



transaltaTM

First Quarter 2025 Results

May 7, 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 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 cyclical nature 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"), and 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, 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 Non-IFRS Measures and Supplementary Financial Measures" section of our 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**



Delivered strong operational performance



Results and financial position

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**



Business highlights

Fleetwide **availability** of **94.9%**

Sundance 6 facility **mothballed**

Successful integration of **Heartland**

Strong performance from **hedging and optimization**



Strategic priorities

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



Advancing Growth Plan



Strategic investment in



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

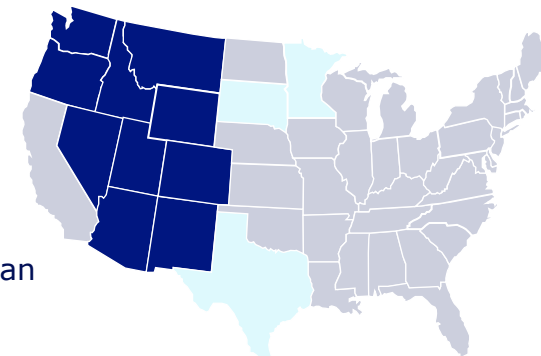
Multiple

Pipeline Size

4 GW+

Investment

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



Nova Development

● WECC ● Non-core geographies



Legacy Generation Site Opportunities

Centralia



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

Keephills Data Centre



✓ 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



Maintain Financial Discipline

Successfully closed \$450 million green note offering

**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



Joel Hunter

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



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

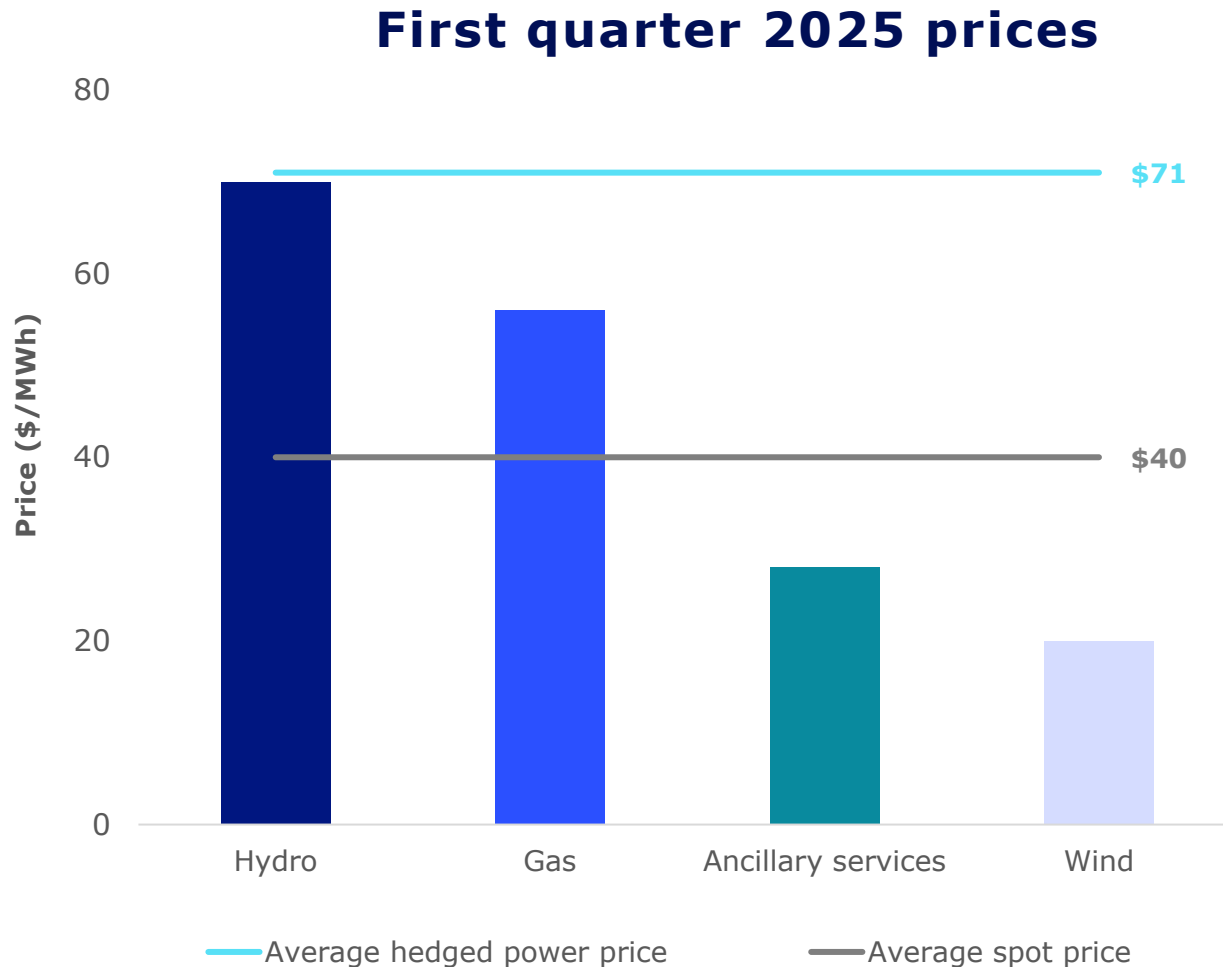
Strong average availability of 94.9% across fleet

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

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



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%

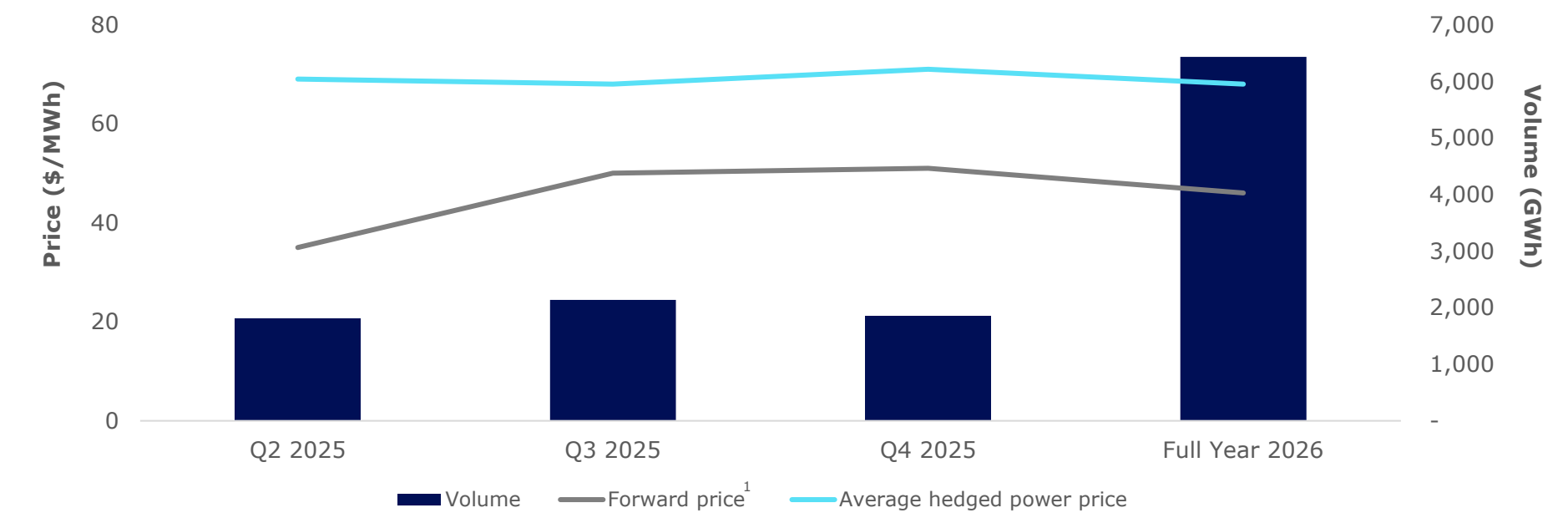
Ancillary services to spot price

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

Realized price of \$122 per merchant MWh produced



Alberta hedging provides portfolio stability



	Q2 2025	Q3 2025	Q4 2025	Full year 2026
Price (\$/MWh)	69	68	71	68
Volume ² (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

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



Financial and operational

Adjusted EBITDA¹ of **\$1.15 - \$1.25 billion**

FCF¹ of **\$450 - \$550 million**

Maintain **strong balance sheet** and credit ratings

Improve leading and lagging **safety performance**

Fleet availability of **91.8%**



Strategic initiatives

Enhance **growth plan** including **advancing partnership** with **Nova**

Maximize value of **legacy thermal energy campuses**

Execute **strategic M&A**

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

Implement our new **ERP system**

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

Well positioned to execute priorities and strategic initiatives

Reaffirming 2025 guidance range



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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