

Fourth Quarter and Year End 2025 Results

transalta™



Keephills, Alberta

FEBRUARY 27, 2026

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 priorities of the Company and that the execution of the Company's strategy will realize value for shareholders; our expected financial and operational performance, including our 2026 Outlook and our hedging position; our expectation for the Phase I start date of the data centre at Keepphills and the potential for additional phases of development to aggregate to 1GW of load; that our Energy and Marketing team are able to deliver merchant upside and synergies, including in respect of the acquisition of Far North; the expected costs, schedule and regulatory timelines for the Centralia coal-to-gas conversion project; .

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, including carbon pricing, royalty rates and climate-related regulations; no unexpected delays in obtaining required regulatory and other third-party 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 or foreign exchange rates; no significant changes to the demand for, and growth of, electricity 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; no significant changes to the Company's ability to develop, access or implement, on a timely basis and on reasonable terms, the technology necessary to efficiently and effectively operate the Company's assets and achieve expected future results; no significant supply chain disruptions or shortages of raw materials or skilled labour; no significant changes to the Company's ability to access the capital markets on reasonable terms; and no material changes to international trade laws, regulations, agreements, treaties, taxes, tariffs, duties or policies of Canada, the United States or other countries.

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; our ability to develop, access or implement, on a timely basis and on reasonable terms, the technology necessary to efficiently and effectively operate our assets and achieve expected future results; any difficulty raising needed capital in the future on reasonable terms; long-term commitments on gas transportation capacity that may not be fully utilized over time; changes to legislative, regulatory and political environments, including changes to carbon pricing, renewable energy policies and emissions regulations in Canada, the United States and Australia; 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; grid reliability; 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, ability to continue to staff our operations and facilities and other labour relations matters; disruptions to our supply chains; weather conditions and their impact on electricity generation and demand; climate change-related risks, including the increased frequency and severity of extreme weather events; reductions to our generating units' relative efficiency or capacity factors; general economic risks, including deterioration of equity markets, increasing interest rates, changes to foreign exchange rates or rising inflation; general domestic and international economic and political developments, including potential trade tariffs; industry risk and competition, including from emerging technologies affecting the demand, generation, distribution or storage of electricity; counterparty credit risks; 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; reputational and stakeholder-related risks; and reliance on key personnel.

The foregoing risk factors, among others, are described in further detail under the heading "Risk Management" in the Annual 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 Energy Marketing Adjusted Revenue 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 Energy Marketing Adjusted Revenue, Energy Market Revenue. Build multiple is calculated using capital expenditures and adjusted EBITDA and we believe it provides investors with a useful measure to evaluate capital projects. Readers are cautioned that our method for calculating build multiple may differ from methods used by other entities. These measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Sustaining capital expenditures is a supplementary financial measure, representing capital expenditures incurred for major maintenance to sustain the existing capacity or production of the existing asset to the end of its useful life. Please refer to the "Non-IFRS and Supplementary Financial Measures" section of our Annual MD&A, for further discussion of these items, including, where applicable, reconciliations to measures calculated in accordance with IFRS.

This presentation contains financial outlooks about the Company's prospective results of operations. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on such financial outlooks. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, such financial outlook information. The Company has included the financial outlooks contained herein 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. Such financial outlooks have been approved by management of the Company and are provided 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



2025 Key Achievements



Results and Financial Position

Adjusted EBITDA¹ of **\$1.1 billion**

FCF¹ of **\$514 million** or **\$1.73/share**

Simplified credit facility and enhanced financial flexibility

Increased common share dividend by 8%

Returned \$0.34 per share or 20% of FCF¹ to shareholders through buybacks and dividends



Business Highlights

Record safety results with a total recordable injury frequency rate of **0.12**

Fleetwide **availability of 92.3%**

Successfully reduced Scope 1 and 2 emissions from 2015 by **75%**

Successfully **implemented ERP** system

Integrated Heartland into fleet



Strategic Priorities

Tolling **agreement signed for Centralia redevelopment** in Washington state

Secured **memorandum of understanding for data centre development** in Alberta

Advanced Keephills 1 and Sundance 5 repowerings and **Flipi gas project** for future **development**

Closed **acquisition of Far North** adding **310 MW of dispatchable** assets in Ontario

Strategic investment in Nova Clean Energy

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.

Joel Hunter

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



Data Centre Memorandum of Understanding

Location	Keephills	Counterparties	CPP Investments & Brookfield
Phase I	230 MW	Fuel	Grid+
Phase II	Up to 1 GW ¹	Phase I COD	2027+



Available transmission interconnection



Existing gas lines to Keephills



Existing water rights and available cooling infrastructure



Longstanding community relationships



Over 2,500 acres of land rezoned to enable data centre development



Phase II opportunity



Keephills, Alberta

Keephills is a strategic platform to scale digital infrastructure in Alberta

¹ Inclusive of AESO phase I large load allocation.

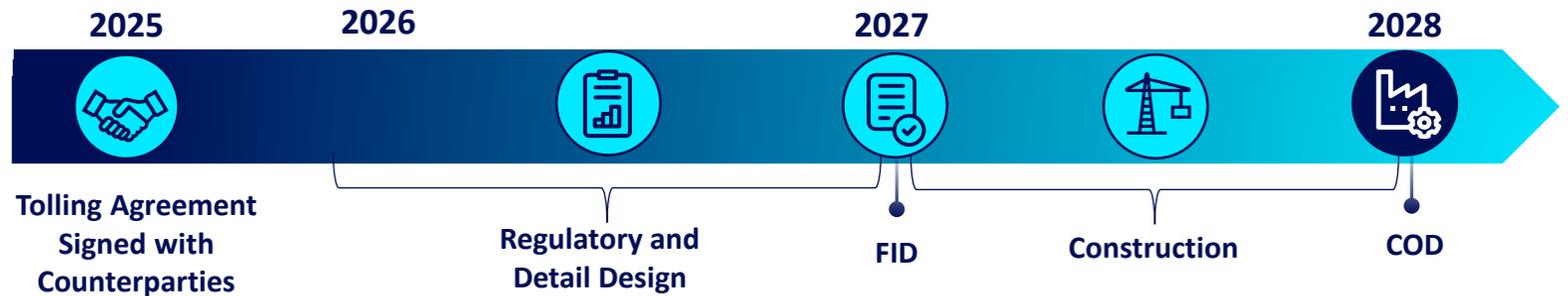
Centralia Coal-To-Gas Conversion



Centralia, Washington

Location	Centralia	Customer	Puget Sound Energy
Capacity	~700 MW	Fuel	Natural Gas
Term	16 years	Capital	~US\$600 million
COD	H2 2028	Build Multiple¹	~5.5 times

- ✓ Unique power solution to support critical reliability in the region
- ✓ Permits submitted, preliminary engineering and initial cost estimates complete
- ✓ Regulatory approvals expected Q1 2027
- ✓ Fully contracted, stable and predictable cash flows



¹ Build multiple is a non-IFRS measure, see the forward-looking statements and non-IFRS measures information on slide two of this presentation for more information.

Far North Acquisition



Kapuskasing
40 MW
Gas-Fired
Simple Cycle
~55% Capacity
Contracted



North Bay
40 MW
Gas-Fired
Combined Cycle
~75% Capacity
Contracted



Iroquois Falls
120 MW
Gas-Fired
Combined Cycle
~78% Capacity
Contracted



Kingston
110 MW
Gas-Fired
Combined Cycle
~92% Capacity
Contracted

● TransAlta Facilities ● Far North Facilities

Purchase price of
\$95 million well below
cost of new build

Closed February 2, 2026

TransAlta's Energy
Marketing and Trading
team to deliver merchant
upside and synergies

Enhances position in our
core market of Ontario

TransAlta Segmented Results

Year and Three Months Ended December 31, 2025 (\$millions)

2025	2024	Adjusted EBITDA ¹	Q4 2025	Q4 2024
285	316	Hydro	39	57
338	316	Wind and Solar	102	95
438	524	Gas	96	116
100	89	Energy Transition	16	26
85	146	Energy Marketing	21	26
(142)	(136)	Corporate	(27)	(38)
1,104	1,255	Total	247	282

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.

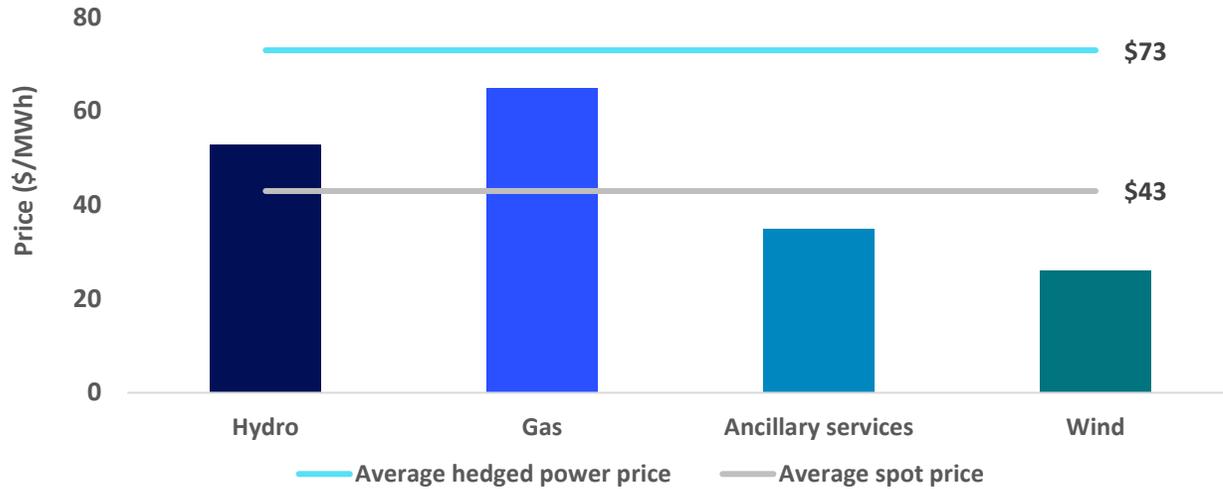
Higher contracted volumes partially offset lower merchant pricing

Strong average availability of 92.3% across fleet

Full Year FCF¹ of \$514 million or \$1.73 per share

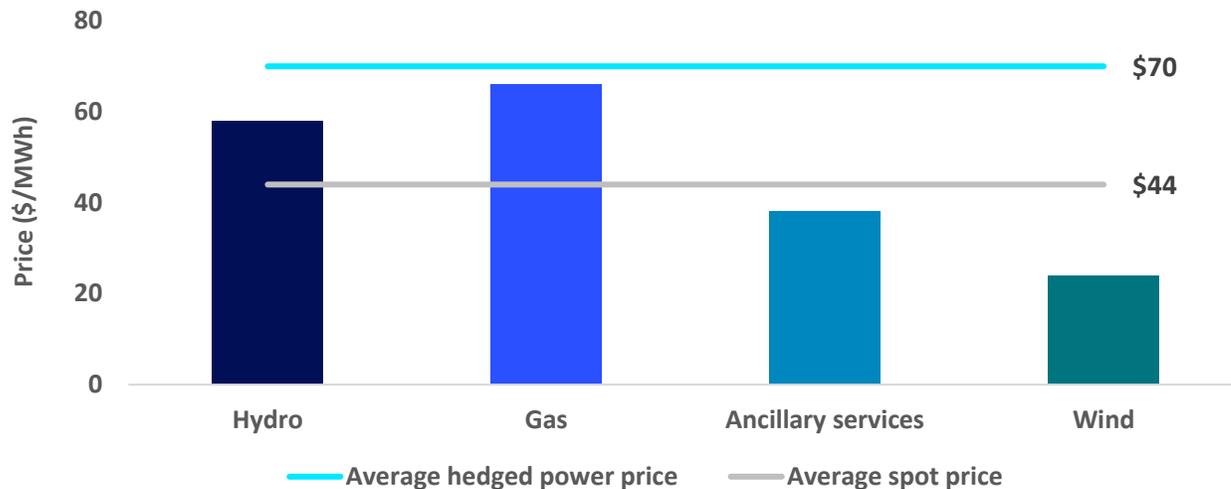
Alberta Merchant Electricity Portfolio

Fourth Quarter 2025 Prices



- 51%** Gas merchant premium to spot price¹
- 23%** Hydro merchant premium to spot price¹
- 70%** Hedged power price premium to spot price
- 19%** Hydro ancillary services discount to spot price

Full Year 2025 Prices



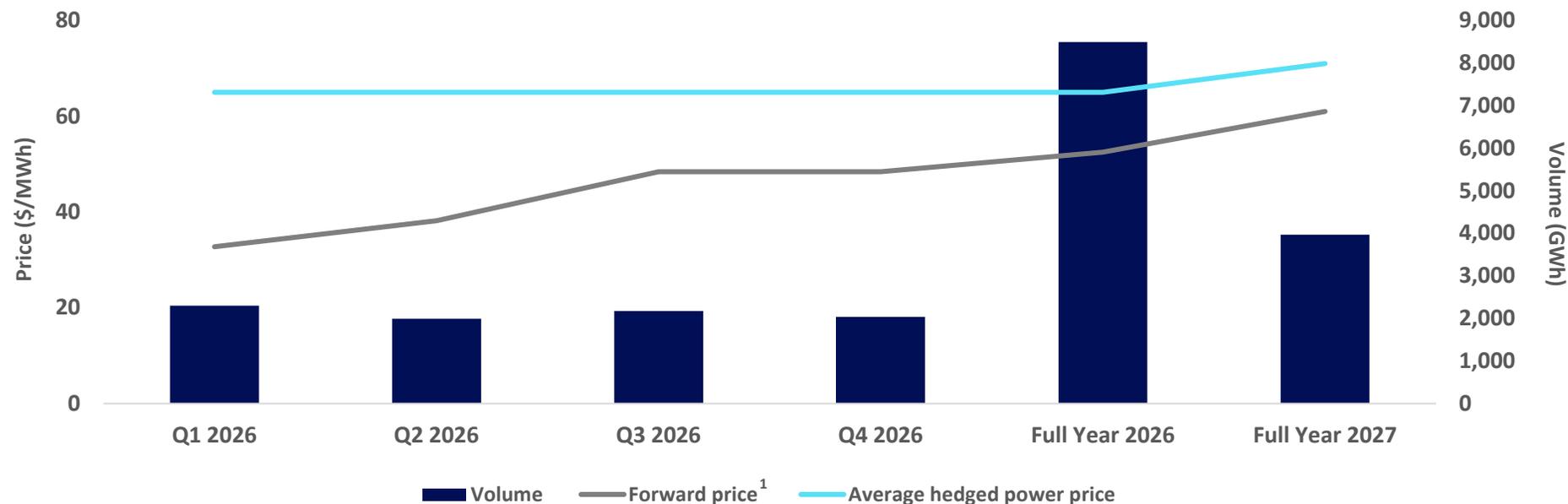
- 50%** Gas merchant premium to spot price¹
- 32%** Hydro merchant premium to spot price¹
- 59%** Hedged power price premium to spot price
- 14%** Hydro ancillary services discount to spot price

Strategic production of dispatchable generation

Alberta merchant portfolio extracts premium pricing

¹ Excludes gains and losses from hedging positions.

Alberta Hedging Position



	Q1 2026	Q2 2026	Q3 2026	Q4 2026	Full year 2026	Full year 2027
Price (\$/MWh)	65	65	65	65	65	71
Volume² (GWh)	2,302	1,990	2,172	2,027	8,491	3,967

¹ As of February 27, 2026. Sourced from Intercontinental Exchange.

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

Hedge prices are above spot

Substantially hedged for 2026

Optimization drives further upside to results

2026 Outlook

(\$ millions)	Range
Adjusted EBITDA ¹	950 to 1,050
FCF ¹	350 to 450
FCF (\$/share) ¹	1.18 to 1.51
Energy Marketing Adjusted Revenues ¹	110 to 130
Sustaining Capital ²	140 to 160

Market	Range
Alberta spot (\$/MWh)	40 to 60
AECO gas price (\$/GJ)	2.65 to 3.15

Contracted fleet and strong hedge position provide stable cash flows

\$1 per MWh change in spot price ~\$2 million impact on adjusted EBITDA¹

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

² Sustaining Capital is a supplementary financial measure, see the forward-looking statements and non-IFRS measures information on slide two of this presentation for more information.

Investor Day

Toronto, Ontario

In-person and Virtual

March 23, 2026



2026 Priorities



Financial and Operational

Adjusted EBITDA¹ of **\$950 - \$1,050 million**

FCF¹ of **\$350 - \$450 million**

Dividend of **\$0.28 per share**

Improve leading and lagging **safety performance**

Optimize the Alberta **merchant fleet**

Fleet availability of **92.7%**



Strategic Priorities

Advance **Alberta data centre** project

Advance **Centralia Unit 2 conversion**

Pursue **strategic M&A**

Enhance **financial strength** and **flexibility**

CEO and CFO transition

Progress sustainability targets

Executing strategic initiatives

Continued strong performance from diversified portfolio

Company positioned for growth

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 portfolio



High potential legacy energy campuses



Positioned for growth



Financial strength and flexibility



Questions and Answers

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