News Release

For immediate release
December 12, 2023

Keyera Provides Business Update and 2024 Guidance

CALGARY, AB, December 12, 2023 - Keyera Corp. (TSX:KEY) ("Keyera") is pleased to provide a general business update and 2024 guidance.

"Keyera continues to leverage the strength of its integrated value chain, maximizing value for customers and generating strong returns for shareholders," said Dean Setoguchi, President and CEO. "The fundamentals for natural gas liquids volume growth in the Western Canada Sedimentary Basin remain strong and the recent investments we have made position Keyera to benefit for many years to come, as an essential enabler of this growth. As we look to 2024, we will experience continued growth from investments made in prior years coupled with lower capital spending. This is anticipated to result in strong free cash flow generation after funding dividends and growth capital."

HIGHLIGHTS

- Strong execution against Keyera's strategy in 2023, on-track for a record year.
- Keyera expects to reach the upper end of its compound annual growth rate (CAGR) target for adjusted EBITDA holding Marketing constant[1] of 6-7% over the 2022 to 2025 timeframe.
- Driving an improvement in the quality of cash flows, realized margin from the fee-for-service business segments[1] has grown by more than 20% since the beginning of 2022.
- Increasing base Marketing realized margin[1] guidance range to $310 million to $350 million (previously $250 million to $280 million).
- 2024 is expected to generate strong free cash flow after funding current dividends and growth capital investments of $80 million to $100 million.

DELIVERING ON THE STRATEGY IN 2023

Keyera continued to deliver against its strategic pillars in 2023 and displayed the strength of its competitive position in the basin. Select accomplishments include:

Demonstrating Financial Discipline

- Maintained financial strength throughout the year with net debt to adjusted EBITDA[1] at 2.5 times as at the third quarter, at the bottom of the company's stated target of 2.5-3.0 times.
- Received a corporate credit rating upgrade from S&P Global to BBB with a Stable outlook.
- Returned to Keyera's long history of sustainable dividend growth with a 4.2% dividend increase for its common shares. This is supported by the growth of high-quality cash flow in its fee-for-service business segments.
- On track to deliver record distributable cash flow (DCF) per share[1] in 2023.

Driving Competitiveness of the Assets

- With KAPS complete, Keyera now has a fully-integrated value chain from the Montney and Duvernay plays to its core infrastructure in Edmonton and Fort Saskatchewan. This has made the company more competitive, enhancing its ability to attract volumes.
- Reached record utilization and volumes at several facilities, positioning Keyera to be on track to deliver record realized margins[1] from all three business segments in 2023.

Strengthening the Integrated Value Chain

- Executed the accretive acquisition of an additional 21% interest in the Keyera Fort Saskatchewan (KFS) complex, thereby increasing the company's stake in a highly strategic core asset at the heart of Keyera's value chain.
- Successfully completed the KAPS pipeline.
- Completed the 40 MMcf/d Pipestone Gas Plant expansion, ahead of schedule and slightly below the budgeted range of $60 million to $70 million.

Ensuring Long-Term Business Sustainability

- Significant improvement in Total Recordable Injury Frequency (TRIF), down to 0.24 at the end of Q3 2023 from 0.62 in 2022.
- 60 indigenous owned or affiliated businesses were contracted for KAPS.
- A 13.5% decrease in GHG intensity over the 2019 to 2022 period. The company remains on track to meet its GHG intensity reduction targets of 25% by 2025 and 50% by 2035.
- Keyera's 2022 ESG Performance Summary is now available at www.keyera.com.

EXPECT TO REACH UPPER END OF GROWTH TARGET

The company expects to reach the upper end of its CAGR target for adjusted EBITDA holding Marketing constant[1] of 6-7% over the 2022 to 2025 period. This is calculated leaving the Marketing realized margin contributions at $310 million (previously $250 million) per year over the same period. This growth has largely been funded in prior years. The key drivers of growth are:

- Filling of available capacity at the Wapiti gas plant
- The start-up of the 40 MMcf/d Pipestone Gas Plant expansion in December of 2023
- The continued ramp-up of KAPS; and
- Re-contracting of available fractionation capacity and other services at KFS, where the company purchased an additional 21% interest earlier this year.

Beyond the 2022-2025 timeframe, additional growth could come from a KAPS Zone 4 expansion and increasing fractionation capacity at KFS. These projects are subject to appropriate customer underpinning and Board sanction.

The company continues to evaluate the potential to pursue its low-carbon hub strategy. This strategy leverages Keyera's existing land, assets, connectivity, and proximity to large industrial players to offer value added low-carbon infrastructure services.

GROWTH IN HIGH QUALITY CASH FLOWS

Realized margin from Keyera's fee-for-service business[1] has grown over 20% since the beginning of 2022, improving the quality of cash flow.

The Gathering & Processing (G&P) business has undergone a significant transformation. In 2017, over 70% of the realized margin[1] in this segment was from the company's South region assets. Since then, the company has built a strong G&P asset footprint in its North region, focused on the Montney and Duvernay plays. It also completed an optimization program in the Southern region aimed at redirecting volumes from less efficient plants toward its most efficient plants, increasing profitability.

Today, over 70% of the realized margin[1] in G&P comes from the North region which has a significantly higher proportion of cash flow being generated from take-or-pay contracts for longer durations with strong counterparties. Additionally, volume growth in the North region is more closely linked to condensate pricing rather than AECO gas pricing. With the North region now fully-integrated to KAPS and Keyera's core infrastructure at Edmonton and KFS, the company has more opportunity to capture liquids and make additional margin across the entire value chain.

In the Liquids Infrastructure segment, contributing to higher quality cash flow is the continued ramp up of KAPS, renewal of fractionation contracts at the KFS complex and the growth in the oilsands which is driving higher demand for Keyera's industry leading condensate system. These growth factors contribute to a higher proportion of take-or-pay cash flows.

INCREASING BASE MARKETING GUIDANCE

The base realized margin[1] guidance for the Marketing segment has been increased to range between $310 million to $350 million (previously $250 million to $280 million). This range indicates management's current view of what is achievable with a high degree of confidence.

There are structural shifts driving the increased estimate, including higher volumes now flowing through Keyera's integrated system and the company's ability to unlock more advantaged pricing markets for iso-octane. The principal assumptions are detailed in the "2024 Guidance and Business Update" presentation found at www.keyera.com.

As has been usual practice, the annual Marketing guidance range will be updated with Keyera's results for the first quarter of 2024 which will be released in May following the conclusion of the next NGL contracting season.

2024 GUIDANCE

Continued growth in adjusted EBITDA[1] has been largely funded in prior years and the company is focused on optimization projects to maximize the value of its existing value chain in Western Canada. As a result, growth capital spending for this year is lower than in prior years, leading to strong free cash flow generation after funding dividends and growth capital in 2024.

2024 Capital Spending

- Growth capital is expected to range between $80 million and $100 million in 2024. This includes about $60 million of sanctioned capital for various optimization projects at Simonette, Wapiti, KAPS and AEF. The remaining $20 million to $40 million is contingent on the potential sanctioning of KAPS Zone 4 and potential fractionation capacity expansions, for the procurement of long-lead items. Progressing with these projects will require appropriate customer underpinning and Board sanction.
- Maintenance capital is expected to range between $90 million and $110 million of which about $20 million is recoverable in 2024 with another $15 million recoverable within the next few years. Go-forward annual run-rate maintenance capital is expected to range between $70 million and $90 million in years without a major AEF turnaround. AEF turnarounds typically occur every four years with the next one scheduled in 2026.

2024 Planned Turnarounds and Outages		
Keyera Fort Saskatchewan Fractionation Unit 1 outage	5 days	Q2 2024
Wapiti Gas Plant turnaround	3 weeks	Q2 2024
Keyera Fort Saskatchewan Fractionation Unit 2 outage	5 days	Q2 2024
Strachan Gas Plant turnaround	2 weeks	Q3 2024
Keyera Fort Saskatchewan Fractionation Unit 1 outage	5 days	Q3 2024

2024 Cash Taxes

- Cash taxes for 2024 are expected to range between $45 million and $55 million. The increase relative to 2023 ($nil) is due to the accelerated usage of tax pools in 2023 due to strong financial performance.

CAPITAL ALLOCATION PRIORITIES

2024 is anticipated to be a year of strong free cash flow generation as the company enters a phase of lower capital spending relative to the past five years. This leaves more cash available to build balance sheet optionality and to increase returns to shareholders.

Financial Framework and Capital Allocation Context

		Target	Near-Term Context
Preserve Financial Strength and Flexibility	Credit Ratings	**BBB**	• Maintain Credit Rating • Remain within targeted leverage range
	Net Debt / Adjusted EBITDA[1]	**2.5x – 3.0x**	• Deploy some excess cash to pay down credit facilities
Invest for Margin Growth and Cash Flow Stability	Corporate ROIC[1]	**>12%**	• Focus on projects that enhance existing NGL value chain in Western Canada
Increasing Cash Returns to Shareholders	Dividend Payout Ratio[1]	**50% - 70%**	• Sustainable dividend growth supported by fee-for-service cash flow growth and DCF[1] growth
	Share Buybacks	**Use Opportunistically**	• Potential for share buybacks, preference given to capital efficient growth investments

Note:

1 Is not a standard measure under GAAP or is an Other Financial Measure as specified under National Instrument 52-112. See section titled "Non-GAAP and Other Financial Measures" and "Forward-Looking Information" of this news release for additional information.

2024 GUIDANCE CONFERENCE CALL AND PRESENTATION DETAILS

Date: December 12, 2023

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

A live webcast of the conference call with accompanying presentation, can be accessed here or through Keyera's website at https://www.keyera.com/investors/events-and-presentations/. Shortly after the call, a webcast archive will be posted on Keyera's website.

The audio-only conference call dial-in number is 888-664-6392 or 416-764-8659. A recording of the conference call will be available for replay and can be accessed by dialing 888-390-0541 or 416-764-8677 and entering passcode 537947.

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 Tuesday, December 12, 2023, at 7:00 AM Mountain Time (9:00 AM Eastern Time).

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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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 to Management's Discussion and Analysis (MD&A) for the three and nine months ended September 30, 2023 and for the year ended December 31, 2022 which are available on SEDAR+ at www.sedarplus.ca and Keyera's website at www.keyera.com. Specifically, the sections of the MD&A titled "Non-GAAP and Other Financial Measures", "Segmented Results of Operations", "EBITDA and Adjusted EBITDA", "Dividends: Funds from Operations, Distributable Cash Flow and Payout Ratio", and "Adjusted Cash Flow from Operating Activities and Return on Invested Capital" include information that has been incorporated by reference for these non-GAAP and other financial measures.

Realized margin from the Marketing segment, realized margin from the Gathering and Processing (G&P) segment, realized margin from the Liquids Infrastructure segment, realized margin from the fee-for-service business segments, adjusted EBITDA, compound annual growth rate (CAGR) for adjusted EBITDA holding Marketing constant, distributable cash flow (DCF), DCF per share, payout ratio, and return on invested capital (ROIC) are all non-GAAP or other financial measures referenced in this news release. The most directly comparable GAAP measure to realized margin from the Marketing, G&P and Liquids Infrastructure segments is operating margin from these same segments, respectively. The most directly comparable GAAP measure to adjusted EBITDA is net earnings. The most directly comparable GAAP measure to DCF is cash flow from operating activities. DCF per share and payout ratio are non-GAAP ratios that use DCF as a component of the ratio. ROIC is only prepared on an annual basis; therefore, refer to the MD&A for the year ended December 31, 2022 for additional details related to this financial measure.

This news release includes certain non-GAAP and other financial measures that include forward-looking information or cannot be incorporated by reference to the MD&A. Refer below for additional information related to these measures.

Realized Margin from the Marketing Segment

The guidance for base realized margin from the Marketing segment (or Marketing realized margin) has been increased to a range of $310 million to $350 million (previously was $250 million to $280 million). The following includes the equivalent historical measures for this financial measure.

Marketing Realized Margin *(Thousands of Canadian dollars)*	**Three months ended September 30,** **2023**	 2022	**Nine months ended September 30,** **2023**	 2022	**Twelve months ended December 31,** 2022
Operating margin – Marketing	**69,387**	124,235	**351,400**	386,680	414,973
Unrealized loss (gain) on risk management contracts	**30,327**	(40,555)	**(1,030)**	(37,990)	(17,552)
Realized margin – Marketing	**99,714**	83,680	**350,370**	348,690	397,421

Realized Margin from the Fee-for-Service Business Segments

Realized margin from the fee-for-service business segments, or fee-for-service realized margin (defined as realized margin from the Gathering and Processing and Liquids Infrastructure segments), is a non-GAAP financial measure that is utilized in this news release; however, is not included in the MD&A.

Fee-for-service realized margin is used to assess the financial performance of Keyera's ongoing operations in its G&P and Liquids Infrastructure segments without the effect of unrealized gains and losses on commodity-related risk management contracts related to future periods. The following is a reconciliation of fee-for-service realized margin to the most directly comparable GAAP measure, operating margin for the G&P and Liquids Infrastructure segments.

Fee-for-Service Realized Margin *(Thousands of Canadian dollars)*	**Three months ended September 30,** **2023**	 2022	**Nine months ended September 30,** **2023**	 2022	**Twelve months ended December 31,** 2022
Operating margin – Fee-for-service	**214,573**	192,621	**635,913**	562,220	761,779
Unrealized loss (gain) on risk management contracts	**7,289**	(2,141)	**8,578**	(4,126)	(9,095)
Realized margin – Fee-for-service	**221,862**	190,480	**644,491**	558,094	752,684

Compound Annual Growth Rate (CAGR) for Adjusted EBITDA holding Marketing constant

(previously disclosed as CAGR for Adjusted EBITDA from the Fee-for-Service Business)

CAGR is calculated as follows:

$$\textbf{CAGR} = \left[\frac{\text{End of the period*}}{\text{Beginning of the period*}}\right]^{\left[\frac{1}{\text{Number of Years}}\right]} -1$$

CAGR for adjusted EBITDA holding Marketing constant 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 G&P and Liquids infrastructure segments, (ii) realized margin for the Marketing segment, which is held at a value within the expected base realized margin between $310 million and $350 million (previously between $250 million and $280 million), and (iii) adjustments for total forecasted general and administrative, and long-term incentive plan expenses. During the fourth quarter of 2024, Keyera revised the label of this metric to "CAGR for Adjusted EBITDA holding Marking constant" (previously disclosed as CAGR for Adjusted EBITDA from the Fee-for-Service Business). The reason for this change is to more accurately reflect the meaning of the metric and the inclusion of Marketing cash flows which are not fee-for-service cash flows. This revision did not impact the composition of the metric.

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, operating and financial results and capital and other expenditures of Keyera (including those forming part of expected 2023 year end results and the 2024 and future years' guidance), future returns from capital projects or corporate return on investment, financial and capital targets and priorities, Keyera's vision, business strategy and plans of management, anticipated growth and proposed activities, 2024 planned turnarounds and outages, future opportunities, expected capacities associated with capital projects, expected sources of and demand for energy, estimated utilization rates, attaining emissions reduction targets, 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 and differences could be material.

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. The principal risks, uncertainties, and other factors affecting Keyera and its business are contained in Keyera's 2022 Year-End Report and in Keyera's Annual Information Form, each dated February 15, 2023, each filed on SEDAR+ at www.sedarplus.ca 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; legislation and regulations and regulatory and other 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, or proceed as expected, 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 and exchange rates; availability of capital at attractive prices; and no changes in legislative, 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 hereof. 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 news release 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.sedarplus.ca.