News Release

For immediate release
May 9, 2023

Keyera Corp. Announces 2023 First Quarter Results

CALGARY, AB, May 9, 2023 - Keyera Corp. (TSX:KEY) ("Keyera") announced its 2023 first quarter financial results today, the highlights of which are included in this news release. To view the Management's Discussion and Analysis (the "MD&A") and financial statements, visit either Keyera's website or Keyera's filings on SEDAR at www.sedar.com.

"Keyera had a very strong start to the year, delivering record results in our fee-for-service business segments and reaching a major milestone with the first barrels shipped on our KAPS pipeline system," said Dean Setoguchi, President and CEO. "Our proven business model has delivered reliable returns through all commodity cycles. With KAPS in service, we are a stronger and more competitive company, focused on leveraging the strength of our integrated value chain to maximize value for all stakeholders."

First Quarter Highlights

- **Strong Quarterly Results** – Net earnings were $138 million (Q1 2022 – $114 million), adjusted earnings before interest, taxes, depreciation, and amortization[1] ("adjusted EBITDA") were $292 million for the quarter (Q1 2022 – $257 million), and distributable cash flow[1] ("DCF") was $227 million (Q1 2022 – $178 million). The year-over-year increases were driven by record quarterly contributions from the Gathering and Processing ("G&P") and Liquids Infrastructure segments.
- **KAPS In Service and Within Latest Cost Estimate** – KAPS construction is complete, and costs are within the latest cost estimate of $1.0 billion net to Keyera. The condensate line is now in service with the first volumes shipped in April. Linefill activities are underway on the natural gas liquids line which is expected to be in service in June.
- **Record Fee-For-Service Contributions** – The Gathering and Processing segment delivered record quarterly realized margin[1,3] of $100 million (Q1 2022 – $77 million), driven by record volumes. This includes approximately $3 million related to the recovery of maintenance turnaround costs. The Liquids Infrastructure segment delivered record quarterly realized margin[1,3] of $119 million (Q1 2022 – $105 million) driven by contributions from newly acquired incremental capacity at the Keyera Fort Saskatchewan complex ("KFS") combined with strong asset utilization.
- **Marketing Guidance Increased** – 2023 realized margin[1,3] for the Marketing segment is now expected to range between $330 million and $370 million[4] (previously $250 million to $280 million). The increase is due to lower butane feedstock costs and the continued strength of iso-octane premiums, which benefit the company's iso-octane business.
- **Strong Financial Position** – The company continues to maintain its strong financial position with net debt to adjusted EBITDA[2] at 2.6 times, well within the target range of 2.5 to 3.0 times.
- **Capital Allocation Priorities** – The company's capital allocation priorities remain unchanged. They are, to first ensure the financial strength of the business, and then to balance increasing returns to shareholders with disciplined capital investment.
- **New KAPS Partner** – Keyera is pleased to welcome Stonepeak as its new 50 percent partner in KAPS following the closing of their acquisition in April. Keyera and Stonepeak look forward to working closely together to deliver a much-needed competitive liquids transportation alternative for Montney and Duvernay producers.

Reaffirming 2023 Capital and Cash Tax Guidance

- Growth capital expenditures to range between $200 million and $240 million.
- Maintenance capital expenditures to range between $75 million and $85 million.
- Cash tax expense is expected to be $nil.

Keyera Responds to Alberta Wildfires

Keyera has been responding to wildfires across Central and Northern Alberta. The company's first priority is the safety of its people, the surrounding communities and emergency responders.

As a precaution, the company proceeded with the safe and orderly shut-in of six gas plants between Thursday, May 4 and Friday, May 5. These are the Brazeau River, Pembina North, Zeta Creek, Cynthia, Nordegg and Wapiti gas plants. All Keyera employees and their families in the affected areas are safe and accounted for.

At this time, the company does not believe the outages will have a material financial impact. Keyera is prepared to restart operations as soon as conditions allow. At the Wapiti plant, regulatory approval has been received to restart.

Keyera continues to support the efforts of emergency responders and thanks them for their efforts as they manage these events.

Summary of Key Measures

(Thousands of Canadian dollars, except where noted)	Three months ended March 31, 2023	2022
Net earnings	**137,789**	113,794
Per share ($/share) – basic	**0.60**	0.51
Cash flow from operating activities	**311,489**	457,052
Funds from operations[1]	**247,306**	197,573
Distributable cash flow[1]	**227,367**	178,458
Per share ($/share)[1]	**0.99**	0.81
Dividends declared	**109,994**	106,091
Per share ($/share)	**0.48**	0.48
Payout ratio %[1]	**48%**	59%
Adjusted EBITDA[1]	**292,158**	257,203
Operating margin	**332,436**	272,926
Realized margin[1,3]	**335,454**	283,868
Gathering and Processing		
Operating margin	**99,422**	76,569
Realized margin[1,3]	**100,306**	76,687
Gross processing throughput[5] (MMcf/d)	**1,692**	1,513
Net processing throughput[5] (MMcf/d)	**1,447**	1,311
Liquids Infrastructure		
Operating margin	**117,406**	104,872
Realized margin[1,3]	**118,665**	104,920
Gross processing throughput[6] (Mbbl/d)	**194**	186
Net processing throughput[6] (Mbbl/d)	**98**	91
AEF iso-octane production volumes (Mbbl/d)	**14**	14
Marketing		
Operating margin	**115,642**	92,249
Realized margin[1,3]	**116,517**	103,025
Inventory value	**210,127**	209,629
Sales volumes (Bbl/d)	**206,100**	194,900
Acquisitions	**366,537**	—
Growth capital expenditures	**80,732**	243,569
Maintenance capital expenditures	**8,252**	7,236
Total capital expenditures	**455,521**	250,805
Weighted average number of shares outstanding – basic and diluted	**229,153**	221,023

As at March 31,	**2023**	2022
Long-term debt[7]	**3,623,062**	3,617,508
Credit facility	**400,000**	—
Working capital surplus *(current assets less current liabilities)*	**(149,535)**	(219,076)
Net debt	**3,873,527**	3,398,432
Common shares outstanding – end of period	**229,153**	221,023

CEO's Message to Shareholders

Strategy continues to deliver with strong first quarter. Keyera had an excellent start to the year. Our Gathering and Processing segment delivered record results driven by record volumes. Our G&P customers continue to be in a very strong financial position, allowing for continued volume growth while improving cash flow stability for the segment. Our Liquids Infrastructure segment delivered record results, benefiting from strong asset utilization and margin contribution from the newly acquired additional interest in KFS. The Marketing segment had another strong quarter, contributing to Keyera ending the quarter in a strong financial position with net debt to adjusted EBITDA at 2.6 times, well within our target range of 2.5 to 3.0 times.

KAPS is onstream, making us more competitive. We are pleased to announce that KAPS construction is complete, the condensate line is in service, and costs are within our latest estimate of $1.0 billion, net to Keyera. In April, we successfully shipped our first volumes of condensate on KAPS, and we expect the natural gas liquids line to be in service and flowing in June. This highly strategic project offers a much-needed competitive alternative for liquids transportation for Montney and Duvernay producers, on a new pipeline. KAPS is the link that completes our value chain, fully integrating our business from wellhead to end market.

High fractionation demand and available capacity provides advantage. Our acquisition of additional fractionation capacity at our core KFS complex positions us to benefit from high demand for fractionation services. With available fractionation capacity and KAPS in service we can attract volumes by offering customers a complete suite of services including gas processing, liquids transportation, fractionation, storage, and product marketing, to ensure their products reach the highest value markets. By providing an alternate end-to-end solution for customers, we ensure our services remain in high demand for the long-term. As a result, we are better equipped to maximize value from new and existing assets, driving higher overall returns for our shareholders.

Reaching a cash flow inflection point. In the last five years we have invested significantly to strengthen our integrated value chain and establish a competitive footprint in the Montney. This strategic spend is now behind us. Projects like Wapiti, Pipestone, KAPS and our recent KFS acquisition support our annual adjusted EBITDA growth rate of 6% to 7% from our fee-for-service business[8] from 2022 to 2025, and support growth beyond this timeframe. Our capital allocation priorities remain unchanged. They are, to first ensure the financial strength of the business, and then to balance increasing returns to shareholders with disciplined capital investment.

Marketing strength provides optionality with $330 million to $370 million expected in 2023. Over the past five years, the Marketing segment has delivered, on average, more than $340 million per year, totaling $1.7 billion. This physical business generates margins by leveraging our integrated assets to purchase, upgrade, transport, and sell natural gas liquids products throughout North America. The cash flow generated from this segment is reinvested in our fee-for-service infrastructure businesses, supporting further growth in stable and reliable cash flows.

Proven track record and strategy for long-term value creation. Our basin continues to grow and set new records for both natural gas and crude oil production. LNG Canada and the Trans Mountain Expansion pipeline, will unlock further growth. With KAPS in service, we enter our next chapter as an essential infrastructure service provider with an integral role in enabling basin growth.

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

Dean Setoguchi
President and CEO
Keyera Corp

Notes:

1 Keyera uses certain non-Generally Accepted Accounting Principles ("GAAP") and other financial measures such as EBITDA, adjusted EBITDA, funds from operations, distributable cash flow, distributable cash flow per share, payout ratio, realized margin and return on invested capital. Since these measures are not a standard measure under GAAP, they may not be comparable to similar measures reported by other entities. For a reconciliation of the historical non-GAAP financial measures to the most directly comparable GAAP measure, refer to the section of this news release titled "Non-GAAP and Other Financial Measures".
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 $3 million in non-cash losses from commodity-related risk management contracts ($1 million loss for each of the Marketing, Liquids Infrastructure and Gathering and Processing segments). See the section of this news release titled "Non-GAAP and Other Financial Measures".
4 For the assumptions associated with the realized margin guidance for the Marketing segment, refer to the section titled "Segmented Results of Operations: Marketing" of Management's Discussion and Analysis.
5 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.
6 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.
7 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.
8 Compound annual growth rate ("CAGR") for adjusted EBITDA from the fee-for-service business is a non-GAAP and other financial measure and therefore, may not be comparable to similar measures reported by other entities. For additional information, refer to the section titled "Non-GAAP and Other Financial Measures" of Management's Discussion and Analysis.

First Quarter 2023 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 first quarter of 2023 at 8:00 a.m. Mountain Time (10:00 a.m. Eastern Time) on Tuesday, May 9, 2023. Callers may participate by dialing 888-664-6392 or 416-764-8659. A recording of the conference call will be available for replay until 10:00 PM Mountain Time on May 23, 2023 (12:00 AM Eastern Time on May 24, 2023), by dialing 888-390-0541 or 416-764-8677 and entering passcode 677308.

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.

Additional Information

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

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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.

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 supplemental 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 on these non-GAAP and other financial measures, including reconciliations to the most directly comparable GAAP measures for Keyera's historical non-GAAP financial measures, refer below and to Management's Discussion and Analysis available on SEDAR at www.sedar.com and Keyera's website at www.keyera.com.

Funds from Operations and Distributable Cash Flow ("DCF")

Funds from operations is defined as cash flow from operating activities adjusted for changes in non-cash working capital. This measure is used to assess the level of cash flow generated from operating activities excluding the effect of changes in non-cash working capital, as they are primarily the result of seasonal fluctuations in product inventories or other temporary changes. Funds from operations is also a valuable measure that allows investors to compare Keyera with other infrastructure companies within the oil and gas industry.

Distributable cash flow is defined as cash flow from operating activities adjusted for changes in non-cash working capital, inventory write-downs, maintenance capital expenditures and lease payments, including the periodic costs related to prepaid leases. Distributable cash flow per share is defined as distributable cash flow divided by weighted average number of shares – basic. Distributable cash flow is used to assess the level of cash flow generated from ongoing operations and to evaluate the adequacy of internally generated cash flow to fund dividends.

The following is a reconciliation of funds from operations and distributable cash flow to the most directly comparable GAAP measure, cash flow from operating activities:

Funds from Operations and Distributable Cash Flow *(Thousands of Canadian dollars)*	**For the three months ended March 31,** **2023**	2022
Cash flow from operating activities	**311,489**	457,052
Add (deduct):		
Changes in non-cash working capital	**(64,183)**	(259,479)
Funds from operations	**247,306**	197,573
Maintenance capital	**(8,252)**	(7,236)
Leases	**(11,092)**	(11,248)
Prepaid lease asset	**(595)**	(631)
Distributable cash flow	**227,367**	178,458

Payout Ratio

Payout ratio is calculated as dividends declared to shareholders divided by distributable cash flow. This ratio is used to assess the sustainability of the company's dividend payment program.

Payout Ratio *(Thousands of Canadian dollars, except %)*	For the three months ended March 31, **2023**	 2022
Distributable cash flow[1]	**227,367**	178,458
Dividends declared to shareholders	**109,994**	106,091
Payout ratio	**48%**	59%

1 Non-GAAP measure as defined above.

EBITDA and Adjusted EBITDA

EBITDA is a measure showing earnings before finance costs, taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA before costs associated with non-cash items, including unrealized gains/losses on commodity-related contracts, net foreign currency gains/losses on U.S. debt and other, impairment expenses and any other non-cash items such as gains/losses on the disposal of property, plant and equipment. Management believes that these supplemental measures facilitate the understanding of Keyera's results from operations. In particular, these measures are used as an indication of earnings generated from operations after consideration of administrative and overhead costs.

The following is a reconciliation of EBITDA and adjusted EBITDA to the most directly comparable GAAP measure, net earnings:

EBITDA and Adjusted EBITDA *(Thousands of Canadian dollars)*	For the three months ended March 31, **2023**	 2022
Net earnings	**137,789**	113,794
Add (deduct):		
Finance costs	**41,721**	41,367
Depreciation, depletion and amortization expenses	**72,186**	49,648
Income tax expense	**40,556**	35,693
EBITDA	**292,252**	240,502
Unrealized loss on commodity contracts	**3,018**	10,942
Net foreign currency (gain) loss on U.S. debt and other	**(3,112)**	5,282
Loss on disposal of property, plant and equipment	**—**	477
Adjusted EBITDA	**292,158**	257,203

Realized Margin

Realized margin is defined as operating margin excluding unrealized gains and losses on commodity-related risk management contracts. Management believes that this supplemental measure facilitates the understanding of the financial results for the operating segments in the period without the effect of mark-to-market changes from risk management contracts related to future periods.

The following is a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin:

Operating Margin and Realized Margin

For the three months ended March 31, 2023

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**99,422**	**117,406**	**115,642**	**(34)**	**332,436**
Unrealized loss on risk management contracts	884	1,259	875	—	3,018
Realized margin (loss)	**100,306**	**118,665**	**116,517**	**(34)**	**335,454**

Operating Margin and Realized Margin
For the three months ended March 31, 2022

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**76,569**	**104,872**	**92,249**	**(764)**	**272,926**
Unrealized loss on risk management contracts	118	48	10,776	—	10,942
Realized margin (loss)	**76,687**	**104,920**	**103,025**	**(764)**	**283,868**

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", "commit", "maintain", "future", "strategy" 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, targeted annual adjusted EBITDA growth rate and net debt to adjusted EBITDA ratios;
- future capital expenditures and cash taxes;
- expectations regarding the anticipated benefits from certain projects, including the KAPS pipeline system, the Wapiti, and Pipestone gas plants and the KFS complex, and expected capacity and volumes therefrom;
- Keyera's reliance on key relationships and agreements, including Keyera's partnership with Stonepeak;
- Keyera's future common share dividend;
- Expectations about future demand for Keyera's infrastructure and services;
- Anticipated in-service date of KAPS' natural gas liquids line;
- industry, market and economic conditions, including but not limited to commodity prices, 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 in 2023, its Marketing business will contribute realized margin of between $330 million and $370 million and between the years 2024 and 2025, a "base realized margin" of between $250 million and $280 million annually, on average;
- estimated maintenance and turnaround costs and estimated decommissioning expenses;
- Keyera's financial priorities, including its capital allocation priorities, and ESG initiatives; and
- Potential restrictions or interference with Keyera's operations, as well as expected costs related thereto, caused by the wildfires across Alberta, where certain of Keyera's properties are proximately located, and governmental or regulatory responses thereof.

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 Statements*" in Keyera's MD&A for the year ended December 31, 2022 and for the period ended March 31, 2023 and in Keyera's Annual Information Form for the year ended December 31, 2022, each of which is available on the company's SEDAR profile at www.sedar.com.