News Release

For immediate release
May 14, 2024

Keyera Announces 2024 First Quarter Results, Increases Marketing Guidance

CALGARY, AB, May 14, 2024 - Keyera Corp. (TSX:KEY) ("Keyera") announced its 2024 first 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've had a solid start to the year, as the disciplined execution of our strategy continues to drive strong performance across all three of our business segments" said Dean Setoguchi, President and CEO. "Our integrated value chain makes us more competitive, allowing us to fill available capacity and pursue capital efficient growth opportunities. We are well positioned to maximize shareholder value by continuing to compound returns over the long-term."

First Quarter Highlights

- **Financial Results** – Net earnings were $71 million (Q1 2023 – $138 million), adjusted earnings before interest, taxes, depreciation, and amortization[1] ("adjusted EBITDA") were $314 million (Q1 2023 – $292 million), and distributable cash flow[1] ("DCF") was $205 million (Q1 2023 – $227 million). These results include another record contribution from the Liquids Infrastructure segment and continued strong performance from Gathering and Processing ("G&P") and Marketing.
- **Continued Growth from Fee-for-Service Segments** – The Liquids Infrastructure segment delivered record realized margin[1] of $137 million (Q1 2023 – $119 million). The year-over-year increase is attributable to increased contributions from KAPS as contracted volumes continue to ramp up, and strong demand for Keyera's fractionation, storage, and condensate services. The G&P segment delivered realized margin[1] of $104 million (Q1 2023 – $100 million) which includes the first full quarter contribution from the Pipestone gas plant expansion project.
- **Solid Marketing Segment Performance, AEF Back Online** – The Marketing segment delivered $114 million of realized margin[1] (Q1 2023 – $117 million). AEF is now operating at full capacity following the completion of a 6-week planned outage which began in early April.
- **Strong Financial Position** – The company ended the quarter with net debt to adjusted EBITDA[2] at 2.2 times, below the targeted range of 2.5 to 3.0 times. The company remains well positioned to equity self-fund future growth opportunities when they are ready for sanctioning.

Updated 2024 Guidance

- Following the conclusion of the NGL contracting season, 2024 realized margin[1] for the Marketing segment is expected to range between $430 million and $470 million (previous base guidance of $310 million to $350 million) including the impact of the 6-week AEF outage. This outlook reflects lower butane feedstock costs and the continued strength of the iso-octane business as demand for high octane gasoline blending products remains strong.
- Reaffirming growth capital expenditures are expected to range between $80 million and $100 million. This includes $20 million to $40 million of capital that is contingent on sanctioning of KAPS Zone 4 and the continued advancement of fractionation capacity expansion opportunities at KFS.

- Reaffirming maintenance capital expenditures are 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.
- Cash tax expense is now expected to range between $85 million and $95 million (previously $45 million and $55 million). This new range reflects the increase in expected earnings contribution from the Marketing segment.

Maintenance Schedule

2024 Planned Turnarounds and Outages		
Alberta EnviroFuels outage (Complete)	6 weeks	Q2 2024
Keyera Fort Saskatchewan Fractionation Unit 1 outage	5 days	Q2 2024
Keyera Fort Saskatchewan Fractionation Unit 2 outage	7 days	Q2 2024
Keyera Fort Saskatchewan Fractionation Unit 1 outage	7 days	Q3 2024
Strachan Gas Plant turnaround	2 weeks	Q3 2024
Wapiti Gas Plant turnaround	3 weeks	Q3 2024

Summary of Key Measures

(Thousands of Canadian dollars, except where noted)	Three months ended March 31, 2024	2023
Net earnings	**70,914**	137,789
Per share ($/share) – basic	**0.31**	0.60
Cash flow from operating activities	**398,040**	311,489
Funds from operations[1]	**231,725**	247,306
Distributable cash flow[1]	**205,338**	227,367
Per share ($/share)[1]	**0.90**	0.99
Dividends declared	**114,577**	109,994
Per share ($/share)	**0.50**	0.48
Payout ratio %[1]	**56%**	48%
Adjusted EBITDA[1]	**314,304**	292,158
Operating margin	**283,031**	332,436
Realized margin[1]	**355,415**	335,454
Gathering and Processing		
Operating margin	**103,767**	99,422
Realized margin[1]	**104,329**	100,306
Gross processing throughput[3] (MMcf/d)	**1,534**	1,692
Net processing throughput[3] (MMcf/d)	**1,331**	1,447
Liquids Infrastructure		
Operating margin	**135,145**	117,406
Realized margin[1]	**136,563**	118,665
Gross processing throughput[4] (Mbbl/d)	**203**	194
Net processing throughput[4] (Mbbl/d)	**118**	98
AEF iso-octane production volumes (Mbbl/d)	**14**	14
Marketing		
Operating margin	**44,056**	115,642
Realized margin[1]	**114,460**	116,517
Inventory value	**239,801**	210,127
Sales volumes (Bbl/d)	**192,400**	206,100
Acquisitions	**—**	366,537
Growth capital expenditures	**19,106**	80,732
Maintenance capital expenditures	**12,891**	8,252
Total capital expenditures	**31,997**	455,521
Weighted average number of shares outstanding – basic and diluted	**229,153**	229,153

As at March 31,	**2024**	2023
Long-term debt[5]	**3,682,294**	3,623,062
Credit facility	**—**	400,000
Working capital surplus *(current assets less current liabilities)*	**(72,882)**	(149,535)
Net debt	**3,609,412**	3,873,527
Common shares outstanding – end of period	**229,153**	229,153

CEO's Message to Shareholders

Carrying positive momentum into 2024. We had an excellent start to the year, leveraging the advantages of our integrated value chain to drive solid performance across all three business segments. Our strategy has focused on maintaining financial discipline while building a stronger and more competitive business. Keyera remains in a position of financial strength, with net debt to adjusted EBITDA at 2.2 times, below our targeted range of 2.5 to 3.0 times. This provides optionality to pursue opportunities that will further strengthen our business and continue to drive shareholder value.

Improving cash flow quality with fee-for-service growth. We remain on track to reach the upper end of our CAGR target for adjusted EBITDA holding Marketing constant of 6-7% from 2022 to 2025. This growth largely comes from strategic investments made in prior years. Our G&P segment delivered strong quarterly results, supported by the first full quarter contribution from the Pipestone gas plant expansion project. More than 70% of G&P realized margin now comes from our North region gas plants, where higher condensate content has strengthened customer economics and made them less sensitive to natural gas pricing. Our Liquids Infrastructure segment delivered another quarterly record for realized margins. This was driven by the continued ramp up of long-term contracted volumes on KAPS and growing demand for our fractionation, storage, and condensate businesses.

Marketing segment is a valuable differentiator. In the last five years, our Marketing segment has delivered more than $1.8 billion in realized margin. Today, we announced an increase to our 2024 Marketing segment guidance, indicating another strong year. Marketing is a natural extension of our value chain which allows us to generate outsized corporate returns relative to peers. This physical business leverages our integrated assets and logistics expertise to deliver products throughout North America. The cash flow generated from this segment is reinvested in our fee-for-service business, supporting further growth in high quality, long-term contracted cash flows.

Reaffirming strong free cash flow outlook and capital allocation priorities. We expect to generate significant free cash flow in 2024. Our capital allocation priorities have not changed and remain grounded in a long history of prudent financial management. Our balance sheet is strong, allowing us to further create value through investing in capital efficient growth opportunities and increasing returns to shareholders.

Platform for further capital efficient investment. KAPS Zone 4 and fractionation expansion opportunities at the Keyera Fort Saskatchewan complex represent capital efficient investment opportunities that can leverage and enhance our existing core asset position in Western Canada. Any decision to proceed on incremental investments will be supported by long-term contracts and strong returns.

Positive Long-term fundamentals. The outlook for basin volume growth is strong. This growth will be supported by the Trans Mountain Pipeline Expansion, LNG Canada, a growing Petrochemical industry and increasing NGL exports from the West Coast. Keyera's strategically located assets 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 employees, customers, shareholders, Indigenous rights holders, 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 compound annual growth rate ("CAGR") for adjusted EBITDA holding Marketing constant. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. For additional information, and where applicable, 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". 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 for the period ended March 31, 2024.

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 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.

4 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.

5 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.

First Quarter 2024 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 2024 at 8:00 a.m. Mountain Time (10:00 a.m. Eastern Time) on Tuesday, May 14, 2024. 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 28, 2024 (12:00 AM Eastern Time on May 29, 2024), by dialing 888-390-0541 or 416-764-8677 and entering passcode 215638.

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, May 14, 2024, 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 *(Thousands of Canadian dollars)*	**For the three months ended March 31,** **2024**	 2023
Cash flow from operating activities	**398,040**	311,489
Add (deduct):		
Changes in non-cash working capital	**(166,315)**	(64,183)
Funds from operations	**231,725**	247,306
Maintenance capital	**(12,891)**	(8,252)
Leases	**(12,901)**	(11,092)
Prepaid lease asset	**(595)**	(595)
Distributable cash flow	**205,338**	227,367

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,** **2024**	 2023
Distributable cash flow[1]	**205,338**	227,367
Dividends declared to shareholders	**114,577**	109,994
Payout ratio	**56%**	48%

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 and losses on commodity-related contracts, net foreign currency gains and losses on U.S. debt and other, impairment expenses and any other non-cash items such as gains and 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,** **2024**	 2023
Net earnings	**70,914**	137,789
Add (deduct):		
Finance costs	**56,484**	41,721
Depreciation, depletion and amortization expenses	**86,549**	72,186
Income tax expense	**21,480**	40,556
EBITDA	**235,427**	292,252
Unrealized loss on commodity contracts	**72,384**	3,018
Net foreign currency loss (gain) on U.S. debt and other	**2,400**	(3,112)
Loss on disposal of property, plant and equipment	**4,093**	—
Adjusted EBITDA	**314,304**	292,158

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 March 31, 2024

(Thousands of Canadian dollars)	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Operating margin	**103,767**	**135,145**	**44,056**	**63**	**283,031**
Unrealized loss on risk management contracts	562	1,418	70,404	—	72,384
Realized margin	**104,329**	**136,563**	**114,460**	**63**	**355,415**

Operating Margin and Realized Margin

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**

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

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

CAGR is calculated as follows:

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

* Utilizes beginning and end of period adjusted EBITDA as defined below.

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 Gathering and Processing 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, and iii) adjustments for total forecasted general and administrative, and long-term incentive plan expenses. During the fourth quarter of 2023, Keyera revised the label of this metric to "CAGR for Adjusted EBITDA holding Marketing constant" (previously disclosed as CAGR for Adjusted EBITDA from the Fee-for-Service Business). This change more accurately reflects 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 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 tax expenses;
- 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 approval and funding of future project opportunities and anticipated benefits from the same;
- Keyera's reliance on key relationships and agreements;

- expectations about future demand for Keyera's infrastructure and services;
- industry, market and economic conditions, including but not limited to commodity prices and basin volume growth, 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 its Marketing business will contribute realized margin between $430 million and $470 million in 2024 and an annual base realized margin of between $310 million and $350 after 2024;
- 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; and
- Keyera's financial priorities, including its capital allocation priorities, and ESG initiatives.

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 three months ended March 31, 2024, the MD&A for the year ended December 31, 2023 and in Keyera's Annual Information Form for the year ended December 31, 2023, each of which is available on Keyera's profile on SEDAR+ at www.sedarplus.ca.