

Second Quarter Results

transalta™

Kananaskis, Alberta

AUGUST 1, 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; data centre opportunities, including the AESO's expectation around the timing of execution of Demand Transmission Service contracts and entering into a data centre memorandum of understanding; opportunities for Centralia redevelopment, including the execution of a definitive agreement with our customer for the full capacity of Centralia Unit 2; expectations regarding ongoing and future transactions; expected costs and schedules for planned projects; expected regulatory processes and outcomes, including in relation to the Alberta restructured energy market; the completion and closing of acquisition and divestiture transactions which are subject to customary closing terms and conditions, 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; no significant event occurring outside the ordinary course of business; and realization of expected impacts from ongoing and future transactions.

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 performance



Results and financial position

Adjusted EBITDA¹ of **\$349 million**

FCF¹ of **\$177 million** or **\$0.60/share**

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



Business highlights

Fleetwide **availability** of **91.6%**

Recontracted three **Ontario** wind facilities

Strong performance from **optimization** of **Alberta and Washington** fleet



Strategic priorities

Alberta data centre project advancing through commercial negotiations

Progressing **Centralia** redevelopment to **definitive agreement**

Engaged with the AESO on **data centre large load integration** and **Restructured Energy Market**

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.

Realize Value of Legacy Generation



Keephills, Alberta



Centralia, Washington State

Alberta data centre project progressing towards MOU following AESO phase I large load allocation



Active commercial negotiations with counterparties



AESO Demand Transmission Service timeline for contract execution currently mid-September



Engaging with counterparties for AESO phase II expansion

Centralia Unit 2 conversion progressing towards definitive agreement



Definitive agreement expected in the second half of 2025



Long-term contract for 100% of capacity



Opportunity for future expansion

Joel Hunter

Executive Vice President, Finance
and Chief Financial Officer



TransAlta segmented results

Three months ended June 30, 2025 (\$millions)

Adjusted EBITDA ¹	Q2 2025	Q2 2024
Hydro	126	83
Wind and Solar	89	88
Gas	128	142
Energy Transition	19	2
Energy Marketing	26	39
Corporate	(39)	(38)
Total	349	316

Higher utilization of
carbon offsets in
Alberta

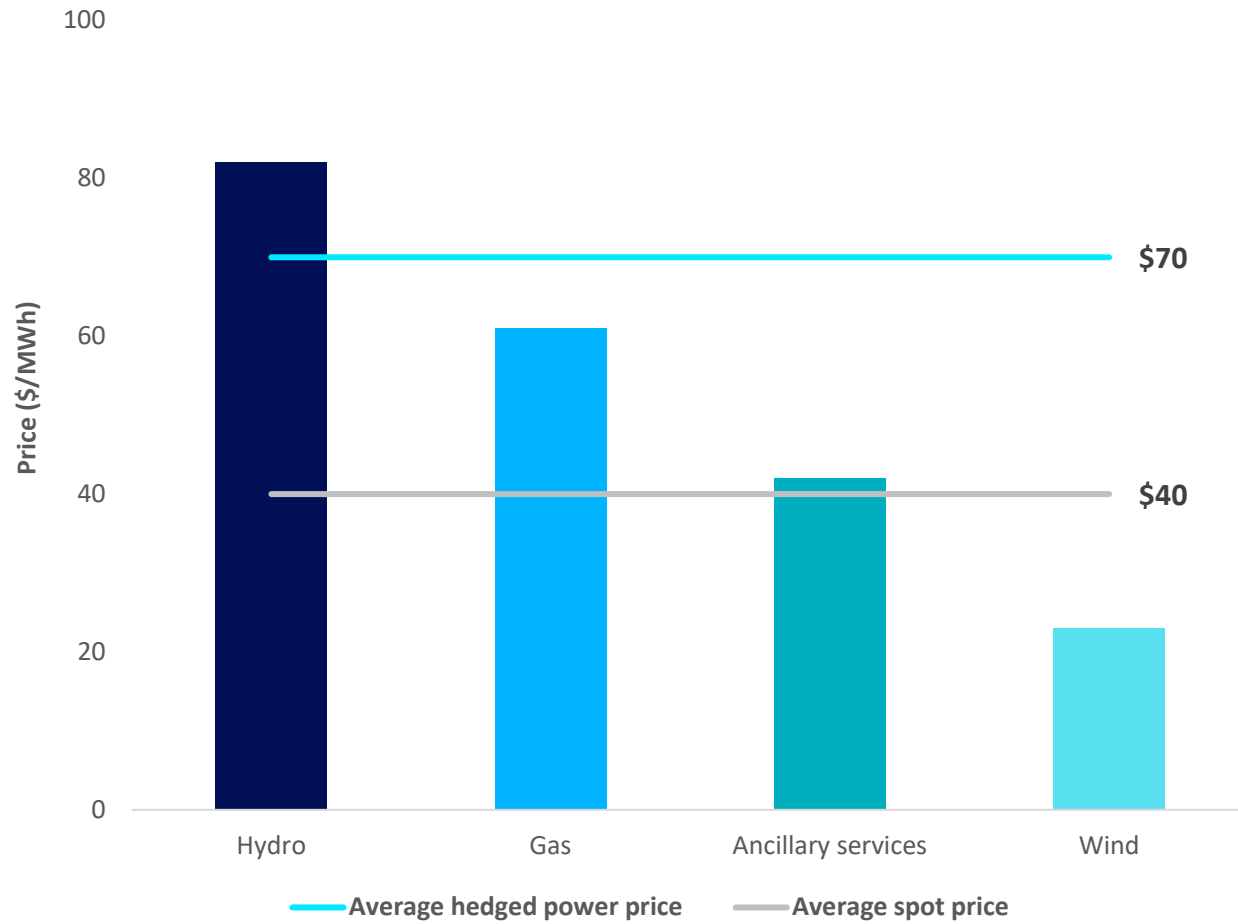
Strong average
availability of 91.6%
across fleet

FCF of \$177 million
or \$0.60 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

Second quarter 2025 prices



105%

Hydro merchant premium to spot price¹

75%

Hedged power price premium to spot price

55%

Gas merchant premium to spot price¹

5%

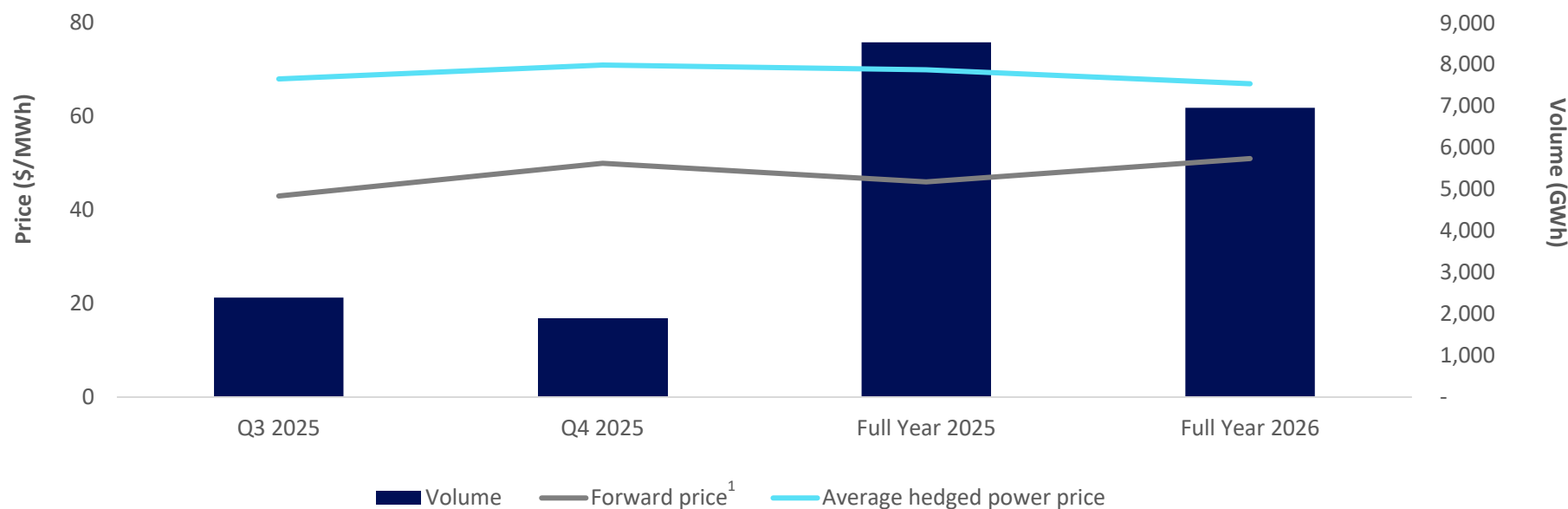
Ancillary services premium to spot price

Alberta merchant portfolio continues to outperform

Significant benefit from strategic production of dispatchable generation

¹ Excludes gains and losses from hedging positions.

Hedging position



	Q3 2025	Q4 2025	Full year 2025	Full year 2026
Price (\$/MWh)	67	71	70	67
Volume ² (GWh)	2,394	1,891	8,532	6,957

¹ As of August 1, 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.

Hedged power prices continue to provide upside above spot prices

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

2025 priorities



Financial and operational

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

FCF¹ of **\$450 - \$550 million**

Energy marketing gross margin of **\$110 to \$130 million**

Improve leading and lagging **safety performance**

Optimize the Alberta **merchant fleet**

Fleet availability of **91.8%**



Strategic priorities

Secure Alberta **data centre** contract

Advance the **conversion** of **Centralia Unit 2**

Pursue **strategic M&A**

Maintain **financial strength** and **flexibility**

Implement new **ERP system**

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

**Reaffirmed 2025
adjusted EBITDA and
FCF guidance**

**Strong
performance
from diversified
portfolio**

**Executing strategic
initiatives**

¹ 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.

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

Visit us at: www.transalta.com

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