News Release

For immediate release
August 10, 2023

Keyera Announces 2023 Second Quarter Results, Increases Marketing Segment Guidance

CALGARY, AB, August 10, 2023 - Keyera Corp. (TSX:KEY) ("Keyera") announced its 2023 second quarter financial results today, the highlights of which are included in this news release. To view Management's Discussion and Analysis (the "MD&A") and financial statements, visit either Keyera's website or its filings on SEDAR+ at www.sedarplus.ca.

"Keyera continues to execute its strategy, delivering yet another strong quarter which was supported by the strength of all three business segments. This consistent performance enables us to return to our long history of sustainable dividend growth," said Dean Setoguchi, President and CEO. "In addition, KAPS has now fully integrated our value chain, making us more competitive, enhancing our ability to attract volumes and maximizing value for all stakeholders."

Highlights

- **Strong Quarterly Results** – Net earnings were $159 million (Q2 2022 – $173 million), adjusted earnings before interest, taxes, depreciation, and amortization[1] ("adjusted EBITDA") were $293 million (Q2 2022 – $316 million), and distributable cash flow[1] ("DCF") was $207 million (Q2 2022 – $209 million). Quarterly results were driven by record contribution from the Liquids Infrastructure segment and third highest ever contribution from the Marketing segment.
- **Return to Sustainable Dividend Growth** – As announced yesterday, Keyera's Board approved a 4.2% increase in the quarterly dividend. The 2023 third quarter dividend will be $0.50 per common share and will be payable on September 29, 2023. Dividend growth is supported by growth in stable long-term cash flows from Keyera's fee-for-service business.
- **KAPS Fully In-Service** – The natural gas liquids line which is the second of two pipelines within the KAPS pipeline system, is now in service, having shipped its first volumes in June.
- **Marketing Segment Guidance Increased** – Keyera now expects full year 2023 realized margin[1,3] for the Marketing segment to range between $380 million and $410 million[4] (previously $330 million to $370 million). The increase takes into account strong year-to-date realized margin[1,3] (1H 2023 – $251 million), current hedges in place and assumes current forward commodity pricing for unhedged volumes for the remainder of the year.
- **Solid Performance from Fee-For-Service Segments** – The Gathering and Processing ("G&P") segment delivered realized margin[1,3] of $84 million (Q2 2022 – $88 million). This contribution reflects a $13 million impact from the Alberta wildfires. The Liquids Infrastructure segment delivered another quarterly record with realized margin[1,3] of $119 million (Q2 2022 – $98 million), representing year-over-year growth of 22%. This growth is driven by initial contributions from the KAPS pipeline system, strong incremental demand for storage and the acquisition of an additional 21% working interest in Keyera's Fort Saskatchewan complex last year.
- **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.

2023 Capital and Cash Tax Guidance

- Keyera reaffirms growth capital expenditures to range between $200 million and $240 million.
- Maintenance capital expenditures are now expected to range between $95 million and $105 million versus the previous range of $75 million to $85 million. About half of the increase is due to the completion of work that was prepaid. The remainder is due to additional maintenance costs at the Pipestone Gas Plant which are expected to be recovered through increased future realized margin.
- Reaffirming cash tax expense is expected to be $nil.

Maintenance Schedule

Upcoming Planned Turnarounds and Outages		
Rimbey Gas Plant turnaround	3 weeks	Completed Q2
Keyera Fort Saskatchewan Fractionation Unit 2 outage	1 week	Completed Q2
Keyera Fort Saskatchewan Fractionation Unit 1 turnaround	2 weeks	Q3/23
Pipestone Gas Plant turnaround	2 weeks	Q3/23
Wapiti Gas Plant outage	10 days	Q4/23

Summary of Key Measures *(Thousands of Canadian dollars, except where noted)*	Three months ended June 30, **2023**	2022	Six months ended June 30, **2023**	2022
Net earnings	**158,939**	173,006	**296,728**	286,800
Per share ($/share) – basic	**0.69**	0.78	**1.29**	1.30
Cash flow from operating activities	**235,836**	198,763	**547,325**	655,815
Funds from operations[1]	**251,840**	246,290	**499,146**	443,863
Distributable cash flow[1]	**207,357**	208,553	**434,724**	387,011
Per share ($/share)[1]	**0.90**	0.94	**1.90**	1.75
Dividends declared	**109,993**	106,091	**219,987**	212,182
Per share ($/share)	**0.48**	0.48	**0.96**	0.96
Payout ratio %[1]	**53%**	51%	**51%**	55%
Adjusted EBITDA[1]	**292,812**	315,931	**584,970**	573,134
Operating margin	**370,813**	358,262	**703,249**	631,188
Realized margin[1,3]	**337,727**	347,900	**673,181**	631,768
Gathering and Processing				
Operating margin	**87,207**	88,686	**186,629**	165,255
Realized margin[1,3]	**84,430**	88,182	**184,736**	164,869
Gross processing throughput[5] (MMcf/d)	**1,456**	1,529	**1,574**	1,521
Net processing throughput[5] (MMcf/d)	**1,244**	1,300	**1,345**	1,305
Liquids Infrastructure				
Operating margin	**117,305**	99,472	**234,711**	204,344
Realized margin[1,3]	**119,228**	97,825	**237,893**	202,745
Gross processing throughput[6] (Mbbl/d)	**173**	180	**183**	183
Net processing throughput[6] (Mbbl/d)	**94**	80	**96**	85
AEF iso-octane production volumes (Mbbl/d)	**14**	15	**14**	14
Marketing				
Operating margin	**166,371**	170,196	**282,013**	262,445
Realized margin[1,3]	**134,139**	161,985	**250,656**	265,010
Inventory value	**182,547**	330,517	**182,547**	330,517
Sales volumes (Bbl/d)	**161,300**	164,600	**183,600**	179,600
Acquisitions	**—**	—	**366,537**	—
Growth capital expenditures	**52,349**	182,455	**133,081**	426,024
Maintenance capital expenditures	**32,783**	26,906	**41,035**	34,142
Total capital expenditures	**85,132**	209,361	**540,653**	460,166
Weighted average number of shares outstanding – basic and diluted	**229,153**	221,023	**229,153**	221,023

As at June 30,	**2023**	2022
Long-term debt[7]	**3,427,515**	3,600,315
Credit facility	**440,000**	—
Working capital surplus *(current assets less current liabilities)*	**(116,283)**	(132,054)
Net debt	**3,751,232**	3,468,261
Common shares outstanding – end of period	**229,153**	221,023

CEO's Message to Shareholders

Our strategy continues to deliver. Keyera has strategically positioned its assets to benefit from volume growth in key areas of the Western Canada basin. Over the last five years, we have invested significantly to create a G&P footprint in the growing Montney and Duvernay fairway and integrate these assets to our core liquids infrastructure in Edmonton and Fort Saskatchewan via KAPS. These investments continue to deliver volume and cash flow growth. We've seen continued strong growth in our Gathering and Processing volumes and the Liquids Infrastructure segment delivered over 20% realized margin growth this quarter compared to the same period a year ago, setting a new realized margin record for the segment.

Returning to dividend growth. We are pleased to return to Keyera's long history of sustainable dividend growth with the Board approval of a 4.2% increase in the quarterly dividend. Dividend growth is supported by the continued growth of Keyera's fee-for-service business.

KAPS is fully in-service. KAPS integrates our value chain, makes us more competitive and enhances our ability to attract new volumes. Our platform offers customers a much-needed competitive alternative from wellhead to end market.

Cash flow inflection point and capital allocation priorities. The major strategic growth investments of the last five years are now complete and are contributing to cash flow growth. Going forward, our annual growth capital program is expected to be lower, which means we will have more discretionary cash flow. Our capital allocation priorities are unchanged. They are first to ensure financial strength, and then to balance between increasing shareholder returns and disciplined capital investment. In keeping with these priorities, our debt leverage metrics are firmly within our targeted range, and we've now increased the dividend.

Disciplined capital investment. Our 2022 to 2025 target of 6-7% annual adjusted EBITDA growth from our fee-for-service business is on track, mostly driven by previously invested capital. This includes the continued filling of available capacity in our G&P segment, the acquisition of an additional 21% interest in KFS, the expansion of the Pipestone Gas Plant and the ramp-up of KAPS.

Inventory of future investment opportunities. Our future growth investments will focus on projects that leverage and enhance our existing core asset position in Western Canada. These opportunities include a capital efficient de-bottleneck of existing fractionation capacity, a new fractionation expansion and the potential for a KAPS Zone 4 expansion. Any decision to proceed on incremental investments will need to be underpinned by long-term contracts and strong returns.

Strong outlook for future growth. Canada's energy resources are essential in meeting the world's growing energy demand. 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 are expected to unlock further growth. As an essential infrastructure service provider, Keyera will continue to play an integral role in enabling basin growth.

On behalf of Keyera's board of directors and management team I want to thank our teams, customers, shareholders, Indigenous rights holders, neighboring communities, 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. Where applicable, refer to the section of this news release titled "Non-GAAP and Other Financial Measures" for a reconciliation of the historical non-GAAP financial measures to the most directly comparable GAAP measure.

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 unrealized gains and losses from commodity-related risk management contracts. For the three and six months ended June 30, 2023, $33 million and $30 million of non-cash gains associated with the commodity-related contracts have been excluded in the calculation of realized margin (Marketing – unrealized gains of $32 million and $31 million, Gathering and Processing – unrealized gains of $3 million and $2 million, and Liquids Infrastructure – unrealized losses of $2 million and $3 million). 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.

Second 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 second quarter of 2023 at 8:00 a.m. Mountain Time (10:00 a.m. Eastern Time) on Thursday, August 10, 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 August 23, 2023 (12:00 AM Eastern Time on August 24, 2023), by dialing 888-390-0541 or 416-764-8677 and entering passcode 520970.

To join the conference call without operator assistance, you may register and enter your phone number here to receive an instant automated call back. This link will be active on Thursday, August 10, 2023, at 7:00 AM Mountain Time (9:00 AM Eastern Time).

A live webcast of the conference call can be accessed here or through Keyera's website at http://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.sedarplus.ca 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	**For the three months ended June 30,**		**For the six months ended June 30,**	
(Thousands of Canadian dollars)	**2023**	2022	**2023**	2022
Cash flow from operating activities	**235,836**	198,763	**547,325**	655,815
Add (deduct):				
Changes in non-cash working capital	**16,004**	47,527	**(48,179)**	(211,952)
Funds from operations	**251,840**	246,290	**499,146**	443,863
Maintenance capital	**(32,783)**	(26,906)	**(41,035)**	(34,142)
Leases	**(11,105)**	(10,213)	**(22,197)**	(21,461)
Prepaid lease asset	**(595)**	(618)	**(1,190)**	(1,249)
Distributable cash flow	**207,357**	208,553	**434,724**	387,011

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 June 30, **2023**	2022	For the six months ended June 30, **2023**	2022
Distributable cash flow[1]	**207,357**	208,553	**434,724**	387,011
Dividends declared to shareholders	**109,993**	106,091	**219,987**	212,182
Payout ratio	**53%**	51%	**51%**	55%

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 June 30, **2023**	2022	For the six months ended June 30, **2023**	2022
Net earnings	**158,939**	173,006	**296,728**	286,800
Add (deduct):				
Finance costs	**47,146**	42,008	**88,867**	83,375
Depreciation, depletion and amortization expenses	**76,212**	54,341	**148,398**	103,989
Income tax expense	**47,053**	52,952	**87,609**	88,645
EBITDA	**329,350**	322,307	**621,602**	562,809
Unrealized (gain) loss on commodity contracts	**(33,086)**	(10,362)	**(30,068)**	580
Net foreign currency (gain) loss on U.S. debt and other	**(3,452)**	3,986	**(6,564)**	9,268
Loss on disposal of property, plant and equipment	**—**	—	**—**	477
Adjusted EBITDA	**292,812**	315,931	**584,970**	573,134

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 June 30, 2023

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**87,207**	**117,305**	**166,371**	**(70)**	**370,813**
Unrealized (gain) loss on risk management contracts	(2,777)	1,923	(32,232)	—	(33,086)
Realized margin (loss)	**84,430**	**119,228**	**134,139**	**(70)**	**337,727**

Operating Margin and Realized Margin

For the three months ended June 30, 2022

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**88,686**	**99,472**	**170,196**	**(92)**	**358,262**
Unrealized gain on risk management contracts	(504)	(1,647)	(8,211)	—	(10,362)
Realized margin (loss)	**88,182**	**97,825**	**161,985**	**(92)**	**347,900**

Operating Margin and Realized Margin

For the six months ended June 30, 2023

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**186,629**	**234,711**	**282,013**	**(104)**	**703,249**
Unrealized (gain) loss on risk management contracts	(1,893)	3,182	(31,357)	—	(30,068)
Realized margin (loss)	**184,736**	**237,893**	**250,656**	**(104)**	**673,181**

Operating Margin and Realized Margin

For the six months ended June 30, 2022

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**165,255**	**204,344**	**262,445**	**(856)**	**631,188**
Unrealized (gain) loss on risk management contracts	(386)	(1,599)	2,565	—	580
Realized margin (loss)	**164,869**	**202,745**	**265,010**	**(856)**	**631,768**

Compound Annual Growth Rate ("CAGR") for Adjusted EBITDA from the Fee-for-Service Business

CAGR for adjusted EBITDA from the fee-for-service business (also referred to as the "annual adjusted EBITDA growth rate from the fee-for-service business") is intended to provide information on a forward-looking basis. This calculation utilizes beginning and end of period adjusted EBITDA, which includes the following components and assumptions: (i) forecasted realized margin for the Gathering and Processing, and Liquids infrastructure segments, (ii) realized margin for the Marketing segment, which is held at a value within the current expected base realized margin of between $250 million and $280 million, and (iii) adjustments for total forecasted general and administrative, and long-term incentive plan expenses. By holding contribution from the Marketing segment flat within the base realized margin range, this forward-looking CAGR calculation represents the expected earnings growth attributable to the fee-for-service business. Margin and EBITDA growth reinforces Keyera's ability to sustainably return capital to shareholders over the long term.

From 2022 to 2025, the CAGR for adjusted EBITDA from the fee-for-service business is expected to be within the range of 6% to 7%. For additional information, refer to the section titled "Non-GAAP and Other Financial Measures" of Management's Discussion and Analysis.

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 Pipestone gas plant and the Pipestone gas plant expansion, and the KFS complex, and expected capacity and volumes therefrom;
- expectations regarding the anticipated benefits from future project opportunities including the KAPS Zone 4 expansion, KFS fractionation de-bottleneck and KFS fractionation expansion;
- Keyera's reliance on key relationships and agreements;
- Keyera's future common share dividend;
- expectations about future demand for Keyera's infrastructure and services;
- 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 $380 million and $410 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 June 30, 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.sedarplus.ca.