

News Release

For immediate release
March 29, 2022



Keyera Provides Strategy and Business Update Ahead of Its Investor Day

- *Over the 2022 to 2025 period, Keyera expects adjusted EBITDA¹ to grow at a compound average annual rate of 6 to 7% allowing for continued dividend growth and the ability to bring net debt to adjusted EBITDA¹ within the company's previously identified targeted range of 2.5 to 3.0 times by the end 2023.*
- *The company has a rich inventory of high-quality, near and long-term investment opportunities that enable the continued compounding of returns to drive growth in DCF per share¹ and growth in dividends per share¹. Keyera's rigorous investment criteria ensures investments are on strategy, generate strong returns, are weighted toward projects with highly contracted long-term cash flows and take ESG priorities into account.*
- *With the construction of the KAPS project now 65% complete, and with good visibility to project completion, capital costs for the project are expected to increase, yet still be within 10% of the latest estimate of \$800 million net to Keyera. The project remains on schedule to be in-service in early 2023.*
- *KAPS commercial negotiations continue to advance, with the company having secured further commitments on the initial Zones 1-3, and the yet to be sanctioned Zone 4. The company expects to soon have contracted the majority of the volumes required to sanction Zone 4. A sanction decision is expected later this year.*
- *2022 realized margin¹ guidance for the Marketing segment is between \$250 million and \$280 million. Annual base guidance for the 2023 to 2025 period has been increased to between \$250 million and \$280 million replacing the previous annual base guidance of \$180 million to \$220 million.*
- *Keyera is uniquely positioned to leverage its existing lands, infrastructure, and expertise to build a strong energy transition business. The new Keyera Low-Carbon Hub Strategy focuses on offering industry-wide low carbon solutions for customers in the industrial corridor between Edmonton and Fort Saskatchewan. The strategy will enable Keyera to decarbonize its Alberta Envirofuels (AEF) and Keyera Fort Saskatchewan (KFS) sites, when it makes economic sense to do so, and offer a range of value-added services to third parties. Services could include low-carbon feedstocks, hydrogen transportation and storage and connectivity to carbon transportation and storage hubs.*

CALGARY, March 29, 2022 – Today, Keyera Corp. (TSX:KEY) ("Keyera") will host its 2022 Investor Day which will be presented by members of Keyera's senior management team. The event will be webcast at www.keyera.com beginning at 8am MDT (10am EDT, 4pm GMT).

“We are excited to show how Keyera is positioned to generate strong returns for decades to come and how we’ll remain competitive as the world transitions to the energy sources of the future” said President and CEO, Dean Setoguchi, “Our focus will continue to be the growth of distributable cash flow per share¹, which enables further dividend growth per share¹. To achieve this, our strategy will be anchored in four key areas which are to demonstrate ESG leadership, have a strong focus on financial discipline, further drive the competitiveness of our assets and strengthen our integrated value chain”.

2022 – 2025 ADJUSTED EBITDA GROWTH AND CAPITAL ALLOCATION PRIORITIES

Over the 2022 to 2025 timeframe, Keyera expects 6 to 7% compound annual growth in adjusted EBITDA¹, with most of this growth coming from projects with a high proportion of contracted, long-term take-or-pay revenue. Funds will be allocated and paced in a way that allows Keyera to stay within the target ranges laid out in its financial framework. In 2023, this includes the balancing of increasing cash returns to shareholders while bringing net debt to adjusted EBITDA¹ within the targeted range of 2.5 to 3.0 times by the end of the year. For 2024 and 2025, it will be a balance of priorities between returning cash to shareholders and allocating about \$300 million per year to growth capital.

Financial framework

	Target	2021A	
Preserve Financial Strength and Flexibility	Credit ratings	BBB	BBB/BBB-
	Net Debt / Adjusted EBITDA ¹	2.5x - 3.0x	2.4x
Invest for Margin Growth and Cash Flow Stability	Corporate ROIC ¹	>12%	14%
	Fee-for-Service contribution of Realized Margin ¹	>75%	69%
Cash Returns to Shareholders	Dividend Payout Ratio ¹	50% - 70%	63%
	Share buybacks activated as appropriate		

Capital allocation priorities for 2022 to 2025

Year	Priorities
2022	<ul style="list-style-type: none"> Fund major strategic growth project (KAPS)
2023	Balance priorities between: <ul style="list-style-type: none"> Bringing net debt to adjusted EBITDA¹ to within target range by YE '23 Increasing cash returns to shareholders Modest growth capital
2024 -2025	Balance priorities between: <ul style="list-style-type: none"> Increasing cash returns to shareholders Growth spending

Rigorous investment criteria

Keyera has a rigorous investment criteria focused on generating higher risk-adjusted returns. For capital investments, priority will be given to projects that have strategic alignment, strong returns, long-term contractual underpinning, and contribute toward the company's ESG objectives including its targets for reducing emissions intensity.

Rich project inventory to deliver visible growth

Keyera has a rich inventory of near and long-term investment opportunities to allow for the continued compounding of investment returns that drive growth in DCF and dividends per share¹. The projects have been paced to fit within Keyera's financial framework and self-funded business model.

Keyera Project Inventory	Status	Expected Timeline to Completion
Optimizations Across the Value Chain	Ongoing	Ongoing
Cheecham Sulphur Plant	Under construction	2H 2022
Storage Cavern 18	Under construction	2H 2022
KAPS Zone 1-3	Under construction	Q1 2023
Pipestone Gas Plant Capacity Expansion	Not sanctioned	2023
KAPS Zone 4	Not sanctioned	2025
Fractionation Expansion at KFS (Frac 3)	Not sanctioned	2025+
De-Carbonization at AEF and KFS	Not sanctioned	2026+
Hydrogen Transportation and Storage	Not sanctioned	2026+
Connectivity to CCS Via Low Carbon Hub	Not sanctioned	2026+

KAPS PIPELINE CONSTRUCTION AND COMMERCIAL UPDATE

The KAPS project is strategically important to Keyera as it connects growing Montney and Duvernay liquids volumes from the company's north region Gathering and Processing business, and other third-party facilities, to its downstream fractionation, storage, logistics and marketing business for additional margin capture. Once complete, the project will meet strong customer demand for a competing alternative provider and be one of only two integrated liquids solutions servicing the area.

Construction and capital cost update

Construction of the project continues to advance steadily. The company implemented several cost containment measures at the outset of the project which have limited Keyera's exposure to industry-wide inflation. With 65% of the project now complete, including the purchase and receipt of all the required steel pipe and the vast majority of other materials, the project cost is expected to increase, yet still be within 10% of the latest estimate of \$800 million net to Keyera. The majority of the remaining 35% of the project relates to construction activities for which signed contracts are in place with contractors who are currently performing work for KAPS and are familiar with the project.

Commercial update

Keyera has successfully increased the level of contracting on Zones 1 – 3 and the yet to be sanctioned Zone 4. Additionally, the company is in advanced negotiations with numerous parties to secure additional contracts. Select progress to date includes:

- Additional contracting for Zones 1 – 3 including increased commitments from new and existing customers.
- Secured new contracts for the proposed Zone 4 extension of the KAPS pipeline from Pipestone to Gordondale, which would also flow through Zones 1 – 3.
- The company expects to soon have contracted the majority of the volumes required to sanction Zone 4. A sanction decision is expected later this year.

KAPS unlocks downstream margin growth

Increased volumes from the KAPS pipeline system will provide additional growth and margin capture opportunities through Keyera's downstream fractionation, storage, rail, pipeline and marketing businesses including a potential fractionation expansion at KFS. Keyera benefits from its advantaged position to efficiently add fractionation capacity given its superior connectivity to propane, butane and condensate markets, large storage capabilities and secured location for the expansion.

MARKETING SEGMENT AND GROWTH CAPITAL GUIDANCE UPDATE

2022 Marketing segment guidance

With the April 2022 to April 2023 NGL contracting season near complete, Keyera expects 2022 Marketing segment realized margin¹ to range between \$250 million and \$280 million which reflects the six-week planned turnaround at AEF.

Increasing base guidance for the Marketing segment for the 2023 to 2025 period

The ongoing annual "base guidance" range for the Marketing segment has now been adjusted upward to \$250 million to \$280 million, replacing the previous range of \$180 million to \$220 million. This new range reflects:

- Increased margins from AEF resulting from successful efforts to access higher value iso-octane markets in the U.S. Rockies and Mid-West regions while also reducing transportation costs.
- Higher go-forward commodity price assumptions including a U.S. \$65 to U.S. \$75 WTI assumption
- Increased future contribution from recently completed US assets (Galena Park and Wildhorse)

This new range indicates management's current view of what is achievable with a high degree of confidence and is based on certain assumptions including commodity prices and asset utilization rates.

Increasing 2022 growth capital guidance range

As a result of the expected increased cost for the KAPS project, 2022 growth capital is now expected to be \$620 million to \$660 million, excluding capitalized interest. This new range replaces the previous range of \$570 million to \$610 million.

KEYERA'S LOW CARBON HUB STRATEGY

Keyera is uniquely positioned to create a strong energy transition business in a way that can generate investment returns via long-term contracts with world-class creditworthy counterparties. The new low-carbon hub strategy leverages Keyera's existing competitive advantages which are

existing land, proximity to large industrial players, optionality to add more cavern storage, infrastructure connectivity, logistics and expertise and provides a platform to accelerate participation in the energy transition and offer value-added services to customers. Offerings could include:

- Transportation and storage of low carbon products
- Connectivity to carbon capture and storage hubs
- Supply of low-carbon feedstocks
- Low carbon power generation including co-generation
- Access to both major rail lines

Keyera continues to engage with potential partners to advance sustainable energy solutions. This includes the recent agreement with Shell Canada Limited (Shell). Keyera and Shell will explore opportunities to build a future gathering and distribution network to transport captured CO₂ from Keyera and other operations in the region to Shell's proposed Polaris CCS storage hub for safe, reliable, and economic storage. As part of this collaboration, Keyera would also leverage an existing hydrogen-rated pipeline to complement a hydrogen manufacturing and distribution network.

INVESTOR DAY DETAILS

Date: March 29, 2022

Time: 8:00 a.m. MT (10:00 a.m. ET or 15:00 GMT London)

Webcast Registration: [Link](#)

The presentation and webcast replay will be made available immediately following the event at <https://www.keyera.com/investors/events-and-presentations/>.

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.

Additional Information

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

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¹ Not a standardized measure under GAAP or is a supplementary financial measure and therefore, may not be comparable to similar measures reported by other entities. See the section titled "Non-GAAP and Other Financial Measures" of this news release for additional information.

Non-GAAP and Other Financial Measures

This news release refers to certain financial and other measures that are not determined in accordance with Generally Accepted Accounting Principles (GAAP) and as a result, may not be comparable to similar measures reported by other entities. Management believes that these non-GAAP and other financial measures facilitate the understanding of Keyera's results of operations, leverage, liquidity and financial position. These measures do not have any standardized meaning under GAAP and therefore, should not be considered in isolation, or used in substitution for measures of performance prepared in accordance with GAAP. For additional information regarding the composition of these measures, how management utilizes them, and where applicable, a reconciliation of Keyera's historical non-GAAP financial measures to the most directly comparable GAAP measure, refer to Management's Discussion and Analysis (MD&A) for the year ended December 31, 2021, which is available on SEDAR at www.sedar.com and Keyera's website at www.keyera.com. Specifically, the sections of the MD&A for the year ended December 31, 2021 titled "Segmented Results of Operations", "EBITDA", "Dividends: Funds from Operations and Distributable Cash Flow", "Adjusted Cash Flow from Operating Activities and Return on Invested Capital" and "Non-GAAP and Other Financial Measures" include information that has been incorporated by reference for these non-GAAP and other financial measures.

This news release includes certain non-GAAP financial measures that include forward-looking information. Below is a summary of the equivalent historical non-GAAP financial measures.

Realized Margin

	Annual Base Guidance	2022 Guidance	For the year ended December 31, 2021
Realized margin for the Marketing segment	\$250 million – \$280 million ¹	\$250 million – \$280 million	\$323 million

Note:

¹The annual base guidance for the Marketing segment's realized margin relates to the 2023 to 2025 period. This annual base guidance has been adjusted upward to replace the previous range of \$180 million to \$220 million.

Adjusted EBITDA

On an equivalent historical basis, adjusted EBITDA was \$956 million for the year ended December 31, 2021.

Forward-Looking Information

To provide readers with information regarding Keyera, including its assessment of future plans, operations and financial performance, certain statements contained herein contain forward-looking information within the meaning of applicable Canadian securities legislation (collectively, “forward-looking information”). Forward-looking information relate to future events and/or Keyera's future performance. Forward-looking information are predictions only; actual events or results may differ materially. Use of words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “plan”, “intend”, “believe”, and similar expressions (including negatives thereof), is intended to identify forward-looking information. All statements other than statements of historical fact contained herein are forward-looking information, including, without limitation, statements regarding future dividends, future financial position of Keyera, future returns from capital projects, Keyera's vision, business strategy and plans of management, anticipated growth and proposed activities, future opportunities, expected capacities associated with capital projects, expected sources of and demand for energy, estimated utilization rates, and expected commodity prices and production levels.

Forward-looking information reflect management's current beliefs and assumptions with respect to such things as outlook for general economic trends, industry forecasts and/or trends, commodity prices, capital markets, and government, regulatory and/or legal environment and potential impacts thereof. In some instances, forward-looking information may be attributed to third party sources. Management believes its assumptions and analysis are reasonable and that expectations reflected in forward-looking information contained herein are also reasonable. However, Keyera cannot assure readers these expectations will prove to be correct.

All forward-looking information involve 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. These unknown risks, uncertainties, and other factors affecting Keyera and its business are contained in Keyera's 2021 Year-End Report and in Keyera's Annual Information Form, each dated February 16, 2022, each filed on SEDAR at www.sedar.com and available on the Keyera website at www.keyera.com.

Proposed construction and completion schedules and budgets for capital projects are subject to many variables, including the continued uncertainty of the COVID-19 pandemic; weather; availability of and/or prices of materials and/or labour; customer project schedules and expected in-service dates; contractor productivity; contractor disputes; quality of cost estimating; decision processes and approvals by joint venture partners; changes in project scope at the time of project sanctioning; regulatory approvals, conditions or delays (including possible intervention by third parties); Keyera's ability to secure adequate land rights and water supply; and macro socio-economic trends. As a result, expected timing, costs and benefits associated with these projects may differ materially from descriptions contained herein. Further, some of the projects discussed herein are subject to securing sufficient producer/customer interest and may not proceed if sufficient commitments are not obtained. Typically, the earlier in the engineering process that projects are sanctioned, the greater the likelihood that the schedule and budget may change.

In addition to factors referenced above, Keyera's expectations with respect to future returns associated with: (i) growth capital projects sanctioned and in development as of the date hereof, and (ii) the KAPS project, are based on a number of assumptions, estimates and projections developed based on past experience and anticipated trends, including but not limited to: capital cost estimates assuming no material unforeseen costs; timing for completion of growth capital projects; customer performance of contractual obligations; reliability of production profiles; commodity prices, margins and volumes; tax and interest rates; availability of capital at attractive prices; and no changes in regulatory or approval requirements, including no delay in securing any outstanding regulatory approvals.

All forward-looking information contained herein are expressly qualified by this cautionary statement. Readers are cautioned they should not unduly rely on these forward-looking information and that information contained in such forward-looking information may not be appropriate for other purposes. Further, readers are cautioned that the forward-looking information contained herein is made as of the date of this Investor Day Presentation. 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 Investor Day Presentation is expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements and management's assumptions and analysis thereof, is available in filings made by Keyera with Canadian provincial securities commissions, which can be viewed on SEDAR at www.sedar.com.