

First Quarter 2026 Results

transalta™

Upper Mamquam, British Columbia

MAY 6, 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: our 2026 Priorities, including the financial outlooks included therein; our Alberta hedging position through to 2027; our estimates of the impact of power price changes on our Adjusted EBITDA targets; and our view that the Centralia Unit 2 conversion is progressing towards FID.

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") 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; (ii) FCF and FCF per share, Cash Flow From Operating. 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.

Joel Hunter

President and
Chief Executive Officer



Delivered Solid Operational Performance



Results and Financial Position



Adjusted EBITDA¹ of **\$204 million**



FCF¹ of **\$102 million** or **\$0.34/share**



Fleetwide **availability** of **93.8%**



Business Highlights and Strategic Priorities



Advanced **data centre** development in Alberta and redevelopment of **Centralia** in Washington state



Hosted 2026 Investor Day providing **path to 2029** and beyond



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

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 data centre project progressing following the signing of MOU

- ✓ Active engagement with counterparties
- ✓ Continued participation with the AESO on next phase of Large Load Integration
- ✓ Over 2,500 acres of TransAlta owned land in Parkland County, Alberta, rezoned for data centre use

Centralia Unit 2 conversion progressing towards FID

- ✓ Puget Sound Energy submitted rate case in Q1 2026
- ✓ Advancing front end engineering design work and permit approvals
- ✓ Unique power solution to support critical reliability in the region



TransAlta Segmented Results

Three Months Ended March 31, 2026 (\$millions)

Adjusted EBITDA ¹	Q1 2026	Q1 2025
Hydro	35	47
Wind and Solar	95	102
Gas	93	104
Energy Transition	1	37
Energy Marketing	17	21
Corporate	(37)	(41)
Total	204	270

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.

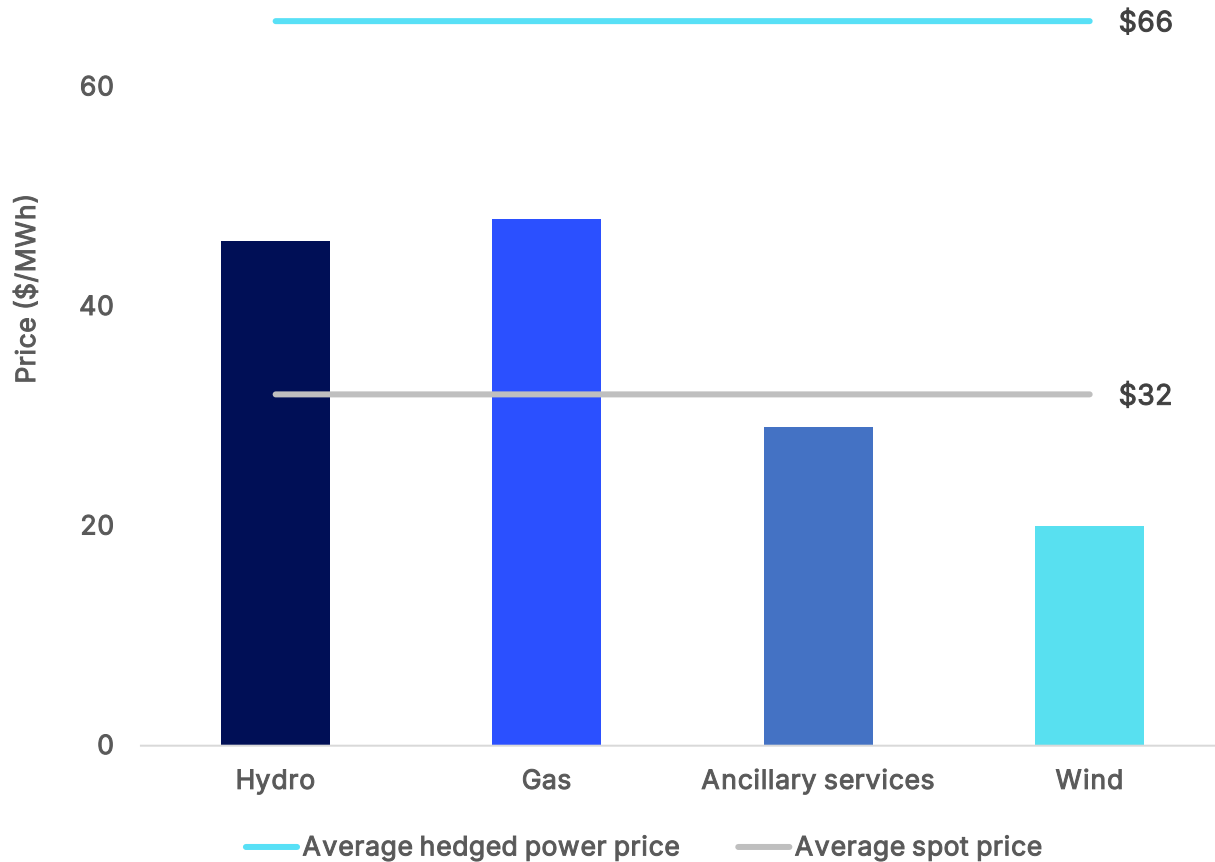
Hedging position partially offset low Alberta power prices and ceasing of coal-fired generation at Centralia

Strong average availability of 93.8% across fleet

FCF¹ of \$102 million or \$0.34 per share

Alberta Merchant Electricity Portfolio

First Quarter 2026 Prices



106%

Hedged power price premium to spot price

50%

Gas merchant premium to spot price¹

44%

Hydro merchant premium to spot price¹

9%

Ancillary services discount to spot price

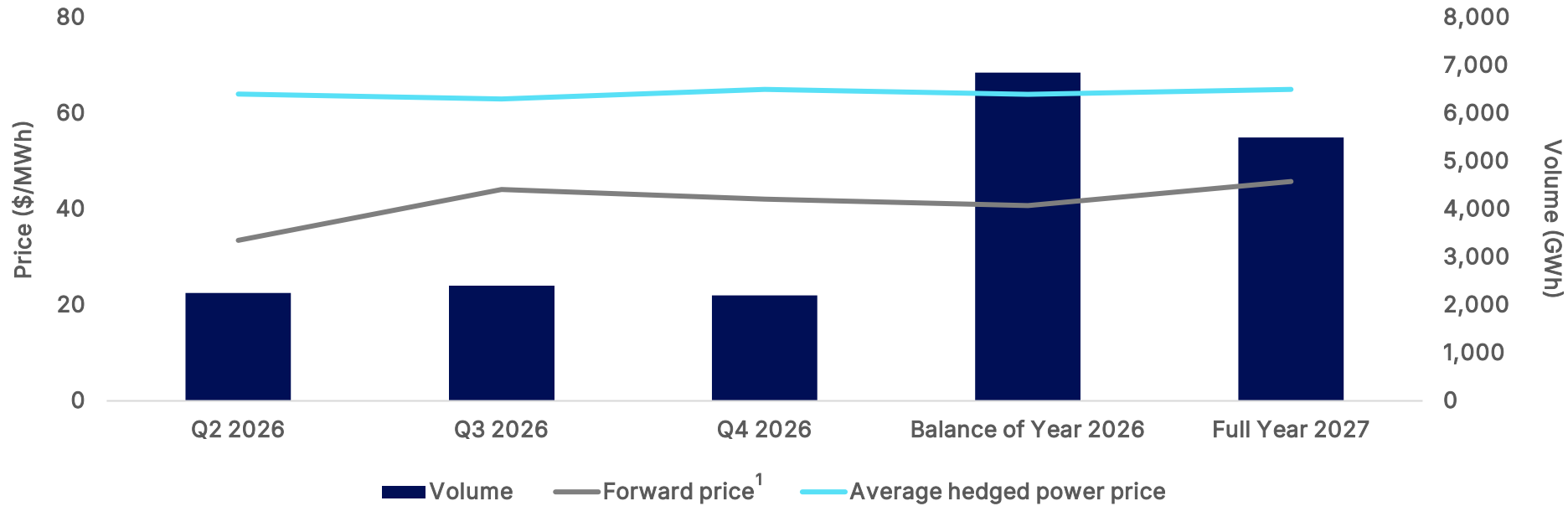
Hedged power prices above forward curve

\$1 per MWh change in spot price is expected has ~\$2 million impact on Adjusted EBITDA²

¹Excludes gains and losses from hedging positions.

² 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.

Alberta Hedging Position



	Q2 2026	Q3 2026	Q4 2026	Balance of Year 2026	Full year 2027
Price (\$/MWh)	64	63	65	64	65
Volume ² (GWh)	2,253	2,399	2,199	6,851	5,495

Hedge prices continue to provide upside above spot prices

Substantially hedged for balance of year and into 2027

Optimization drives further upside to results

¹ As of May 5, 2026. Sourced from Intercontinental Exchange.

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

Executive Appointments



Mike Politeski

Executive Vice President,
Finance and
Chief Financial Officer



Grant Arnold

Executive Vice President,
Growth and
Chief Commercial Officer

2026 Priorities



Financial and Operational

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

FCF¹ of \$350 - \$450 million

Annualized dividend of \$0.28 per share

Improve leading and lagging safety performance

Optimize the Alberta merchant fleet

Fleet availability of 92.7%



Strategic

Advance Alberta data centre project

Advance Centralia Unit 2 conversion

Pursue strategic M&A

Enhance financial strength and flexibility

Executive leadership team transitions

Progress long-term growth opportunities

Executing strategic initiatives

Reaffirmed
2026 adjusted
EBITDA¹ and
FCF¹ guidance

Company positioned
for growth

¹Adjusted 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

Visit us at: www.transalta.com

investor_relations@transalta.com