

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") was prepared as of February 13, 2025 and is a review of the results of operations and the liquidity and capital resources of Keyera Corp. and its subsidiaries (collectively "Keyera"). The MD&A should be read in conjunction with the accompanying audited consolidated financial statements ("accompanying financial statements") of Keyera Corp. for the years ended December 31, 2024 and 2023 and the notes thereto. The accompanying financial statements have been prepared in accordance with the IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB"), which are generally accepted accounting principles ("GAAP") in Canada, and are stated in Canadian dollars. Additional information related to Keyera, including its Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on Keyera's website at www.keyera.com.

This MD&A contains non-GAAP and other financial measures and forward-looking statements. Readers are cautioned that the MD&A should be read in conjunction with Keyera's disclosure under "NON-GAAP AND OTHER FINANCIAL MEASURES" and "FORWARD-LOOKING STATEMENTS" included at the end of this MD&A.

Keyera's Business

Keyera operates an integrated Canadian-based energy infrastructure business with extensive interconnected assets and depth of expertise in delivering energy infrastructure solutions. Keyera operates assets in the oil and gas industry between the upstream sector, which includes oil and gas exploration and production, and the downstream sector, which includes the refining and marketing of finished products. Keyera is organized into three highly integrated operating segments:

1. **Gathering and Processing** – Keyera owns and operates raw gas gathering pipelines and processing plants, which collect and process raw natural gas, remove waste products and separate the economic components, primarily natural gas liquids ("NGLs"), before the sales gas is delivered into long-distance pipeline systems for transportation to end-use markets. Keyera also provides condensate handling services through its condensate gathering pipelines and stabilization facilities.
2. **Liquids Infrastructure** – Keyera owns and operates a network of facilities for the gathering, processing, storage and transportation of the by-products of natural gas processing, including NGLs in mix form and specification NGLs such as ethane, propane, butane and condensate. In addition, this segment includes Keyera's iso-octane facilities at Alberta EnviroFuels ("AEF"), its liquids blending facilities, its 50% interest in the crude oil storage facility at the Base Line Terminal, its 50% interest in the South Cheecham Rail and Truck Terminal (which includes sulphur handling, forming and storage) and its 90% interest in the Wildhorse Terminal in Cushing, Oklahoma.
3. **Marketing** – Keyera markets a range of products associated with its two infrastructure business lines, primarily propane, butane, condensate and iso-octane, and also engages in liquids blending.

The Gathering and Processing and Liquids Infrastructure segments provide energy infrastructure solutions to customers on a fee-for-service basis. Keyera also has a Corporate business segment that is not considered a material part of the business.

Overview

Keyera had an outstanding year in 2024 as the company delivered record financial results, advanced growth projects and secured new commercial agreements. Significant achievements this year include the following:

- **Record financial results** including net earnings of \$487 million (2023 – \$424 million), realized margin¹ of \$1.45 billion (2023 – \$1.37 billion) and adjusted earnings before interest, taxes, depreciation and amortization¹ of \$1.28 billion (2023 – \$1.21 billion). Strong distributable cash flow¹ of \$771 million (2023 – \$855 million) or \$3.36 per share (2023 – \$3.73 per share) was also achieved.
- **Record contribution from all three operating segments as follows:**
 - \$413 million in realized margin¹ from the Gathering and Processing segment, a 5% increase over 2023. The increase was mainly due to the absence of Alberta wildfire related downtime and costs that reduced contribution in 2023 as well as higher contribution from the Simonette gas plant. Included in these results was record annual throughput at both the Wapiti and Pipestone gas plants.
 - \$558 million in realized margin¹ from the Liquids Infrastructure segment, a 12% increase over 2023. The outstanding results were mainly attributable to: i) higher storage and fractionation revenues from the KFS complex; ii) incremental margin from the KAPS pipeline system; and iii) higher contracted volumes on Keyera's condensate system.
 - \$485 million in realized margin¹ from the Marketing segment which was slightly higher than the previous record achieved in 2023. The stronger results were primarily due to higher sales volumes related to propane, butane and condensate.
- **Advancement of capital-efficient growth projects**
 - Keyera has formally sanctioned the debottleneck of KFS Fractionation Unit II ("KFS Frac II"), which will add approximately 8,000 barrels per day of capacity at an estimated cost of \$85 million. The project is expected to generate strong returns on a standalone basis and is expected to be in-service date by mid-2026.
 - A 47,000 barrel per day KFS Fractionation Unit III project ("KFS Frac III") continues to receive strong contractual support from customers. A formal sanction decision is expected later this year, and the project is expected to be in service in 2028. Combined, the KFS Frac II debottleneck and the KFS Frac III project will increase Keyera's total fractionation capacity by about 60%.
 - Keyera has completed front-end engineering and design for KAPS Zone 4 and continues to progress toward securing sufficient contractual backing.

¹ Realized margin, earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA, distributable cash flow, and distributable cash flow per share are not standard measures under GAAP, and therefore may not be comparable to similar measures reported by other entities. For additional information, refer to the section titled "Non-GAAP and Other Financial Measures".

2024 Guidance Update

| 2024 Guidance ¹ | 2024 Results | Commentary |
|---|----------------------|--|
| Realized margin ^{1,2} for the Marketing segment of between \$450 million and \$480 million | \$485 million | Guidance target exceeded due to higher sales volumes related to propane, butane and condensate. |
| Growth capital expenditures between \$80 million and \$100 million (excluding capitalized interest) | \$116 million | Higher growth capital expenditures were the result of additional capital spend on optimization work at the Brazeau River gas plant and tie-ins to support new volumes at the Wapiti gas plant. |
| Maintenance capital spending between \$120 million to \$140 million | \$136 million | Within guidance range. |
| Cash tax expense between \$90 million and \$100 million | \$105 million | Guidance target was exceeded due to strong financial performance. |

2025 Guidance:

- This past December, Keyera announced a new **7-8%** growth target for fee-based adjusted EBITDA² over the 2024-2027 period.
- Base Marketing realized margin² guidance remains between **\$310 million to \$350 million**. Consistent with prior years, realized margin² guidance for the Marketing segment will be provided with the first quarter 2025 results in mid-May, after the conclusion of the NGL contracting season.
- Growth capital expenditures are expected to range between **\$300 million and \$330 million**. This includes capital investments to advance the KFS Frac II debottleneck project, KFS Frac III, KAPS Zone 4, enhancements at AEF, and optimization work across the portfolio.
- Maintenance capital expenditures are expected to range between **\$70 million and \$90 million**.
- Cash taxes are expected to range between **\$100 million and \$110 million**.
- AEF will be taken offline for approximately 6 weeks in the spring of 2025 to conduct maintenance activities addressing an unexpected operational issue. These activities are required to ensure continued safe and reliable operations. The outage is expected to reduce 2025 realized margin² for the Marketing segment by approximately \$40 million, with no increase to maintenance capital. The company still expects to be within its stated base Marketing realized margin² guidance of \$310 million to \$350 million for 2025.

Readers are referred to the section of the MD&A titled, "Forward-Looking Statements" for a further discussion of the assumptions and risks that could affect future performance and plans.

¹ As disclosed in the Q2 2024 Report.

² Realized margin and compound annual growth rate ("CAGR") for fee-based adjusted EBITDA are not standard measures under GAAP, and therefore may not be comparable to similar measures reported by other entities. For additional information, refer to the section titled "Non-GAAP and Other Financial Measures". For the assumptions associated with the base realized margin guidance for the Marketing segment, refer to the sections titled "Segmented Results of Operations: Marketing" and "Forward-Looking Statements".

CONSOLIDATED FINANCIAL RESULTS

The following table highlights some of the key consolidated financial results for the years ended December 31, 2024 and 2023:

| <i>(Thousands of Canadian dollars, except per share data)</i> | 2024 | 2023 |
|---|------------------|-----------|
| Net earnings | 486,628 | 424,032 |
| Net earnings per share (basic) | 2.12 | 1.85 |
| Operating margin | 1,385,601 | 1,432,938 |
| Realized margin ¹ | 1,454,867 | 1,369,401 |
| Adjusted EBITDA ² | 1,275,275 | 1,211,774 |
| Cash flow from operating activities | 1,265,788 | 975,486 |
| Funds from operations ³ | 962,438 | 1,027,493 |
| Distributable cash flow ³ | 770,914 | 854,622 |
| Distributable cash flow per share ³ (basic) | 3.36 | 3.73 |
| Dividends declared | 467,473 | 449,141 |
| Dividends declared per share | 2.04 | 1.96 |
| Payout ratio ⁴ | 61% | 53% |

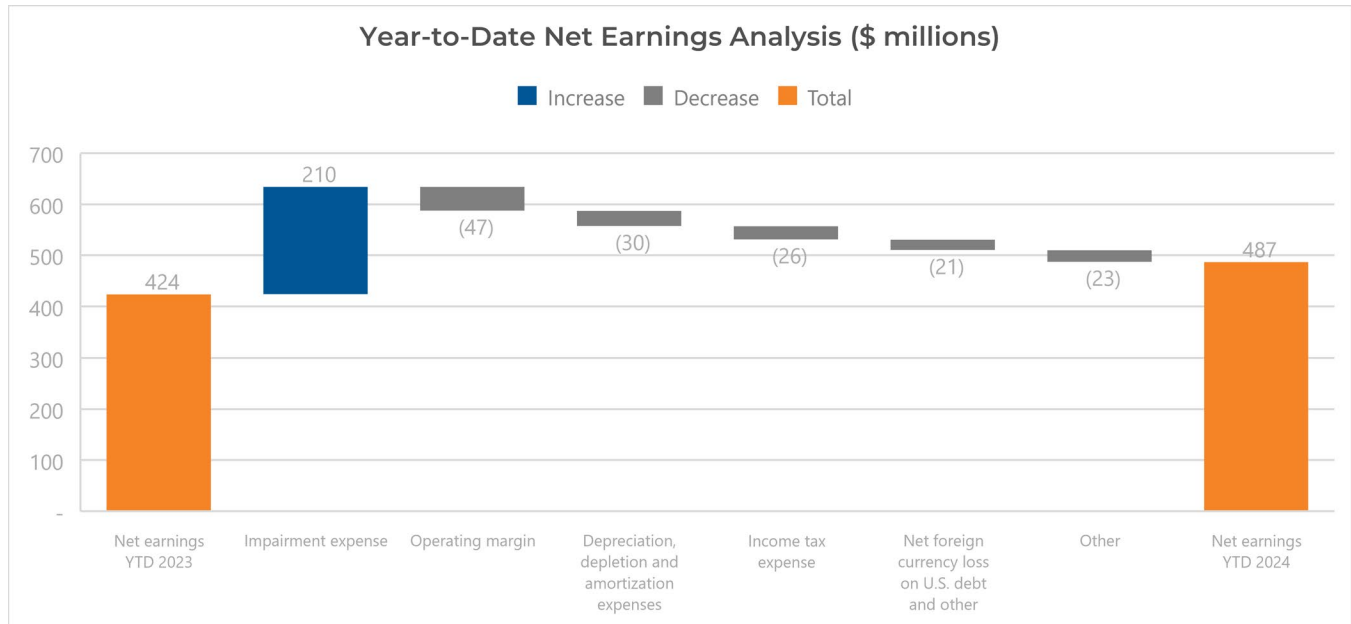
Notes:

Keyera utilizes the following measures which are not standard measures under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled "Non-GAAP and Other Financial Measures".

- 1 Realized margin is defined as operating margin excluding unrealized gains and losses on commodity-related risk management contracts. See the section titled "Segmented Results of Operations" for a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin.
- 2 EBITDA is defined as earnings before finance costs, taxes, depreciation and amortization. Adjusted EBITDA is defined 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. See the section titled "EBITDA and Adjusted EBITDA" for a reconciliation of EBITDA and adjusted EBITDA to the most directly comparable GAAP measure, net earnings.
- 3 Funds from operations is defined as cash flow from operating activities adjusted for changes in non-cash working capital. 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. See the section titled "Dividends: Funds from Operations, Distributable Cash Flow and Payout Ratio" for a reconciliation of funds from operations and distributable cash flow to the most directly comparable GAAP measure, cash flow from operating activities.
- 4 Payout ratio is defined as dividends declared to shareholders divided by distributable cash flow. See the section titled "Dividends: Funds from Operations, Distributable Cash Flow and Payout Ratio".

Net Earnings

For the year ended December 31, 2024, net earnings were \$487 million, \$63 million higher than the prior year due to the factors shown in the table below:

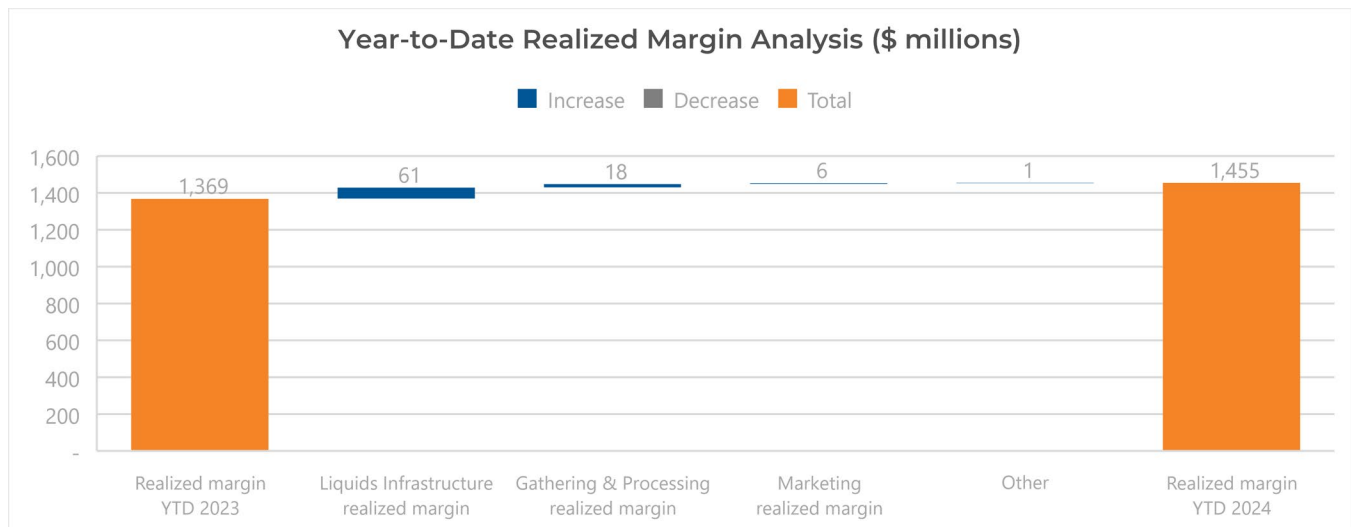


See the section below for more information related to operating margin. For all other charges mentioned above, please see the section of the MD&A titled, “Corporate and Other”.

Operating Margin and Realized Margin

For the year ended December 31, 2024, operating margin was \$1.4 billion, \$47 million lower than the prior year due to a \$69 million unrealized non-cash loss associated with risk management contracts from the Marketing segment compared to a \$75 million gain in the prior year. This decrease was offset by \$85 million in higher realized margin from all operating segments as described in more detail below.

Realized margin¹ (which excludes the effect of unrealized gains and losses from commodity-related risk management contracts) was \$1.5 billion for the year ended December 31, 2024, \$85 million or 6% higher than the prior year and includes the following changes in contribution by segment:



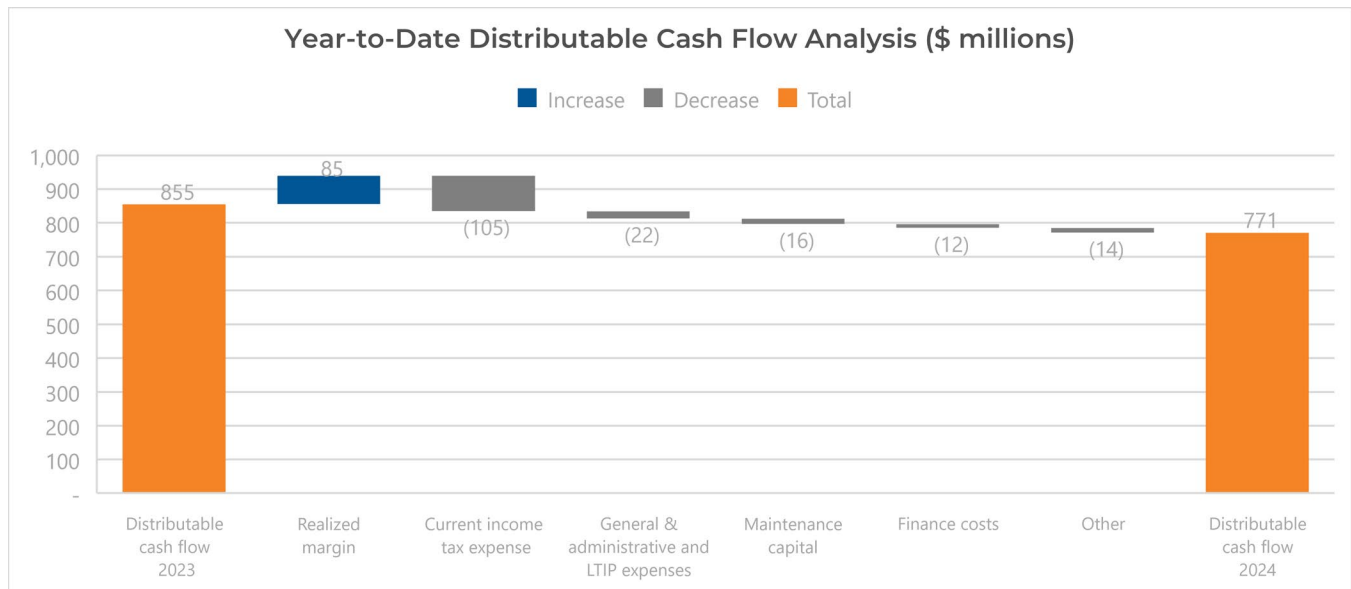
See the section titled “Segmented Results of Operations” for more information on operating results by segment.

¹ Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled “Non-GAAP and Other Financial Measures”. For a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin, see the section titled “Segmented Results of Operations”.

Cash Flow Metrics

Cash flow from operating activities for the year ended December 31, 2024 was \$1.3 billion, \$290 million higher than the prior year primarily due to a lower net cash requirement to fund operating working capital associated with accounts receivable and accounts payable, which are merely timing differences associated with the collection and settlement of these balances, and higher realized margin. These increases were partially offset by higher current income tax expense and a higher cash requirement to fund inventory.

Distributable cash flow¹ in 2024 was \$771 million, \$84 million lower than the prior year due to factors shown in the table below:



For more information related to the charges above, please see the section of this MD&A titled, “Corporate and Other”.

¹ Distributable cash flow is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled “Non-GAAP and Other Financial Measures”. For a reconciliation of distributable cash flow to the most directly comparable GAAP measure, cash flow from operating activities, see the section titled “Dividends: Funds from Operations, Distributable Cash Flow and Payout Ratio”.

SEGMENTED RESULTS OF OPERATIONS

The discussion of the results of operations for each of the operating segments focuses on operating margin and realized margin. Operating margin refers to operating revenues less operating expenses and does not include the elimination of inter-segment transactions. Management believes operating margin provides an accurate portrayal of operating profitability by segment. Keyera's Gathering and Processing and Liquids Infrastructure segments charge Keyera's Marketing segment for the use of facilities at market rates. These segment measures of profitability for the years ended December 31, 2024 and 2023 are reported in note 30, Segment Information, of the accompanying financial statements. A complete description of Keyera's businesses by segment can be found in Keyera's Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.

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. Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the section of this MD&A titled "Non-GAAP and Other Financial Measures".

The following is a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin. For operating margin and realized margin by segment, refer to the Gathering and Processing, Liquids Infrastructure and Marketing sections below.

| Operating Margin and Realized Margin | | |
|---|--------------------|-------------|
| <i>(Thousands of Canadian dollars)</i> | | |
| | 2024 | 2023 |
| Revenue | 7,138,441 | 7,053,126 |
| Operating expenses | (5,752,840) | (5,620,188) |
| Operating margin | 1,385,601 | 1,432,938 |
| Unrealized loss (gain) on risk management contracts | 69,266 | (63,537) |
| Realized margin | 1,454,867 | 1,369,401 |

Gathering and Processing

Keyera currently has interests in 9 active gas plants^{1,2}, all of which are located in Alberta. Keyera operates 7 of the 9 active gas plants. The Gathering and Processing segment includes raw gas gathering systems and processing plants strategically located in the natural gas production areas on the western side of the Western Canada Sedimentary Basin (“WCSB”). Several of the gas plants are interconnected by raw gas gathering pipelines, allowing raw gas to be directed to the gas plant best suited to process the gas. Most of Keyera’s facilities are also equipped with condensate handling capabilities. Keyera’s facilities and gathering systems collectively constitute a network that is well positioned to serve drilling and production activity in the WCSB.

Keyera’s Simonette, Wapiti and Pipestone gas plants are generally referred to as its “Northern” or “North” gas plants due to their geographic location and proximity to one another. Gas plants in the North are generally dedicated to processing gas and handling condensate from the Montney and Duvernay formations. All of Keyera’s other Gathering and Processing plants are located in the Alberta Deep Basin and are generally referred to as Keyera’s “Southern” or “South” gas plants.

Operating margin and realized margin for the Gathering and Processing segment were:

| Operating Margin, Realized Margin and Throughput Information | | |
|---|----------------|-----------|
| <i>(Thousands of Canadian dollars)</i> | | |
| | 2024 | 2023 |
| Revenue ³ | 724,983 | 733,316 |
| Operating expenses ³ | (312,383) | (340,886) |
| Operating margin | 412,600 | 392,430 |
| Unrealized loss on risk management contracts | 118 | 2,100 |
| Realized margin⁴ | 412,718 | 394,530 |
| Gross processing throughput ⁵ – (MMcf/d) | 1,492 | 1,588 |
| Net processing throughput ^{5,6} – (MMcf/d) | 1,324 | 1,358 |

1 Excludes gas plants where Keyera has suspended operations.

2 Keyera disposed of its working interest in the following assets: the non-operated Edson gas plant on March 28, 2024, its 100% working interest in the Pembina North gas plant on May 8, 2024, and its 60% working interest in the Zeta Creek gas plant on November 12, 2024. Processing throughput amounts include volumes processed at these facilities up until their disposition dates.



3 Includes inter-segment transactions.

4 Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the section titled “Non-GAAP and Other Financial Measures”.

5 Includes gas volumes and the conversion of liquids volumes handled through the processing facilities to a gas volume equivalent.

6 Net processing throughput refers to Keyera’s share of raw gas processed at its processing facilities.

Annual Operating Margin and Revenue

| | | |
|--------------------------------|--|--|
| <p>Operating Margin</p> | <p style="text-align: center;">  \$20 million vs 2023 </p> | <p>Increase was primarily due to:</p> <ul style="list-style-type: none"> the absence of Alberta wildfire-related costs and downtime which reduced contribution by \$16 million in 2023; and higher contribution from the Simonette gas plant resulting from higher processing throughput and other ancillary revenues in the second half of 2024. <p>The above factors were partly offset by lower contribution from the Strachan gas plant due to lower processing volumes resulting from natural declines and a scheduled maintenance turnaround in the third quarter.</p> |
| <p>Revenue</p> | <p style="text-align: center;">  \$8 million vs 2023 </p> | <ul style="list-style-type: none"> Decrease in revenue was primarily due to lower operating expenses at the Pipestone gas plant that are largely recovered from customers through higher operating fees. As well, lower ethane sales revenues from the Rimbey gas plant that was primarily based on lower index pricing. The effect on operating margin is minimal as ethane purchases are also based on index pricing and are included in operating expenses. |

Gathering and Processing Activity

The Gathering and Processing segment had a successful year in 2024 as the business posted record financial results with 5% higher realized margin compared to the prior year. These strong financial results were supported by significant contribution from the North region gas plants which account for over 70% of the segment's overall margin.

In the North region, producer activity levels remained high in 2024 due to economics that are largely tied to NGL pricing, condensate in particular. New production volumes from the condensate-rich Montney geological area contributed to record annual gross processing throughput for the North region gas plants, 12% higher than the prior year, despite a four-week maintenance turnaround at the Wapiti gas plant. At the Pipestone gas plant, incremental processing capacity that came online at the end of 2023 was fully utilized in 2024, resulting in record processing volumes at the facility. The Wapiti gas plant exited the year with record throughput volumes and the Simonette gas plant continued to see strong volume growth in the second half of the year. The connection of the North region gas plants to the KAPS pipeline system and Keyera's core infrastructure in Fort Saskatchewan, provides these facilities with a competitive advantage in providing customers integrated gas processing, NGL and condensate services.

In the South region, overall gross processing throughput levels declined 9% compared to 2023. This decrease was primarily due to natural declines across multiple facilities and shut-in volumes at the Brazeau River gas plant during the first half of the year due to low natural gas prices. With weak natural gas prices, producer drilling activity levels in the South region are expected to be lower as several producers have deferred their drilling plans until stronger economics return.

In 2024, maintenance turnaround activities at the Strachan and Wapiti gas plants were completed over three and four-week periods with operations resuming in late September and mid-October, respectively. The total cost of the turnarounds was approximately \$66 million. For 2025, a maintenance turnaround is scheduled for the Cynthia gas plant and the preliminary cost estimate is approximately \$12 million. The costs associated with maintenance turnarounds are capitalized for accounting purposes and do not have an effect on operating expenses in the Gathering and Processing segment. Distributable cash flow is reduced by Keyera's share of the cost of the turnarounds, as these costs are included in its financial results as maintenance capital expenditures.

Liquids Infrastructure

The Liquids Infrastructure segment provides fractionation, storage, transportation, liquids blending and terminalling services for NGLs and crude oil, and produces iso-octane. These services are provided to customers through an extensive network of facilities, including the following assets:

- NGL and condensate pipelines
- Pipeline, rail and truck terminals
- Underground NGL storage caverns
- Liquids blending facilities
- Above ground storage tanks
- the AEF facility
- NGL fractionation and de-ethanization facilities

The AEF facility has production capacity of approximately 14,000 barrels per day of iso-octane. Iso-octane is a low vapour pressure, high-octane gasoline blending component that contains virtually no sulphur, aromatics or benzene, making this product a clean burning gasoline additive. AEF uses butane as the primary feedstock to produce iso-octane. As a result, AEF's business creates positive synergies with Keyera's Marketing business, which purchases, handles, stores and sells large volumes of butane.

Most of Keyera's Liquids Infrastructure assets are located in, or connected to, the Edmonton/Fort Saskatchewan area of Alberta, one of four key NGL hubs in North America. A significant portion of the NGL production from Alberta raw gas processing plants is delivered into the Edmonton/Fort Saskatchewan area via multiple NGL gathering systems and the KAPS pipeline system for fractionation into specification products and delivery to market. Keyera's underground storage caverns at Fort Saskatchewan are used to store NGL mix and specification products. For example, propane can be stored in the summer months to meet winter demand; condensate can be stored to meet the diluent supply needs of the oil sands sector; and butane can be stored to meet blending and iso-octane feedstock requirements.

Keyera operates an industry-leading condensate hub in Western Canada that includes connections to: i) all major condensate receipt points, including the KAPS pipeline system, the Southern Lights pipeline and CRW pool, Fort Saskatchewan area fractionators, the Cochin pipeline and Canadian Diluent Hub; and ii) all major condensate delivery points, including the Polaris and Cold Lake pipelines, the Norlite pipeline, CRW pool, and the Access pipeline system.

Keyera's Liquids Infrastructure assets are closely integrated with its Marketing segment, providing the ability to source, transport, process, store and deliver products across North America. A portion of the revenues earned by this segment relate to services provided to Keyera's Marketing segment. All of the revenues in this segment that are associated with the AEF facility, the Oklahoma Liquids Terminal and Galena Park infrastructure relate to services provided to the Marketing segment.

Operating margin and realized margin for the Liquids Infrastructure segment were:



| Operating Margin and Realized Margin | | |
|--|------------------|-----------|
| <i>(Thousands of Canadian dollars)</i> | | |
| | 2024 | 2023 |
| Revenue ¹ | 879,395 | 768,996 |
| Operating expenses ¹ | (322,374) | (282,529) |
| Operating margin | 557,021 | 486,467 |
| Unrealized loss on risk management contracts | 569 | 9,647 |
| Realized margin² | 557,590 | 496,114 |

Notes:

1 Includes inter-segment transactions.

2 Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the section titled "Non-GAAP and Other Financial Measures".

Annual Operating Margin and Revenue

| | | |
|--------------------------------|---|---|
| <p>Operating Margin</p> | <p style="text-align: center;">  \$71 million vs 2023 </p> | <p>Increase was primarily due to:</p> <ul style="list-style-type: none"> • \$22 million in higher contribution from the KFS complex resulting from higher contracted storage volumes and increased fractionation revenues that were partly attributable to the acquisition of an additional 21% working interest in Q1 2023, as well as lower operating expenses; • incremental margin from the KAPS pipeline system which commenced operations during the second quarter of 2023; • higher contribution from Keyera's condensate system; and • \$9 million in lower unrealized non-cash losses from risk management contracts in 2024. |
| <p>Revenue</p> | <p style="text-align: center;">  \$110 million vs 2023 </p> | <ul style="list-style-type: none"> • Increase was mainly due to the same factors that contributed to higher operating margin as described above. As well, higher operating revenues from the AEF facility resulting from the recovery of increased operating expenses related to the facility's maintenance outage in Q2 2024. The operating expenses at AEF are recovered from the Marketing segment and do not have an impact on operating margin for the Liquids Infrastructure segment. |

Liquids Infrastructure Activity

2024 was another outstanding year for the Liquids Infrastructure segment as the business delivered several significant achievements, including:

- record realized margin for the fourth quarter and the year, that were 17% and 12% higher, respectively, over the prior year;
- high utilization across many core infrastructure assets, including record fractionation levels at the KFS complex and record deliveries through Keyera's condensate system; and
- the advancement of several capital-efficient growth projects as follows:
 - Keyera has formally sanctioned the debottleneck of KFS Fractionation Unit II ("KFS Frac II"), which will add approximately 8,000 barrels per day of capacity at an estimated cost of \$85 million. The project is expected to generate strong returns on a standalone basis and is expected to be in-service by mid-2026.
 - A 47,000 barrel per day KFS Fractionation Unit III project ("KFS Frac III") continues to receive strong contractual support from customers. A formal sanction decision is expected later this year, and the project is expected to be in service in 2028. Combined, the KFS Frac II debottleneck and the KFS Frac III project will increase Keyera's total fractionation capacity by about 60%.
 - Keyera has completed front-end engineering and design for KAPS Zone 4 and continues to progress toward securing sufficient contractual backing.

Fractionation capacity in Alberta continues to be in very high demand. As a result, Keyera's two fractionation units at the KFS complex were fully utilized in 2024 and are anticipated to operate at full capacity into 2025. Demand for services from Keyera's Fort Saskatchewan storage assets was also strong in 2024 and are expected to remain high through 2025. These assets provide significant operational flexibility and value to customers in a dynamic commodity price environment.

Robust oil sands production during the year resulted in strong demand for condensate, which is used by oil sands producers as a diluent. As a result, Keyera's condensate system delivered record volumes in 2024, with a new quarterly high achieved in the fourth quarter. The record performance, along with incremental margin growth, was largely due to higher contracted volumes from new agreements and higher volumes from multiple customers which exceeded their take-or-pay commitment levels. The growth in oil sands production and demand for condensate drives the economics for producers actively drilling in the Montney and ultimately benefits Keyera's core infrastructure, including the KAPS pipeline system. Cash flows generated from Keyera's condensate system are protected by long-term, take-or-pay arrangements with several major oil sands producers. Under these agreements, Keyera provides a variety of services including diluent transportation, storage and rail offload services in the Edmonton/Fort Saskatchewan area.

The AEF facility is operated by the Liquids Infrastructure segment and provides iso-octane processing services to the Marketing segment on a fee-for-service basis. In April, the facility was taken offline for six weeks to complete proactive maintenance activities. The activities were safely and successfully completed at a total cost of \$15 million, all of which were recovered from the Marketing segment. Outside of the maintenance period, the facility's operational performance was strong as utilization was consistent with the facility's nameplate capacity.

The AEF facility will be taken offline for approximately 6 weeks in the spring of 2025 to conduct maintenance activities addressing an unexpected operational issue. These activities are required to

ensure continued safe and reliable operations. The outage is expected to reduce 2025 realized margin for the Marketing segment by approximately \$40 million, with no increase to maintenance capital.

At the Alberta Diluent Terminal, one-time tank repair and cleaning activities were completed during the year. The costs incurred in 2024 in relation to these activities was approximately \$11 million and are included in the segment's operating expenses.

Marketing

The Marketing segment is focused on the purchase and sale of products associated with Keyera and other third-party facilities, including NGLs, crude oil and iso-octane. Keyera markets products acquired through processing arrangements, term supply agreements and other purchase transactions. Most NGL volumes are purchased under one-year supply contracts typically with terms beginning in April of each year. In addition, Keyera has long-term supply arrangements with several producers for a portion of its NGL supply. Keyera may also source additional condensate or butane, including from the U.S., when market conditions and associated sales contracts are favourable.

Keyera negotiates sales contracts with customers in Canada and the U.S. based on the volumes it has contracted to purchase. In the case of condensate sales, the majority of the product is sold to customers in Alberta shortly after it is purchased. Butane is used as the primary feedstock in the production of iso-octane at Keyera's AEF facility and therefore a significant portion of the contracted butane supply is retained for Keyera's own use.

Propane markets are seasonal and geographically diverse. Keyera sells propane in various North American markets, often where the only option for delivery is via railcar or truck. Keyera is well positioned to serve these markets due to its extensive infrastructure and rail logistics expertise. Further, because North American demand for propane is typically higher in the winter, Keyera can utilize its NGL storage facilities to build an inventory of propane during the summer months when prices are typically lower to fulfill winter term-sales commitments.

Keyera manages its NGL supply and sales portfolio by monitoring its inventory position and purchase and sale commitments. Nevertheless, the Marketing business is exposed to commodity price fluctuations arising between the time contracted volumes are purchased and the time they are sold, as well as pricing differentials between different geographic markets. These risks are managed by purchasing and selling product at prices based on the same or similar indices or benchmarks, and through physical and financial contracts that include energy-related forward contracts, price swaps, forward currency contracts and other hedging instruments. A more detailed description of the risks associated with the Marketing segment is available in Keyera's Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.

Keyera's primary markets for iso-octane are in the Gulf Coast, Midwestern United States, and Western Canada. Demand for octanes is seasonal, with higher demand in the spring and summer, typically resulting in higher sales prices during these months. There can be significant variability in iso-octane margins. As with Keyera's other marketing activities, various strategies are utilized to mitigate the risks associated with the commodity price exposure, including the use of financial contracts. The section of this MD&A titled "Risk Management" provides more information on the risks associated with the sale of iso-octane and Keyera's related hedging strategy.

Keyera also engages in liquids blending, where it operates facilities at various locations, allowing it to transport, process and blend various product streams. Margins are earned by blending products of lower value into higher value products. As a result, these transactions are exposed to variability in price and quality differentials between various product streams. Keyera manages this risk by balancing its purchases and sales and employing risk management strategies.

Overall, the integration of Keyera's business lines means that its Marketing segment can draw on the resources available to it through its two fee-for-service, facilities-based operating segments (Liquids Infrastructure and Gathering and Processing), including access to NGL supply and key fractionation, storage and transportation infrastructure and logistics expertise.

In a typical year, Keyera expects the Marketing business to contribute on average, a base realized margin of between \$310 million and \$350 million. This guidance assumes: i) a crude oil price of between US\$65

and US\$75 per barrel; ii) butane feedstock costs comparable to the 10-year average; and iii) AEF utilization at nameplate capacity.

There are numerous variables that can affect the results from Keyera's Marketing segment. For a detailed discussion of risk factors that affect Keyera, see Keyera's Annual Information Form which is available on SEDAR+ at www.sedarplus.ca.

Operating margin and realized margin for the Marketing segment were:

| Operating Margin and Realized Margin | | |
|---|----------------|----------------|
| <i>(Thousands of Canadian dollars, except for sales volume information)</i> | | |
| | 2024 | 2023 |
| Revenue ¹ | 6,036,962 | 6,055,725 |
| Operating expenses ¹ | (5,620,833) | (5,501,474) |
| Operating margin | 416,129 | 554,251 |
| Unrealized loss (gain) on risk management contracts | 68,579 | (75,284) |
| Realized margin² | 484,708 | 478,967 |
| Sales volumes (Bbl/d) | 207,500 | 200,700 |

Notes:




- 1 Includes inter-segment transactions.
- 2 Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the section titled "Non-GAAP and Other Financial Measures".

| Composition of Marketing Revenue | | |
|---|------------------|------------------|
| <i>(Thousands of Canadian dollars)</i> | | |
| | 2024 | 2023 |
| Physical sales | 6,102,906 | 6,004,483 |
| Realized cash gain (loss) on financial contracts ¹ | 2,635 | (24,042) |
| Unrealized (loss) gain due to reversal of financial contracts existing at end of prior period | (61,130) | 13,784 |
| Unrealized (loss) gain due to fair value of financial contracts existing at end of current period | (6,667) | 61,130 |
| Unrealized (loss) gain from fixed price physical contracts ² | (782) | 370 |
| Total unrealized (loss) gain on risk management contracts | (68,579) | 75,284 |
| Total (loss) gain on risk management contracts | (65,944) | 51,242 |
| Total Marketing revenue | 6,036,962 | 6,055,725 |

Notes:

- 1 Realized cash gains and losses represent actual cash settlements or receipts under the respective contracts.
- 2 Unrealized gains and losses represent the change in fair value of fixed price physical contracts that meet the IFRS Accounting Standards definition of a derivative instrument.

Annual Operating Margin, Realized Margin and Revenue

| | | |
|------------------------------------|---|--|
| Operating Margin |  \$138 million vs 2023 | <ul style="list-style-type: none"> Decrease was primarily due to \$69 million in unrealized non-cash losses from risk management contracts in 2024 compared to \$75 million in unrealized non-cash gains in 2023. Partly offsetting the above factors was \$6 million in higher realized margin as described in more detail below. |
| Realized Margin¹ |  \$6 million vs 2023 | <p>Increase was primarily due to \$82 million in higher margin from:</p> <ul style="list-style-type: none"> significantly higher propane contribution due to increased sales volumes to higher value markets and strong local demand in Q4 2024 that was partly influenced by colder seasonal weather; higher butane margin from increased sales volumes in Q4 2024; and increased condensate margins due to higher sales volumes and strong demand. <p>Partly offsetting the above factors was \$74 million in lower iso-octane margin primarily due to lower sales volumes resulting from a six-week maintenance outage at the AEF facility during Q2 2024 as well as lower product premiums and pricing in 2024.</p> |
| Revenue |  \$19 million vs 2023 | <ul style="list-style-type: none"> Decrease was primarily due to lower average sales prices for substantially all products, with the exception of propane, compared to the prior year. |

¹ Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the section titled "Non-GAAP and Other Financial Measures".

Market Commentary

The Marketing segment achieved outstanding results in 2024, posting record financial margins that were guided by:

- a disciplined risk management program that enabled the business to capture and protect margins in a dynamic commodity price environment; and
- the effective utilization of Keyera's infrastructure capabilities as products were processed, stored and transported to the highest value markets.

Iso-octane margins are largely derived from three key components: i) butane, the primary feedstock used to produce the product; ii) the price of motor gasoline, referred to as Reformulated Blendstock for Oxygenate Blending ("RBOB"); and iii) a negotiated premium above the price of RBOB, referred to as the iso-octane premium.

In 2024, RBOB pricing and premiums returned to levels that were closer to historical averages, however were lower than the elevated levels experienced during the past two years. The weaker RBOB pricing was largely a result of higher U.S. refinery throughput levels, while lower iso-octane premiums were partly caused by higher imports of octane blending components from Europe and Asia. As a result of these factors, iso-octane contribution remained strong in 2024 but was lower than the prior year. Longer term, Keyera remains confident that the market fundamentals for iso-octane will remain strong as the requirement for higher octane gasoline for new internal combustion engine vehicles continues to grow. Iso-octane is a unique product that encompasses three key characteristics: i) low RVP; ii) low sulphur; and iii) 99.5 octane rating. These characteristics allow Keyera to continue to access premium markets for this product and generate strong margins.

As butane is the primary feedstock to produce iso-octane, butane costs directly affect iso-octane margins. The majority of Keyera's butane supply is purchased on a one-year term basis. For the annual term supply contracts that began on April 1, 2024, the price for butane as a percentage of crude oil was slightly below the historical average of the previous 10 years.

Robust oil sands production throughout the year contributed to strong demand for condensate, which oil sands producers use as a diluent. This sustained demand resulted in higher condensate sales volumes and margin compared to the prior year. Keyera's liquids blending business also benefited from this strong demand.

North American propane export levels were robust in 2024, resulting in strong propane pricing and contribution for the year. Export levels are expected to remain high heading into 2025 due to continued strong demand from Europe and Asia. Access to Keyera's cavern storage and rail terminals provides the Marketing segment with a competitive advantage as it can store and transport product to the highest value domestic or export markets throughout the year.

As previously announced, Keyera has secured long-term propane sales agreements with AltaGas' Canadian west coast terminals. These agreements enhance Keyera and customer access to international pricing, diversifying sales opportunities. Additionally, AltaGas has committed to moving incremental NGL mix volumes, which includes volumes produced from AltaGas' Pipestone II plant (currently under construction), through Keyera's integrated system, further supporting ongoing fractionation expansions and future rail and logistics projects.

The AEF facility will be taken offline for approximately 6 weeks in the spring of 2025 to conduct maintenance activities addressing an unexpected operational issue. These activities are required to ensure continued safe and reliable operations. The outage is expected to reduce 2025 realized margin for the Marketing segment by approximately \$40 million. Keyera still expects to be within its stated base Marketing realized margin guidance of \$310 million to \$350 million for 2025.

Risk Management

When possible, Keyera uses hedging strategies to mitigate risk in its Marketing business, including foreign currency exchange risk associated with the purchase and sale of NGLs and iso-octane. Keyera's hedging objective for iso-octane is to secure attractive margins and mitigate the effect of iso-octane price fluctuations on its future operating margins. Iso-octane is generally priced at a premium to the price of RBOB. RBOB is the highest volume refined product sold in the U.S. and has the most liquid forward financial contracts. Accordingly, Keyera expects to continue to utilize RBOB-based financial contracts to hedge a portion of its iso-octane sales.

To protect the value of its NGL inventory from fluctuations in commodity prices, Keyera typically uses physical and financial forward contracts. For propane inventory, contracts are generally put in place as inventory builds and may either: i) settle when products are expected to be withdrawn from inventory and sold; or ii) settle and reset on a month-to-month basis. Within these strategies, there may be differences in timing between when the contracts are settled and when the product is sold. In general, the increase or decrease in the fair value of the contracts is intended to mitigate fluctuations in the value of the inventories and protect operating margin. Keyera typically uses propane physical and financial forward contracts to hedge its propane inventory.

Keyera may hold butane inventory to meet the feedstock requirements of the AEF facility. For condensate, most of the product purchased is sold within one month. The supply and sales prices for both butane and condensate are typically priced as a percentage of West Texas Intermediate ("WTI") crude oil and in certain cases the supply cost may be based on a hub posted or index price. To align the pricing terms of physical supply with the terms of contracted sales and to protect the value of butane and condensate inventory, the following hedging strategies may be utilized:

- Keyera may enter into financial contracts to lock in the supply price at a specified percentage of WTI, as the sales contracts for butane and condensate are also generally priced in relation to WTI. When butane or condensate is physically purchased, the financial contract is settled and a realized gain or loss is recorded in income.
- Once the product is in inventory, WTI financial forward contracts are generally used to protect the value of the inventory.

Within these hedging strategies, there may be differences in timing between when the financial contracts are settled and when the products are purchased and sold. There may also be basis risk between the prices of crude oil and the NGL products, and therefore the financial contracts may not fully offset future butane and condensate price movements.

For the year ended December 31, 2024, the total unrealized loss on risk management contracts was \$69 million. Further details are provided in the "Composition of Marketing Revenue" table above.

The fair value of outstanding financial and physical risk management contracts as at December 31, 2024 resulted in a liability of \$7 million. These fair values will vary as these contracts are marked-to-market at the end of each period. A summary of the financial contracts existing at December 31, 2024, and the sensitivity to earnings resulting from changes in commodity prices, can be found in note 22, Financial Instruments and Risk Management, of the accompanying financial statements.

CORPORATE AND OTHER

| Non-Operating Expenses and Other <i>(Thousands of Canadian dollars)</i> | 2024 | 2023 |
|---|------------------|-------------|
| General and administrative ¹ | (117,142) | (106,494) |
| Finance costs | (217,521) | (204,084) |
| Depreciation, depletion and amortization expenses | (352,392) | (322,514) |
| Net foreign currency (loss) gain on U.S. debt and other | (9,258) | 11,472 |
| Long-term incentive plan expense | (62,450) | (50,909) |
| Impairment expense | (3,397) | (213,508) |
| Net gain on disposal of property, plant and equipment | 11,677 | — |
| Income tax expense | (148,490) | (122,645) |

Note:

¹ Net of overhead recoveries on operated facilities.

General and Administrative Expenses

General and administrative (“G&A”) expenses for 2024 were \$117 million, \$11 million higher than the prior year, which was largely attributable to higher professional fees and an increase in the deferred share unit plan expense as a result of the growth in Keyera’s share price and dividend increases. Additional information can be found in note 25, General and Administrative Expenses, of the accompanying financial statements.

Finance Costs

Finance costs for the year ended December 31, 2024 were \$218 million, \$13 million higher than the prior year, which was primarily due to: i) no amounts recorded for capitalized interest during 2024, which is a reduction of finance costs, and ii) higher incremental interest associated with the issuance of \$250 million of medium-term notes during the first quarter of 2024. These increases were partially offset by lower interest associated with Keyera’s credit facilities.

Depreciation, Depletion and Amortization Expenses

Depreciation, depletion and amortization (“DD&A”) expenses for 2024 were \$352 million, \$30 million higher than the prior year, which was primarily attributable to the completion and start-up of the KAPS pipeline and South Cheecham sulphur facilities during the second and third quarters of 2023, respectively.

Net Foreign Currency Gain (Loss) on U.S. Debt and Other

| Net Foreign Currency Gain (Loss) on U.S. Debt and Other <i>(Thousands of Canadian dollars)</i> | 2024 | 2023 |
|--|-----------------|-------------|
| Translation of long-term debt and interest payable | (31,567) | 10,956 |
| Change in fair value of cross-currency swaps – principal and interest | (18,306) | (5,549) |
| Gain on cross-currency swaps – principal and interest ¹ | 52,322 | 2,800 |
| Foreign exchange re-measurement of lease liabilities and other | (11,707) | 3,265 |
| Net foreign currency (loss) gain on U.S. debt and other | (9,258) | 11,472 |

Note:

¹ Foreign currency gains resulted from the exchange and settlement of principal and interest payments on the long-term cross-currency swaps.

To manage the foreign currency exposure on U.S. dollar denominated debt, Keyera has entered into cross-currency agreements with a syndicate of banks to swap the U.S. dollar principal and future interest payments into Canadian dollars. The cross-currency agreements are accounted for as derivative instruments and are marked-to-market at the end of each period. The fair value of the cross-currency swap agreements will fluctuate between periods due to changes in the forward curve for foreign exchange rates, as well as an adjustment to reflect credit risk. Additional information on the swap agreements can be found in note 22, Financial Instruments and Risk Management, of the accompanying financial statements.

Long-Term Incentive Plan Expense

For the year ended December 31, 2024, the Long-Term Incentive Plan (“LTIP”) expense was \$62 million, \$12 million higher than the prior year, which was primarily due to the increase in Keyera’s share price for the current period when compared to the prior year.

Net Impairment Expense

Keyera reviews its assets for indicators of impairment on a quarterly basis. As well, if an asset has been impaired and subsequently recovers in value, GAAP requires the previous impairment to be reversed, resulting in an increase in the carrying amount of the asset. Impairment expenses are non-cash charges and do not affect operating margin, funds from operations, distributable cash flow, or adjusted EBITDA.

For the year ended December 31, 2024, Keyera recorded an impairment expense of \$4 million. For the same period of 2023, Keyera recorded total impairment expense of \$214 million, with the majority of this expense (\$210 million) recognized in the U.S. Liquids Infrastructure cash-generating unit (“CGU”) due to market conditions affecting the Wildhorse terminal. Keyera did not record any impairment reversals for previously recorded impairment expenses during these same periods.

Disposal of Property, Plant and Equipment

During 2024, Keyera completed the disposition of its ownership interest in the following assets:

| | % Ownership Interest | Date of Disposition |
|---|----------------------|---------------------|
| Edson gas plant (<i>non-operated</i>) | 22% | March 28, 2024 |
| Pembina North gas plant | 100% | May 8, 2024 |
| Zeta Creek gas plant | 60% | November 12, 2024 |
| Caribou gas plant | 100% | December 6, 2024 |

After closing adjustments, the total net proceeds on these dispositions were \$6 million, resulting in a net gain of \$12 million for the year ended December 31, 2024. These transactions included a combined assumed decommissioning liability of \$15 million. Additional information can be found in note 9, Property, Plant and Equipment, of the accompanying financial statements.

Taxes

In general, as earnings before taxes increase, total tax expense (current and deferred taxes) will also be higher. If sufficient tax pools exist, current income taxes will be reduced and deferred income taxes will increase as these tax pools are utilized. Other factors that affect the calculation of deferred income taxes include future income tax rate changes and permanent differences, which include accounting income or expenses that will never be taxed or deductible for income tax purposes.

Current Income Taxes

A current income tax expense of \$105 million was recorded for the year ended December 31, 2024, compared to a recovery of less than \$1 million in 2023. Current taxes have increased in 2024 due to higher earnings and lower tax pool deductions when compared to the prior year.

For 2025, it is estimated that current income tax expense will range between \$100 million and \$110 million. This current income tax estimate assumes that Keyera's business performs as planned.

Deferred Income Taxes

A deferred income tax expense of \$44 million was recorded for the year ended December 31, 2024, compared to \$123 million in 2023.

Keyera estimates its total tax pools at December 31, 2024 were approximately \$3.0 billion.

SUMMARY FOURTH QUARTER RESULTS

| Fourth Quarter Financial and Operational Highlights <i>(Thousands of Canadian dollars, except per unit and volumetric information)</i> | Three months ended December 31, | |
|---|---------------------------------|---------|
| | 2024 | 2023 |
| Operating Margin (Loss) | | |
| Gathering & Processing | 107,834 | 114,851 |
| Liquids Infrastructure | 154,295 | 128,133 |
| Marketing | 45,264 | 202,851 |
| Other | (98) | (49) |
| Operating margin | 307,295 | 445,786 |
| Realized Margin¹ (Loss) | | |
| Gathering & Processing | 107,303 | 115,983 |
| Liquids Infrastructure | 152,576 | 130,170 |
| Marketing | 99,408 | 128,597 |
| Other | (98) | (49) |
| Realized margin ¹ | 359,189 | 374,701 |
| Net earnings | 88,906 | 49,192 |
| Earnings per share (basic) | 0.39 | 0.21 |
| Adjusted EBITDA ² | 312,732 | 339,244 |
| Cash flow from operating activities | 316,431 | 230,739 |
| Funds from operations ³ | 227,274 | 290,643 |
| Distributable cash flow ³ | 168,301 | 233,563 |
| Distributable cash flow per share ³ (basic) | 0.73 | 1.02 |
| Dividends declared | 119,160 | 114,577 |
| Dividends declared per share | 0.52 | 0.50 |
| Capital expenditures (including acquisitions) | 93,015 | 74,342 |
| Volumetric Information | | |
| Gathering and Processing: | | |
| Gross processing throughput ⁴ (MMcf/d) | 1,532 | 1,625 |
| Net processing throughput ⁴ (MMcf/d) | 1,380 | 1,393 |
| Liquids Infrastructure⁵: | | |
| Gross fractionation throughput (Mbb/d) | 187 | 206 |
| Net fractionation throughput (Mbb/d) | 102 | 116 |
| AEF iso-octane production volumes (Mbb/d) | 15 | 15 |
| Marketing: | | |
| Sales Volumes (Bbl/d) | 243,500 | 253,900 |

Notes:

- Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled "Non-GAAP and Other Financial Measures" and see the section below titled "Operating Margin and Realized Margin" for a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin.
- Adjusted EBITDA is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled "Non-GAAP and Other Financial Measures" and see the "EBITDA and Adjusted EBITDA" table below for a reconciliation of adjusted EBITDA to the most directly comparable GAAP measure, net earnings.
- Funds from operations, distributable cash flow and distributable cash flow per share are not standard measures under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled "Non-GAAP and Other Financial Measures" and the "Funds from Operations and Distributable Cash Flow" table below for a reconciliation of funds from operations and distributable cash flow to the most directly comparable GAAP measure, cash flow from operating activities.
- 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.
- 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.

| Composition of Marketing Revenue, Operating Margin and Realized Margin (Thousands of Canadian dollars) | Three months ended December 31, | |
|---|---------------------------------|----------------|
| | 2024 | 2023 |
| Physical sales | 1,717,336 | 1,927,724 |
| Realized cash (loss) gain on financial contracts ¹ | (17,636) | 17,608 |
| Unrealized (loss) gain due to reversal of financial contracts existing at end of prior period | (46,562) | 13,630 |
| Unrealized (loss) gain due to fair value of financial contracts existing at end of current period | (6,667) | 61,130 |
| Unrealized loss from fixed price physical contracts ² | (915) | (506) |
| Total unrealized (loss) gain on risk management contracts | (54,144) | 74,254 |
| Total (loss) gain on risk management contracts | (71,780) | 91,862 |
| Revenue ³ | 1,645,556 | 2,019,586 |
| Operating expenses ³ | (1,600,292) | (1,816,735) |
| Marketing operating margin | 45,264 | 202,851 |
| Unrealized loss (gain) on risk management contracts | 54,144 | (74,254) |
| Marketing realized margin⁴ | 99,408 | 128,597 |

Notes:

- 1 Realized cash gains and losses represent actual cash settlements or receipts under the respective contracts.
- 2 Unrealized gains and losses represent the change in fair value of fixed price physical contracts that meet the IFRS Accounting Standards definition of a derivative instrument.
- 3 Includes inter-segment transactions.
- 4 Realized margin is not a standard measure under GAAP, and therefore, may not be comparable to similar measures reported by other entities. Refer to the section titled "Non-GAAP and Other Financial Measures" and see the section below titled "Operating Margin and Realized Margin".

Funds from operations and distributable cash flow are not standard measures under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the sections titled "Dividends: Funds from Operations and Distributable Cash Flow" and "Non-GAAP and Other Financial Measures".

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, for the fourth quarter:

| Funds from Operations and Distributable Cash Flow (Thousands of Canadian dollars) | Three months ended December 31, | |
|--|---------------------------------|----------------|
| | 2024 | 2023 |
| Cash flow from operating activities | 316,431 | 230,739 |
| Add (deduct): | | |
| Changes in non-cash working capital | (89,157) | 59,904 |
| Funds from operations | 227,274 | 290,643 |
| Maintenance capital | (44,435) | (40,221) |
| Leases | (13,943) | (13,007) |
| Prepaid lease asset | (595) | (595) |
| Inventory write-down | — | (3,257) |
| Distributable cash flow | 168,301 | 233,563 |
| Dividends declared to shareholders | 119,160 | 114,577 |

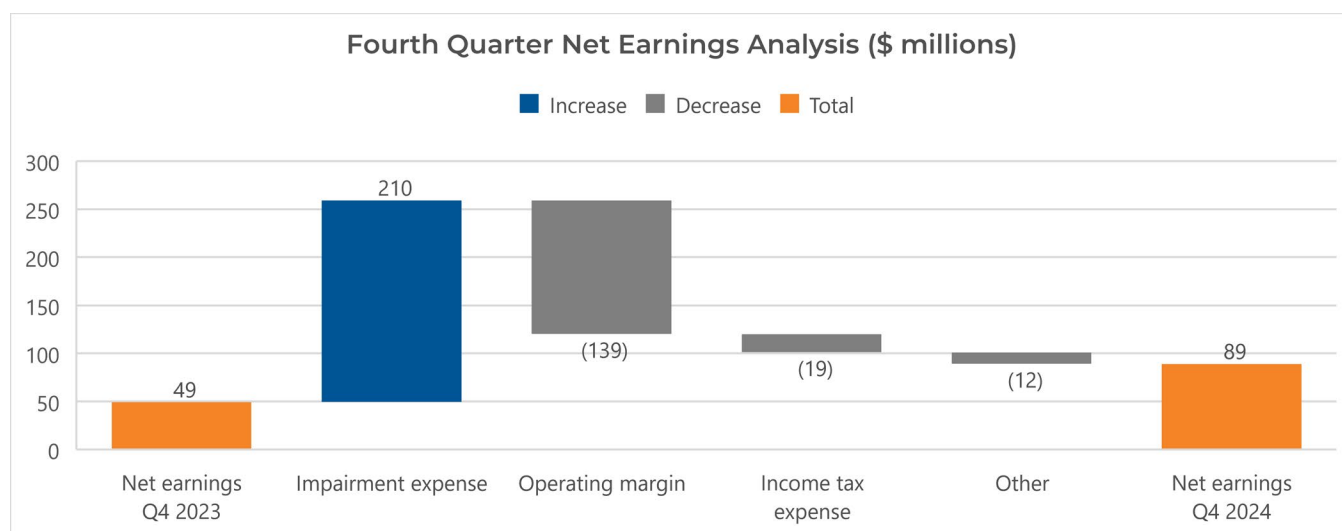
EBITDA and adjusted EBITDA are not standard measures under GAAP, and therefore may not be comparable to similar measures reported by other entities. Refer to the sections of this MD&A titled “EBITDA and Adjusted EBITDA” and “Non-GAAP and Other Financial Measures”.

The following is a reconciliation of EBITDA and adjusted EBITDA to the most directly comparable GAAP measure, net earnings, for the fourth quarter.

| EBITDA and Adjusted EBITDA (Thousands of Canadian dollars) | Three months ended December 31, | |
|---|---------------------------------|----------|
| | 2024 | 2023 |
| Net earnings | 88,906 | 49,192 |
| Add (deduct): | | |
| Finance costs | 52,929 | 57,235 |
| Depreciation, depletion and amortization expenses | 89,862 | 89,568 |
| Income tax expense | 28,992 | 10,359 |
| EBITDA | 260,689 | 206,354 |
| Unrealized loss (gain) on commodity contracts | 51,894 | (71,085) |
| Net foreign currency loss (gain) on U.S. debt and other | 10,949 | (6,192) |
| Impairment expense | 706 | 210,167 |
| Gain on disposal of property, plant and equipment | (11,506) | — |
| Adjusted EBITDA | 312,732 | 339,244 |

Net Earnings

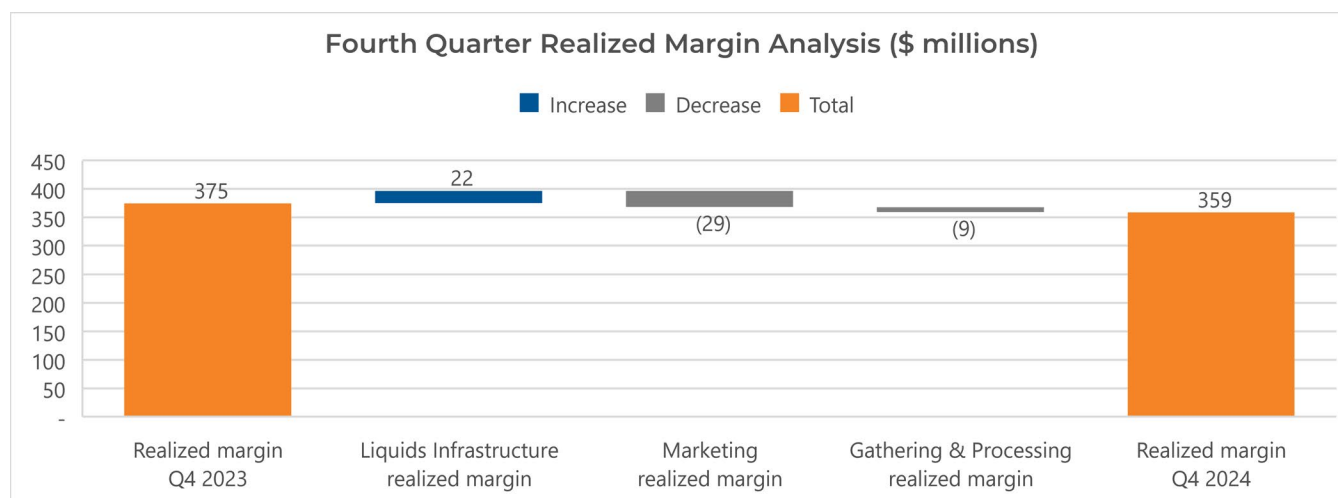
Net earnings of \$89 million was recorded in the fourth quarter of 2024 compared to \$49 million in the fourth quarter of 2023. The increase in earnings was due to the following:



Operating Margin and Realized Margin

Total operating margin for the fourth quarter of 2024 was \$307 million, \$138 million lower than the same period in 2023 largely due to the inclusion of an unrealized non-cash loss of \$54 million associated with risk management contracts from the Marketing segment compared to an unrealized non-cash gain of \$74 million during the fourth quarter of 2023 and lower realized margin as described below in more detail. This was partially offset by the Liquids Infrastructure segment, which contributed record operating margin of \$154 million during the fourth quarter of 2024, \$26 million higher than the same period of the prior year.

Realized margin (excludes the effect of unrealized gains and losses from commodity-related risk management contracts) was \$359 million, \$16 million lower than the same period in the prior year and includes the following changes in contribution by segment:



Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the sections of this MD&A titled “Segmented Results of Operations” and “Non-GAAP and Other Financial Measures”.

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

| Operating Margin and Realized Margin (Thousands of Canadian dollars) | Three months ended December 31, | |
|---|---------------------------------|----------------|
| | 2024 | 2023 |
| Revenue | 1,936,297 | 2,301,630 |
| Operating expenses | (1,629,002) | (1,855,844) |
| Operating margin | 307,295 | 445,786 |
| Unrealized loss (gain) on risk management contracts | 51,894 | (71,085) |
| Realized margin | 359,189 | 374,701 |



Fourth Quarter Operating Margin and Revenue

Gathering & Processing

| | | |
|--------------------------------|--|--|
| <p>Operating Margin</p> | <p style="text-align: center;">↓ \$7 million vs Q4 2023</p> | <ul style="list-style-type: none"> Decrease was primarily due to \$14 million in lower contribution from the Pipestone gas plant. Q4 2023 contribution from this facility included cost recoveries related to its maintenance turnaround and a \$4 million one-time revenue adjustment associated with prior periods. The above factors were partly offset by higher contribution from the Simonette gas plant resulting from higher processing throughput and other ancillary revenues. |
| <p>Revenue</p> | <p style="text-align: center;">↓ \$10 million vs Q4 2023</p> | <ul style="list-style-type: none"> Decrease in revenue was mainly due to the same factors that contributed to lower operating margin as described above. |

Fourth Quarter Operating Margin and Revenue

Liquids Infrastructure

| | | |
|-------------------------|--|--|
| Operating Margin |  \$26 million vs Q4 2023 | <p>Increase was primarily due to:</p> <ul style="list-style-type: none"> • incremental margin from the KAPS pipeline system and Keyera's condensate system as a result of higher contracted volumes; • higher operating margin at the Alberta Diluent Terminal mainly due to lower operating costs as tank repair and cleaning costs were incurred in Q4 2023; and • higher contribution from the KFS complex mainly due to lower operating expenses. |
| Revenue |  \$14 million vs Q4 2023 | <ul style="list-style-type: none"> • Increase was mainly due to higher revenues from the KAPS pipeline system and Keyera's condensate system as described above. |

Fourth Quarter Operating Margin, Realized Margin and Revenue

Marketing

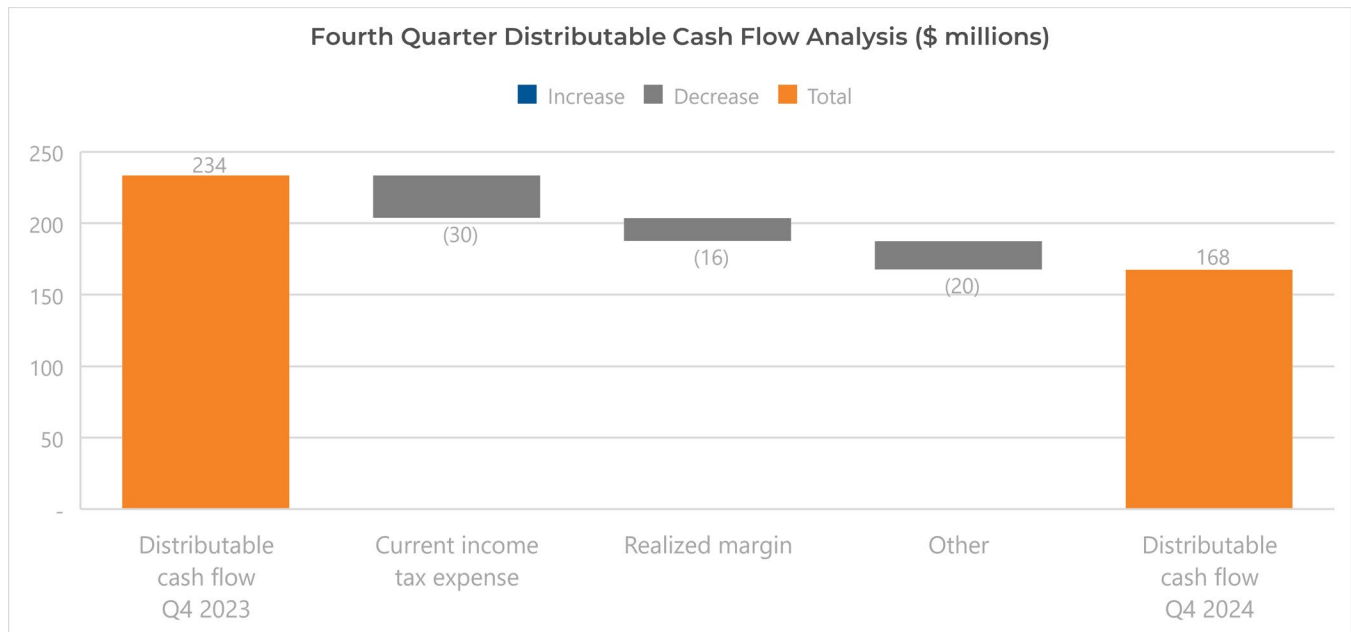
| | | |
|------------------------------------|--|--|
| Operating Margin | <p style="text-align: center;">↓</p> <p style="text-align: center;">\$158 million vs Q4 2023</p> | <ul style="list-style-type: none"> • Increase was primarily due to \$54 million in unrealized non-cash losses from risk management contracts in Q4 2024 compared to \$74 million in unrealized non-cash gains in Q4 2023 and \$29 million in lower realized margin as described in more detail below. |
| Realized Margin¹ | <p style="text-align: center;">↓</p> <p style="text-align: center;">\$29 million vs Q4 2023</p> | <p>Decrease was primarily due to \$61 million in lower margin from:</p> <ul style="list-style-type: none"> • lower iso-octane contribution primarily due to reduced product premiums and motor gasoline pricing; and • lower liquids blending contribution due to lower sales volumes. <p>Partly offsetting the above factors was \$29 million in higher margin from:</p> <ul style="list-style-type: none"> • higher propane contribution due to increased sales volumes to higher value markets and strong local demand that was partly influenced by colder seasonal weather; and • higher butane contribution from higher sales volumes. |
| Revenue | <p style="text-align: center;">↓</p> <p style="text-align: center;">\$374 million vs Q4 2023</p> | <ul style="list-style-type: none"> • Decrease was primarily due to lower liquids blending volumes and lower average sales prices for most products, with the exception of propane and butane, compared to the prior year. |

¹ Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the section titled "Non-GAAP and Other Financial Measures".

Cash Flow Metrics

For the three months ended December 31, 2024, cash flow from operating activities was \$316 million, \$86 million higher than the same period in 2023.

Distributable cash flow¹ was \$168 million for the fourth quarter of 2024, \$65 million lower than the same period in the prior year due to factors shown in the table below:



¹ Distributable cash flow is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled “Non-GAAP and Other Financial Measures”. For a reconciliation of distributable cash flow to the most directly comparable GAAP measure, cash flow from operating activities, see the section titled “Summary Fourth Quarter Results: Funds from Operations and Distributable Cash Flow”.

CRITICAL ACCOUNTING ESTIMATES

In preparing Keyera's consolidated financial statements in accordance with GAAP, management has made appropriate decisions with respect to the formulation of estimates and assumptions that affect the recorded amounts of certain assets, liabilities, revenues and expenses. Keyera has hired qualified individuals who have the skills required to make such estimates. These estimates and assumptions are reviewed and compared to actual results as well as to budgets in order to make more informed decisions on future estimates. The most significant estimates are those indicated below:

Operating Revenues

Gathering and Processing and Liquids Infrastructure:

For each month, actual volumes processed and fees earned from the Gathering and Processing and Liquids Infrastructure assets are not known at the end of the month. Accordingly, the financial statements contain an estimate of one month's revenue based on a review of historical trends. This estimate is adjusted for events that are known to have a significant effect on the month's operations such as non-routine maintenance projects.

At December 31, 2024, operating revenues and accounts receivable for the Gathering and Processing and Liquids Infrastructure segments contained an estimate of approximately \$75 million primarily for December 2024 operations.

Marketing:

The majority of the Marketing sales revenue is recorded using actual volumes and prices; however, in many cases actual product lifting volumes have not yet been confirmed and sales prices that are dependent on other variables are not yet known. Accordingly, the financial statements contain an estimate for these sales. Estimates are based on contract quantities and known events. The estimates are reviewed and compared to expected results to verify their accuracy.

At December 31, 2024, the Marketing sales and accounts receivable contained an estimate for December 2024 revenues of approximately \$221 million.

Operating Expenses and Product Purchases

Gathering and Processing and Liquids Infrastructure:

The period in which invoices are rendered for the supply of goods and services necessary for the operation of the Gathering and Processing and Liquids Infrastructure assets is generally later than the period in which the goods or services were provided. Accordingly, the financial statements contain an estimate of one month's operating costs based on a review of historical trends. This estimate is adjusted for events that are known to have a significant effect on the month's operations such as non-routine maintenance projects.

At December 31, 2024, operating expenses and accounts payable contained an estimate of approximately \$57 million primarily for December 2024 operations.

Marketing:

NGL mix feedstock and specification products such as propane, butane and condensate are purchased from facilities located throughout Western Canada and in some locations in the U.S. The majority of NGL mix purchases are estimated each month as actual volume information is generally not available until the next month. Specification product volumes and prices are based on contract volumes and prices. Accordingly, the financial statements contain an estimate for one month of these purchases.

Marketing cost of goods sold, inventory and accounts payable contained an estimate of NGL product purchases of approximately \$274 million at December 31, 2024.

Equalization Adjustments

Much of the revenue from the Gathering and Processing assets includes a recovery of operating costs. Under this method, the operating component of the fee is a pro rata share of the operating costs for the facility, calculated using total throughput. Users of each facility are charged a fee per unit based on estimated costs and throughput, with an adjustment to actual throughput completed after the end of the year. Each quarter, throughput volumes and operating costs are reviewed to determine whether the estimated unit fee charged during the quarter properly reflects the actual volumes and costs, and the allocation of revenues and operating costs to other plant owners is also reviewed. Appropriate adjustments to revenue and operating expenses are recognized in the quarter and allocations to other owners are recorded.

For the Gathering and Processing segment, an equalization adjustment of \$10 million was included in revenue and accounts receivable at December 31, 2024. Operating expenses and accounts payable contained an equalization adjustment of \$12 million.

Depreciation of Property, Plant and Equipment

For purposes of determining depreciation, depletion and amortization expense, estimates and judgments are required to establish depreciation methods, useful lives, and residual values for Keyera's assets. Determining depreciation methods requires management to make judgments that most appropriately reflect the pattern of an asset's future economic benefit expected to be consumed by Keyera. Useful life estimates include management's assumptions regarding the period over which the asset is expected to be available for use by the company. This includes assessing the assets' physical and economic lives and, if applicable, may include an estimation of the associated reserve lives and production activity related to the assets' respective capture areas.

Allowance for Expected Credit Losses

The allowance for expected credit losses is reviewed on a monthly basis. An assessment is made whether an account is deemed impaired based on the number of days outstanding and the likelihood of collection from the counterparty. The allowance for expected credit losses was \$4 million as at December 31, 2024, which is unchanged from the prior year.

Derivative Financial Instruments

Keyera utilizes derivative financial instruments to manage its exposure to market risks relating to commodity prices and foreign currency exchange rates. Fair values of derivative contracts fluctuate depending on the underlying estimates of future commodity prices or foreign currency exchange rates. The estimated fair value of all derivative financial instruments are based on observable market data, including commodity price curves, foreign currency curves and credit spreads. Refer to note 22, Financial Instruments and Risk Management, of the accompanying financial statements for a summary of the fair value of derivative financial instruments existing at December 31, 2024.

Fair Value Estimates of Property, Plant and Equipment

Determination of the fair value of identifiable assets acquired in a business combination requires Keyera's management to make assumptions and estimates about future events. The fair value of identifiable assets such as gathering and processing, storage and fractionation facilities, pipelines, terminals and other equipment is estimated with reference to the expected discounted future cash flows expected to be derived from the acquired assets. These assumptions and estimates generally require judgment and include estimates of future revenues, costs and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to the net assets acquired in a business combination.

Impairment of Property, Plant and Equipment and Goodwill

In the absence of quoted market prices when determining the recoverable amount of assets, estimates are made regarding the present value of future cash flows. Future cash flow estimates are based on future production profiles and reserves for surrounding wells, commodity prices and costs.

Estimates are also made in determining the discount rate used to calculate the present value of future cash flows.

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The determination of CGUs is subject to management's judgment.

Refer to note 9, Property, Plant and Equipment and note 11, Goodwill, of the accompanying financial statements for further details of the impairment expense recorded for the year ended December 31, 2024.

Long-term Incentive Plan Liability

The LTIP is measured at fair value. Determining the fair value requires management to estimate Keyera's financial performance over a three-year period to determine the appropriate payout multiplier associated with the Performance Awards. The payout multiplier determines the number of shares expected to be settled following the third anniversary of the grant date of the Performance Awards and is based on the following performance measures: i) average annual pre-tax distributable cash flow per share over the three-year period, and ii) the relative total shareholder return over the same period. Refer to note 21, Share-based Compensation and Pension Plans, of the accompanying financial statements for further details.

Decommissioning Liability

Keyera will be responsible for compliance with all applicable laws and regulations regarding the decommissioning, abandonment and reclamation of its gathering and processing, fractionation, iso-octane and storage facilities, pipelines and terminals at the end of their economic life. The majority of decommissioning obligations are generally expected to be incurred over the next 30 to 60 years. While the provision is based on the best estimate of future costs and the economic lives of these assets, there is uncertainty regarding the amount and timing of these costs. No assets have been legally restricted for settlement of the liability.

The process, overseen by Keyera's Health, Safety and Environment Committee, is undertaken by professionals involved in activities that deal with the design, construction, operation and decommissioning of assets. Specialists with knowledge and assessment processes specific to environmental and decommissioning activities and costs are also utilized in the process. Ultimately, all medium and large facilities will be independently assessed in accordance with regulatory requirements.

Keyera has estimated the net present value of its total decommissioning liability to be approximately \$244 million at December 31, 2024, compared to \$239 million at December 31, 2023. The fair value of the decommissioning liability was calculated by using a credit-adjusted risk-free discount rate of 5.3% (December 31, 2023 – 5.6%).

Refer to note 14, Decommissioning Liability, of the accompanying financial statements for a reconciliation of the beginning and ending carrying amount of the decommissioning liability. Additional information related to decommissioning, abandonment and reclamation is also provided in Keyera's Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.

Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities require management's judgment in determining the amounts to be recognized. In particular, judgment is used when assessing the extent to which deferred tax assets should be recognized with consideration given to the timing and level of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period. Refer to note 17, Income Taxes, of the accompanying financial statements for a reconciliation of income taxes to the income tax provision recognized for the year ended December 31, 2024.

LIQUIDITY AND CAPITAL RESOURCES

The following is a comparison of cash inflows (outflows) from operating, investing and financing activities for the years ended December 31, 2024 and 2023:

| Cash inflows (outflows) <i>(Thousands of Canadian Dollars)</i> | | | | |
|--|------------------|-------------|--------------------------------|--|
| | 2024 | 2023 | Increase (Decrease) | Explanation |
| Operating | 1,265,788 | 975,486 | 290,302 | <p>During 2024, cash generated from operating activities was higher when compared to 2023, primarily due to a lower net cash requirement to fund operating working capital associated with accounts receivable and accounts payable, which are merely timing differences associated with the collection and settlement of these balances, and higher realized margin.</p> <p>These increases were partially offset by higher current income tax expense and a higher cash requirement to fund inventory.</p> |
| Investing | (235,314) | (819,713) | 584,399 | <p>Capital investment in 2024 was lower than the prior year primarily due to: i) the acquisition of an additional 21% working interest in the KFS complex for cash consideration of \$367 million during the prior year, and ii) lower capital expenditures associated with the KAPS pipeline project and the South Cheecham sulphur facilities, which became operational during the second and third quarters of 2023, respectively.</p> |
| Financing | (935,653) | (134,263) | (801,390) | <p>Cash used in financing activities was higher in 2024 when compared to 2023 primarily as the result of: i) net repayments under the Credit Facility of \$470 million, compared to net borrowings of \$430 million during 2023, and ii) \$163 million of additional debt repayments.</p> <p>This was partially offset by the issuance of \$250 million of medium-term notes during the first quarter of 2024.</p> |

Refer to the consolidated statements of cash flows of the accompanying financial statements for more detailed information.

Working capital requirements are strongly influenced by the amounts of inventory held in storage and their related commodity prices. Product inventories are required to meet seasonal demand patterns and will vary depending on the time of year. Typically, Keyera's inventory levels for propane are at their lowest after the winter season and reach their peak in the third quarter to meet the demand for propane in the winter season.

Butane inventory is maintained for the production of iso-octane. When market conditions enable Keyera to source additional butane at favourable prices, butane may be held in storage for use in future periods. Inventory levels for iso-octane may fluctuate depending on market conditions. Demand for iso-octane is typically stronger in the second and third quarters, associated with the higher gasoline demand in the summer months.

A working capital deficit (current assets less current liabilities) of \$61 million existed at December 31, 2024. This is compared to a surplus of \$273 million at December 31, 2023. To meet its current obligations and growth capital program, Keyera has access to a credit facility in the amount of \$1.5 billion, of which no amounts were drawn as at December 31, 2024. Refer to the section of this MD&A titled "Long-term Debt", for more information related to Keyera's unsecured revolving credit facility ("Credit Facility").

Corporate Credit Ratings

Keyera has been assigned the following ratings by S&P Global ("S&P") and DBRS Limited ("DBRS"). Both credit agencies currently treat the subordinated hybrid notes as 50% equity.

| | S&P | DBRS |
|--|--------------|-----------------------------|
| Corporate credit rating | "BBB/stable" | "BBB" with a "stable" trend |
| Issuer rating on senior unsecured debt | "BBB" | "BBB" with a "stable" trend |
| Issuer rating on subordinated notes | "BB+" | "BB (high)" |

As a result of Keyera's continued strong performance, S&P upgraded Keyera's corporate credit rating to "BBB" from "BBB-" with a stable trend during the third quarter of 2023. In addition, S&P raised its issue-level rating on Keyera's senior unsecured debt to "BBB" from "BBB-" and its rating on Keyera's subordinated notes to "BB+" from "BB".

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

Rating agencies will regularly evaluate Keyera, including its financial strength. In addition, factors not entirely within Keyera's control may also be considered, including conditions affecting the industry in which it operates. A credit rating downgrade could impair Keyera's ability to enter into arrangements with suppliers or counterparties and could limit its access to private and public credit markets in the future and increase the costs of borrowing.

Long-term Debt (including Credit Facilities)

Below is a summary of Keyera's long-term debt obligations as at December 31, 2024:

| As at December 31, 2024 (Thousands of Canadian dollars) | Total | 2025 | 2026 | 2027 | 2028 | 2029 | After 2029 |
|--|------------------|-----------|----------------|----------------|----------------|---------------|------------------|
| Credit facilities | — | — | — | — | — | — | — |
| Total credit facilities | — | — | — | — | — | — | — |
| Canadian dollar denominated debt | | | | | | | |
| Senior unsecured notes: | | | | | | | |
| 4.92% due October 10, 2025 | 100,000 | 100,000 | — | — | — | — | — |
| 5.05% due November 20, 2025 | 20,000 | 20,000 | — | — | — | — | — |
| 4.15% due June 16, 2026 | 30,000 | — | 30,000 | — | — | — | — |
| 3.96% due October 13, 2026 | 200,000 | — | 200,000 | — | — | — | — |
| 3.68% due September 20, 2027 | 400,000 | — | — | 400,000 | — | — | — |
| 5.09% due October 10, 2028 | 100,000 | — | — | — | 100,000 | — | — |
| 4.11% due October 13, 2028 | 100,000 | — | — | — | 100,000 | — | — |
| 5.34% due April 8, 2029 | 75,000 | — | — | — | — | 75,000 | — |
| | 1,025,000 | 120,000 | 230,000 | 400,000 | 200,000 | 75,000 | — |
| Senior unsecured medium-term notes: | | | | | | | |
| 3.93% due June 21, 2028 | 400,000 | — | — | — | 400,000 | — | — |
| 3.96% due May 29, 2030 | 400,000 | — | — | — | — | — | 400,000 |
| 5.02% due March 28, 2032 | 400,000 | — | — | — | — | — | 400,000 |
| 5.66% due January 4, 2054 | 250,000 | — | — | — | — | — | 250,000 |
| Subordinated hybrid notes: | | | | | | | |
| 6.88% due June 13, 2079 | 600,000 | — | — | — | — | — | 600,000 |
| 5.95% due March 10, 2081 | 350,000 | — | — | — | — | — | 350,000 |
| | 3,425,000 | 120,000 | 230,000 | 400,000 | 600,000 | 75,000 | 2,000,000 |
| Senior unsecured U.S. dollar denominated notes | | | | | | | |
| 4.75% due November 20, 2025 (US\$140,000) | 201,663 | 201,663 | — | — | — | — | — |
| 4.95% due November 20, 2028 (US\$65,000) | 93,629 | — | — | — | 93,629 | — | — |
| | 295,292 | 201,663 | — | — | 93,629 | — | — |
| Less: current portion of long-term debt | (321,663) | (321,663) | — | — | — | — | — |
| Total long-term debt | 3,398,629 | — | 230,000 | 400,000 | 693,629 | 75,000 | 2,000,000 |

Credit Facilities

Keyera's Credit Facility is with a syndicate of six lenders under which it can borrow up to \$1.5 billion, with the potential to increase that limit to \$2.0 billion subject to certain conditions. As at December 31, 2024, no amounts were drawn under this facility (December 31, 2023 – \$470 million).

In December 2024, the Credit Facility was amended to extend the term from December 6, 2028 to December 6, 2029. Management expects to extend the Credit Facility prior to maturity, and in the event of reaching maturity, expects an adequate replacement will be established.

Keyera also has two unsecured revolving demand facilities, one with the Toronto Dominion Bank in the amount of \$25 million and the other with the Royal Bank of Canada in the amount of \$50 million. Depending on the type of borrowing, these facilities bear interest based on the lenders' rates for

Canadian prime commercial loans, U.S. base rate loans, Canadian Overnight Repo Rate Average (“CORRA”) loans, Secured Overnight Financing Rate (“SOFR”) loans or letters of credit.

Long-term Debt

Keyera’s long-term debt structure consists of a number of senior unsecured notes, medium-term notes and subordinated hybrid notes.

On January 4, 2024, Keyera closed a public note offering of \$250 million, 30-year senior unsecured medium-term notes to investors in Canada. The notes bear interest at 5.663%, which is payable semi-annually, and mature on January 4, 2054.

As at December 31, 2024, Keyera had \$3.4 billion and US\$205 million of long-term debt. To manage the foreign currency exposure on the U.S. dollar denominated debt, Keyera has entered into cross-currency agreements with a syndicate of banks to swap the U.S. dollar principal and future interest payments into Canadian dollars at foreign exchange rates of \$1.03 per U.S. dollar for the principal payments and \$1.14 per U.S. dollar for the future interest payments. The cross-currency agreements are accounted for as derivative instruments and are measured at fair value at the end of each quarter. The section of this MD&A titled, “Net Foreign Currency Gain (Loss) on U.S. Debt and Other”, provides more information.

Compliance with Covenants

The Credit Facility is subject to two major financial covenants: “Net Debt to Adjusted EBITDA” and “Adjusted EBITDA to Interest Charges” ratios. The senior unsecured notes are subject to three major financial covenants: “Net Debt to Adjusted EBITDA”, “Adjusted EBITDA to Interest Charges” and “Priority Debt to Total Assets”. The medium-term notes are subject to one major financial covenant: “Funded Debt to Total Capitalization”. The calculations for each of these ratios i) are based on specific definitions in the agreements governing the Credit Facility and relevant notes, as applicable, ii) are not in accordance with GAAP, and iii) cannot be easily calculated by referring to the company’s financial statements. Failure to adhere to these covenants may impair Keyera’s ability to pay dividends and such a circumstance could affect the company’s ability to execute future growth plans. Management expects that upon maturity of the company’s credit facilities and other debt arrangements, adequate replacements will be established.

The primary covenant for Keyera’s private senior unsecured notes and its Credit Facility is a Net Debt to Adjusted EBITDA ratio. In the calculation of debt for the purpose of calculating this covenant, Keyera is required to: i) include senior debt; ii) deduct working capital surpluses or add working capital deficits; and iii) utilize the cross-currency swap rates in the calculation of debt rather than the spot rate as at each statement of financial position date. The covenant test calculation also excludes 100% of Keyera’s \$950 million subordinated hybrid notes. Keyera is required to maintain a Net Debt to Adjusted EBITDA ratio of less than 4.0; however, the company has the flexibility to increase this ratio from 4.0 to 4.5 for periods of up to four consecutive fiscal quarters.

As at December 31, 2024, Keyera was in compliance with all covenants under its Credit Facility and outstanding notes. Keyera’s Net Debt to Adjusted EBITDA ratio at December 31, 2024 was 2.0x for covenant test purposes (December 31, 2023 – 2.2x). As a long-term target, Keyera’s objective is to maintain a Net Debt to Adjusted EBITDA ratio of between 2.5x to 3.0x. This range results in a leverage profile that supports Keyera’s investment grade credit ratings.

For additional information regarding these financial covenants, refer to the Credit Facility and the Note Agreements which are available on SEDAR+ at www.sedarplus.ca.

Capital Expenditures and Acquisitions

The following table is a breakdown of capital expenditures and acquisitions for the years ended December 31, 2024 and 2023:

| Capital Expenditures and Acquisitions <i>(Thousands of Canadian dollars)</i> | 2024 | 2023 |
|--|----------------|---------|
| Acquisitions | — | 366,537 |
| Growth capital expenditures | 115,985 | 216,177 |
| Maintenance capital expenditures | 136,340 | 119,973 |
| Total capital expenditures | 252,325 | 702,687 |

During the first quarter of 2023, Keyera completed the acquisition of an additional 21% working interest in the KFS complex for total cash consideration of \$367 million, including closing adjustments. The acquisition of this additional working interest increased Keyera's total ownership interest in KFS to 98%. Keyera acquired general plant and processing equipment of \$363 million and land of \$2 million. A nominal decommissioning liability was also assumed in relation to the acquisition.

Keyera has comprehensive inspection, monitoring and maintenance programs in place. The objectives of these programs are to keep Keyera's facilities in good working order and to maintain their ability to operate reliably for many years.

Dividends

Funds from Operations, Distributable Cash Flow and Payout Ratio

Funds from operations, distributable cash flow and payout ratio are not standard measures under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the section of this MD&A titled “Non-GAAP and Other Financial Measures”.

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 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. Cash flow from operating activities is 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.

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.

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, Distributable Cash Flow and Payout Ratio | | |
|--|------------------|-----------|
| <i>(Thousands of Canadian dollars)</i> | | |
| | 2024 | 2023 |
| Cash flow from operating activities | 1,265,788 | 975,486 |
| Add (deduct): | | |
| Changes in non-cash working capital | (303,350) | 52,007 |
| Funds from operations | 962,438 | 1,027,493 |
| Maintenance capital | (136,340) | (119,973) |
| Leases | (52,804) | (47,261) |
| Prepaid lease asset | (2,380) | (2,380) |
| Inventory write-down | — | (3,257) |
| Distributable cash flow | 770,914 | 854,622 |
| Dividends declared to shareholders | 467,473 | 449,141 |
| Payout ratio | 61% | 53% |

Distributable cash flow for the year ended December 31, 2024 was \$771 million, \$84 million lower than the same period in 2023. Refer to the section of this MD&A titled, “Consolidated Financial Results: Cash Flow Metrics”, for additional details.

Dividend Policy

One of Keyera’s priorities is to maintain and grow the dividend while preserving a low dividend payout ratio and strong financial position. In determining the level of cash dividends to shareholders, Keyera’s board of directors considers current and expected future levels of distributable cash flow, capital expenditures, borrowings and debt repayments, changes in working capital requirements and other factors.

Keyera expects to pay dividends from distributable cash flow; however, credit facilities may be used to stabilize dividends from time to time. Growth capital expenditures will be funded from cash, retained operating cash flow, and additional debt or equity, as required. Although Keyera intends to continue to make regular cash dividends to its shareholders, these dividends are not guaranteed. For a more detailed discussion of the risks that could affect the level of cash dividends, refer to Keyera’s Annual Information Form available on SEDAR+ at www.sedarplus.ca.

2024 Dividend Increase

On August 7, 2024, Keyera's board of directors approved a 4% increase to the quarterly dividend and declared a dividend of \$0.52 per share (previously \$0.50 per share) payable on September 27, 2024 to shareholders of record as of September 13, 2024. On an annualized basis, the revised dividend is \$2.08 per share (previously \$2.00 per share).

2023 Dividend Increase

During the first quarter of 2023, the board of directors approved a decision to revise Keyera's dividend payments from a monthly to quarterly distribution. Effective with the dividend that was declared in the second quarter of 2023, Keyera paid a dividend of \$0.48 per share per quarter instead of \$0.16 per share per month that was paid prior to this date.

During the third quarter of 2023, Keyera's board of directors approved a 4.2% increase to the quarterly dividend, revising the dividend to \$0.50 per share or \$2.00 per share on an annualized basis (previously \$0.48 per share and \$1.92 per share, respectively).

Normal Course Issuer Bid

On November 28, 2024, the Toronto Stock Exchange ("TSX") accepted a notice of intention filed by Keyera to implement a Normal Course Issuer Bid ("NCIB") with respect to Keyera's issued and outstanding common shares ("Common Shares"). Under the NCIB, Keyera has the option to purchase and cancel up to approximately 2.5% of its 229,153,373 Common Shares issued and outstanding as of the date of the Agreement or 5,700,000 Common Shares between December 3, 2024 and December 2, 2025, in accordance with the applicable rules and policies of the TSX and applicable securities law.

Pursuant to the NCIB terms, the daily maximum number of Common Shares that can be purchased by Keyera under the NCIB is 280,671 Common Shares, which represents 25% of the average daily trading volume of 1,122,686 Common Shares for the six-month period ended October 31, 2024. The price that Keyera will pay for the Common Shares purchased under the NCIB will be the market price at the time of purchase. The NCIB will terminate at the earlier of: i) December 2, 2025, and ii) the date on which the maximum allowable number of Common Shares that can be acquired under the NCIB have been purchased. As at December 31, 2024, Keyera had 229,153,373 Common Shares issued and outstanding. For the year ended December 31, 2024, Keyera did not have any repurchases of Common Shares under the NCIB.

Adjusted Cash Flow from Operating Activities and Return on Invested Capital

Adjusted cash flow from operating activities and return on invested capital ("ROIC") are not standard measures under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the section of this MD&A titled "Non-GAAP and Other Financial Measures".

Adjusted cash flow from operating activities is defined as cash flow from operating activities before changes in non-cash working capital, decommissioning liability expenditures and finance costs. Adjusted cash flow from operating activities is used solely for the purpose of calculating ROIC and therefore, management does not use this measure on a stand-alone basis.

Return on invested capital is defined as adjusted cash flow from operating activities divided by invested capital, which includes property, plant and equipment, right-of-use assets, inventory, trade and other receivables, goodwill, intangible assets, less work-in-progress assets and trade and other payables, and provisions. ROIC is used to reflect the profitability of Keyera's in-service capital assets.

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

| Adjusted Cash Flow from Operating Activities and Return on Invested Capital | | |
|--|------------------|-----------|
| <i>(Thousands of Canadian dollars)</i> | | |
| | 2024 | 2023 |
| Cash flow from operating activities | 1,265,788 | 975,486 |
| Add: | | |
| Changes in non-cash working capital | (303,350) | 52,007 |
| Decommissioning liability expenditures | 7,700 | 8,533 |
| Finance costs | 217,521 | 204,084 |
| Adjusted cash flow from operating activities | 1,187,659 | 1,240,110 |
| Invested capital | 7,545,966 | 7,851,988 |
| Return on invested capital | 16% | 16% |

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA are not standard measures under GAAP and therefore, may not be comparable to similar measures reported by other entities. 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. Refer to the section of this MD&A titled "Non-GAAP and Other Financial Measures".

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

| EBITDA and Adjusted EBITDA | | |
|---|------------------|-----------|
| <i>(Thousands of Canadian dollars)</i> | | |
| | 2024 | 2023 |
| Net earnings | 486,628 | 424,032 |
| Add: | | |
| Finance costs | 217,521 | 204,084 |
| Depreciation, depletion and amortization expenses | 352,392 | 322,514 |
| Income tax expense | 148,490 | 122,645 |
| EBITDA | 1,205,031 | 1,073,275 |
| Unrealized loss (gain) on commodity-related contracts | 69,266 | (63,537) |
| Net foreign currency loss (gain) on U.S. debt and other | 9,258 | (11,472) |
| Impairment expense | 3,397 | 213,508 |
| Net gain on disposal of property, plant and equipment | (11,677) | — |
| Adjusted EBITDA | 1,275,275 | 1,211,774 |

CONTRACTUAL OBLIGATIONS

Keyera has assumed various contractual obligations in the normal course of its operations. At December 31, 2024, the obligations that represent known future cash payments that are required under existing contractual arrangements were as follows:

| Contractual obligations (Thousands of Canadian dollars) | Payment Due by Period | | | | | | After 2029 |
|--|-----------------------|----------------|----------------|----------------|----------------|---------------|------------------|
| | Total | 2025 | 2026 | 2027 | 2028 | 2029 | |
| Derivative financial instruments | 50,227 | 44,145 | 5,627 | 455 | — | — | — |
| Credit facility | — | — | — | — | — | — | — |
| Long-term debt ¹ | 3,720,292 | 321,663 | 230,000 | 400,000 | 693,629 | 75,000 | 2,000,000 |
| Lease liabilities ² | 234,225 | 57,056 | 46,626 | 32,541 | 23,362 | 18,566 | 56,074 |
| Other liabilities ³ | 68,281 | 39,875 | 24,518 | 3,888 | — | — | — |
| Decommissioning liabilities ⁴ | 243,506 | 16,823 | — | — | — | — | 226,683 |
| Service obligations ⁵ | 21,188 | 11,046 | 3,981 | 2,123 | 1,204 | 1,204 | 1,630 |
| Purchase obligations ^{6,7} | 32,975 | 32,975 | — | — | — | — | — |
| Total contractual obligations | 4,370,694 | 523,583 | 310,752 | 439,007 | 718,195 | 94,770 | 2,284,387 |

Notes:

- 1 Long-term debt obligations are principal only and exclude interest payments. For the U.S. denominated senior unsecured notes, the principal obligations are converted at the December 31, 2024 spot foreign exchange rate of 1.4405.
- 2 Lease liabilities include the expected undiscounted cash payments related to leases.
- 3 Other liabilities include the current and long-term portions of the LTIP liability.
- 4 No assets have been legally restricted for settlement of the liability.
- 5 Service obligations relate to terminal storage and natural gas transportation.
- 6 Purchase obligations include third party contractual commitments related to assets under construction.
- 7 Keyera, through its operating entities, has assumed commitments in various contractual purchase agreements in the normal course of its operations. The agreements involve the purchase of NGL production from producers in the areas specified in the agreements. The purchase prices are based on current market prices. The future volumes and prices for these contracts cannot be reasonably determined and therefore no amount has been included in purchase obligations to reflect these contractual agreements.

RELATED PARTY TRANSACTIONS

Keyera has provided compensation to key management personnel who are comprised of its directors and executive officers. There have been no other material related party transactions or significant changes to the annual compensation amounts disclosed in the December 31, 2024 annual audited financial statements.

RISK FACTORS

The majority of Keyera's cash flow is derived from the Gathering and Processing and Liquids Infrastructure fee-for-service business segments. The contribution generated from Gathering and Processing facilities can be exposed to changes in operating costs, depending on the fee structures of the facilities which may or may not provide a mechanism for the recovery of operating costs.

The most significant exposure faced by the Gathering and Processing and Liquids Infrastructure segments over the long term is related to declines in throughput volumes. Without reserve additions, third party production will decline over time, as reserves are depleted. Declining production volumes may translate into lower throughput and revenues at Keyera's plants and facilities; however, the effect of any reduction in throughput would likely be gradual. Many of Keyera's facilities are located in significant liquids-rich natural gas supply areas of the Western Canada Sedimentary Basin or major liquids hubs, and capital costs present barriers to entry for new competitors.

The most significant exposure faced by the Marketing business is the fluctuation in the prices of the commodities that Keyera buys and sells. Refer to the section below titled, "Marketing Risk", for more information related to these risks.

For a further discussion of the risks identified in this MD&A, other risks and trends that could affect Keyera's performance and the steps that Keyera takes to mitigate these risks, readers are referred to the descriptions in this MD&A and Keyera's Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.

Legislative and Regulatory Risk

Keyera is subject to a range of laws and regulations imposed by various levels of government and regulatory bodies in the jurisdictions in which it operates. In particular, income tax laws, environmental laws and regulatory requirements can have a significant financial and operational impact on Keyera's business. Failure to comply with any applicable laws or regulations could result in substantial fines or revocation or suspension of Keyera's operating permits and licenses. Keyera has incurred and expects to continue to incur significant expenses to comply with these laws and regulations.

There can be no guarantee that laws and other government programs relating to the oil and gas industry, the energy services industry and the transportation industry will not be changed in a manner which directly and adversely affects Keyera's business. There can also be no assurance that the laws, regulations, or rules governing Keyera's customers will not be changed in a manner which adversely affects Keyera's customers and, therefore, Keyera's business.

While these laws and regulations affect all dimensions of Keyera's activities, Keyera does not believe that they affect its operations in a manner materially different from other comparable businesses operating in the same jurisdictions. Refer to the section of this MD&A titled, "Environmental Regulation and Climate Change", for more information.

Credit Risk

Keyera assumes credit risk with respect to its fee-for-service business, the purchase and sale of commodities in its Marketing business, the hedging of commodity prices and the other financial contracts into which it enters. In particular, Keyera is exposed to credit-related losses in the event that counterparties to contracts become insolvent or otherwise fail to fulfill their present or future financial obligations to Keyera. The majority of Keyera's accounts receivable are due from entities in the oil and gas business and are subject to normal industry credit risks. Concentration of credit risk is mitigated to some degree by having a broad based domestic and international customer base. With respect to counterparties for financial instruments used for economic hedging purposes, Keyera limits its credit risk by dealing with recognized futures exchanges, or investment grade financial institutions, or by adherence to credit policies that significantly reduce overall counterparty credit risk.

Keyera regularly monitors accounts receivable for collection purposes and reviews exposure to customers and counterparties. It has also implemented other credit risk management strategies including but not limited to the following: i) obtaining netting agreements in order to reduce the net exposure to a particular customer or producer; ii) obtaining letters of credit that may be used as collateral; or iii) requiring pre-payment prior to the sale of product or rendering of services where deemed appropriate. Management believes these measures reduce Keyera's overall credit risk; however, there can be no assurance that these processes will protect against all losses from non-performance.

As at December 31, 2024, the allowance for expected credit losses was \$4 million (December 31, 2023 – \$4 million) to provide for specific accounts receivable amounts that may be uncollectible. Despite Keyera's efforts in the monitoring and collection of accounts receivable, actual losses from defaults may be greater than that provided for.

For a discussion of the risks that could affect Keyera's liquidity and working capital and the steps Keyera takes to mitigate these risks, readers are referred to note 22, Financial Instruments and Risk Management, of the accompanying financial statements.

Credit Ratings

With the assignment of two long-term corporate credit ratings, rating agencies will regularly evaluate Keyera, including its financial strength. The credit ratings applied to Keyera and its securities are an assessment by the relevant ratings agencies of Keyera's ability to pay its obligations as of the respective dates the ratings are assigned. The credit ratings may not reflect the potential impact of risks related to structure, market or other factors discussed herein on the value of Keyera's securities. In addition, factors not entirely within Keyera's control may also be considered, including conditions affecting the industry in which it operates.

There can be no assurance that one or more of Keyera's credit ratings will not be downgraded or withdrawn entirely. A credit rating downgrade could impair Keyera's ability to enter into arrangements with suppliers or counterparties and could limit its access to private and public credit markets and increase the costs of borrowing.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

Marketing Risk

Keyera enters into contracts to purchase and sell natural gas, NGLs, iso-octane and crude oil. Most of these contracts are priced at floating market prices. These activities expose Keyera to market risks resulting from movements in commodity prices between the time volumes are purchased and the time they are sold, from fluctuations in the margins between purchase prices and sales prices and, in some cases, may also expose Keyera to foreign currency risk.

The prices of the products that are marketed by Keyera are subject to fluctuations as a result of such factors as seasonal demand changes, changes in crude oil, gasoline and natural gas markets, extreme weather conditions (including flooding, wind and increased annual levels of rainfall as a result of climate change or otherwise), general economic conditions and other factors. In many circumstances, particularly in NGL marketing, purchase and sale contracts are not perfectly matched as they are entered into at different times, locations and values. Further, Keyera normally has a long position in propane that it markets and in butane that it uses as a feedstock for the production of iso-octane, and it may store these products in order to meet seasonal demand and take advantage of seasonal pricing differentials, resulting in inventory price risk. In Keyera's NGL, iso-octane and liquids blending

marketing businesses, margins can vary significantly from period to period and volatility in the markets for these products may cause distortions in financial results from period to period that are not replicable.

To some extent, Keyera can lessen certain elements of risk exposure through the integration of its marketing business with its facilities businesses. In spite of this integration, Keyera remains exposed to market and commodity price risk. Keyera manages this commodity risk in a number of ways, including the use of financial and physical hedging contracts and by offsetting some physical and financial contracts in terms of volumes, timing of performance and delivery obligations. There is no guarantee that hedging and other efforts to manage the marketing and inventory risks will generate profits or mitigate all the market and inventory risk associated with these activities. If Keyera hedges its commodity price exposure, it may forego the benefits that may otherwise be experienced if commodity prices were to change and it is subject to credit risks associated with the counterparties with whom it contracts. In addition, any non-compliance with Keyera's trading policies could result in significantly adverse financial effects. Refer to the section of this MD&A titled, "Segmented Results of Operations – Marketing: Risk Management", for more information of Keyera's risk management strategies.

Operational Risk

Keyera's cash flows may be adversely affected by the occurrence of common hazards and environmental risks related to the natural gas gathering, processing and pipeline transportation business, such as adverse weather conditions, the failure of equipment, systems or processes, failure to maintain adequate supplies or spare parts, operator error, ruptures, leaks or releases of crude oil or petroleum products into the environment, labour disputes, service disruptions (including protests and blockades), disputes with owners of interconnected facilities, catastrophic events or acts of terrorism. If any of these events were to occur, Keyera could suffer substantial losses because of the resulting impact on Keyera's reputation, personal injury or loss of life, severe damage to and destruction of property, equipment, information technology systems, related data and control systems, environmental damage, which may include polluting water, land or air, resulting in regulatory enforcement or curtailment or suspension of the related operations.

To mitigate these operational and environmental risks, Keyera provides training to its employees, maintains written standard operating practices, formally assesses and documents employee competency, and maintains formal inspection, maintenance, safety and environmental programs. In addition, Keyera carries property, casualty and business interruption insurance, although there can be no assurance that the proceeds of such insurance will compensate Keyera fully for any losses, nor can it be assured that such insurance will be available in the future. In addition, if Keyera is unaware of a problem or is unable to locate the problem within the relevant time period, insurance coverage may not be available.

Foreign Currency Risk

Foreign currency risk arises on financial instruments that are denominated in a foreign currency. Keyera's functional currency is the Canadian dollar. The Marketing segment has foreign currency risk associated with its sales and purchases denominated in U.S. dollars; however, the Gathering and Processing and Liquids Infrastructure segments have very little foreign currency risk as sales and purchases are primarily denominated in Canadian dollars. Foreign currency risk is actively managed by using forward currency contracts and cross-currency swaps. Management monitors the exposure to foreign currency risk and regularly reviews its risk management strategies and all outstanding positions.

Keyera is also exposed to foreign currency risk related to its U.S. dollar denominated long-term debt. To manage this currency exposure, Keyera has entered into cross-currency swap contracts related to the principal portion and future interest payments for all U.S. dollar denominated debt. These cross-currency swap contracts are discussed further in the "Liquidity and Capital Resources" section of this MD&A.

Cyber Security

Keyera's business depends on digital technologies and information systems to control its facilities and operations. Keyera is also dependent on third-party service providers to help support and maintain its technology systems. Such systems are subject to a variety of cyber-related risks, including hacking, phishing, cyberattacks, cyber fraud and viruses. Further, the failure of a third party to provide Keyera with adequate services may result in disruptions to Keyera's technology systems. Keyera collects and stores sensitive data while conducting its business, including personal information regarding its employees and confidential business information of its customers, suppliers, investors, and stakeholders, for which it is legally responsible. There is a risk that failure of one or more technology systems could lead to failure of other systems. In addition, the risk of cyber-attacks in general is increasing.

A breach in Keyera's security or information technology could result in operational outages, delays in the delivery or availability of our customers' products, contamination or degradation of products, potential releases of hydrocarbon products, financial loss, loss of material data, reputational harm and other adverse outcomes. Keyera may be held liable for any such outcome. The frequency and sophistication of cyber-attacks continue to increase year-over-year, and Keyera expects to continue to experience attempts to gain unauthorized access to its information systems. Further, the increased remote access to information technology systems may heighten the threat of a cyber-security breach. These risks are somewhat mitigated through Keyera's technology strategy that focuses on employing a multilayer security framework and incident management system to protect and detect issues within its information technology infrastructure.

Breach of Confidentiality

Keyera regularly enters into confidentiality agreements with third parties prior to the disclosure of any confidential information when discussing potential business relationships or other transactions. Breaches of confidentiality could put Keyera at competitive risk and may cause significant damage to its business. There is no assurance that, in the event of a breach of confidentiality, Keyera will be able to obtain equitable remedies from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

ENVIRONMENTAL REGULATION AND CLIMATE CHANGE

Keyera is subject to a range of operational laws, regulations and requirements imposed by various levels of government and regulatory bodies in the jurisdictions in which it operates. While these legal controls and regulations affect numerous aspects of Keyera's activities, including but not limited to, emissions, the operation of wells, pipelines and facilities, construction activities, transportation of dangerous goods, emergency response, operational safety and environmental matters, Keyera does not believe that they impact its operations in a manner materially different from other comparable businesses operating in the same jurisdictions.

The midstream industry in Alberta is subject to provincial and federal environmental legislation and regulations. Among other things, the environmental regulatory regime restricts or prohibits releases or emissions of various substances produced in association with certain oil and natural gas industry operations. Environmental regulation affects the operation of facilities and pipelines and limits the extent to which facility expansion is permitted. In addition, legislation requires that facility sites and pipelines be abandoned and reclaimed to the satisfaction of provincial authorities and local landowners. A breach of such legislation may result in notices of non-compliance, the imposition of fines, the issuance of clean-up orders or the shutting down of facilities and pipelines or the suspension of operations (either temporarily or permanently).

Greenhouse gases, mainly carbon dioxide and methane, are components of the raw natural gas processed and handled at Keyera's facilities. Keyera's facilities also require the combustion of fossil fuels in engines, turbines, heaters and boilers, as well as the use of electricity, all of which release carbon dioxide, methane and other minor greenhouse gases. As such, Keyera is subject to various greenhouse gas reporting requirements and emission intensity and reduction requirements. Keyera uses engineering consulting firms and internal resources to compile inventories of greenhouse gas emissions and reports these inventories in accordance with federal and provincial programs. Third party audits or verifications of inventories are conducted for facilities that are required to meet regulatory targets.

The regulatory framework in respect of greenhouse gases and other emissions is evolving rapidly. An increasing area of risk relates to the ongoing development, change and costs associated with federal and provincial emissions-related regulation, including emissions management and direct costs related to compliance and monitoring.

In 2024, Keyera's management and the Board continued to advance the integration of climate-related risks and opportunities into corporate strategy, risk management processes, and capital investment frameworks. These advancements support Keyera's energy transition strategy, founded on a parallel path approach designed to lower both emissions and operating costs from Keyera's base operations, while at the same time pursuing strategic, lower-carbon commercial opportunities arising from the energy transition. Keyera intends to continue to work to reduce emissions from base operations by pursuing operational efficiency, optimizing the utilization of our assets, investing in technology, supporting renewable energy development, and exploring the use of carbon capture, utilization, and storage in operations. With regards to pursuing energy transition opportunities, Keyera is exploring lower-carbon services and new business models that leverage Keyera's existing asset base, core competencies, and strong customer relationships.

SELECTED FINANCIAL INFORMATION

The following table presents selected annual financial information for Keyera:

| <i>(Thousands of Canadian dollars, except per share information)</i> | 2024 | 2023 | 2022 |
|--|------------------|-------------|-------------|
| Revenue before inter-segment eliminations¹ | | | |
| • Gathering and Processing | 724,983 | 733,316 | 722,395 |
| • Liquids Infrastructure | 879,395 | 768,996 | 633,310 |
| • Marketing | 6,036,962 | 6,055,725 | 6,135,499 |
| • Other | 55 | 40 | 58 |
| Operating margin | | | |
| • Gathering and Processing | 412,600 | 392,430 | 347,900 |
| • Liquids Infrastructure | 557,021 | 486,467 | 413,879 |
| • Marketing | 416,129 | 554,251 | 414,973 |
| • Other | (149) | (210) | (971) |
| Realized margin² | | | |
| • Gathering and Processing | 412,718 | 394,530 | 346,772 |
| • Liquids Infrastructure | 557,590 | 496,114 | 405,912 |
| • Marketing | 484,708 | 478,967 | 397,421 |
| • Other | (149) | (210) | (971) |
| Net earnings | 486,628 | 424,032 | 328,294 |
| Earnings per share (\$/share): | | | |
| • Basic | 2.12 | 1.85 | 1.48 |
| • Diluted | 2.12 | 1.85 | 1.48 |
| Dividends to shareholders | 467,473 | 449,141 | 425,665 |
| Dividends per share (basic) | 2.04 | 1.96 | 1.92 |
| Shares outstanding (thousands) | | | |
| • Weighted average (basic) | 229,153 | 229,153 | 221,290 |
| • Weighted average (diluted) | 229,153 | 229,153 | 221,290 |
| Total assets | 8,755,861 | 8,780,011 | 8,568,188 |
| Total long-term liabilities | 4,731,359 | 5,205,317 | 4,749,473 |

Notes:

- 1 Keyera's Gathering and Processing and Liquids Infrastructure segments charge Keyera's Marketing segment for the use of facilities at market rates. Revenue before inter-segment eliminations includes these transactions. Inter-segment transactions are eliminated on consolidation in order to arrive at Operating Revenues in accordance with GAAP.
- 2 Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section of this MD&A titled "Non-GAAP and Other Financial Measures". For a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin, see the section titled "Segmented Results of Operations".

Keyera achieved another year of outstanding financial results in 2024 with the achievement of record net earnings, earnings per share and realized margin recognized from all three operating segments.

The Gathering and Processing segment's record realized margin in 2024 was supported by significant contribution from the North region gas plants, which account for over 70% of the segment's margin.

The Liquids Infrastructure segment's record realized margin in 2024 was mainly attributable to: i) higher storage and fractionation revenues from the KFS complex; ii) incremental margin from the KAPS pipeline system; and iii) higher contribution from higher contracted volumes on Keyera's condensate system.

The Marketing segment's record realized margin in 2024 was primarily due a disciplined risk management program and the effective utilization of Keyera's infrastructure capabilities that resulted in higher sales volumes related to propane, butane and condensate.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected financial information for Keyera:

| | Dec 31, 2024 | Sep 30, 2024 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 | Mar 31, 2023 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue¹ | | | | | | | | |
| Gathering and Processing | 192,405 | 174,234 | 178,702 | 179,642 | 202,767 | 174,908 | 169,024 | 186,617 |
| Liquids Infrastructure | 228,701 | 216,369 | 222,175 | 212,150 | 214,790 | 195,775 | 180,222 | 178,209 |
| Marketing | 1,645,556 | 1,694,319 | 1,444,656 | 1,252,431 | 2,019,586 | 1,203,704 | 1,269,463 | 1,562,972 |
| Other | 10 | 13 | 30 | 2 | 11 | 11 | 12 | 6 |
| Operating margin (loss) | | | | | | | | |
| Gathering and Processing | 107,834 | 99,114 | 101,885 | 103,767 | 114,851 | 90,950 | 87,207 | 99,422 |
| Liquids Infrastructure | 154,295 | 135,677 | 131,904 | 135,145 | 128,133 | 123,623 | 117,305 | 117,406 |
| Marketing | 45,264 | 190,799 | 136,010 | 44,056 | 202,851 | 69,387 | 166,371 | 115,642 |
| Other | (98) | (64) | (50) | 63 | (49) | (57) | (70) | (34) |
| Operating margin | 307,295 | 425,526 | 369,749 | 283,031 | 445,786 | 283,903 | 370,813 | 332,436 |
| Realized margin (loss)² | | | | | | | | |
| Gathering and Processing | 107,303 | 99,152 | 101,934 | 104,329 | 115,983 | 93,811 | 84,430 | 100,306 |
| Liquids Infrastructure | 152,576 | 135,374 | 133,077 | 136,563 | 130,170 | 128,051 | 119,228 | 118,665 |
| Marketing | 99,408 | 134,857 | 135,983 | 114,460 | 128,597 | 99,714 | 134,139 | 116,517 |
| Other | (98) | (64) | (50) | 63 | (49) | (57) | (70) | (34) |
| Realized margin² | 359,189 | 369,319 | 370,944 | 355,415 | 374,701 | 321,519 | 337,727 | 335,454 |
| Net earnings | 88,906 | 184,631 | 142,177 | 70,914 | 49,192 | 78,112 | 158,939 | 137,789 |
| Net earnings per share (\$/share) | | | | | | | | |
| Basic | 0.39 | 0.81 | 0.62 | 0.31 | 0.21 | 0.34 | 0.69 | 0.60 |
| Diluted | 0.39 | 0.81 | 0.62 | 0.31 | 0.21 | 0.34 | 0.69 | 0.60 |
| Weighted average number of shares (basic) | 229,153 | 229,153 | 229,153 | 229,153 | 229,153 | 229,153 | 229,153 | 229,153 |
| Weighted average number of shares (diluted) | 229,153 | 229,153 | 229,153 | 229,153 | 229,153 | 229,153 | 229,153 | 229,153 |
| Dividends declared to shareholders | 119,160 | 119,160 | 114,576 | 114,577 | 114,577 | 114,577 | 109,993 | 109,994 |

Notes:

- Keyera's Gathering and Processing and Liquids Infrastructure segments charge Keyera's Marketing segment for the use of facilities at market rates. Revenue before inter-segment eliminations reflects these transactions. Inter-segment transactions are eliminated on consolidation in order to arrive at operating revenues in accordance with GAAP.
- Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section of this MD&A titled "Non-GAAP and Other Financial Measures" for additional details.

For the periods in the table above, Keyera's results were affected by the following factors and trends:

- strong commodity prices and energy demand that resulted in periods of record operating margin for the Gathering and Processing and Liquids Infrastructure segments and strong contribution from the Marketing segment;
- growth in demand for diluent handling services in the Liquids Infrastructure segment backed by long-term, take-or-pay contracts with credit worthy counterparties;
- incremental margin from: i) the KFS complex mainly attributable to the acquisition of an additional 21% working interest in the first quarter of 2023; and ii) the KAPS pipeline system which commenced operations in the second quarter of 2023;
- record gross processing throughput levels for the Wapiti and Pipestone gas plants in the Gathering and Processing segment that contributed to higher operating margin;

- an impairment charge recognized for the Wildhorse terminal in the Liquids Infrastructure segment that impacted net earnings;
- periods of exceptionally strong motor gasoline pricing and iso-octane premiums; and
- a prudent and effective risk management program.

See the section of this MD&A, “Segmented Results of Operations”, for more information on the financial results of Keyera’s operating segments for the year ended December 31, 2024.

ADOPTION OF NEW STANDARDS

There were no significant new or amended IFRS Accounting Standards, IAS[®] Standards, IFRIC[®] Interpretations or SIC[®] Interpretations adopted by Keyera during the year ended December 31, 2024.

FUTURE ACCOUNTING PRONOUNCEMENTS

During the third quarter of 2024, the Canadian Accounting Standards Board endorsed IFRS 18, *Presentation and Disclosure in Financial Statements*, which was issued by the IASB in April 2024. IFRS 18 introduces: i) defined categories for income and expenses and certain defined subtotals in the statement of net earnings, including operating profit, ii) required disclosures of certain management-defined performance measures, and iii) aggregation and disaggregation principles for the grouping of information in the consolidated financial statements. IFRS 18 will replace IAS 1, *Presentation of Financial Statements*, and is effective for annual periods beginning on or after January 1, 2027. The standard requires retrospective application with early adoption permitted. Keyera is currently assessing the impact of adopting IFRS 18 on the consolidated financial statements.

CONTROL ENVIRONMENT

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Keyera’s disclosure controls and procedures (“DC&P”), as defined in *National Instrument 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings* (“NI 52-109”), are designed to provide reasonable assurance that material information relating to Keyera and its consolidated subsidiaries has been brought to the attention of the President and Chief Executive Officer (“CEO”) and the Senior Vice-President and Chief Financial Officer (“CFO”), and that information required to be disclosed pursuant to applicable securities legislation has been recorded, processed, summarized and reported in an appropriate and timely manner.

Keyera also maintains internal control over financial reporting (“ICFR”), as defined in NI 52-109, which is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

The CEO and CFO evaluated the design and effectiveness of the DC&P and ICFR as at December 31, 2024 and concluded that both were effective.

While the CEO and CFO have determined that Keyera’s DC&P and ICFR are effective and provide a reasonable level of assurance with respect to financial statement preparation and presentation, both have inherent limitations. Therefore, it is not intended that Keyera’s DC&P and ICFR will prevent all errors or fraud, nor will they provide absolute assurance that a misstatement of Keyera’s financial statements will be prevented or detected.

Changes in Internal Control over Financial Reporting

No changes were made for the period beginning January 1, 2024 and ending December 31, 2024 that have materially affected, or are reasonably likely to materially affect Keyera’s ICFR.

COMMON SHARES

The total common shares outstanding at December 31, 2024 was 229,153,373.

NON-GAAP AND OTHER FINANCIAL MEASURES

This discussion and analysis may refer to certain financial measures that are not determined in accordance with GAAP. Measures such as funds from operations, distributable cash flow, distributable cash flow per share, payout ratio, realized margin, EBITDA, adjusted EBITDA, adjusted cash flow from operating activities, return on invested capital and compound annual growth rate (“CAGR”) calculations are not standard measures under GAAP or are supplementary financial measures, and as a result, may not be comparable to similar measures reported by other entities. Management believes these non-GAAP and other financial measures facilitate the understanding of Keyera’s results of operations, leverage, liquidity and financial position. Investors are cautioned, however, that these measures should not be construed as an alternative to net earnings or other measures determined in accordance with GAAP as an indication of Keyera’s performance.

| Funds from Operations | |
|---|---|
| Definition | Cash flow from operating activities adjusted for changes in non-cash working capital. |
| Utilization | <p>Funds from operations 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 companies within the midstream oil and gas industry.</p> <p>For a reconciliation of funds from operations to the most directly comparable GAAP measure, cash flow from operating activities, refer to the section titled, “Dividends: Funds from Operations, Distributable Cash Flow and Payout Ratio”.</p> |
| Distributable Cash Flow (“DCF”) / Distributable Cash Flow per Share | |
| Definition | <p>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.</p> <p>Distributable cash flow divided by weighted average number of shares – basic.</p> |
| Utilization | <p>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.</p> <p>For a reconciliation of distributable cash flow to the most directly comparable GAAP measure, cash flow from operating activities, refer to the section titled, “Dividends: Funds from Operations, Distributable Cash Flow and Payout Ratio”.</p> |
| Payout Ratio | |
| Definition | Dividends declared to shareholders divided by distributable cash flow. |
| Utilization | Payout ratio is used to assess the sustainability of the company’s dividend payment program. |

| Realized Margin | |
|--|--|
| Definition | <p>Operating margin excluding unrealized gains and losses on commodity-related risk management contracts.</p> <p>Fee-for-service realized margin includes realized margin for the Gathering and Processing and Liquids Infrastructure segments. The most directly comparable GAAP measure is operating margin for these segments. On an individual basis, a reconciliation of realized margin for the Gathering and Processing and Liquids Infrastructure segments to the most comparable GAAP measure, operating margin for these respective segments can be found in the “Segmented Results of Operations” section.</p> |
| Utilization | <p>Realized margin is used to assess the financial performance of Keyera’s ongoing operations without the effect of unrealized gains and losses on commodity-related risk management contracts related to future periods.</p> <p>For a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin, refer to the section titled, “Segmented Results of Operations”.</p> |
| Related Guidance Measures <i>(Forward-Looking Information)</i> | <p><i>Annual Base Realized Margin for the Marketing Segment</i> <i>(\$310 million to \$350 million)</i></p> <p>This measure represents Keyera’s expectation of what the Marketing segment will contribute on average in a typical year. Material factors and assumptions associated with the annual base realized margin guidance for the Marketing segment can be found in the sections titled, “Segmented Results of Operations: Marketing” and “Forward-Looking Statements”.</p> <p>2025 realized margin guidance for the Marketing segment will be provided during the first quarter, after the conclusion of the NGL contracting season.</p> |
| EBITDA / Adjusted EBITDA | |
| Definition | <p>Earnings before finance costs, taxes, depreciation, and amortization.</p> <p>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.</p> |
| Utilization | <p>EBITDA and adjusted EBITDA are measures used as an indication of earnings generated from operations after consideration of administrative and overhead costs.</p> <p>For a reconciliation of EBITDA and adjusted EBITDA to the most directly comparable GAAP measure, net earnings, refer to the section titled, “EBITDA and Adjusted EBITDA”.</p> |

| Adjusted Cash Flow from Operating Activities | |
|---|---|
| Definition | Cash flow from operating activities before changes in non-cash working capital, decommissioning liability expenditures and finance costs. |
| Utilization | Adjusted cash flow from operating activities is used solely for purposes of calculating return on invested capital and is therefore not used by management on a stand-alone basis. Since the return on invested capital measure is intended to be calculated on an annual basis, the reconciliation of adjusted cash flow from operating activities to the most directly comparable GAAP measure, cash flow from operating activities, can be found in the section titled, "Adjusted Cash Flow from Operating Activities and Return on Invested Capital" included in Keyera's most recent annual MD&A. |
| Return on Invested Capital ("ROIC") | |
| Definition | Adjusted cash flow from operating activities, divided by invested capital, which includes property, plant and equipment, right-of-use assets, inventory, trade and other receivables, goodwill, intangible assets, less work-in-progress assets, and trade and other payables, and provisions. |
| Utilization | Return on invested capital is used to reflect the profitability of Keyera's in-service capital assets. |
| Compound Annual Growth Rate ("CAGR") Calculations | |
| Definition | CAGR is calculated as follows: $\text{CAGR} = \left[\frac{\text{End of the period}^*}{\text{Beginning of the period}^*} \right]^{\left[\frac{1}{\text{Number of Years}} \right]} - 1$ <p>* Beginning and end of period values for the CAGR calculations are defined below.</p> <p>CAGR for Fee-Based Adjusted EBITDA <i>(replaces CAGR for adjusted EBITDA holding Marketing constant)</i></p> <p>CAGR for fee-based adjusted EBITDA is intended to provide information on a forward-looking basis (initiating a 7% to 8% fee-based adjusted EBITDA CAGR target from 2024 to 2027). This calculation utilizes beginning and end of period fee-based adjusted EBITDA, which includes the following components and assumptions: i) forecasted fee-for-service realized margin (realized margin for the Gathering and Processing and Liquids Infrastructure segments as explained in more detail above), and ii) adjustments for total forecasted general and administrative, and long-term incentive plan expense.</p> |

Compound Annual Growth Rate (“CAGR”) Calculations

Definition

The following includes the equivalent historical measure for fee-based adjusted EBITDA, which is the non-GAAP measure component of the related forward-looking CAGR calculation.

Fee-Based Adjusted EBITDA

For the Year Ended December 31,

(Thousands of Canadian dollars)

| | 2024 | 2023 | 2022 | 2021 |
|--|----------------|----------------|----------------|----------------|
| Realized Margin – Fee-for-Service | 970,308 | 890,644 | 752,684 | 731,930 |
| Less: | | | | |
| General and administrative expenses | (117,142) | (106,494) | (82,843) | (80,697) |
| Long-term incentive plan expense | (62,450) | (50,909) | (33,284) | (27,029) |
| Fee-Based Adjusted EBITDA | 790,716 | 733,241 | 636,557 | 624,204 |

This measure replaces CAGR for adjusted EBITDA holding Marketing constant. In addition to the components of CAGR for fee-based adjusted EBITDA, CAGR for adjusted EBITDA holding Marketing constant included realized margin for the Marketing segment, which was held at a value within the expected base realized margin (between \$310 million and \$350 million). Keyera expects to reach the upper end of its CAGR target for adjusted EBITDA holding marketing constant of 6% to 7% over the 2022 to 2025 timeframe.

By adjusting the composition of the measure to exclude the Marketing segment entirely, Keyera believes the revised fee-based adjusted EBITDA CAGR calculation improves clarity and enhances peer comparability.

CAGR for DCF per Share

Calculation utilizes beginning and end of period DCF per share, which is a non-GAAP ratio as defined above.

CAGR for Dividends per Share

Calculation utilizes beginning and end of period dividends per share, which is a supplementary financial measure.

Utilization

CAGR for fee-based adjusted EBITDA 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.

For DCF per share and dividends per share, the CAGR calculations provide the related growth rates over historical periods.

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 MD&A 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”, “can”, “project”, “should”, “would”, “plan”, “intend”, “believe”, “plan”, “target”, “outlook”, “scheduled”, “positioned”, 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:

- industry, market and economic conditions 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 Marketing guidance for 2025 annual base realized margin of between \$310 million and \$350 million;
- estimates for 2025 regarding Keyera’s growth capital expenditures, maintenance capital expenditures and cash tax expense;
- the expectation that demand for Keyera’s liquid infrastructure service offerings, including fractionation capacity and storage capacity, will remain strong;
- plans around the expansion of Keyera’s fractionation capacity, including the cost and timing for the KFS Frac II debottleneck, and sanction and timing for the construction of KFS Frac III;
- expectations around long-term demand for iso-octane;
- plans for deployment of capital, including with respect to use of the NCIB versus other capital allocation opportunities;
- plans around future dividends;
- current estimated income tax expenses for 2025 and tax pools at December 31, 2024;
- business strategy, anticipated growth and plans of management;
- budgets, including future growth capital, operating and other expenditures and projected costs;
- timing of anticipated maintenance activities during 2025 and the impact on 2025 realized margin;
- expectations related to producer drilling activity in the South Region;
- anticipated timing for future revenue streams and optimization plans;
- treatment of Keyera and its projects under existing and proposed governmental regulatory regimes;
- the operation and effectiveness of risk management programs and Keyera’s expectation to continue to utilize RBOB-based financial contracts to hedge iso-octane sales;
- expected outcomes with respect to legal proceedings and potential insurance recoveries;
- expectations around replacement of Keyera’s credit facilities and other debt arrangements upon maturity;
- expectations regarding Keyera’s ability to maintain its competitive position, raise capital and add to its assets through acquisitions or internal growth opportunities, and the ability to equity self-fund future growth opportunities when ready for sanction;
- expectations as to the financial impact of Keyera’s compliance with future environmental and carbon tax regulation;
- plans, targets, and strategies with respect to reducing greenhouse gas emissions and anticipated reductions in emissions levels; and
- Keyera’s ESG, climate change and risk management initiatives and their implementation generally.

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 with respect to such things as the outlook for general economic trends, industry trends, commodity prices, oil and gas industry exploration and development activity levels and the geographic region of such activity, Keyera's access to the capital markets and the cost of raising capital, the integrity and reliability of Keyera's assets, the governmental, regulatory and legal environment, general compliance with Keyera's plans, strategies, programs, and goals across its reporting and monitoring systems among employees, stakeholders and service providers. Keyera's expectation as to the "base realized margin" to be contributed by its Marketing segment assumes: i) a crude oil price of between US\$65 and US\$75 per barrel; ii) butane feedstock costs comparable to the 10-year average; and iii) AEF utilization at nameplate capacity. In some instances, this MD&A may also contain forward-looking information attributed to third parties. 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. Such risks, uncertainties and other factors include, without limitation, the following:

- Keyera's ability to implement its strategic priorities and business plan and achieve the expected benefits;
- general industry, market and economic conditions;
- activities of customers, producers and other facility owners;
- operational hazards and performance;
- the effectiveness of Keyera's risk management programs;
- competition;
- changes in commodity composition and prices, inventory levels, supply/demand trends and other market conditions and factors;
- disruptions to global supply chains and labour shortages;
- trade restrictions, trade barriers, or the imposition of other changes to international trade arrangements;
- processing and marketing margins;
- climate change risks, including the effects of unusual weather and natural catastrophes;
- climate change effects and regulatory and market compliance and other costs associated with climate change;
- variables associated with capital projects, including the potential for increased costs, including inflationary pressures, timing, delays, cooperation of partners, and access to capital on favourable terms;
- fluctuations in interest, tax and foreign currency exchange rates;
- hedging strategy risks;
- counterparty performance and credit risk;
- changes in operating and capital costs;
- cost and availability of financing;
- ability to expand, update and adapt infrastructure on a timely and effective basis;
- decommissioning, abandonment and reclamation costs;
- reliance on key personnel and third parties;
- actions by joint venture partners or other partners which hold interests in certain of Keyera's assets;
- relationships with external stakeholders, including Indigenous stakeholders;

- technology, security and cybersecurity risks;
- potential litigation and disputes;
- uninsured and underinsured losses;
- ability to service debt and pay dividends;
- changes in credit ratings;
- reputational risks;
- risks related to a breach of confidentiality;
- changes in environmental and other laws and regulations;
- the ability to obtain regulatory, stakeholder and third-party approvals;
- actions by governmental authorities;
- global health crisis, such as pandemics and epidemics and the unexpected impacts related thereto;
- the effectiveness of Keyera's existing and planned ESG and risk management programs; and
- the ability of Keyera to achieve specific targets that are part of its ESG initiatives, including those relating to emissions intensity reduction targets, as well as other climate-change related initiatives;

and other risks, uncertainties and other factors, many of which are beyond the control of Keyera, and some of which are discussed under "Risk Factors" herein and in Keyera's Annual Information Form available on Keyera's profile on SEDAR+ at www.sedarplus.ca.

Readers are cautioned that the foregoing list of important factors is not exhaustive and they should not unduly rely on the forward-looking information included in this MD&A. Further, readers are cautioned that the forward-looking information contained herein is made as of the date of this MD&A. Unless required by law, Keyera does not intend and does not assume any obligation to update any forward-looking information.