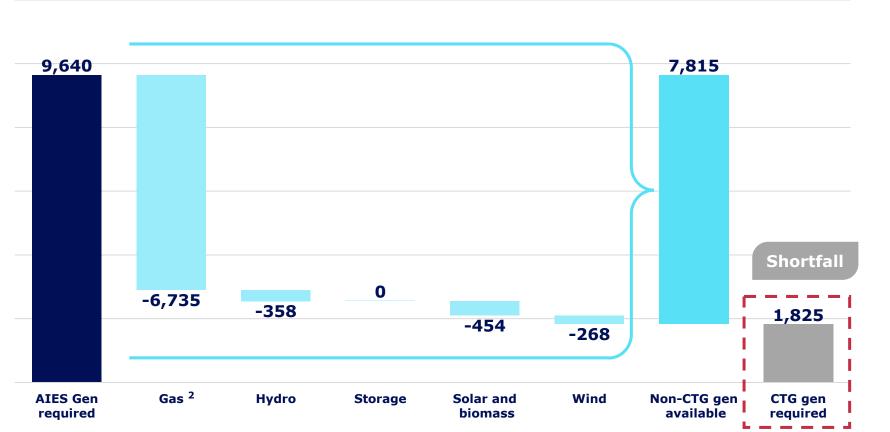


Low wind generation allows for higher prices, while high wind generation tends to drive lower pricing or even supply surplus conditions.



Thermal gas required when renewable resources are low

Estimated thermal gas generation required (MW)¹



Thermal gas capacity is required to meet Alberta demand and reliability

Province loses
5.5 GW of
capacity on
low
renewableresource
days¹





Aligning Growth and Energy Marketing

Asset valuation

Pipeline management

Specialty products

Growth

PPA negotiation

Project development

Development execution

Market interpretation

Customer relationships

Pricing analysis

Portfolio optimization

Proprietary trading

Asset optimization

Energy Marketing

Market intelligence

Market fundamentals

Aligned global team committed to accelerating value delivery of high-quality portfolio through cross-team enablement



Energy marketing capabilities

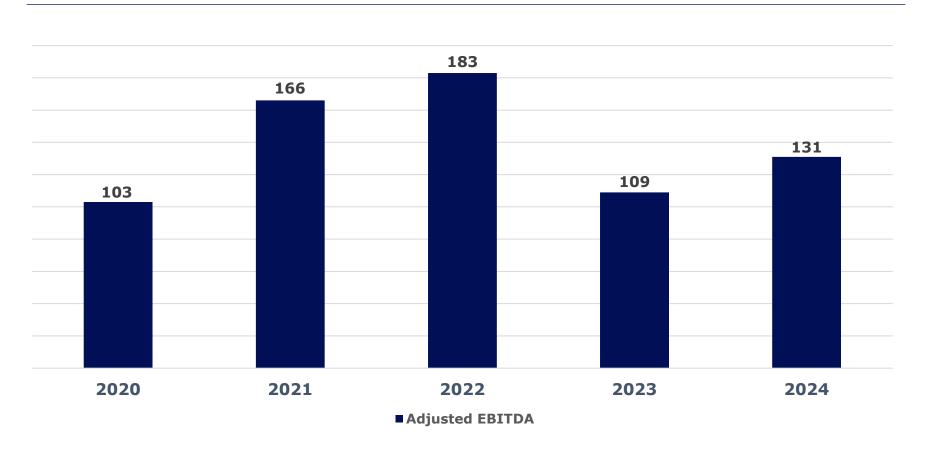
		Electricity	Natural Gas	Emissions
	Markets	NWPP, CAISO, SPP, SWPP, IESO, ISO-NE, NYISO, PJM, MISO, ERCOT	Canada and US	Canada and US
	Execution for TransAlta and third-party assets			
	Origination and structured products			
ts	Real-time trading			-
Products	Term trading			
Ā	Congestion trading		-	-
	Transmission / transportation			-
	Options			

Diverse product knowledge base provides key insights into North American Markets



Energy Marketing has delivered \$700 million of adjusted EBITDA¹ since 2020

Adjusted EBITDA¹ contribution (\$ million)



Increasing volatility across North American markets creates opportunities

Positioned to deliver value in all market conditions

Tightly managed risk profile

\$140 million

5-year average
adjusted EBITDA¹





Prudent capital management



Credit ratings



Dividend

S&P	BB+
Moody's	Ba1
DBRS	BBB (low)

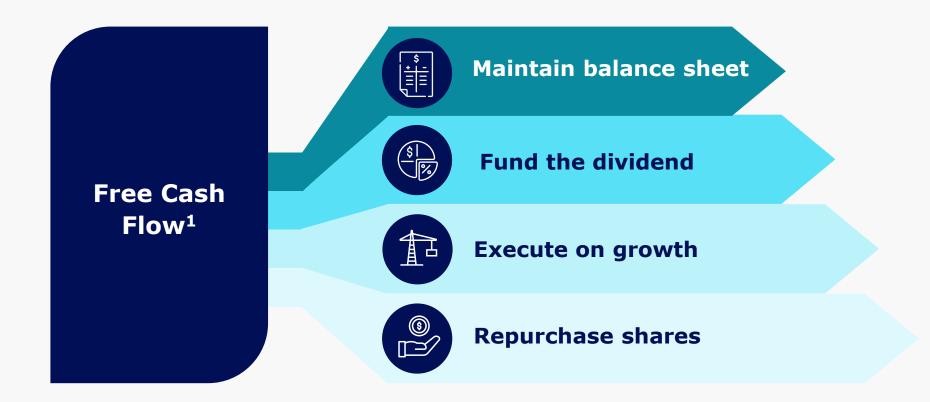
Adjusted Net
Debt/Adjusted
EBITDA¹ target

3.0 - 4.0x





Capital allocation maximizes shareholder value



In 2025

Maintain strong credit metrics

Dividend increased by **8%**; payout ratio equates to **15%** of expected **2025** FCF¹

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



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

