

# Third Quarter Results

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

*Sarnia, Ontario*

NOVEMBER 6, 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; 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; the status of data centre projects, including the anticipated execution of a data centre memorandum of understanding; the status of negotiations on conversion opportunities at Centralia; the execution of a definitive agreement with our customer for the full capacity of Centralia Unit 2 including the timing thereof; expectations regarding ongoing and future transactions; expected costs and schedules for planned projects; and expected regulatory processes and outcomes, including in relation to the Alberta restructured energy market and its impact on us.

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



# Progressing Strategic Priorities



## Results and Financial Position

Adjusted EBITDA<sup>1</sup> of **\$238 million**

FCF<sup>1</sup> of **\$105 million** or **\$0.35/share**

Tracking within **2025 Outlook** range



## Business and Industry Highlights

Fleetwide **availability** of **92.7%**

**Executed Demand Transmission Service contract** for **Alberta data centres**

**Restructured Energy Market final design announced** and introduction of proposed **amendments to TIER**



## Strategic Priorities

**Advancing** commercial negotiations for **Alberta data centre project**

Progressing **commercial agreement with our customer** for **Centralia redevelopment**

**Investor Day shifted** to capture **fulsome update** on **strategic priorities**

<sup>1</sup> 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



Centralia, Washington



Keephills, Alberta

## Centralia Unit 2 conversion progressing towards definitive agreement



Definitive agreement expected in the fourth quarter of 2025



Long-term contract for 100% of capacity



Unique power solution to support critical reliability in the region

## Alberta data centre project progressing towards MOU following the signing of DTS contract from AESO phase I large load allocation



Active commercial negotiations with counterparties



Demand Transmission Service contract for 230 MW executed, representing the full allocation awarded



Over 3,000 acres of TransAlta owned land in Parkland County, Alberta, rezoned for data centre use in September

# Upcoming Restructured Energy Market Design (2027+)



## Pricing Framework

- **Offer cap increase** from \$999.99/MWh to **\$1,500/MWh** from new market inception to 2032 and then **\$2,000/MWh** from 2032+
- **Offer floor decreased** from \$0/MWh to **-\$100/MWh** from 2032+
- **Administrative scarcity pricing curves** applied to energy and ramping product that **increase price cap to \$3,000/MWh**
- **Locational marginal prices** (nodal pricing) for generators



## New Reliability Products and Regulations

- **New 30-minute ramping product**
- Adoption of **more favourable Market Power Mitigation mechanism**
- **Financial transmission rights** for incumbent generation



## TransAlta's Positioning

- **Higher offer caps** allow for the capture of **additional revenues** in tight system conditions
- TransAlta's **diversified fleet includes** significant **dispatchable resources** that are **eligible** to provide the 30-minute **ramping product**
- Incumbent transition payments **mitigate the risk** to TransAlta's fleet of **lower locational marginal pricing**
- **Provides** market with a **clear path forward**

Revised market design **provides certainty** and **favours dispatchable generation**

## CEO Succession Announcement



**John Kousinioris**  
Retiring April 30, 2026



**Joel Hunter, CFO**  
Succeeding as President and CEO



# Joel Hunter

Executive Vice President, Finance  
and Chief Financial Officer





# TransAlta Segmented Results

Three Months Ended Sept. 30, 2025 (\$millions)

Adjusted EBITDA <sup>1</sup>	Q3 2025	Q3 2024
Hydro	73	89
Wind and Solar	45	44
Gas	110	141
Energy Transition	28	34
Energy Marketing	17	42
Corporate	(35)	(35)
Total	238	315

Higher contracted volumes partially offset lower merchant pricing

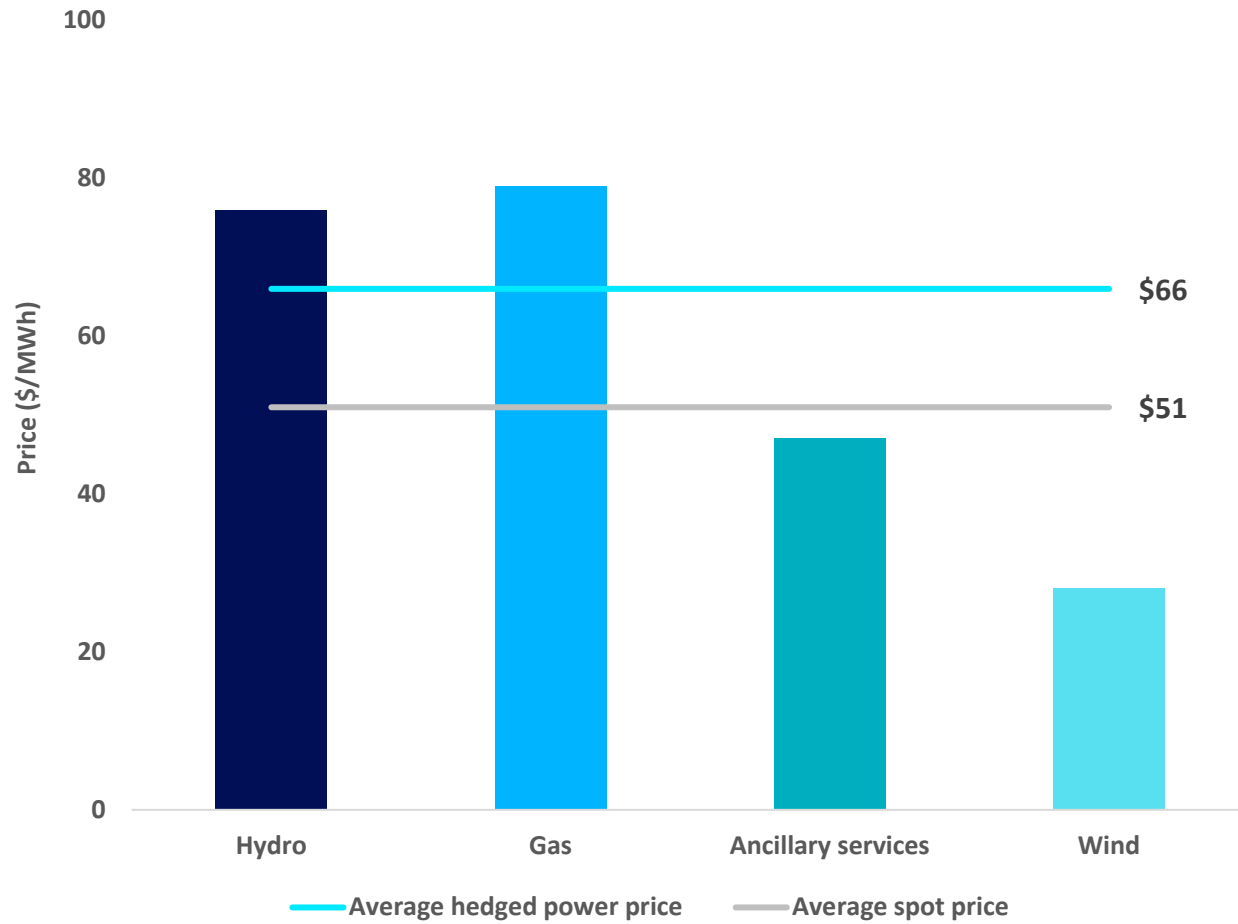
Strong average availability of 92.7% across fleet

FCF<sup>1</sup> of \$105 million or \$0.35 per share

<sup>1</sup> 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

## Third Quarter 2025 Prices



**55%**

Gas merchant premium to spot price<sup>1</sup>

**49%**

Hydro merchant premium to spot price<sup>1</sup>

**29%**

Hedged power price premium to spot price

**8%**

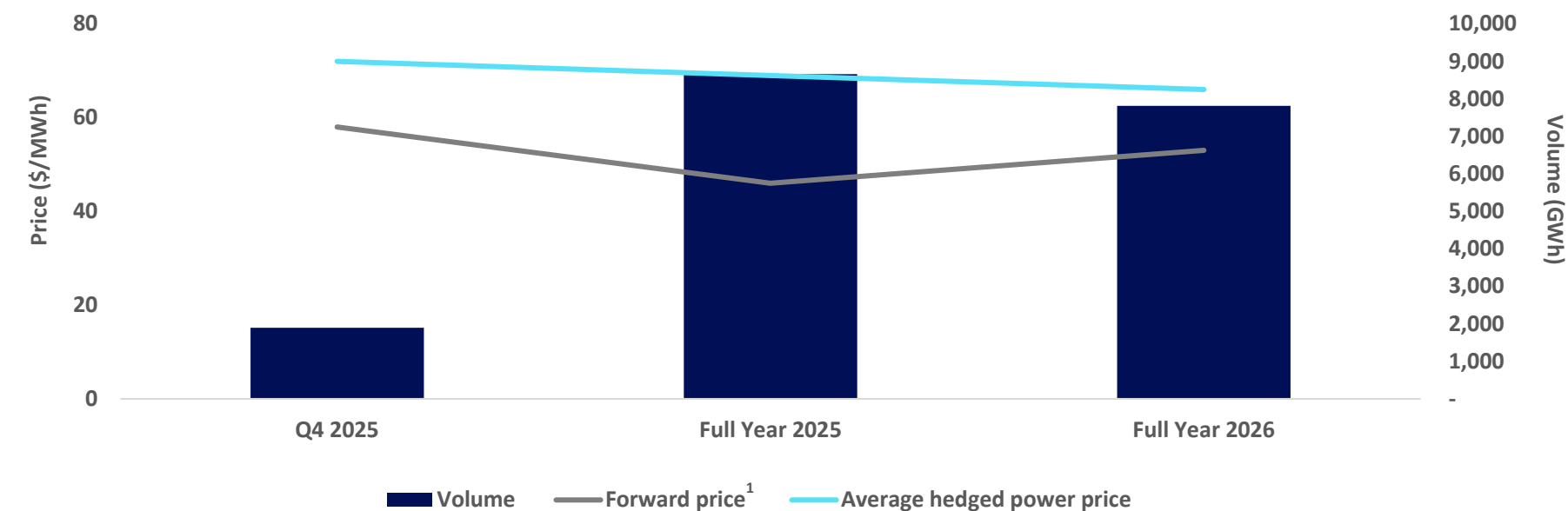
Hydro ancillary services discount to spot price

**Alberta merchant portfolio provides reliability**

**Significant benefit from strategic production of dispatchable generation**

<sup>1</sup> Excludes gains and losses from hedging positions.

# Hedging Position



Hedges well above spot prices

Substantially hedged for 2026

Optimization drives further upside

	Q4 2025	Full year 2025	Full year 2026
Price (\$/MWh)	72	69	66
Volume <sup>2</sup> (GWh)	1,898	8,661	7,813

<sup>1</sup> As of November 6, 2025. Sourced from Intercontinental Exchange.

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



# Tracking Within 2025 Outlook

(\$ millions)	Nine months ended Sept. 30, 2025	2025 Outlook
Adjusted EBITDA <sup>1</sup>	857	1,150 to 1,250
FCF <sup>1</sup>	421	450 to 550
FCF (\$/share) <sup>1</sup>	1.42	1.51 to 1.85

Market	Nine months ended Sept. 30, 2025	2025 Outlook
Alberta spot (\$/MWh)	44	40 to 60
Mid-C spot (US\$/MWh)	44	50 to 70
AECO gas price (\$/GJ)	1.43	1.60 to 2.10

<sup>1</sup> 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.

Tracking towards the mid-point of FCF<sup>1</sup> and FCF per share<sup>1</sup>

Trending towards the lower-end of Adjusted EBITDA<sup>1</sup>

\$1 per MWh change in spot price ~\$2 million impact on adjusted EBITDA<sup>1</sup>

# 2025 Priorities



## Financial and Operational

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

FCF<sup>1</sup> 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** MOU

Definitive agreement for **Centralia Unit 2** conversion

Pursue **strategic M&A**

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

**Implement** new **ERP** system

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

**Executing strategic initiatives**

**Strong performance from diversified portfolio**

**Reaffirmed 2025 adjusted EBITDA<sup>1</sup> and FCF<sup>1</sup> guidance**

<sup>1</sup> 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 portfolio



Clean electricity leader



High potential legacy energy campuses



Positioned for growth



Financial strength and flexibility





# Questions and Answers

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