News Release

For immediate release
November 8, 2023

Keyera Announces 2023 Third Quarter Results, Increases Marketing Segment Guidance

CALGARY, AB, November 8, 2023 - Keyera Corp. (TSX:KEY) ("Keyera") announced its 2023 third 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.

"We continue to deliver on our strategy, leveraging the strength of our integrated value chain to create value for customers and generate strong returns for shareholders," said Dean Setoguchi, President and CEO. "We continue to grow our fee-for-service business segments which is improving the quality of our cash flow. KAPS has fully integrated our value chain making us stronger and more competitive, by increasing our ability to attract volumes and maximize value for all stakeholders."

Highlights

- **Strong Quarterly Results** – Net earnings were $78 million (Q3 2022 – $123 million), adjusted earnings before interest, taxes, depreciation, and amortization[1] ("adjusted EBITDA") were $288 million (Q3 2022 – $247 million), and distributable cash flow[1] ("DCF") was $186 million (Q3 2022 – $162 million). Quarterly results were driven by record contributions from the Liquids Infrastructure segment and continued strong performance from Gathering and Processing ("G&P") and Marketing.
- **Solid Performance from Fee-For-Service Segments** – The G&P segment delivered realized margin[1,3] of $94 million (Q3 2022 – $89 million). This contribution reflects strong volumes and includes a $3 million impact from the Alberta wildfires. The Liquids Infrastructure segment delivered another quarterly record with realized margin[1,3] of $128 million (Q3 2022 – $101 million). Results were driven by contributions from the KAPS pipeline system and Keyera's Fort Saskatchewan ("KFS") complex.
- **Pipestone Expansion ahead of Schedule** – The Pipestone expansion is now expected to be operational by the end of 2023, adding 40 million cubic feet per day ("MMcf/d") of capacity increasing overall capacity from 220 MMcf/d to 260 MMcf/d. The project, supported by long-term take-or-pay agreements, is on track to be completed at the lower end of the original cost estimate range of $60 million to $70 million.
- **2023 Marketing Guidance Increased** – With continued strong performance from AEF, Keyera now expects full year 2023 realized margin[1,3] for the Marketing segment to range between $420 million and $450 million[4] (previously $380 million to $410 million). The increase reflects strong year-to-date realized margin[1,3] (YTD 2023 – $350 million), current hedges in place and assumes current forward commodity pricing for unhedged volumes for the remainder of the year.
- **Stronger Financial Position with Credit Upgrade** – Reflecting the company's improved quality of cash flows and strong business outlook, Keyera received a credit upgrade to BBB stable from S&P in September. The company continues to maintain its strong financial position with net debt to adjusted EBITDA[2] at 2.5 times, well within the target range of 2.5 to 3.0 times.

2023 Capital and Cash Tax Guidance

- Keyera now expects growth capital expenditures to range between $200 million and $220 million, previously $200 million to $240 million. The decrease is mostly due to the Pipestone expansion project coming in at the low end of its budgeted cost estimate.
- Keyera reaffirms maintenance capital expenditures to range between $95 million to $105 million.
- Reaffirming cash tax expense is expected to be $nil.

2024 Guidance Update

- Keyera will be providing 2024 guidance along with a general business update in December 2023.

Maintenance Schedule

2023 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	Completed Q3
Pipestone Gas Plant turnaround	3 weeks	Completed Q3
Wapiti Gas Plant outage	10 days	Completed Q4

Summary of Key Measures

(Thousands of Canadian dollars, except where noted)

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Net earnings	**78,112**	123,389	**374,840**	410,189
Per share ($/share) – basic	**0.34**	0.56	**1.64**	1.86
Cash flow from operating activities	**197,422**	135,104	**744,747**	790,919
Funds from operations[1]	**237,704**	218,135	**736,850**	661,998
Distributable cash flow[1]	**186,335**	162,340	**621,059**	549,351
Per share ($/share)[1]	**0.81**	0.73	**2.71**	2.49
Dividends declared	**114,577**	106,091	**334,564**	318,273
Per share ($/share)	**0.50**	0.48	**1.46**	1.44
Payout ratio %[1]	**61%**	65%	**54%**	58%
Adjusted EBITDA[1]	**287,560**	246,849	**872,530**	819,983
Operating margin	**283,903**	316,784	**987,152**	947,972
Realized margin[1,3]	**321,519**	274,088	**994,700**	905,856
Gathering and Processing				
Operating margin	**90,950**	89,628	**277,579**	254,883
Realized margin[1,3]	**93,811**	89,066	**278,547**	253,935
Gross processing throughput[5] (MMcf/d)	**1,580**	1,604	**1,576**	1,549
Net processing throughput[5] (MMcf/d)	**1,349**	1,378	**1,346**	1,330
Liquids Infrastructure				
Operating margin	**123,623**	102,993	**358,334**	307,337
Realized margin[1,3]	**128,051**	101,414	**365,944**	304,159
Gross processing throughput[6] (Mbbl/d)	**168**	167	**178**	178
Net processing throughput[6] (Mbbl/d)	**98**	79	**97**	83
AEF iso-octane production volumes (Mbbl/d)	**14**	11	**14**	13
Marketing				
Operating margin	**69,387**	124,235	**351,400**	386,680
Realized margin[1,3]	**99,714**	83,680	**350,370**	348,690
Inventory value	**268,801**	379,102	**268,801**	379,102
Sales volumes (Bbl/d)	**167,600**	158,800	**178,200**	172,600
Acquisitions	**—**	—	**366,537**	—
Growth capital expenditures	**48,975**	193,879	**182,056**	619,903
Maintenance capital expenditures	**38,717**	34,374	**79,752**	68,516
Total capital expenditures	**87,692**	228,253	**628,345**	688,419
Weighted average number of shares outstanding – basic and diluted	**229,153**	221,023	**229,153**	221,023

As at September 30,	2023	2022
Long-term debt[7]	**3,434,190**	3,628,360
Credit facility	**490,000**	30,000
Working capital surplus *(current assets less current liabilities)*	**(129,203)**	(48,665)
Net debt	**3,794,987**	3,609,695
Common shares outstanding – end of period	**229,153**	221,023

CEO’s Message to Shareholders

Strategy driving success across business segments. With strategically positioned assets and a fully integrated value chain, Keyera continues to deliver strong results across all three business segments. Notably, assets such as Wapiti, Pipestone, KAPS, KFS and our condensate system are performing well. Volumes continue to trend upward in our Gathering & Processing and Liquids Infrastructure segments driving fee-for-service cash flow growth and providing opportunities in the Marketing segment to deliver more products throughout North America.

KAPS continues to deliver. We’ve seen KAPS outperform our expectations in the quarter with customers delivering higher than forecasted volumes as the pipeline continues to ramp-up. Our fully integrated platform now offers customers a much-needed competitive alternative from wellhead to end market, allowing Keyera to better compete for volumes and attract full value chain returns.

Improving cash flow quality with fee-for-service growth. At our March 2022 investor day, we said part of our strategy is to improve the quality of cash flows. Since the first quarter of 2022, realized margin from our fee-for-service business has grown more than 20% driven by growth from Wapiti, Pipestone, KAPS and KFS. Reflecting the company’s improved cash flow stability and strong business outlook, S&P recently upgraded Keyera’s corporate credit rating to BBB stable, our target rating.

Marketing continues to outperform. We are on track for a record year for realized margins from our Marketing business. This result comes from our ability to leverage our physical assets and logistics expertise to deliver products throughout North America. This distinct integrated advantage continues to produce strong cash flows that drive above average corporate returns. Marketing cash flows are reinvested into long life infrastructure projects such as KAPS and the Pipestone expansion, in turn driving growth in higher quality fee-for-service cash flows.

Clear capital allocation priorities. With successful strategic investments and strong business performance, Keyera is now delivering higher levels of discretionary cash flow. Last quarter we took an important step, returning to our long-history of sustainable dividend growth, supported by the strength of our fee-for-service business. Our capital allocation priorities remain grounded in Keyera’s long history of prudent financial management. Our first priority is to maintain a strong balance sheet. From there, it will be a balance between disciplined growth capital investments that further enhance our integrated value chain in Western Canada and increasing returns to shareholders.

Continued strong outlook. Keyera is well positioned for the long-term, with strategically integrated assets that stand to benefit from decades of volume growth in Western Canada. The basin continues to set new production records and Canada remains a preferred supplier of energy to the world. With LNG Canada and the Trans Mountain Pipeline Expansion project on the horizon, Keyera will continue to play an integral role in enabling this 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 nine months ended September 30, 2023, $38 million and $8 million of non-cash losses associated with the commodity-related contracts have been excluded in the calculation of realized margin (Marketing – unrealized loss of $30 million and unrealized gain of $1 million, Gathering and Processing – unrealized losses of $3 million and $1 million, and Liquids Infrastructure – unrealized losses of $4 million and $8 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.

Third 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 third quarter of 2023 at 8:00 a.m. Mountain Time (10:00 a.m. Eastern Time) on Wednesday, November 8, 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 November 21, 2023 (12:00 AM Eastern Time on November 22, 2023), by dialing 888-390-0541 or 416-764-8677 and entering passcode 552456.

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 Wednesday, November 8, 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:

Dan Cuthbertson, Director, Investor Relations
Calvin Locke, Manager, Investor Relations
Rahul Pandey, Senior Advisor, Investor Relations
Email: ir@keyera.com
Telephone: 403.205.7670
Toll free: 888.699.4853

For media inquiries, please contact:

Kirsten Bell, Director, Stakeholder Communications
Email: media@keyera.com
Telephone: 587.496.8092

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	**Three months ended September 30,**		**Nine months ended September 30,**	
(Thousands of Canadian dollars)	**2023**	2022	**2023**	2022
Cash flow from operating activities	**197,422**	135,104	**744,747**	790,919
Add (deduct):				
Changes in non-cash working capital	**40,282**	83,031	**(7,897)**	(128,921)
Funds from operations	**237,704**	218,135	**736,850**	661,998
Maintenance capital	**(38,717)**	(34,374)	**(79,752)**	(68,516)
Leases	**(12,057)**	(11,230)	**(34,254)**	(32,691)
Prepaid lease asset	**(595)**	(596)	**(1,785)**	(1,845)
Inventory write-down	—	(9,595)	—	(9,595)
Distributable cash flow	**186,335**	162,340	**621,059**	549,351

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 %)*	Three months ended September 30, **2023**	 2022	Nine months ended September 30, **2023**	 2022
Distributable cash flow[1]	**186,335**	162,340	**621,059**	549,351
Dividends declared to shareholders	**114,577**	106,091	**334,564**	318,273
Payout ratio	**61%**	65%	**54%**	58%

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)*	Three months ended September 30, **2023**	 2022	Nine months ended September 30, **2023**	 2022
Net earnings	**78,112**	123,389	**374,840**	410,189
Add (deduct):				
Finance costs	**57,982**	40,892	**146,849**	124,267
Depreciation, depletion and amortization expenses	**84,548**	68,645	**232,946**	172,634
Income tax expense	**24,677**	39,571	**112,286**	128,216
EBITDA	**245,319**	272,497	**866,921**	835,306
Unrealized loss (gain) on commodity contracts	**37,616**	(42,696)	**7,548**	(42,116)
Net foreign currency loss (gain) on U.S. debt and other	**1,284**	17,048	**(5,280)**	26,316
Impairment expense	**3,341**	—	**3,341**	—
Loss on disposal of property, plant and equipment	**—**	—	**—**	477
Adjusted EBITDA	**287,560**	246,849	**872,530**	819,983

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

Three months ended September 30, 2023

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**90,950**	**123,623**	**69,387**	**(57)**	**283,903**
Unrealized loss on risk management contracts	2,861	4,428	30,327	—	37,616
Realized margin (loss)	**93,811**	**128,051**	**99,714**	**(57)**	**321,519**

Operating Margin and Realized Margin

Three months ended September 30, 2022

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**89,628**	**102,993**	**124,235**	**(72)**	**316,784**
Unrealized gain on risk management contracts	(562)	(1,579)	(40,555)	—	(42,696)
Realized margin (loss)	**89,066**	**101,414**	**83,680**	**(72)**	**274,088**

Operating Margin and Realized Margin

Nine months ended September 30, 2023

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**277,579**	**358,334**	**351,400**	**(161)**	**987,152**
Unrealized loss (gain) on risk management contracts	968	7,610	(1,030)	—	7,548
Realized margin (loss)	**278,547**	**365,944**	**350,370**	**(161)**	**994,700**

Operating Margin and Realized Margin

Nine months ended September 30, 2022

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin (loss)	**254,883**	**307,337**	**386,680**	**(928)**	**947,972**
Unrealized gain on risk management contracts	(948)	(3,178)	(37,990)	—	(42,116)
Realized margin (loss)	**253,935**	**304,159**	**348,690**	**(928)**	**905,856**

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 and the Pipestone gas plant and the Pipestone gas plant expansion and expected capacity and volumes therefrom;
- expectations regarding the anticipated benefits from future project opportunities;
- 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 $420 million and $450 million and between the years 2024 and 2025, a "base realized margin" of between $250 million and $280 million annually, on average;
- the duration and impact of planned turnarounds and outages;
- Keyera's ability to maintain credit ratings;
- estimated maintenance and turnaround costs and estimated decommissioning expenses;
- Keyera's financial priorities, including its capital allocation priorities, and ESG initiatives; and
- costs related to the Alberta wildfires, where certain of Keyera's properties are proximately located.

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 September 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.