News Release

For immediate release
November 3, 2021

Keyera Corp. Announces 2021 Third Quarter Results

CALGARY, Nov 3, 2021 - Keyera Corp. (TSX:KEY) ("Keyera") announced its 2021 third quarter financial results today, the highlights of which are included in this news release. To view the MD&A and financial statements, visit either Keyera's website or Keyera's filings on SEDAR at www.sedar.com.

Third Quarter Financial Highlights

- Adjusted earnings before interest, taxes, depreciation, and amortization ("adjusted EBITDA"[1]) was $214 million, compared to $196 million in Q3 2020. The increase was mostly due to stronger margin contributions from the Gathering and Processing segment as industry activity continued to pick-up. Results were impacted by $25 million in realized hedging losses on product inventory. These losses are expected to be more than offset by physical sales in the next two quarters.
- Distributable cash flow[1] ("DCF") was $149 million, compared to $175 million for the same period last year. The year-over-year decrease includes higher current taxes and higher maintenance capital spending for planned work at the Wapiti gas plant aimed at enhancing reliability and reducing ongoing operating costs.
- Net earnings were $70 million, compared to $33 million for the same period in 2020.
- Growth capital spending was $136 million in the third quarter, and $264 million year-to-date as spending on the KAPS project accelerated.
- Keyera maintained its strong financial position at quarter-end with a net debt to adjusted EBITDA ratio[1,2] of 2.7x. The company ended the quarter with $1.4 billion in available liquidity.
- Keyera recently released its 2020 ESG Performance Report, which can be viewed at www.keyera.com/sustainability. The company plans to publish its first climate report in the coming weeks, which will include emission reduction targets.

Third Quarter Business Segment Highlights

- The **Gathering and Processing** ("G&P") segment delivered realized margin[3] of $76 million compared to $49 million in the same quarter last year. The continued recovery in drilling activity is driving higher plant volumes, including at the Pipestone gas plant, which saw 93% utilization, up from 84% in the previous quarter. Overall G & P processing volumes were up 28% compared to the same quarter in 2020. Realized margins[3] include an approximate $5 million impact from a 10-day planned maintenance outage at the Wapiti gas plant, and an approximate $3-million impact from reduced ethane sales volumes from the Rimbey gas plant because of a scheduled third-party maintenance outage.
    - Due to an expected increase in customer demand, the planned suspension of the Nordegg gas plant in 2022 has been cancelled to allow for the processing of increasing volumes in the Southern plants capture area. With the cancellation of the Nordegg suspension, the G & P optimization program in the South region is now complete. The program is delivering increased plant utilization, resulting in approximately $15 million of ongoing annualized cost savings to be fully realized in 2022. The program also reduced absolute corporate emissions by 12% for operated facilities in 2021 relative to 2019.
- The **Liquids Infrastructure** segment delivered a realized margin[3] of $98 million compared to $99 million in the third quarter of 2020. These results were supported by continued strong demand for fractionation, cavern storage and diluent handling services at Keyera's Fort Saskatchewan (KFS)

facilities. Results were impacted by lower utilization at storage terminals, lower seasonal propane loadings, and an approximate $2 million expense from a planned maintenance outage at a third-party fractionation facility in which Keyera owns a minority working interest.

- The **Marketing** segment contributed realized margin[3] of $59 million, compared to $64 million in the third quarter of 2020. The third quarter 2021 results reflect the realized hedging losses mentioned above, and the impact of the iso-octane sales which remained in transit at the end of the quarter and will now be recorded in the fourth quarter of 2021.

2021 Guidance Update

- Keyera is raising its 2021 realized margin[3] guidance range for the Marketing segment to $300 million to $320 million, exceeding the previous range of $260 million to $290 million. The increase in the guidance range is being driven by robust propane demand and higher margins from the sale of butane given the strength of butane pricing.
- Growth capital spending for 2021 is now expected to range between $460 million and $490 million, above the previous range of $400 million to $450 million. The increase is primarily from higher-than-planned spending of approximately $30 million for the construction of the South Cheecham Sulphur Facilities.
- Maintenance capital spending is now expected to range between $40 million and $50 million, replacing the previous range of $30 million to $40 million.
- The cash tax guidance range of $30 million to $40 million remains on track.

2022 Guidance

- Growth capital expenditures are expected to range between $520 million and $560 million excluding capitalized interest, with approximately $450 million of these expenditures related to the continued construction and completion of the KAPS pipeline project.
- Maintenance capital expenditures are expected to range between $100 million and $120 million. Approximately $60 million is attributable to a planned six-week turnaround at the AEF facility.
- Cash tax expense is expected to range between $15 million and $30 million.

Upcoming planned turnarounds and outages:

Asset	Duration	Timing
Simonette Gas Plant turnaround	2 weeks	Q2 2022
Wapiti Gas Plant outage	1 week	Q2 2022
Nordegg Gas Plant turnaround	2 weeks	Q2 2022
Keyera Fort Saskatchewan Fractionation Unit 2 outage	1 week	Q2 2022
Pipestone Gas Plant outage	1 week	Q3 2022
Alberta EnviroFuels turnaround	6 weeks	Q3 2022
Keyera Fort Saskatchewan Fractionation Unit 1 outage	1 week	Q3 2022

Major Project Updates

- Construction on the KAPS pipeline project continued through the third quarter with mainline construction progressing steadily. The project remains on time and on budget and is scheduled for start-up in early 2023.

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[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 sections of the MD&A titled "Non-GAAP Financial Measures", "Dividends: Funds from Operations and Distributable Cash Flow" and "EBITDA" for further details.
[2] 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.
[3] Realized margin is not a standard measure under GAAP and excludes the effect of $2 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 September 30, **2021**	2020	Nine months ended September 30, **2021**	2020
Net earnings	**69,800**	33,436	**234,220**	136,807
Per share ($/share) – basic	**0.32**	0.15	**1.06**	0.62
Cash flow from operating activities	**106,376**	95,396	**486,876**	571,727
Funds from operations[1]	**168,762**	190,910	**531,173**	654,624
Distributable cash flow[1]	**149,252**	174,859	**461,943**	585,547
Per share ($/share)[1]	**0.68**	0.79	**2.09**	2.66
Dividends declared	**106,091**	106,091	**318,273**	317,394
Per share ($/share)	**0.48**	0.48	**1.44**	1.44
Payout ratio %[1]	**71%**	61%	**69%**	54%
Adjusted EBITDA[2]	**213,578**	196,163	**662,109**	705,437
Gathering and Processing				
Gross processing throughput[3] (MMcf/d)	**1,471**	1,145	**1,441**	1,247
Net processing throughput[3] (MMcf/d)	**1,246**	953	**1,219**	1,027
Liquids Infrastructure				
Gross processing throughput[4] (Mbbl/d)	**110**	134	**136**	147
Net processing throughput[4] (Mbbl/d)	**69**	72	**77**	73
AEF iso-octane production volumes (Mbbl/d)	**14**	13	**14**	13
Marketing				
Inventory value	**334,857**	144,270	**334,857**	144,270
Sales volumes (Bbl/d)	**149,500**	139,900	**156,000**	148,500
Acquisitions	**—**	—	**11,165**	1,630
Growth capital expenditures	**136,290**	149,353	**264,467**	487,049
Maintenance capital expenditures	**8,060**	3,806	**33,882**	18,227
Total capital expenditures	**144,350**	153,159	**309,514**	506,906
Weighted average number of shares outstanding – basic and diluted	**221,023**	221,023	**221,023**	220,247
			As at September 30, **2021**	2020
Long-term debt[5]			**3,288,697**	2,959,151
Credit facility			**70,000**	110,000
Working capital surplus[6]			**(147,058)**	(106,046)
Net debt			**3,211,639**	2,963,105
Common shares outstanding – end of period			**221,023**	221,023

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 Includes gas volumes and the conversion of liquids volumes handled through the processing facilities to a gas volume equivalent. Net processing throughput refers to Keyera's share of raw gas processed at its processing facilities.

4 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.

5 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.

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

CEO's Message to Shareholders

The actions we've been taking to increase our competitiveness, against the backdrop of higher commodity prices and a more favourable industry outlook, are setting us up for a strong finish to the year.

In the **Gathering and Processing** segment we are positioned to capture upside as the industry continues to recover. During the quarter, our Pipestone plant hit record throughput, and at Wapiti, volumes quickly regained momentum after a planned outage in July. Optimization measures in the south region took costs out of the system and redirected gas volumes to our most efficient plants. We are now seeing higher utilization as a result of plant consolidation, which is driving lower per unit operating costs and higher per unit margins. This improves our ability to retain and attract new customer volumes. With the optimization program now complete, we can better align our future investments to drive further efficiencies, including emissions reduction initiatives.

The **Liquids Infrastructure** segment continues to deliver long-term contracted cash flows. Our fractionation, cavern storage and condensate services remain in high demand. Utilization rates for our two fractionation units at KFS ran reliably at full name-plate capacity throughout the quarter and demand is expected to remain robust. In July, we successfully re-contracted condensate storage and transportation services with major oil sands producers, which increased both the duration and the volumes under contract. Our future growth capital investment will be weighted towards this segment, where projects have higher barriers to entry, higher cash flow stability, and tend to generate higher rates of return.

The KAPS pipeline project is well underway and will provide a critical link that integrates and enhances our entire value chain and unlocks further growth investment opportunities. Once complete, producers will benefit from a much-needed competitive alternative for transporting natural gas liquids to our hub in Fort Saskatchewan, Alberta, then onward to access the highest-value end markets.

The KAPS project positions our company well for the future, as it stands to capture volumes from growing Montney and Duvernay formation production. Positive catalysts driving this production growth include:

- Expanding export capacity for Canadian natural gas, natural gas liquids and crude oil;
- Increasing in-basin demand as gas replaces coal as a fuel source for electricity generation;
- The start-up of the LNG Canada project in 2025; and
- Growth of the petrochemical industry in Western Canada, including an exciting recent net-zero ethylene project announcement.

We are raising our guidance for the **Marketing** segment. We now expect to deliver between $300 million to $320 million in realized margin for 2021 as we continue to benefit from our disciplined risk management program, which locks in these cash flows.

We issued our 2020 ESG Performance Summary in the third quarter, providing a detailed progress report on our ESG priorities. ESG highlights from 2020 include a 15% year-over-year reduction in our total absolute direct and indirect emissions, a 15% increase in carbon sequestered from our operations, and the development of a diversity and inclusion framework. In the coming weeks we will release our first Climate Report, which will include emissions reduction targets, and other disclosures that align with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD).

With more tailwinds than we've seen in quite some time, we're feeling encouraged and optimistic about the future. The hard work we've done during the downturn set us up to benefit from the industry recovery. Our balance sheet remains strong, and our customers have never been in better shape.

On behalf of Keyera's board of directors and management team, I would like to thank our employees, customers, shareholders, and other stakeholders for their continued support.

Dean Setoguchi
President and Chief Executive Officer
Keyera Corp.

Third Quarter 2021 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 third quarter 2021 at 8:00 a.m. Mountain Time (10:00 a.m. Eastern Time) on Wednesday, November 3, 2021. Callers may participate by dialing 888-664-6392 or 416-764-8659. A recording of the call will be available for replay until 10:00 p.m. Mountain Time (12:00 a.m. Eastern Time) on November 17, 2021 by dialing 888-390-0541 or 416-764-8677 and entering pass code 724498.

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 Statements

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 realized margin between $300 million and $320 million in 2021, and 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 for the period ended September 30, 2021, and in 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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