News Release

For immediate release
February 10, 2021

Keyera Corp. Announces 2020 Year End Results

CALGARY, February 10, 2021 - Keyera Corp. (TSX:KEY) ("Keyera") announced its 2020 year-end financial results today, the highlights of which are included in this news release. The entire news release can be viewed by visiting Keyera's website at www.keyera.com. To view the MD&A and financial statements, visit either Keyera's website or Keyera's filings on SEDAR at www.sedar.com.

Corporate Highlights

- Keyera delivered adjusted earnings before interest, taxes, depreciation, and amortization ("adjusted EBITDA"[1]) for the fourth quarter of $168 million, contributing to $874 million for 2020. This represents a year-over-year decrease of only 7% from a record year in 2019, demonstrating the resilience of the business through even the most severe of commodity price downturns linked to the global pandemic. The strong financial results were delivered despite unplanned outages at the Wapiti and Alberta EnviroFuels ("AEF") facilities that reduced annual EBITDA by approximately $45 million.
- Distributable cash flow[1] ("DCF") was $133 million in the fourth quarter, with a record full year DCF[1] of $718 million representing an annual increase of 21%.
- Net earnings[2] were negative $75 million for the fourth quarter and $62 million for the full year, compared to $30 million and $444 million, respectively, for the same periods in 2019. The decrease is largely attributable to an overall 2020 impairment expense of $371 million, of which $123 million was taken in Q4. The impairment expense resulted primarily from the shutdown of gas plants as part of the asset optimization program.
- 2020 dividends declared to shareholders were $423 million or $1.92 per share, a 7% increase over dividends declared in 2019. This represents a 59% payout ratio from distributable cash flow[1], which was well within the targeted ratio of 50 to 70%.
- Growth capital spending excluding capitalized interest was $524 million, in-line with the previously provided guidance range of $500 million to $550 million. The capital program was significantly reduced during the year following the decision to defer the KAPS pipeline project by one year.
- The company achieved a 2020 Return on Invested Capital ("ROIC"[1]) of 11.4% demonstrating its continued ability to generate attractive returns through commodity price cycles.
- Keyera maintains its strong financial position exiting the year with a net debt to adjusted EBITDA ratio[1,3] of 2.9x, which is within the company's stated targeted range of 2.5x to 3.0x. The company continues to command investment grade corporate credit ratings from S & P Global and DBRS. Available liquidity at year-end was $1.2 billion with minimal long-term debt maturities over the next 5 years.
- In 2020, Keyera set an annual cost savings target of $45 million to $65 million. The company made significant progress toward this goal, enhancing its competitive position and reducing its cost structure. Most of the benefit is expected to materialize by the end of 2021. Cost reduction measures are detailed as follows:
  - $15 million to $20 million in annual general and administrative cost savings – all actioned in 2020 primarily from lowering staffing levels. The company began realizing the benefits in the second half of 2020.

- $10 million to $15 million in annual operating costs reductions in the Liquids Infrastructure segment – a significant portion of the cost reduction initiatives were actioned in 2020 with the annual benefit on track to be realized in 2021.
- $20 million to $30 million in annual savings from the optimization and closure of gas plants, and operating cost reductions in the Gathering and Processing segment – about half of the program is complete, with most of the benefits expected to begin in the second half of 2021.

- In 2020, the dividend re-investment plan was discontinued with no plans for re-instatement.
- In the fourth quarter, Keyera released its inaugural environment, social and governance ("ESG") report and announced an agreement to fulfill 10% of the company's electricity needs from renewable solar power. The ESG report aligns with guidance set out by the Sustainability Accounting Standards Board ("SASB"). The company plans to release a formal emissions reduction target aligned with phase one of the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations in 2021.
- Beyond its own emission reduction efforts, Keyera's assets are well positioned to enable customers to reduce their own emissions, partake in the energy transition, and integrate into the energy value chains of the future.

Business Segment Highlights and Project Updates

- Keyera's three segments combined to achieve solid results despite challenging business conditions. Approximately 65% of Keyera's realized margins[4] are derived from customers who are investment grade entities and approximately 40% of realized margins[4] were generated from take-or-pay contracts with an average remaining duration of 7 years.
  - The **Gathering and Processing** segment generated a realized margin[4] of $77 million for Q4 and $260 million for the full year. This represents a decrease of 5% and 12% respectively over the same periods in 2019, mostly attributable to lower overall volumes, fee reductions at certain gas plants in the South region and an unplanned six-week outage at the Wapiti gas plant. This was partially offset by the ramp-up of the newly commissioned Pipestone gas plant which was completed on budget and five months ahead of schedule. The first phase of the Gathering and Processing optimization plan was successfully completed with the safe and orderly shutdown of the Minnehik Buck Lake, West Pembina and Bigoray gas plants in Central Alberta. The majority of volumes from these plants were successfully transferred to other Keyera facilities to increase overall utilization rates, drive down per unit operating costs, and provide an advantaged netback for customers. The optimization effort will continue with the planned shutdown of the Ricinus and Brazeau North gas plants in 2021, and the Nordegg River gas plant in 2022.
  - The **Liquids Infrastructure** segment delivered a realized margin[4] of $98 million in Q4 and a record $399 million for the full year, an increase of 7% and 6% respectively, over the same periods in 2019. The continued strong and steady performance of this segment, which was responsible for 42% of total realized margins[4] in 2020, demonstrates its resilience through multiple commodity price cycles. This segment has a high proportion of take-or-pay contracts with high-quality customers and counterparties accessing Keyera's storage, transportation and fractionation assets.
  - The **Marketing** segment's realized margin[4] was $295 million for the full year and $11 million for Q4. Realized margin[4] for 2020 was $5 million below the bottom end of the previously provided guidance of $300 million. This was the result of the timing of a $12 million realized hedging loss on propane and butane, for which the underlying inventory remained unsold at year-end. The margin captured on the sale of the underlying products in Q1 2021 is expected to more than offset the realized hedging loss. Throughout 2020, Keyera's effective risk management program protected margins and inventory values from significant volatility in commodity prices.
- Major project updates:
  - Keyera evaluates all projects as part of its capital allocation process, to ensure capital discipline and long-term value generation for its shareholders.

- In light of prevailing industry and market uncertainty in 2020, Keyera and its customers elected to defer the KAPS pipeline project for one year. Since that time, Keyera has continued to advance project planning, including refining the project's original $1.3 billion capital cost estimate. Due to increased competitive pressures from various pipeline construction activities underway in Western Canada, Keyera is currently forecasting the gross capital cost to be approximately $1.6 billion, with the company's net share representing 50% of this amount.
- The Wildhorse crude oil storage and blending terminal in Cushing Oklahoma is substantially complete and is expected to be operational in mid-2021. Mechanical completion was declared on January 29, 2021 and commissioning activities are underway.

- 2021 guidance as previously disclosed:
  - growth capital is expected to be between $400 million and $450 million excluding capitalized interest, with the majority related to the construction of the KAPS pipeline system;
  - maintenance capital expenditures are expected to be between $25 million and $35 million;
  - cash tax expense is expected to be between $20 million and $30 million; and
  - the Marketing segment's base realized margin of between $180 million and $220 million is expected to be achieved, however further guidance will be provided in the 2021 First Quarter Report.

- A revised investor presentation is now available at www.keyera.com.

[1]Keyera uses certain "Non-GAAP Measures" such as EBITDA, adjusted EBITDA, funds from operations, distributable cash flow, distributable cash flow per share, payout ratio and return on invested capital. See section titled "Non-GAAP Financial Measures", "Dividends: Funds from Operations and Distributable Cash Flow" and "EBITDA" of the MD&A for further details.

[2]Net earnings for 2019 have been restated. Refer to the "Voluntary Change in Accounting Policy" section of the MD&A for further details. For further details on impairment charges, refer to the "Net Impairment Expense" section of the MD&A.

[3]Ratio is calculated in accordance with the covenant test calculations related to the company's credit facility and senior note agreements and excludes hybrid notes.

[4]Realized margin is not a standard measure under GAAP and excludes the effect of $12 million in non-cash losses from commodity-related risk management contracts. See "Non-GAAP Financial Measures" in the MD&A.

Summary of Key Measures (Thousands of Canadian dollars, except where noted)	**Three months ended December 31, 2020**	2019	**Twelve months ended December 31, 2020**	2019
Net (loss) earnings	**(74,777)**	29,718	**62,030**	443,609
Per share ($/share) – basic	**(0.34)**	0.14	**0.28**	2.07
Cash flow from operating activities	**116,446**	213,676	**688,173**	887,935
Funds from operations[1]	**155,812**	200,871	**810,436**	754,254
Distributable cash flow[1]	**132,629**	158,261	**718,176**	593,584
Per share ($/share) [1]	**0.60**	0.73	**3.26**	2.77
Dividends declared	**106,091**	104,280	**423,485**	396,862
Per share ($/share)	**0.48**	0.48	**1.92**	1.85
Payout ratio %[1]	**80%**	66%	**59%**	67%
Adjusted EBITDA[2]	**168,145**	261,387	**873,582**	944,101
Gathering and Processing				
Gross processing throughput (MMcf/d)	**1,307**	1,483	**1,274**	1,496
Net processing throughput (MMcf/d)	**1,106**	1,186	**1,057**	1,191
Liquids Infrastructure				
Gross processing throughput[3] (Mbbl/d)	**155**	157	**149**	170
Net processing throughput[3] (Mbbl/d)	**75**	70	**73**	79
AEF iso-octane production volumes (Mbbl/d)	**8**	9	**12**	12
Marketing				
Inventory value	**162,823**	93,682	**162,823**	93,682
Sales volumes (Bbl/d)	**153,900**	177,300	**149,900**	150,100
Acquisitions	**240**	50	**1,870**	599
Growth capital expenditures	**76,129**	253,722	**563,178**	986,125
Maintenance capital expenditures	**10,889**	29,732	**29,116**	105,077
Total capital expenditures	**87,258**	283,504	**594,164**	1,091,801
Weighted average number of shares outstanding – basic and diluted	**221,023**	216,938	**220,442**	214,186

	As at December 31, 2020	2019
Long-term debt[4]	**2,940,701**	2,548,468
Credit facility	**280,000**	90,000
Working capital (surplus) deficit[5]	**(147,824)**	160,684
Net debt	**3,072,877**	2,799,152
Common shares outstanding – end of period	**221,023**	217,916

Notes:

1 Payout ratio is defined as dividends declared to shareholders divided by distributable cash flow. Payout ratio, funds from operations, and distributable cash flow are not standard measures under Generally Accepted Accounting Principles ("GAAP"). See the section titled, "Dividends: Funds from Operations and Distributable Cash Flow", for a reconciliation of funds from operations and distributable cash flow to the most closely related GAAP measure.

2 Adjusted EBITDA is defined as earnings before finance costs, taxes, depreciation, amortization, impairment expenses, unrealized gains/losses and any other non-cash items such as gains/losses on the disposal of property, plant and equipment. EBITDA and adjusted EBITDA are not standard measures under GAAP. See section of the MD&A titled "EBITDA" for a reconciliation of adjusted EBITDA to its most closely related GAAP measure.

3 Fractionation throughput in the Liquids Infrastructure segment is the aggregation of volumes processed through the fractionators and the de-ethanizers at the Keyera and Dow Fort Saskatchewan facilities.

4 Long-term debt includes the total value of Keyera's hybrid notes which receive 50% equity treatment by Keyera's rating agencies. The hybrid notes are also excluded from Keyera's covenant test calculations related to the company's credit facility and senior note agreements.

5 Working capital is defined as current assets less current liabilities.

Message to Shareholders

No one could have predicted the unprecedented developments the world faced resulting from the COVID-19 pandemic in 2020, which in turn posed tremendous challenges for the energy industry. Our highest priority has been and will continue to be the safety and health of our people and communities. I'm proud of how people adapted in order to safely maintain operations at our facilities.

At Keyera, we demonstrated our resilience by relying on our commitment to safety, the strength of our team and the quality of our integrated assets to quickly adapt to the changing environment. The actions we took – deferring capital spending, discontinuing the dividend reinvestment plan, maintaining ample liquidity, implementing cost reduction programs, delivering the Pipestone gas plant ahead of schedule, combined with the proven effectiveness of our risk management programs, ensured we preserved value for our shareholders.

In 2020, Keyera delivered $874 million in adjusted EBITDA. This was the second-best result in the history of the company, and we exited the year with leverage metrics within our targeted range.

In overcoming significant challenges this year, we continue to have confidence in Keyera's ability to focus on capital discipline, manage risks, position for the energy transition and deliver returns for our shareholders which by extension, will bring value for all stakeholders for decades to come.

Management Succession

We would like to recognize and thank former CEO David Smith for his tremendous contribution and stewardship over his 22 years at Keyera. His focus on building deep bench strength allowed for a seamless transition of the senior executive management team upon his retirement at the end of 2020.

Under our new senior executive team, Keyera's value proposition continues to be delivery of a sustainable dividend underpinned by low leverage and an asset base and strategy aimed at steady growth in distributable cash flow per share. Furthermore, we have integrated assets that are well positioned to capture the upside of a recovery in global energy demand, and participate in a low-carbon energy transition.

To align the organization with delivering value to all stakeholders, we have set priorities with the goal to achieve:

- #1 in safety
- #1 in customer recognition
- #1 in total shareholder returns

Strong Focus on Capital Discipline and Shareholder Returns

Keyera has a long history of delivering returns for shareholders. Since 2008, the company has grown distributable cash flow at a compounded annual growth rate of 9% allowing for consistent growth of the dividend. We target annual returns on invested capital ("ROIC") to be in the range of 10% to 15%. In 2020, we delivered a 11.4% ROIC amidst a global pandemic that upended global economies and the energy industry alike. We will continue to practice prudent financial management guided by our financial priorities:

- maintain investment grade credit ratings;
- target a conservative Net Debt to Adjusted EBITDA ratio of between 2.5x to 3.0x;
- pay dividends at a sustainable payout ratio of 50% to 70% of DCF, with the objective to growing DCF on a per share basis over time; and
- maintain our disciplined process around capital investment which includes evaluating investments by returns, strategic merit, ESG considerations and other risk factors.

In addition to the above financial priorities, our team is focused on increasing the stability of cash flows. We can achieve this, in part, by growing our Liquids Infrastructure segment, which has a high degree of long-term take-or-pay commitments.

We are making solid progress on our cost reduction and optimization initiatives. In 2020, we shared our plan to achieve $45 million to $65 million in annual sustained cost savings. Most of the benefits are expected to take hold by the end of 2021 further contributing to our profitability.

Accelerating Technology and Innovation

We are prioritizing the use of technology and have formalized this effort by assembling an internal Innovation and Transformation team. We expect these efforts will increase overall returns by improving safety and reliability, increasing efficiencies, reducing costs and lowering our emissions.

Keyera's Role in the Energy Transition

Conducting business responsibly has been a long-standing commitment and a source of great pride at Keyera. In 2020, we further enhanced our commitment to ESG principles by publishing Keyera's inaugural ESG report which aligns with guidance set out by SASB.

Through robust stakeholder engagement we have identified six material ESG factors – Safety, People and Culture, Emissions, Community and Indigenous Engagement, Land Management and Water. ESG factors are incorporated into strategic planning, capital allocation and investment decisions and have oversight at the board of directors level. In 2020, the board also approved the inclusion of key ESG performance measures, including safety, reliability and emissions into our annual scorecard, used to determine bonuses for executives and employees. We have also committed to setting carbon emission reduction targets in 2021 and aligning with phase 1 TCFD disclosures.

Keyera's assets position the company to be a leader in the transition to a low carbon future. We will reduce our own carbon footprint, but also help our customers reduce theirs.

Business Development

There are many reasons to be optimistic about the near-term outlook for the company.

We are seeing business conditions improving with volumes in our Gathering and Processing segment beginning to slowly improve. In this segment, we will be focused on growing margins and improving competitiveness through cost reduction and efficiency gains. This will allow our customers to achieve the highest netbacks, further cementing Keyera as their service provider of choice. The Pipestone gas plant was commissioned in the fourth quarter, ahead of schedule and its initial throughput has exceeded our expectations.

The Liquids Infrastructure segment is where we are focusing our growth efforts. Volumes in this part of our business are now surpassing pre-COVID levels as demand remains high for our industry leading condensate system. This business has high barriers to entry and produces our highest returns with the least volatility of cash flow given its contracted nature and quality of counterparties. The one-year delay in the KAPS pipeline project in 2020 allowed us to preserve balance sheet strength during a period of heightened uncertainty. In the US, Galena Park which was commissioned in December 2020 and the Wildhorse Terminal, which is expected to be operational in mid-2021 is anticipated to further grow our realized margins.

Outlook

I am proud of our performance in 2020 across all aspects of our business. We have demonstrated our resilience and positioned ourselves to keep the momentum going in 2021. The commodity markets and the outlook for our customers appear to be improving and we have several catalysts in the near-term contributing to growing distributable cash flow. Furthermore, we intend to keep our focus on all aspects of ESG performance, and we will investigate ways to continue to play an active role in the energy transition.

We are excited by the outlook for Keyera and are confident we have the people and the assets to succeed for decades to come.

Dean Setoguchi
President and Chief Executive Officer
Keyera Corp.

Fourth Quarter and Annual 2020 Results Conference Call and Webcast

Keyera will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the financial results for the fourth quarter and year-end of 2020 at 8:00 a.m. Mountain Time (10:00 a.m. Eastern Time) on Wednesday, February 10, 2021. Callers may participate by dialing 888-231-8191 or 647-427-7450. A recording of the call will be available for replay until 10:00 p.m. Mountain Time (12:00 a.m. Eastern Time) on February 24, 2021 by dialing 855-859-2056 or 416-849-0833 and entering pass code 1489089.

Internet users can listen to the call live on Keyera's website at www.keyera.com/news/events. Shortly after the call, an audio archive will be posted on the website for 90 days.

About Keyera Corp.

Keyera Corp. (TSX:KEY) operates an integrated Canadian-based energy infrastructure business with extensive interconnected assets and depth of expertise in delivering energy solutions. Its predominantly fee-for-service based business consists of natural gas gathering and processing; natural gas liquids processing, transportation, storage and marketing; iso-octane production and sales; and an industry-leading condensate system in the Edmonton/Fort Saskatchewan area of Alberta. Keyera strives to provide high quality, value-added services to its customers across North America and is committed to conducting its business ethically, safely and in an environmentally and financially responsible manner.

Forward-Looking Information

In order to provide readers with information regarding Keyera, including its assessment of future plans and operations, its financial outlook and future prospects overall, this press release contains certain statements that constitute "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "forward-looking information"). Forward-looking information is typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "plan", "intend", "believe", and similar words or expressions, including the negatives or variations thereof. All statements other than statements of historical fact contained in this document are forward-looking information, including, without limitation, statements regarding:

- target payout and net debt to adjusted EBITDA ratios;
- future capital expenditures and cash taxes, including the anticipated costs of the KAPS pipeline system;
- industry, market and economic conditions and any anticipated effects on Keyera;

- Keyera's future financial position and operational performance and future financial contributions and margins from its business segments including, but not limited to, Keyera's expectation that its Marketing business will contribute, on average, a "base realized margin" of between $180 million and $220 million annually;
- estimated costs and benefits associated with reductions in operating and G&A expenses and optimization of gas plants, estimated maintenance and turnaround costs and estimated decommissioning expenses;
- expected costs, in-service dates and schedules for capital projects (including projects under construction/development and proposed projects) and sources of funding for such projects; and
- Keyera's financial priorities and ESG initiatives.

All forward-looking information reflects Keyera's beliefs and assumptions based on information available at the time the applicable forward-looking information is made and in light of Keyera's current expectations. Forward-looking information does not guarantee future performance. Management believes that its assumptions and expectations reflected in the forward-looking information contained herein are reasonable based on the information available on the date such information is provided and the process used to prepare the information. However, it cannot assure readers that these expectations will prove to be correct. All forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results, events, levels of activity and achievements to differ materially from those anticipated in the forward-looking information.

Readers are cautioned that they should not unduly rely on the forward-looking information included in this press release. Further, readers are cautioned that the forward-looking information contained herein is made as of the date of this press release. Unless required by law, Keyera does not intend and does not assume any obligation to update any forward-looking information. All forward-looking information contained in this press release is expressly qualified by this cautionary statement.

Further information about the assumptions, risks, uncertainties and other factors affecting the forward-looking information contained in this press release is available in filings made by Keyera with Canadian provincial securities commissions, including under "*Forward-Looking Information*" in Keyera's management's discussion and analysis for the year ended December 31, 2020 and Keyera's annual information form for the year ended December 31, 2020, each of which is available on the company's SEDAR profile at www.sedar.com.

Additional Information

For more information about Keyera Corp., please visit our website at www.keyera.com or contact:

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