transalta™

Investor Presentation

July 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 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

$8.6 billion

Enterprise value[1]

Strong balance sheet and capital discipline

114 years

Generation experience

Foundation of our focused strategy

$4.3 billion

Market capitalization[1]

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 EBITDA[2] attributable to renewables

Hydro and Wind and Solar fleet are core operations

[1] Enterprise value and market capitalization calculated as of July 9, 2025.
[2]Adjusted EBITDA and free cash flow (FCF) are non-IFRS measures, see the forward-looking statements and non-IFRS measures information on slide two of this presentation for more information..

Hydro

Gas

Wind and solar

Energy marketing

Development pipeline and capabilities

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

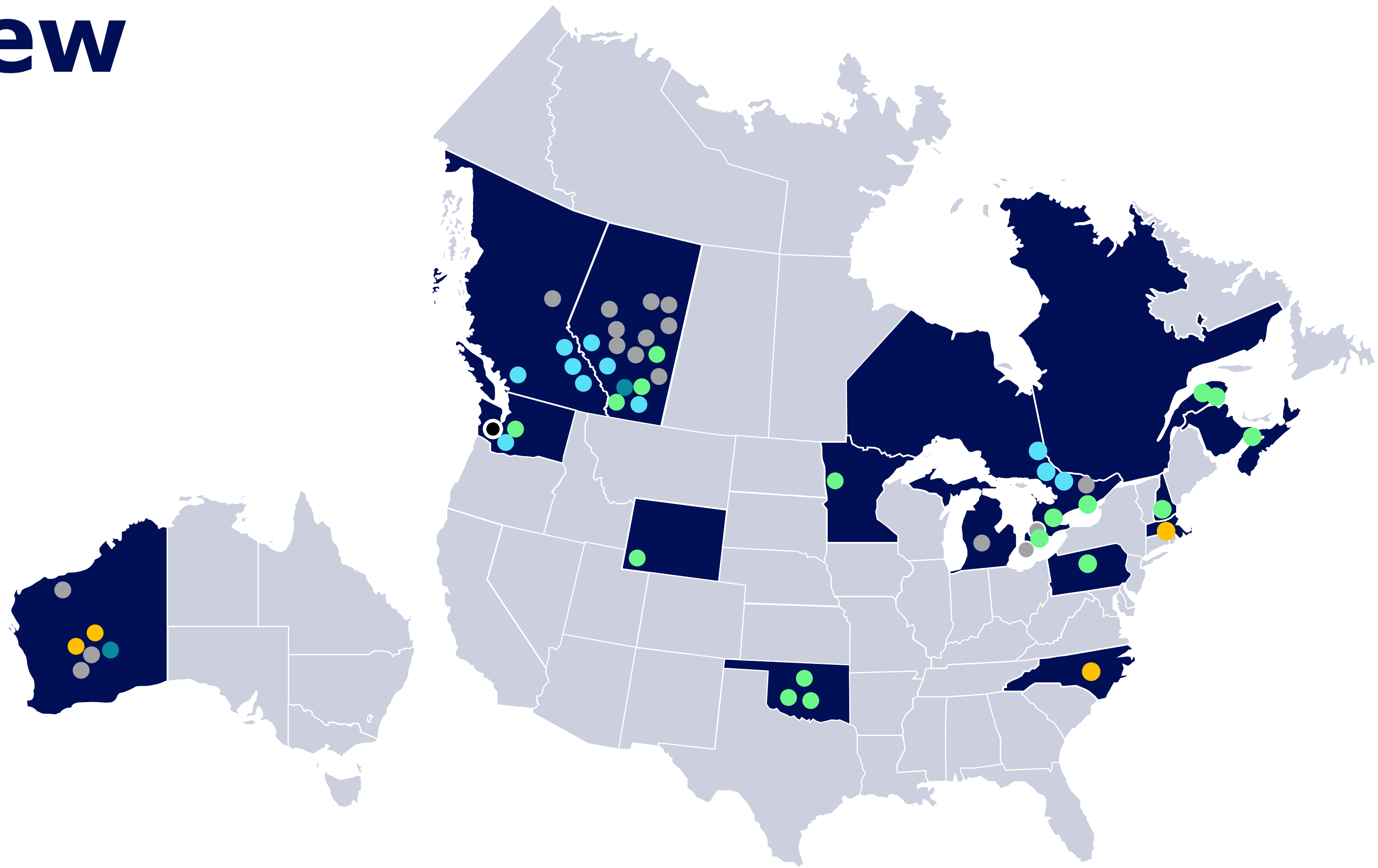
Fleet Overview

Wind, Solar and Storage
36 Facilities

Hydro
25 Facilities

Natural Gas
26 Facilities

Coal
1 Facility

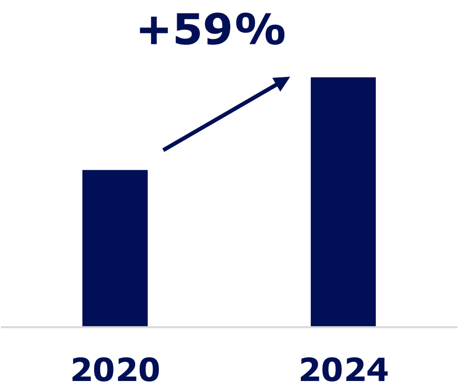


Technology:

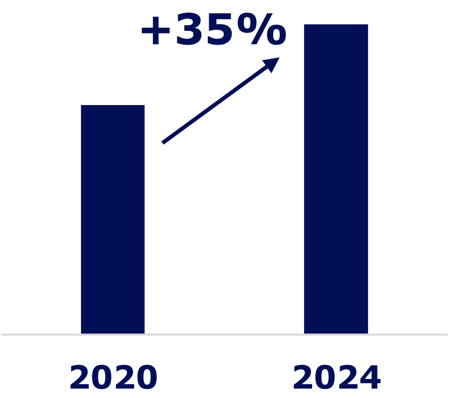
Wind | Solar | Hydro | Battery | Natural Gas | Coal

Strategic position strengthened since 2020

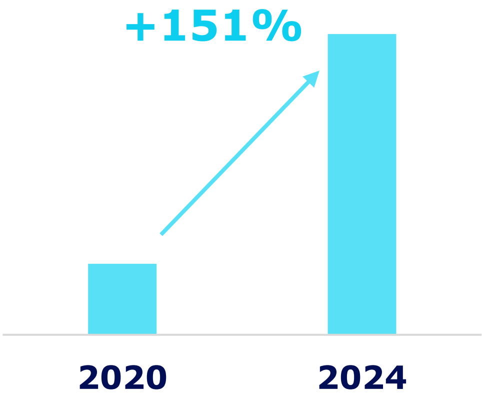
Free Cash Flow[1]



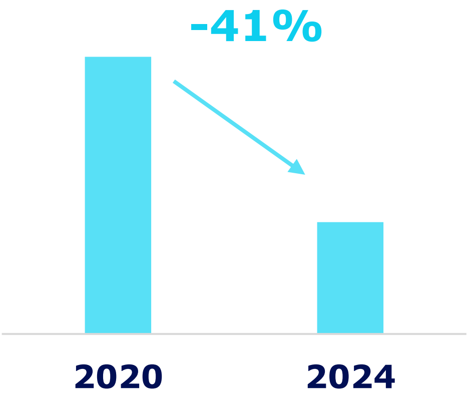
Adjusted EBITDA[1]



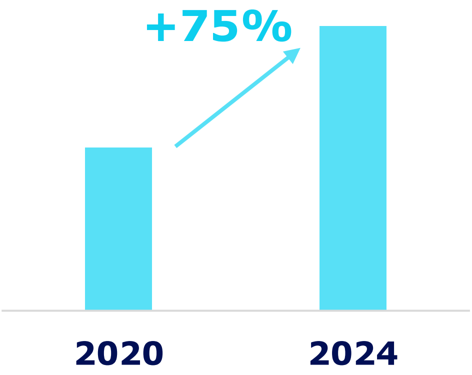
Contractedness[2]
(MW)



Emissions reductions[3]
(Millions tonnes CO_2)



Renewable capacity[2]
(MW)



Free Cash Flow[1] increased by

$210 Million

Adjusted EBITDA[1] increased by

$330 Million

Contractedness[2] increased by

2.8 GW

Emissions[3] reduced by

6.8 million tonnes CO_2

Increased renewable capacity[2] by

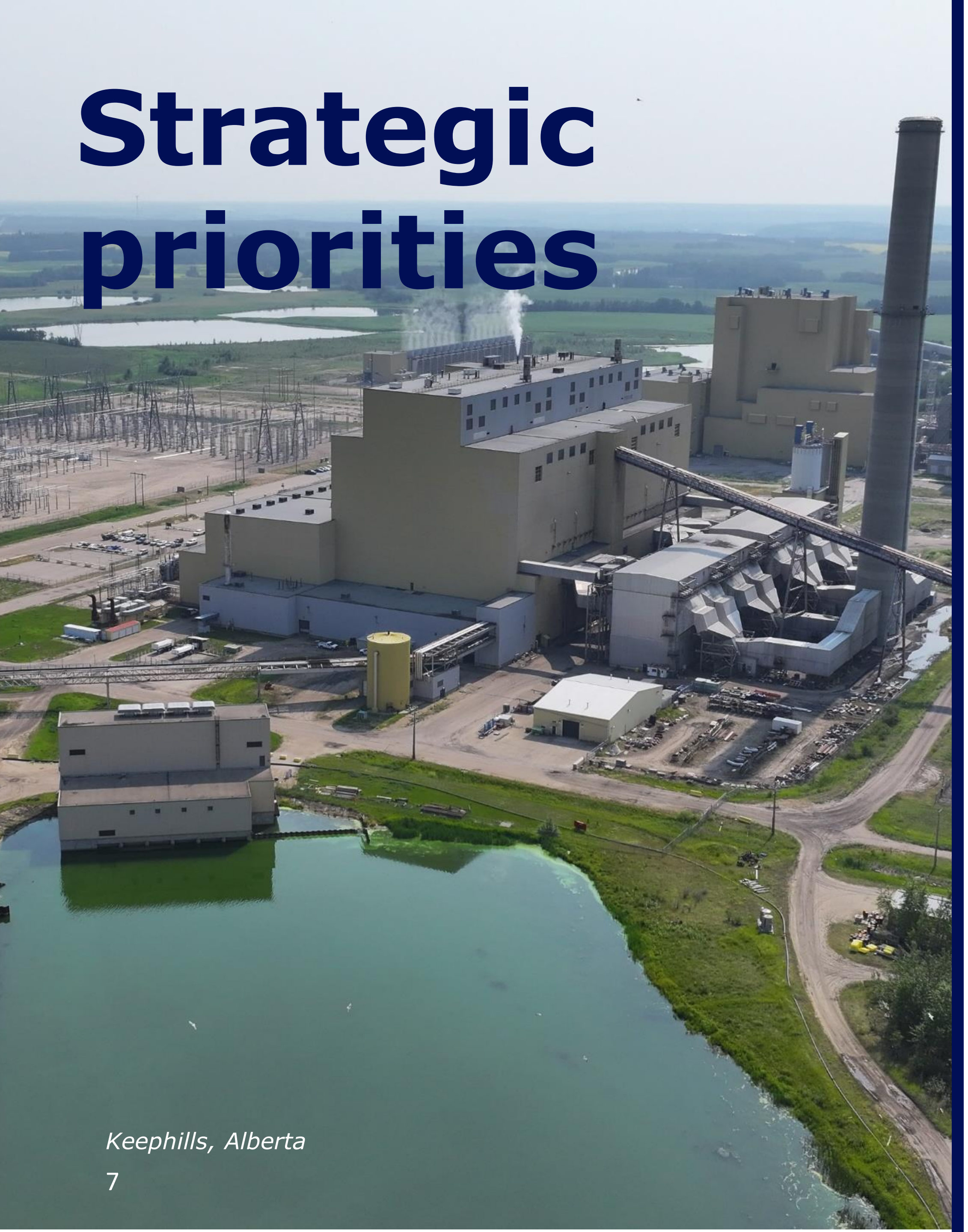
1.5 GW

[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.

[2] 2020 Contractedness and Renewable Capacity have been adjusted to exclude TransAlta's non-controlling interest in TransAlta Renewables.

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

Strategic priorities



Keephills, Alberta

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

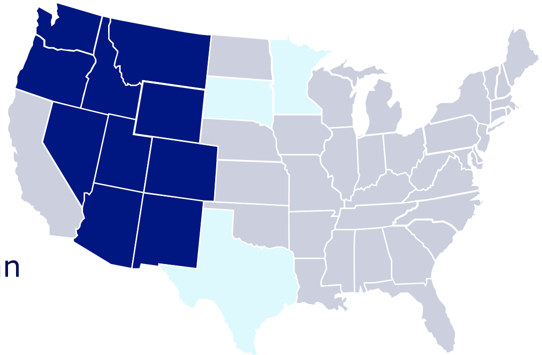
Advancing Growth Plan

WindCharger, Alberta

Strategic investment in Nova Clean Energy

- 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

Advances customer-centred approach

Contracted cash flow

Expected attractive returns and build multiples

Centralia

- Detailed commercial negotiations
- Project engineering commenced

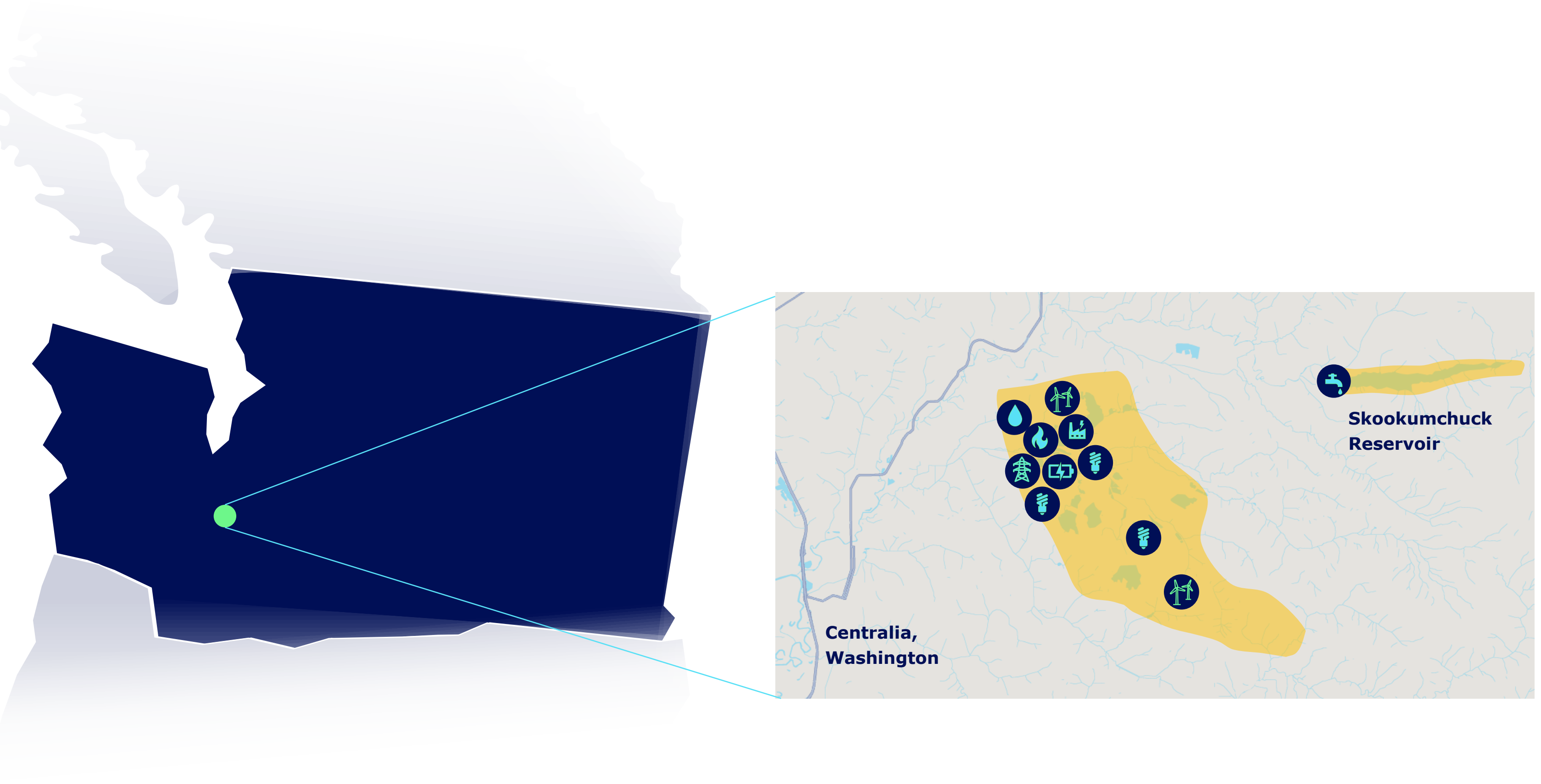
Location	Centralia, WA
Potential Fuel	Gas, Wind, Solar, Battery, New Technology
Potential Contract Type	Long-term
Size	650+ MW
COD	2027+
Owned Land	~12,000 acres
Customer	Confidential

Keephills Data Centre

- Virtual data room active
- Conversations progressing

Location	Wabamun, AB
Potential Contract Type	Long-term
AESO Project Connection Queue Submission	395-861 MW
COD	2027+
Land priority parcels for data centre placement	1,500+ acres
Customer	TBD

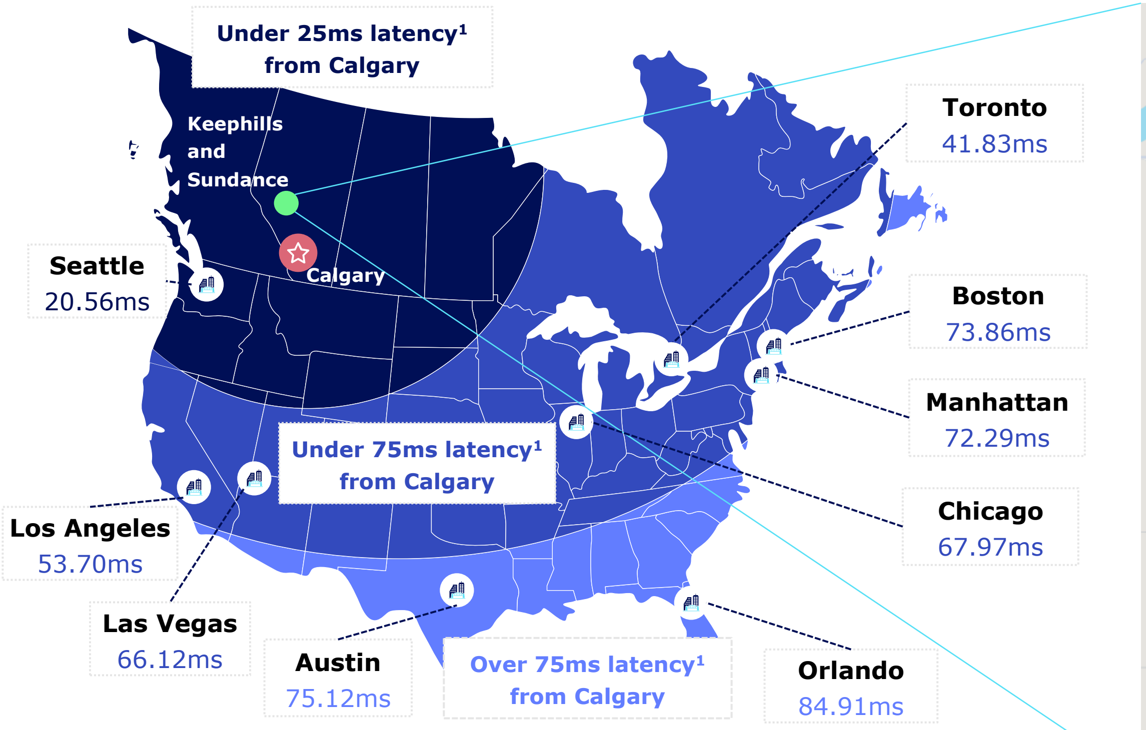
Pursuing multiple options for Centralia redevelopment

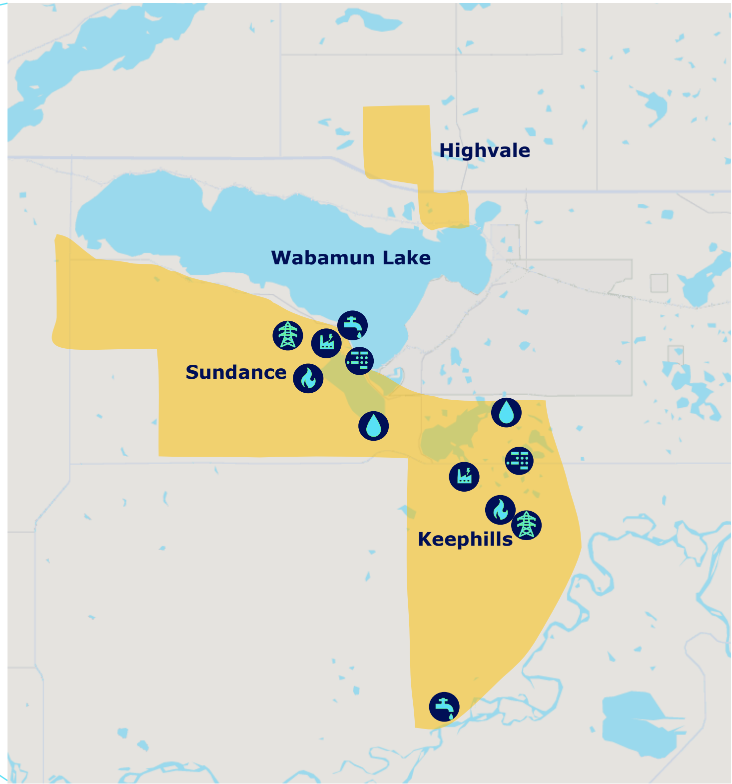


Operating unit		✓
Transmission interconnection		✓
Natural gas		✓
Next generation technology potential site		✓
Water rights		✓
Temperate climate and existing cooling ponds		✓
Skilled workforce availability		✓
Renewables potential site		✓
Battery potential site		✓
Owned Land:	**~12,000 Acres**	

Potential to surface significant value through existing infrastructure

TransAlta offers attractive locations for data centres



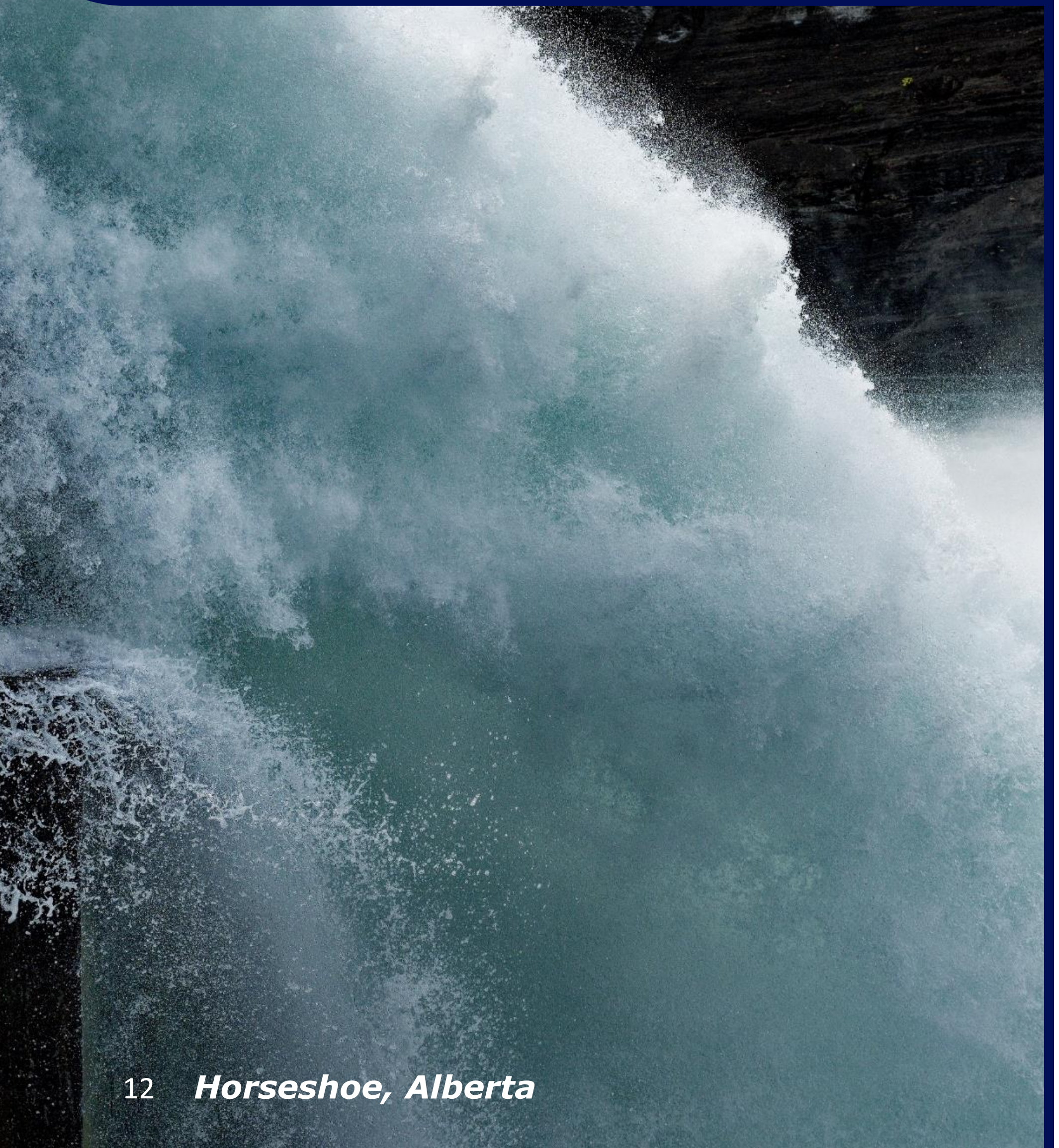


	Wabamum Lake Area
Reliable operating units / speed to market	
Transmission interconnection	
Natural gas	
Fibre optic access	
Water rights	
Temperate climate and existing cooling ponds	
Owned Land:	**~40,000 Acres**

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

[1] Latency is the amount of time it takes for data to travel from a data centre to an end user (i.e., consumer or commercial internet user), measured in milliseconds ("ms") with a low (fast) latency being more desirable; latencies vary by location of fibre optic lines and are not directly correlated with distance. Sourced from Boston Consulting Group.

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

Horseshoe, Alberta

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

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**

Social goals

Support for **indigenous communities**

Reclaim mined land in Alberta and Washington State

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

Governance goals

50% female Board representation by **2030**

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

Leadership on ESG reporting within financial disclosures

[1] Scope 1 and 2 GHG emissions. By 2026, achieve a 75 per cent reduction of scope 1 and 2 GHG emissions from 2015 base year as of TransAlta's 2024 Annual Integrated Report.
[2] By 2030, achieve a 30 per cent reduction of scope 1 and 2 GHG emissions intensity from 2023 base year as of TransAlta's 2024 Annual Integrated Report

2025 performance year-to-date

Horseshoe, Alberta

Q1 2025 delivered strong operational performance

Results and financial position

Adjusted EBITDA[1] of **$270 million**

FCF[1] 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

[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.*

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

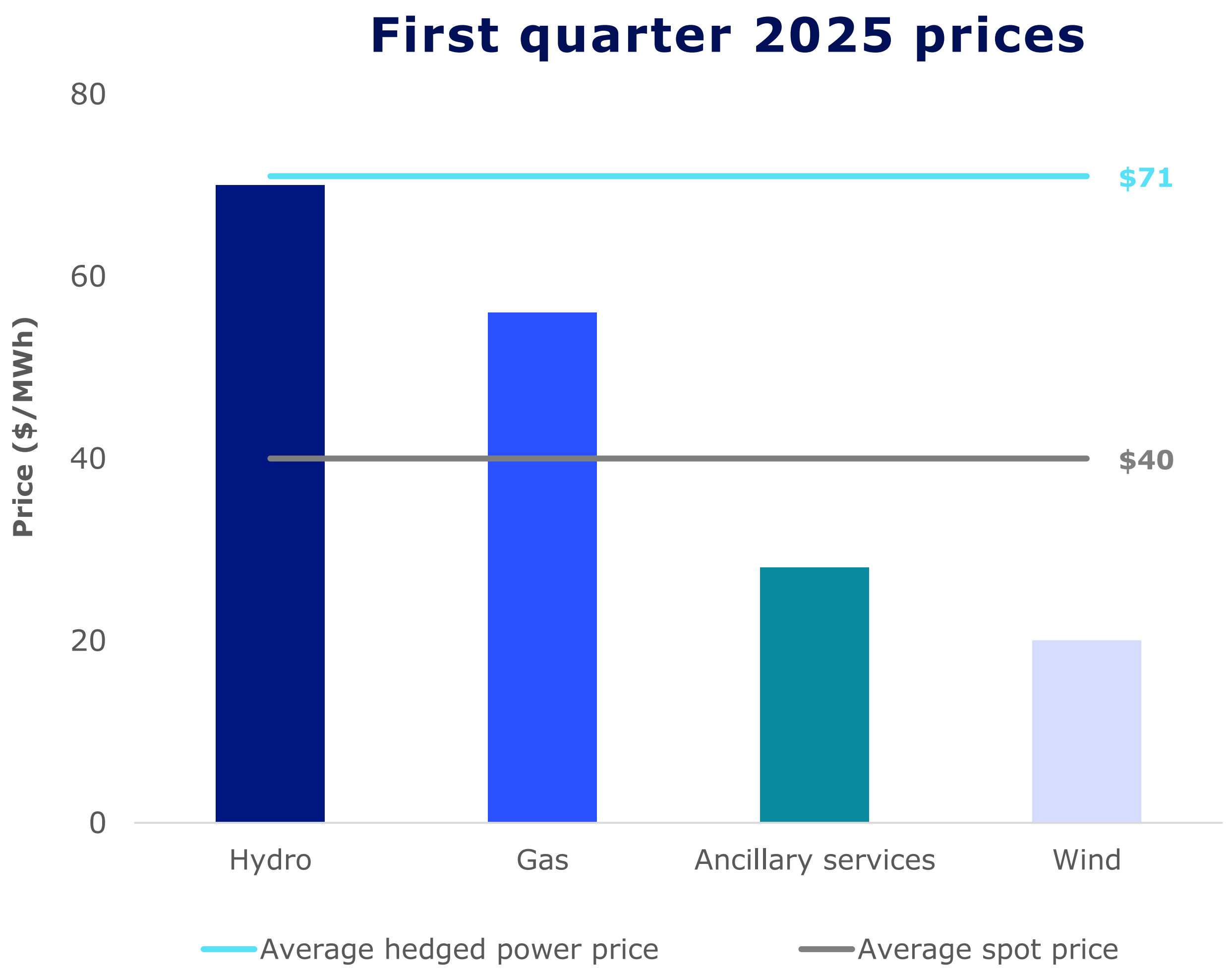
Lower spot pricing in Alberta

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 price[1]

140%
Gas merchant premium to spot price[1]

70%
Ancillary services to spot price

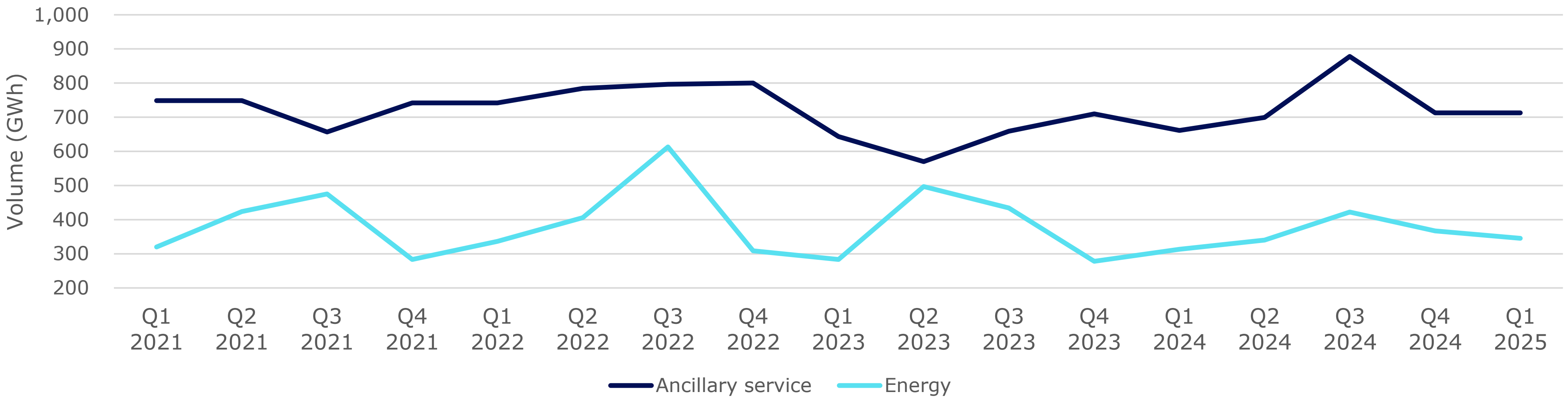
Alberta merchant portfolio continues to generate premiums significantly higher than average market pricing

Realized price of $122 per merchant MWh produced

[1] *Excludes gains and losses from hedging positions.*

Alberta Hydro provides sustained long-term value

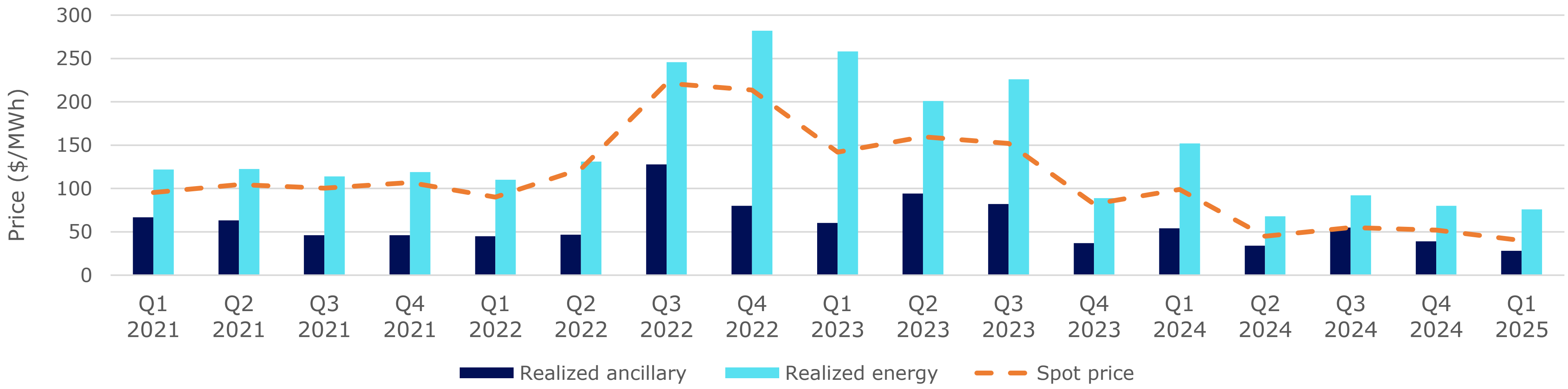
Alberta hydro fleet volumes (GWh)



+14%

Ancillary volume increase from 2023 to 2024

Alberta realized prices ($/MWh)



53%[1]

Average realized ancillary price to spot

132%[1]

Average realized energy price premium to spot

[1] Average from Q1 2021 until Q1 2025.

2025 outlook

Windrise, Alberta

2025 guidance

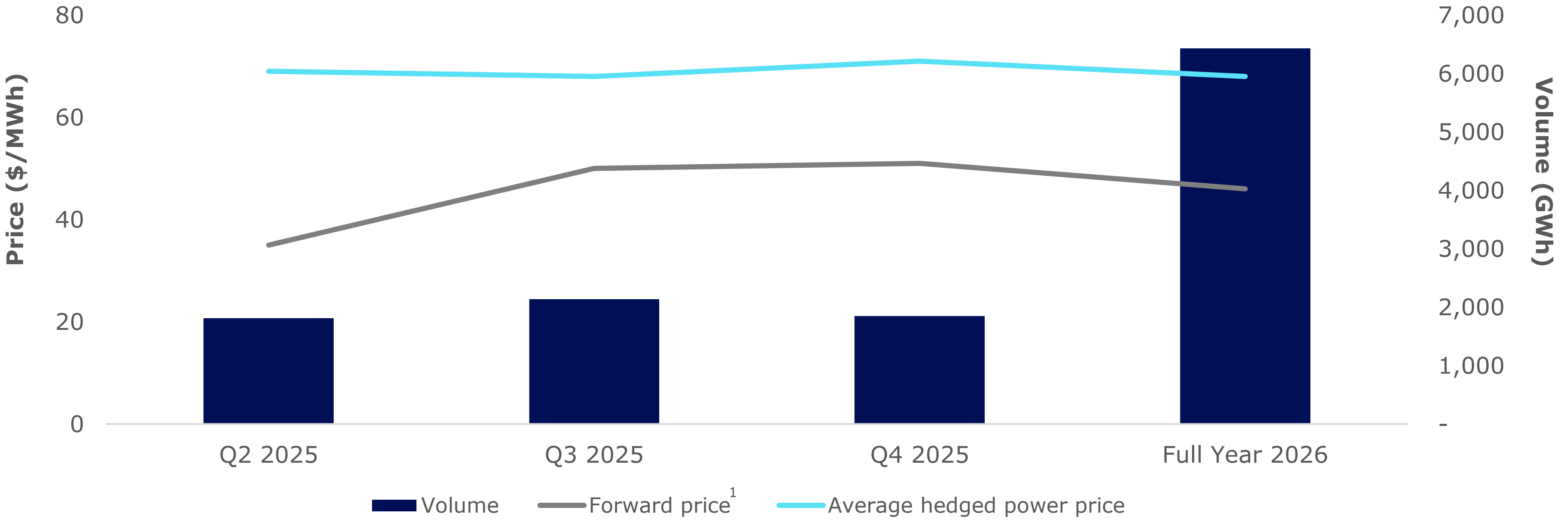
($ millions)	2025 Outlook
Adjusted EBITDA[1]	**1,150 to 1,250**
FCF[1]	**450 to 550**
FCF/share ($/share)[1]	**$1.51 to $1.85**
Energy Marketing Gross Margin	**110 to 130**
Sustaining Capital	**145 to 165**

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

[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 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 EBITDA[3] 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

Improve leading and lagging **safety performance**

Advance **leadership and talent** development

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

Financial and operational

Deliver adjusted EBITDA[1] of **$1.15 - $1.25 billion**

Deliver FCF[1] 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 CO_2 **emissions reduction** to 75% from 2015 levels by 2026

Delivering operational excellence and executing strategic initiatives

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

Alberta portfolio

Big Horn, Alberta

Alberta business

Maximize

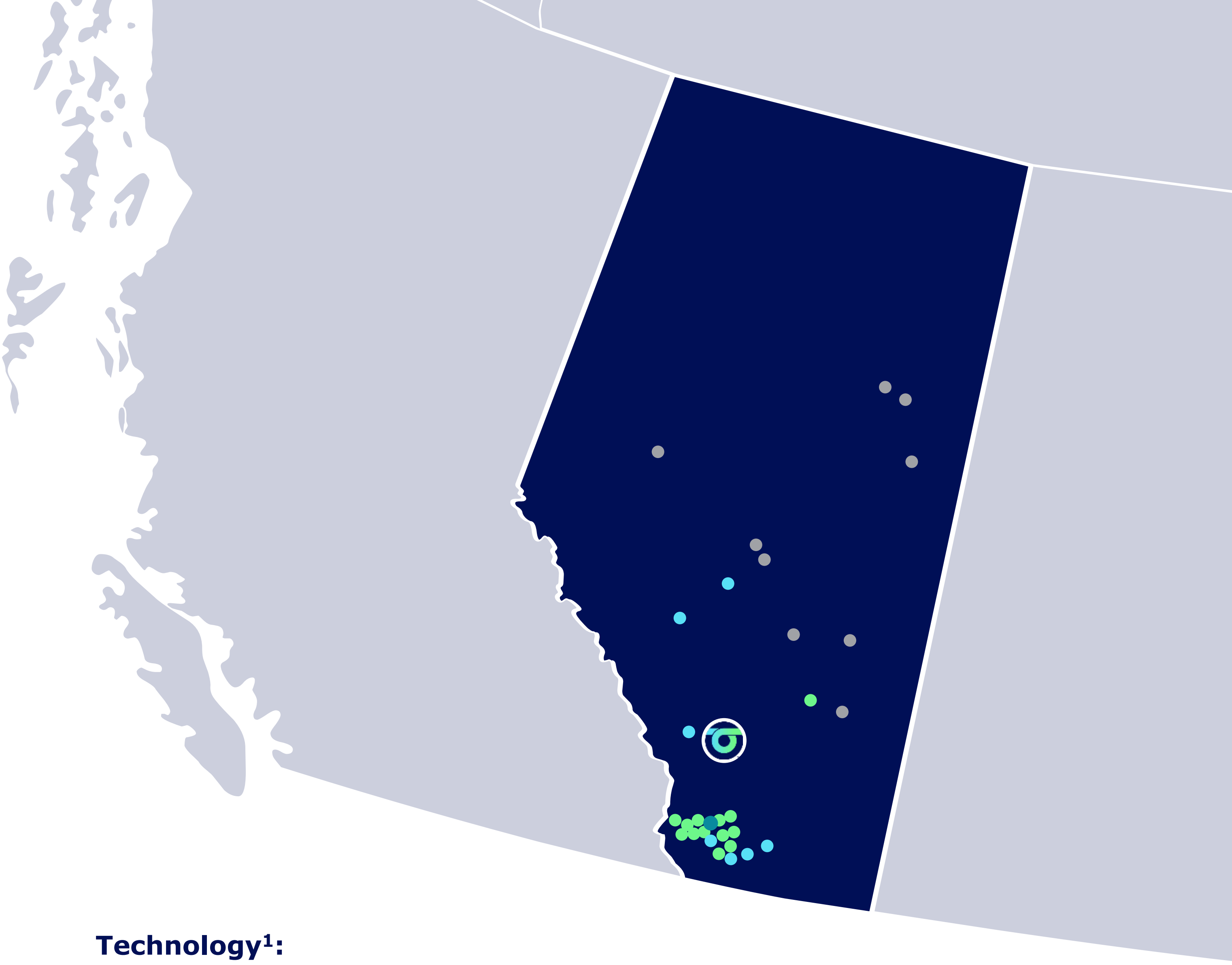
shareholder returns through **active management** of our **diversified** merchant **portfolio**

Provide

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

Identify

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



Technology[1]:

Wind   Hydro   Battery   Natural Gas   Head Office

[1] Includes Heartland Generation assets

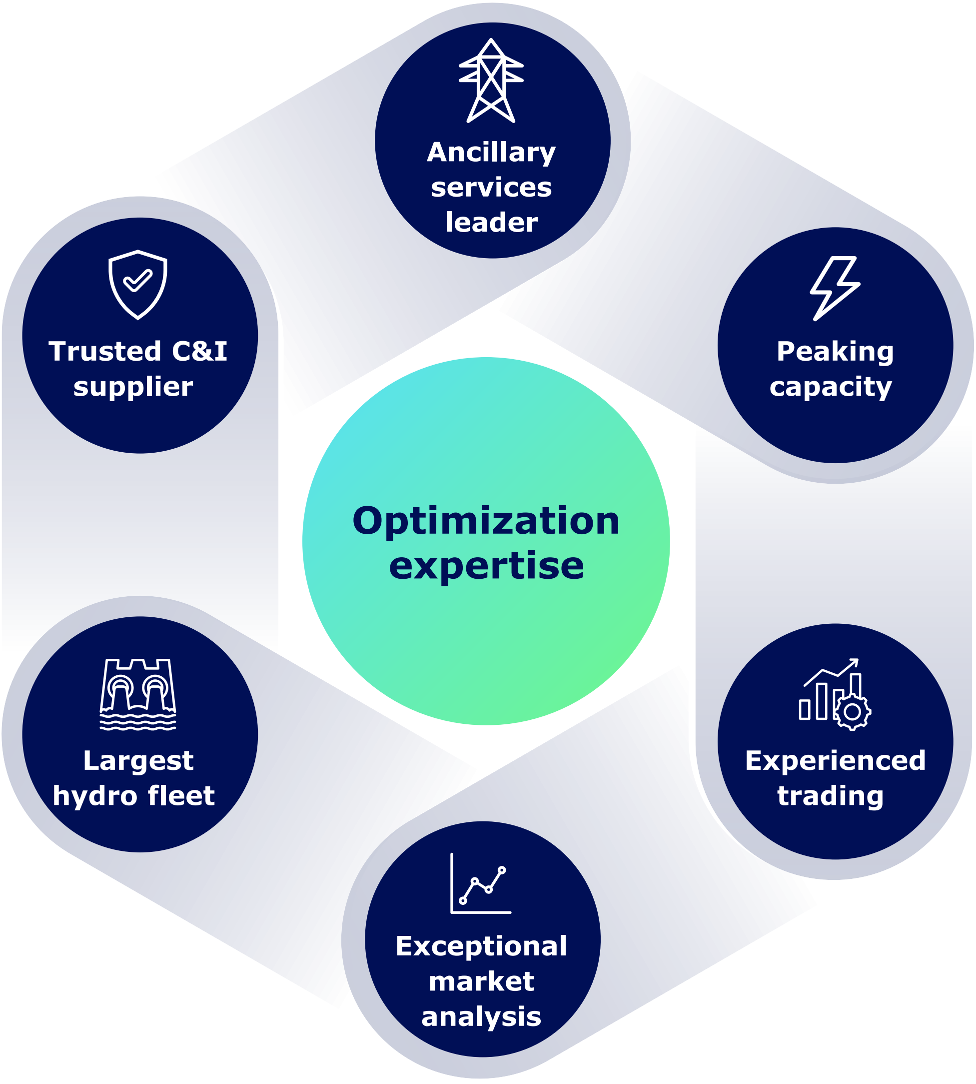
Hedging and optimization increases our advantage

114-year extensive operating expertise

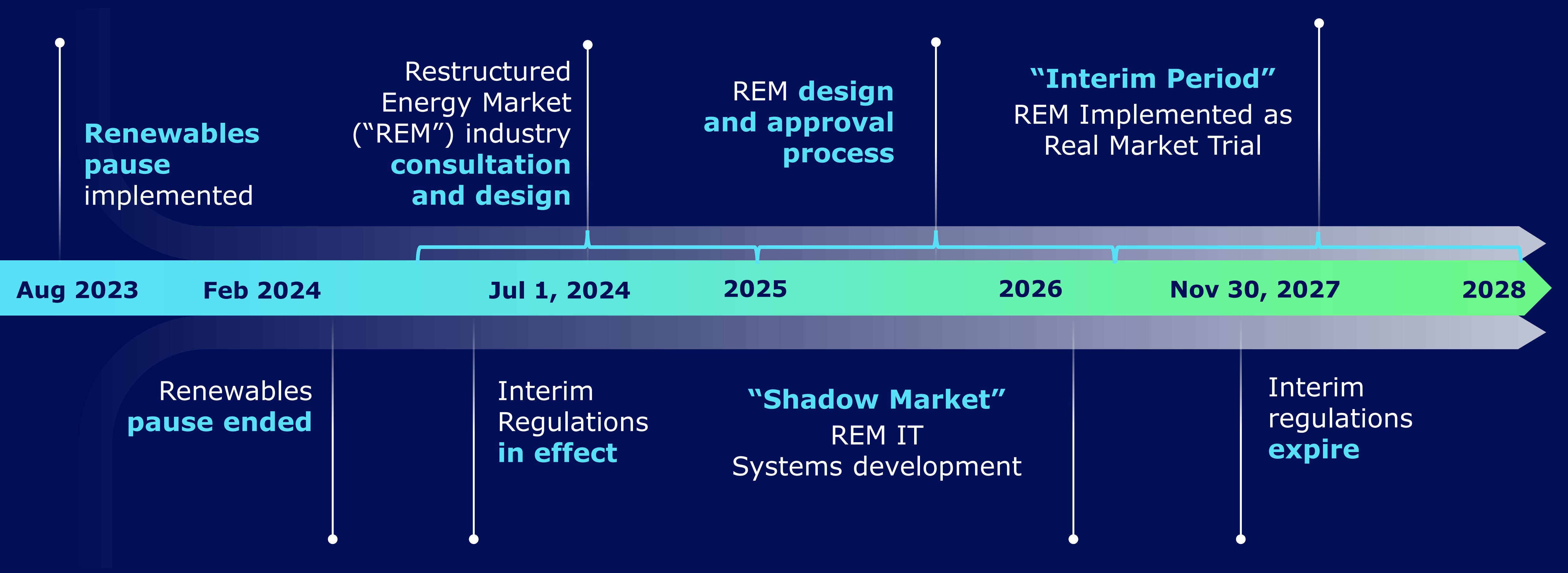
Exceptional **in-house forecasting and analytical** capabilities

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

Large customer base spanning the wholesale, commercial and industrial base



Alberta regulatory change timeline



Enhancing Value with Energy Marketing

Le Nordias, Quebec

Aligning Growth and Energy Marketing

Growth

- Asset valuation
- Pipeline management
- Specialty products
- PPA negotiation
- Project development
- Development execution

Growth and Energy Marketing (shared)

- Market interpretation
- Customer relationships
- Pricing analysis
- Portfolio optimization

Energy Marketing

- Proprietary trading
- Asset optimization
- Market intelligence
- Market fundamentals

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

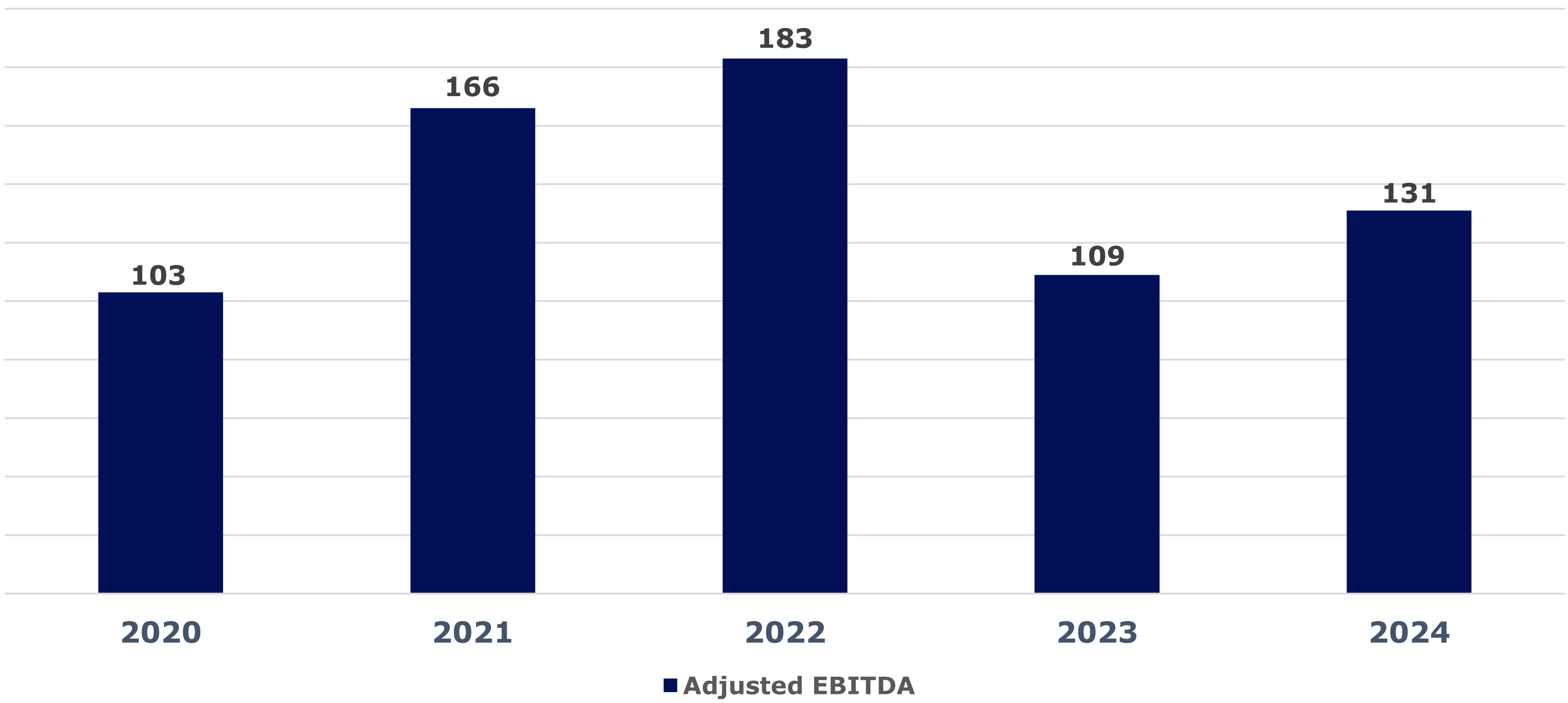
Energy marketing capabilities

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

Diverse product knowledge base provides key insights into North American Markets

Energy Marketing has delivered $700 million of adjusted EBITDA[1] since 2020

Adjusted EBITDA[1] 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 EBITDA[1]

[1] *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.*

Financial strategy and plan

Brazeau, Alberta

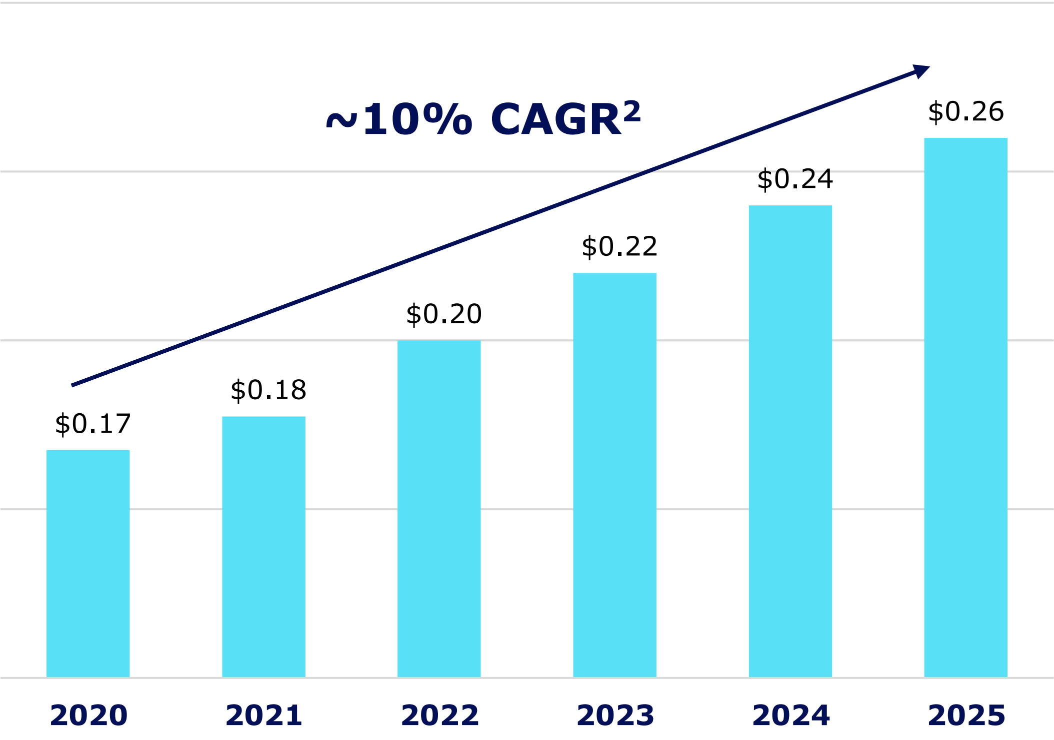
Prudent capital management

Credit ratings

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

Adjusted Net Debt/Adjusted EBITDA[1] target **3.0 - 4.0x**

Dividend



[1] *Adjusted net debt to 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.*
[2] *CAGR is an abbreviation of compound annual growth rate.*

Capital allocation maximizes shareholder value

Free Cash Flow[1]

- **Maintain balance sheet**
- **Fund the dividend**
- **Execute on growth**
- **Repurchase shares**

In 2025

Maintain **strong credit metrics**

Dividend increased by **8%**; payout ratio equates to **15% of expected 2025 FCF**[1]

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

[1] 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.

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

Antrim, New Hampshire