

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") was prepared as of May 15, 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 unaudited condensed interim consolidated financial statements ("accompanying financial statements") of Keyera Corp. for the three months ended March 31, 2025 and the notes thereto as well as the audited consolidated financial statements of Keyera for the year ended December 31, 2024, and the related MD&A. 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 excellent start to the year, highlighted by the following accomplishments:

Solid financial results

- Net earnings of \$130 million (Q1 2024 – \$71 million), realized margin¹ of \$340 million (Q1 2024 – \$355 million), adjusted earnings before interest, taxes, depreciation and amortization¹ of \$298 million (Q1 2024 – \$314 million) and distributable cash flow¹ of \$190 million (Q1 2024 – \$205 million).

Strong performance from all operating segments

- The Liquids Infrastructure segment delivered robust quarterly financial results with realized margin¹ of \$152 million, virtually unchanged from the record results achieved in the fourth quarter of 2024. The higher year-over-year results were mainly due to higher contracted volumes on KAPS and Keyera's condensate system, and higher contribution from the Alberta Diluent Terminal as the facility experienced tank repair and cleaning activities in the first quarter of 2024.
- In the Gathering and Processing segment, record gross processing throughput levels were achieved in the North region due to significantly higher volumes at the Wapiti and Simonette gas plants. Incremental volumes from multiple customers active in the condensate-rich Montney area supported the strong financial results as the business delivered realized margin¹ of \$109 million. The North region facilities continue to account for over 70% of the segment's overall margin.
- The Marketing segment utilized its disciplined risk management program that enabled the business to secure and maintain margins during the first quarter of 2025, a period marked by increased commodity price volatility. The business generated realized margin¹ of \$78 million during this period despite the volatile commodity price environment and lower iso-octane sales in preparation of the AEF facility commencing its maintenance outage. The cash flow generated from the Marketing business enhances Keyera's overall corporate return on invested capital as it can utilize its infrastructure assets to deliver product to the highest value markets.

Sanction of KFS Frac III and KFS Frac II Debottleneck

Capital-efficient growth projects:

- Keyera has sanctioned the 47,000 barrel per day KFS Frac III project, a major expansion of Keyera's core fractionation hub in Fort Saskatchewan. The project is expected to cost \$500 million, including investments to enhance egress capability at the plant, and enter service in mid-2028. This project will further strengthen the strategic role of the KFS complex within Keyera's integrated value chain. KFS Frac III, combined with the previously sanctioned KFS Frac II Debottleneck project, will increase Keyera's total fractionation capacity by about 60%, including the Rimbey complex. This reinforces Keyera's ability to meet the growing needs of the basin and attract incremental volumes across its system.
- As previously disclosed in February, Keyera formally sanctioned the KFS Frac II Debottleneck project, which will add approximately 8,000 barrels per day of capacity for \$85 million. Construction is scheduled to begin this summer, with the additional capacity expected online in mid-2026.

¹ Realized margin, earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA and distributable cash flow 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".

Keyera expects the following for 2025:

- Following the completion of the NGL contracting season, 2025 realized margin¹ for the Marketing segment is expected to remain within the long-term base guidance range of between \$310 million and \$350 million. This outlook includes an estimated \$50 million impact on the segment's annual realized margin due to a seven-week maintenance outage at AEF. It also reflects the benefits of Keyera's disciplined risk management program, which mitigates the impact of commodity price volatility.
- Growth capital expenditures are expected to range between \$300 million and \$330 million. This includes capital investments to advance the KFS Frac II Debottleneck, the new build of KFS Frac III, the extension of the existing KAPS pipeline from Pipestone to Gordondale, Alberta ("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.

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 Realized margin is not a standard measure 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 and 2025 realized margin guidance for the Marketing segment, refer to the sections titled "Segmented Results of Operations: Marketing", "Non-GAAP and Other Financial Measures" and "Forward-Looking Statements".

CONSOLIDATED FINANCIAL RESULTS

The following table highlights some of the key consolidated financial results for the three months ended March 31, 2025 and 2024:

<i>(Thousands of Canadian dollars, except per share and ratio data)</i>	Three months ended March 31,	
	2025	2024
Net earnings	130,335	70,914
Net earnings per share (basic)	0.57	0.31
Operating margin	351,590	283,031
Realized margin ¹	340,110	355,415
Adjusted EBITDA ²	298,430	314,304
Cash flow from operating activities	165,325	398,040
Funds from operations ³	222,237	231,725
Distributable cash flow ³	189,579	205,338
Distributable cash flow per share ³ (basic)	0.83	0.90
Dividends declared	119,160	114,577
Dividends declared per share	0.52	0.50
Payout ratio ⁴	63%	56%

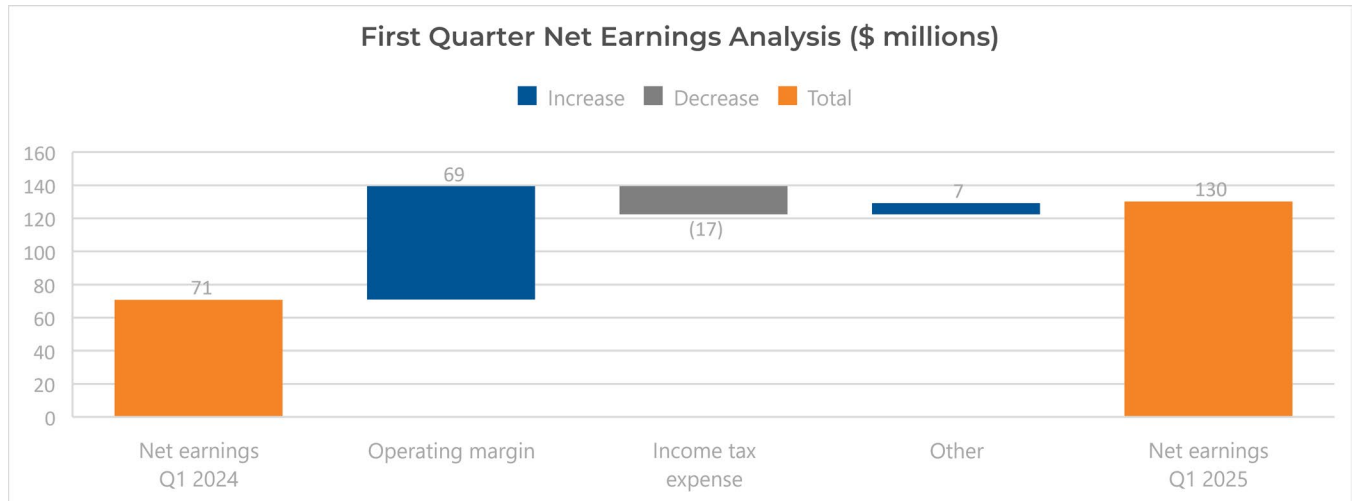
Notes:

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 three months ended March 31, 2025, net earnings were \$130 million, \$59 million higher than the same period in the prior year due to the factors shown in the table below:

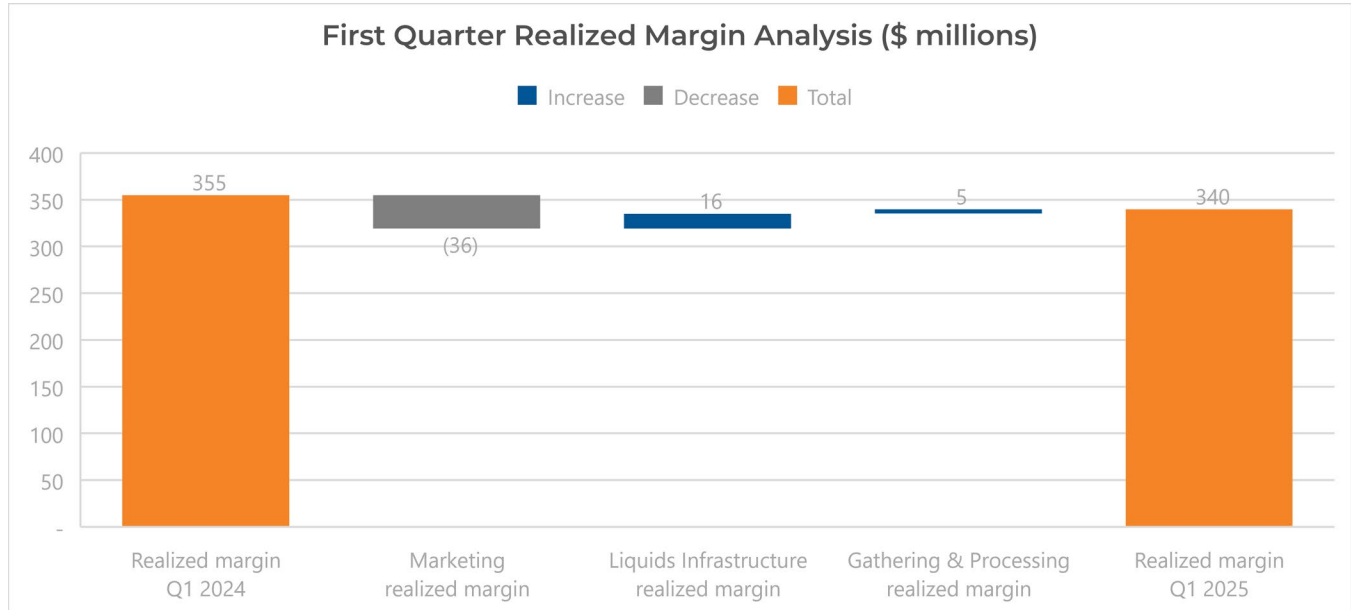


See the section below for more information related to operating margin. For all other charges mentioned above, please see the section of the MD&A titled, "Corporate and Other".

Operating Margin and Realized Margin

For the three months ended March 31, 2025, operating margin was \$352 million, \$69 million higher than the same period in the prior year primarily due to the inclusion of an unrealized non-cash gain of \$6 million associated with risk management contracts from the Marketing segment compared to an unrealized non-cash loss of \$70 million for the same period in 2024. This increase was partially offset by \$15 million of lower realized margin as described below in more detail.

In the first quarter of 2025, realized margin¹ (excludes the effect of unrealized gains and losses from commodity-related risk management contracts) was \$340 million, \$15 million lower than the same period in the prior year and includes the following changes in contribution by segment:



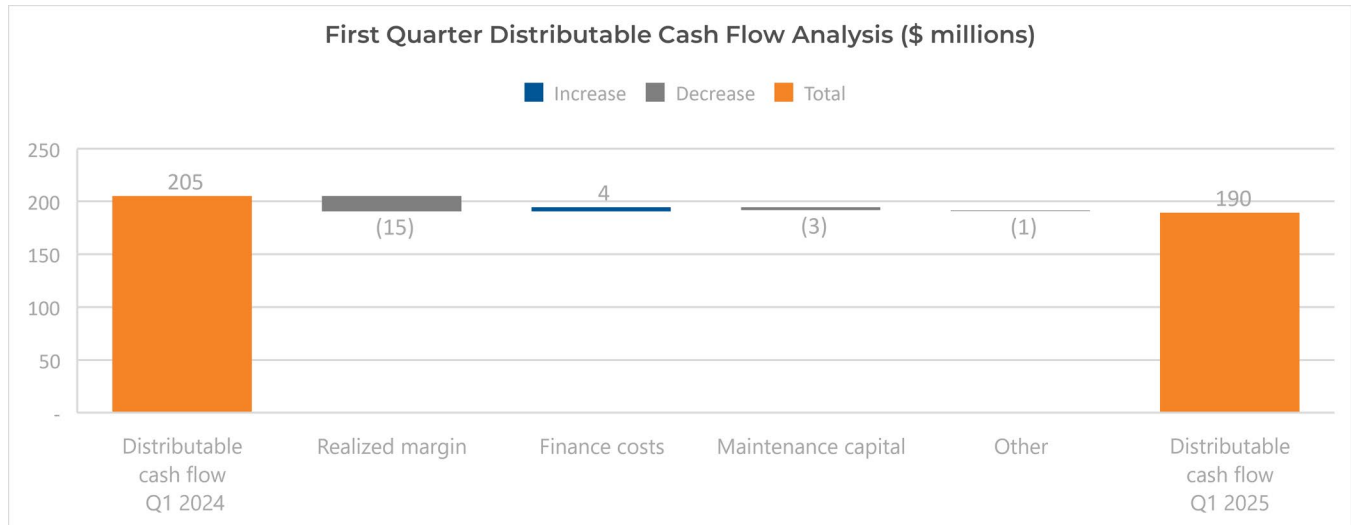
See the section titled “Segmented Results of Operations” for additional information on operating results by segment.

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 first quarter of 2025 was \$165 million, \$233 million lower than the same period in the prior year primarily due to a higher net cash requirement to fund working capital associated with accounts receivable and accounts payable, which are merely timing differences associated with the collection and settlement of these balances.

Distributable cash flow¹ for the three months ended March 31, 2025 was \$190 million, \$16 million lower than the same period in 2024 due to the 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 three months ended March 31, 2025 and 2024 are reported in note 14, 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>	Three months ended March 31,	
	2025	2024
Revenue	1,760,407	1,520,686
Operating expenses	(1,408,817)	(1,237,655)
Operating margin	351,590	283,031
Unrealized (gain) loss on risk management contracts	(11,480)	72,384
Realized margin	340,110	355,415

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, except for processing throughput information)</i>	Three months ended March 31,	
	2025	2024
Revenue ³	183,243	179,642
Operating expenses ³	(71,103)	(75,875)
Operating margin	112,140	103,767
Unrealized (gain) loss on risk management contracts	(2,834)	562
Realized margin⁴	109,306	104,329
Gross processing throughput ⁵ – (MMcf/d)	1,587	1,534
Net processing throughput ^{5,6} – (MMcf/d)	1,435	1,331

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.

First Quarter Operating Margin and Revenue

<p>Operating Margin</p>	<p style="text-align: center;">↑</p> <p>\$8 million vs Q1 2024</p>	<ul style="list-style-type: none"> • Increase was primarily due to \$12 million in higher operating margin from higher processing throughput at the Wapiti, Simonette and Brazeau River gas plants. • The above factors were partly offset by lower contribution from the Pipestone gas plant primarily due to a \$6 million one-time revenue adjustment included in Q1 2024.
<p>Revenue</p>	<p style="text-align: center;">↑</p> <p>\$4 million vs Q1 2024</p>	<ul style="list-style-type: none"> • Increase in revenue was primarily due to the same factors that contributed to higher operating margin as described above.

Gathering and Processing Activity

The Gathering and Processing segment had an excellent start to the year as the business generated strong financial results that were 8% higher than the same period in the prior year. The financial results were supported by significant contribution from the North region gas plants which account for over 70% of the segment's margin.

In the North region, a new quarterly gross processing throughput record was achieved due to significantly higher volumes at the Wapiti and Simonette gas plants. During this period, both facilities demonstrated strong operational performance while receiving incremental volumes from multiple customers active in the condensate-rich Montney play. As a result of these factors, average gross processing throughput in the North region increased by 22% compared to the first quarter of 2024 and surpassed the previous record set in the fourth quarter of 2024 by 10%. Producer activity levels in the North region remain high due to producer economics being largely tied to NGL pricing, condensate in particular. The connection of the Wapiti, Pipestone and Simonette gas plants to the KAPS pipeline system and Keyera's core infrastructure in Fort Saskatchewan, provides these North region gas plants with a competitive advantage in providing customers integrated gas processing, NGL and condensate services.

The Wapiti gas plant is now expected to achieve utilization of effective capacity in 2026, a year earlier than previously expected. This is due to strong customer demand and successful contracting efforts. Several optimization projects are advancing to increase plant capacity and accommodate future growth.

In the South region, gross processing throughput in the first quarter of 2025 was 3% lower than the same period in the prior year. This decrease was primarily due to: i) a loss in volumes associated with the divestment of the Pembina North and Zeta Creek gas plants in 2024; and ii) natural declines that reduced processing throughput at the Alder Flats gas plant. With weaker 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.

The Gathering and Processing segment has one maintenance turnaround scheduled for 2025. This turnaround will be completed at the Cynthia gas plant over a two-week period in September, at a cost of 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. Maintenance turnaround costs are generally flowed through to customers over a period of four to six years. 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
- Underground NGL storage caverns
- Above ground storage tanks
- NGL fractionation and de-ethanization facilities
- Pipeline, rail and truck terminals
- Liquids blending facilities
- the AEF facility

The AEF facility has an effective 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 (Thousands of Canadian dollars)	Three months ended March 31,	
	2025	2024
Revenue ¹	235,825	212,150
Operating expenses ¹	(80,313)	(77,005)
Operating margin	155,512	135,145
Unrealized (gain) loss on risk management contracts	(3,065)	1,418
Realized margin²	152,447	136,563

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".

First Quarter Operating Margin and Revenue

<p>Operating Margin</p>	<p style="text-align: center;">  \$20 million vs Q1 2024 </p>	<p>Increase was primarily due to \$20 million in higher contribution from:</p> <ul style="list-style-type: none"> • the Alberta Diluent Terminal, as the facility experienced tank repair and cleaning activities in Q1 2024; • the KAPS pipeline system as a result of incremental revenues associated with higher volumes; • higher contracted volumes through Keyera's condensate system; and • an unrealized non-cash gain of \$3 million from risk management contracts in Q1 2025 compared to a \$1 million unrealized non-cash loss in Q1 2024.
<p>Revenue</p>	<p style="text-align: center;">  \$24 million vs Q1 2024 </p>	<ul style="list-style-type: none"> • Increase was mainly due to the same factors that contributed to higher operating margin as described above.

Liquids Infrastructure Activity

The Liquids Infrastructure segment had an outstanding start to the year, highlighted by several significant achievements including:

- robust first quarter financial results that were virtually unchanged from the record results achieved in the fourth quarter of 2024; and
- the formal sanctioning of two growth capital projects, which are backed by a high proportion of take-or-pay commitments with long-term contract durations. These projects are as follows:
 - KFS Frac III, with processing capacity of 47,000 barrels-per-day. This project is a major expansion of Keyera's core fractionation hub in Fort Saskatchewan and will further strengthen the strategic role of the KFS complex within Keyera's integrated value chain. The estimated cost of this project is \$500 million, including investments to enhance egress capability at the plant, and is expected to enter service in mid-2028. KFS Frac III, combined with the previously sanctioned KFS Frac II Debottleneck project, will increase Keyera's total fractionation capacity by about 60%, including the Rimbey complex. This reinforces Keyera's ability to meet the growing needs of the basin and attract incremental volumes across its system.

- KFS Frac II Debottleneck will add approximately 8,000 barrels-per-day of processing capacity at an estimated cost of \$85 million. Construction is scheduled to begin this summer, with the additional capacity expected online in mid-2026.

Fractionation capacity in Alberta continues to be in high demand. As a result, Keyera's two fractionation units at the KFS complex were fully utilized through the first quarter and are anticipated to operate at full capacity for the remainder of 2025. A large majority of fractionation capacity at KFS, including expansions, is now contracted with an average term of approximately 8 years and a high take-or-pay component.

Demand for services from Keyera's Fort Saskatchewan storage assets is expected to be stable through 2025. These assets provide significant operational flexibility and value to customers in a dynamic commodity price environment.

Strong oil sands production resulted in robust condensate demand in the first quarter of 2025. As a result, condensate deliveries through Keyera's condensate system were 6% higher than the same period in the prior year. Higher contracted volumes from new agreements and volumes exceeding take-or-pay commitment levels contributed to incremental margin growth through the system. The growth in oil sands production and demand for condensate drives the economics for producers actively drilling in the Montney and Duvernay, 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.

New long-term contracts related to Keyera's condensate system continue to be added in response to increasing customer demand. The Fort Saskatchewan Condensate System ("FSCS") is now nearing contractual capacity and Keyera is evaluating debottlenecking opportunities that could expand capacity to accommodate further demand.

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 March, the facility was taken offline for approximately seven weeks to conduct maintenance activities to address an unexpected operational issue. The maintenance activities were safely and successfully completed at a total cost of approximately \$15 million, all of which will be recovered from the Marketing segment. The outage is expected to reduce 2025 realized margin for the Marketing segment by approximately \$50 million.

Keyera continues to focus on enhancing its infrastructure to meet the needs of its customers. The table below is a status update of major projects in the Liquids Infrastructure segment:

Liquids Infrastructure – Capital Projects Status Update		
Facility/Area	Project Description	Project Status Update
KFS	<p>KFS Fractionation Unit II Debottleneck</p> <p>The debottleneck of KFS Fractionation Unit II (“KFS Frac II”) will add approximately 8,000 barrels per day of processing capacity.</p>	<p>Detailed engineering activities commenced and procurement activities progressed during the first quarter of 2025.</p> <p>The debottleneck project is expected to be complete by mid-2026.</p> <p><i>Estimated total cost to complete:</i></p> <ul style="list-style-type: none"> gross cost is estimated to be approximately \$85 million (net cost \$84 million) <p><i>Total net costs to March 31, 2025:</i></p> <ul style="list-style-type: none"> \$4 million for the first quarter of 2025 \$9 million since inception

A portion of the costs incurred for the projects above are based on estimates. Final costs may differ when actual invoices are received or contracts are settled. Costs for the projects described above exclude carrying charges (i.e., capitalized interest). The section of this MD&A titled, “Forward-Looking Statements”, provides more information on factors that could affect the development of these projects.

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. Realized margin guidance for 2025 can be found in the Market Commentary section below.

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 (Thousands of Canadian dollars, except for sales volume information)	Three months ended March 31,	
	2025	2024
Revenue ¹	1,475,330	1,252,431
Operating expenses ¹	(1,391,321)	(1,208,375)
Operating margin	84,009	44,056
Unrealized (gain) loss on risk management contracts	(5,581)	70,404
Realized margin²	78,428	114,460
Sales volumes (Bbl/d)	220,800	192,400

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 (Thousands of Canadian dollars)	Three months ended March 31,	
	2025	2024
Physical sales	1,480,083	1,333,723
Realized loss on financial contracts ¹	(10,334)	(10,888)
Unrealized gain (loss) due to reversal of financial contracts existing at end of prior period	6,667	(61,130)
Unrealized loss due to fair value of financial contracts existing at end of current period	(796)	(8,724)
Unrealized loss from fixed price physical contracts ²	(290)	(550)
Total unrealized gain (loss) on risk management contracts	5,581	(70,404)
Total loss on risk management contracts	(4,753)	(81,292)
Total Marketing revenue	1,475,330	1,252,431

Notes:

- 1 Realized 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 GAAP definition of a derivative instrument.

First Quarter Operating Margin, Realized Margin and Revenue

Operating Margin	 \$40 million vs Q1 2024	<ul style="list-style-type: none"> Increase was primarily due to \$6 million in unrealized non-cash gains from risk management contracts in Q1 2025 compared to \$70 million in unrealized non-cash losses in Q1 2024. Partly offsetting the increase was \$36 million in lower realized margin as described in more detail below.
Realized Margin¹	 \$36 million vs Q1 2024	<ul style="list-style-type: none"> Decrease was primarily due to \$33 million in reduced contribution from lower sales volumes related to iso-octane and condensate and lower margin from the liquids blending business. Lower iso-octane sales were mainly due to decreased utilization and sales levels at AEF as the facility commenced its maintenance outage. Condensate and liquids blending contribution decreased as a result of a lower commodity price environment.
Revenue	 \$223 million vs Q1 2024	<p>Increase was primarily due to:</p> <ul style="list-style-type: none"> higher propane sales volumes and pricing due to strong demand from colder winter weather patterns; higher liquids blending volumes at the Wildhorse Terminal that had a minimal effect on realized margin as a result of the lower commodity price environment; and \$77 million in lower losses from risk management contracts in Q1 2025 compared to Q1 2024.

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

With the current commodity price forecast and a disciplined risk management program, Keyera expects that its Marketing segment will generate realized margin between \$310 million and \$350 million in 2025. This forecast is within the segment's base realized margin guidance range and is expected to be achieved despite increased volatility in the commodity price environment, and a seven-week maintenance outage at the AEF facility. The estimated financial impact of the maintenance outage on the Marketing segment's results is approximately \$50 million. The 2025 guidance range assumes i) the AEF facility operates at capacity after completion of the maintenance outage; ii) there are no significant logistics or transportation curtailments; and iii) current forward commodity pricing for unhedged volumes for the remainder of the year.

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. During the first quarter of 2025, volatility in the commodity price environment affected RBOB pricing and the premium for iso-octane despite stable North American driving demand. As a result, pricing and premiums were lower compared to the elevated levels experienced in recent years, however, were in line with historical levels prior to the COVID-19 pandemic. Longer term, Keyera continues to remain confident that the market fundamentals for iso-octane will be 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, 2025, the price for butane as a percentage of crude oil was slightly below the historical average of the previous 10 years.

With the softening in crude oil prices during the first quarter, condensate sales volumes and liquids blending margins were lower compared to the same period in the prior year. Margins from Keyera's liquids blending business continue to be a significant contributor to Marketing results.

Propane contribution was strong in the first quarter of 2025 as cold winter weather patterns emerged resulting in robust demand. Propane margin also benefited from strong propane pricing that was influenced by high export levels from North America. Keyera expects strong propane demand from Asia in 2025 that will result in continued high export levels out of the west coast of Canada. Access to Keyera's cavern storage and rail terminals as well as west coast export facilities 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.

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 quarter ended March 31, 2025, the total unrealized gain on risk management contracts was \$6 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 March 31, 2025 resulted in a liability of \$2 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 March 31, 2025, and the sensitivity to earnings resulting from changes in commodity prices, can be found in note 10, Financial Instruments and Risk Management, of the accompanying financial statements.

CORPORATE AND OTHER

Non-Operating Expenses and Other (Thousands of Canadian dollars)	Three months ended March 31,	
	2025	2024
General and administrative expenses ¹	(36,488)	(27,162)
Finance costs	(51,826)	(56,484)
Depreciation and amortization expenses	(91,087)	(86,549)
Net foreign currency gain (loss) on U.S. debt and other	1,941	(2,400)
Long-term incentive plan expense	(5,192)	(13,949)
Loss on disposal of property, plant and equipment	—	(4,093)
Income tax expense	(38,603)	(21,480)

Note:

¹ Net of overhead recoveries on operated facilities.

General and Administrative Expenses

General and administrative (“G&A”) expenses for the three months ended March 31, 2025 were \$36 million, \$9 million higher when compared to the same period of the prior year, which was primarily due to employee-related costs.

Finance Costs

Finance costs for the three months ended March 31, 2025 were \$52 million, \$5 million lower when compared to the first quarter of 2024.

Depreciation and Amortization Expenses

Depreciation and amortization expenses for the three months ended March 31, 2025 were \$91 million, \$5 million higher than the same period of the prior year.

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

Net Foreign Currency Gain (Loss) on U.S. Debt and Other (Thousands of Canadian dollars)	Three months ended March 31,	
	2025	2024
Translation of long-term debt and interest payable	547	(10,978)
Change in fair value of cross-currency swaps – principal and interest	1,164	11,906
Foreign exchange re-measurement of lease liabilities and other	230	(3,328)
Net foreign currency gain (loss) on U.S. debt and other	1,941	(2,400)

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 10, Financial Instruments and Risk Management, of the accompanying financial statements.

Long-Term Incentive Plan Expense

For the three months ended March 31, 2025, the Long-Term Incentive Plan ("LTIP") expense was \$5 million, \$9 million lower than the same period of the prior year, primarily due to a decrease in estimated payout multipliers associated with the outstanding LTIP grants and lower growth in share price when compared to the same period of 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.

During the three months ended March 31, 2025 and 2024, Keyera did not record any impairment expenses or impairment reversals for previously recorded impairment expenses.

Disposal of Property, Plant and Equipment

During the first quarter of 2024, Keyera completed the sale of its 22% ownership interest in the non-operated Edson gas plant. After closing adjustments, the net proceeds were less than \$1 million, resulting in a loss of \$4 million. The transaction included an assumed decommissioning liability of \$3 million.

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 \$29 million was recorded for the three months ended March 31, 2025, \$2 million lower than the same period in 2024. Current taxes in 2025 have decreased due to lower realized margin.

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 \$10 million was recorded for the three months ended March 31, 2025, compared to a deferred income tax recovery of \$9 million in the same period of the prior year.

Keyera estimates its total tax pools at March 31, 2025 were approximately \$3.0 billion.

CRITICAL ACCOUNTING ESTIMATES

In preparing Keyera's accompanying financial statements in accordance with GAAP, management is required to make estimates and assumptions that are not readily apparent from other sources, and are subject to change based on revised circumstances and the availability of new information. Actual results may differ from the estimates, which could materially affect Keyera's consolidated financial statements. 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 methodologies and assumptions used in developing these estimates have not significantly changed since December 31, 2024. A description of the accounting estimates and the methodologies and assumptions underlying the estimates are described in the 2024 annual MD&A and note 4 of the audited consolidated financial statements for the year ended December 31, 2024, which are available on SEDAR+ at www.sedarplus.ca.

LIQUIDITY AND CAPITAL RESOURCES

The following is a comparison of cash inflows (outflows) from operating, investing and financing activities for the three months ended March 31, 2025 and 2024:

Cash inflows (outflows)				
<i>(Thousands of Canadian dollars)</i>				
	Three months ended March 31,		Increase	Explanation
	2025	2024	(decrease)	
Operating	165,325	398,040	(232,715)	Cash generated from operating activities was lower during the first quarter of 2025, primarily due to a higher 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.
Investing	(44,467)	(40,258)	(4,209)	Cash used in investing activities was higher during the three months ended March 31, 2025, primarily due to a higher cash requirement to fund ongoing capital requirements and projects. Significant capital investment projects are described in more detail in the "Segmented Results of Operations" section of this MD&A.
Financing	(133,674)	(349,480)	215,806	Financing activities in the first quarter of 2025 were limited to the payment of dividends and leases. Comparatively, \$250 million of medium-term notes were issued and net repayments under the Credit Facility of \$470 million were made during the same period of the prior year.

Refer to the unaudited condensed interim 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 surplus (current assets less current liabilities) of \$7 million existed at March 31, 2025. This is compared to a deficit of \$61 million at December 31, 2024. 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 March 31, 2025. 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)"

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 March 31, 2025:

As at March 31, 2025 (Thousands of Canadian dollars)	Total	2025	2026	2027	2028	2029	After 2029
Credit facilities	—	—	—	—	—	—	—
Total credit facilities	—	—	—	—	—	—	—
<i>Canadian dollar denominated debt:</i>							
Senior unsecured notes	1,025,000	120,000	230,000	400,000	200,000	75,000	—
Senior unsecured medium-term notes	1,450,000	—	—	—	400,000	—	1,050,000
Subordinated hybrid notes	950,000	—	—	—	—	—	950,000
	3,425,000	120,000	230,000	400,000	600,000	75,000	2,000,000
<i>U.S. dollar denominated debt:</i>							
Senior unsecured U.S. dollar denominated notes	294,759	201,299	—	—	93,460	—	—
Total debt	3,719,759	321,299	230,000	400,000	693,460	75,000	2,000,000
Less: current portion of long-term debt	(321,299)	(321,299)	—	—	—	—	—
Total long-term debt	3,398,460	—	230,000	400,000	693,460	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 March 31, 2025, no amounts were drawn under this facility (December 31, 2024 – \$nil).

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 Toronto Dominion Bank and the other with Royal Bank of Canada, each 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.

During the first quarter of 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 March 31, 2025, 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 March 31, 2025, Keyera was in compliance with all covenants under its Credit Facility and outstanding notes. Keyera’s Net Debt to Adjusted EBITDA ratio at March 31, 2025 was 2.0x for covenant test purposes (December 31, 2024 – 2.0x). 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 three months ended March 31, 2025 and 2024:

Capital Expenditures and Acquisitions (Thousands of Canadian dollars)	Three months ended March 31,	
	2025	2024
Acquisitions	—	—
Growth capital expenditures	13,416	19,106
Maintenance capital expenditures	16,039	12,891
Total capital expenditures	29,455	31,997

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 and Distributable Cash Flow (Thousands of Canadian dollars)	Three months ended March 31,	
	2025	2024
Cash flow from operating activities	165,325	398,040
Add (deduct):		
Changes in non-cash working capital	56,912	(166,315)
Funds from operations	222,237	231,725
Maintenance capital	(16,039)	(12,891)
Leases	(14,484)	(12,901)
Prepaid lease asset	(595)	(595)
Inventory write-down	(1,540)	—
Distributable cash flow	189,579	205,338
Dividends declared to shareholders	119,160	114,577
Payout ratio	63%	56%

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

During the third quarter of 2024, Keyera's board of directors approved a 4% increase to the quarterly dividend, revising the dividend to \$0.52 per share or \$2.08 per share on an annualized basis (previously \$0.50 per share and \$2.00 per share, respectively).

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 (Thousands of Canadian dollars)	Three months ended March 31,	
	2025	2024
Net earnings	130,335	70,914
Add:		
Finance costs	51,826	56,484
Depreciation and amortization expenses	91,087	86,549
Income tax expense	38,603	21,480
EBITDA	311,851	235,427
Unrealized (gain) loss on commodity-related contracts	(11,480)	72,384
Net foreign currency (gain) loss on U.S. debt and other	(1,941)	2,400
Loss on disposal of property, plant and equipment	—	4,093
Adjusted EBITDA	298,430	314,304

CONTRACTUAL OBLIGATIONS

Keyera has assumed various contractual obligations in the normal course of its operations. There were no material changes in contractual obligations since December 31, 2024.

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

For a detailed discussion of the risks and trends that could affect the financial performance of Keyera and the steps that Keyera takes to mitigate these risks, see the December 31, 2024 MD&A and Keyera's Annual Information Form, which are available on SEDAR+ at www.sedarplus.ca.

Risks Associated with Tariff Uncertainty

Keyera owns assets in Canada and the United States ("U.S.") and earns revenues from natural gas gathering and processing; transportation, storage and marketing of natural gas liquids ("NGLs") and iso-octane in the U.S.; the production of iso-octane; and liquids blending in Canada and the U.S. Accordingly, the introduction of new trade policies, including the enforcement of additional tariffs, surtaxes and duties, and any retaliatory countermeasures, may create trade restrictions or barriers on energy products imported or exported between Canada and the U.S. The significant uncertainty surrounding recent trade relations between Canada and the U.S. has the potential to create considerable market and economic volatility. Among other factors, this includes: i) cost and commodity price volatility, including widening differentials, ii) reduced demand for Keyera's products or services, iii) restrictions or barriers to market access outside of Canada, iv) disruptions or restrictions to global supply chains, and

v) foreign exchange impacts as a result of a weakening Canadian dollar. This volatility can result in adverse impacts on Keyera's business operations, results of operations and financial condition; however, the significant uncertainty around any finalized trade policies means that the resulting outcomes and impacts are unknown and can range from scenarios that have an insignificant and/or limited impact to Keyera, to scenarios that have a material and more widespread impact. Keyera continues to monitor the developments in Canada/U.S. trade policies and relations; however, at this time, cannot reasonably predict the full extent of any outcomes and associated impacts that evolving trade disputes and future changes to trade policies may have on Keyera's business operations, results of operations and financial condition.

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.

Keyera's management and the Board continue 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 intensity 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 intensity 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.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected financial information for Keyera:

	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Revenue¹								
Gathering and Processing	183,243	192,405	174,234	178,702	179,642	202,767	174,908	169,024
Liquids Infrastructure	235,825	228,701	216,369	222,175	212,150	214,790	195,775	180,222
Marketing	1,475,330	1,645,556	1,694,319	1,444,656	1,252,431	2,019,586	1,203,704	1,269,463
Other	17	10	13	30	2	11	11	12
Operating margin (loss)								
Gathering and Processing	112,140	107,834	99,114	101,885	103,767	114,851	90,950	87,207
Liquids Infrastructure	155,512	154,295	135,677	131,904	135,145	128,133	123,623	117,305
Marketing	84,009	45,264	190,799	136,010	44,056	202,851	69,387	166,371
Other	(71)	(98)	(64)	(50)	63	(49)	(57)	(70)
Operating margin	351,590	307,295	425,526	369,749	283,031	445,786	283,903	370,813
Realized margin (loss)²								
Gathering and Processing	109,306	107,303	99,152	101,934	104,329	115,983	93,811	84,430
Liquids Infrastructure	152,447	152,576	135,374	133,077	136,563	130,170	128,051	119,228
Marketing	78,428	99,408	134,857	135,983	114,460	128,597	99,714	134,139
Other	(71)	(98)	(64)	(50)	63	(49)	(57)	(70)
Realized margin²	340,110	359,189	369,319	370,944	355,415	374,701	321,519	337,727
Net earnings	130,335	88,906	184,631	142,177	70,914	49,192	78,112	158,939
Net earnings per share (\$/share)								
Basic	0.57	0.39	0.81	0.62	0.31	0.21	0.34	0.69
Diluted	0.57	0.39	0.81	0.62	0.31	0.21	0.34	0.69
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	119,160	114,576	114,577	114,577	114,577	109,993

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 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 three months ended March 31, 2025.

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 three months ended March 31, 2025.

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, 2025 and ending March 31, 2025 that have materially affected, or are reasonably likely to materially affect Keyera’s ICFR.

COMMON SHARES

The total common shares outstanding at March 31, 2025 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 (“DCF”), distributable cash flow per share, payout ratio, realized margin, EBITDA, adjusted EBITDA, adjusted cash flow from operating activities, return on invested capital (“ROIC”) 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	Funds from Operations: 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”) / DCF per Share	
Definition	<p>DCF: 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>DCF per Share: 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	Payout Ratio: 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

Realized Margin: Operating margin excluding unrealized gains and losses on commodity-related risk management contracts.

Fee-for-Service Realized Margin: Includes realized margin for the Gathering and Processing and Liquids Infrastructure segments. Fee-for-service realized margin is utilized as an input for the compound annual growth rate calculation for fee-based adjusted EBITDA, which is described in more detail below.

Utilization

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.

For a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin, refer to the section titled, "Segmented Results of Operations".

For fee-for-service realized margin, the most directly comparable GAAP measure is operating margin for these segments. The following is a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin for the Gathering and Processing and Liquids Infrastructure segments:

Fee-for-Service Realized Margin

For the three months ended March 31, 2025
(Thousands of Canadian dollars)

	Gathering & Processing	Liquids Infrastructure	Fee-for-Service
Operating margin	112,140	155,512	267,652
Unrealized gain on risk management contracts	(2,834)	(3,065)	(5,899)
Realized margin	109,306	152,447	261,753

Fee-for-Service Realized Margin

For the year ended December 31, 2024
(Thousands of Canadian dollars)

	Gathering & Processing	Liquids Infrastructure	Fee-for-Service
Operating margin	412,600	557,021	969,621
Unrealized loss on risk management contracts	118	569	687
Realized margin	412,718	557,590	970,308

Related Guidance Measures

(Forward-Looking Information)

Annual Base Realized Margin for the Marketing Segment

(\$310 million to \$350 million)

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".

2025 Realized Margin for the Marketing Segment

(\$310 million to \$350 million)

This measure represents Keyera's expectation of what the Marketing segment will generate in 2025. It is intended to be an annual-specific update to the base realized margin guidance for the Marketing segment and takes into consideration: i) year-to-date performance of the Marketing segment, and ii) the annual negotiation process for the natural gas liquids ("NGLs") supply agreements that became effective on April 1st.

For 2025, realized margin for the Marketing segment is expected to remain within the previous long-term base guidance range of \$310 million to \$350 million. The outlook includes the estimated \$50 million impact on the Marketing segment's annual expected realized margin due to the seven-week outage at AEF. This range also reflects the benefits of Keyera's disciplined hedging strategy, which mitigates the impact of commodity price volatility. Material factors and assumptions for the 2025 realized margin guidance for the Marketing segment can be found in the sections titled, "Segmented Results of Operations: Marketing – Market Commentary" and "Forward-Looking Statements".

EBITDA / Adjusted EBITDA	
Definition	<p>EBITDA: Earnings before finance costs, taxes, depreciation, and amortization.</p> <p>Adjusted EBITDA: 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	<p>Adjusted Cash Flow from Operating Activities: Cash flow from operating activities before changes in non-cash working capital, decommissioning liability expenditures and finance costs.</p>
Utilization	<p>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.</p> <p>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.</p>
Return on Invested Capital ("ROIC")	
Definition	<p>ROIC: Adjusted cash flow from operating activities, divided by invested capital.</p> <p>Invested capital 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.</p>
Utilization	<p>Return on invested capital is used to reflect the profitability of Keyera's in-service capital assets.</p>

Compound Annual Growth Rate ("CAGR") Calculations

Definition

CAGR is calculated as follows:

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

* Beginning and end of period values for the CAGR calculations are defined below.

CAGR for Fee-Based Adjusted EBITDA

(replaces CAGR for adjusted EBITDA holding Marketing constant)

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.

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.

Compound Annual Growth Rate (“CAGR”) Calculations

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 KFS Frac III, and the impact of these projects on Keyera’s total fractionation capacity;
- expectations around long-term demand for iso-octane;
- expectations around 2025 propane demand from Asia;
- plans around future dividends;
- current estimated income tax expenses for 2025 and tax pools at March 31, 2025;
- business strategy, anticipated growth and plans of management;
- budgets, including future growth capital, operating and other expenditures and projected costs;
- timing and cost of anticipated maintenance activities during 2025 and the impact of certain maintenance activities on 2025 realized margin and distributable cash flow;
- expectations around utilization at Keyera facilities, including the Wapiti gas plant;
- 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.