

News Release

For immediate release
December 14, 2022



Keyera Increases Interest in Core Fort Saskatchewan Facilities, Announces Concurrent \$200 Million Bought Deal Equity Offering

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CALGARY, December 14, 2022 - Keyera Corp. (TSX: KEY) ("Keyera" or the "Corporation") today announced it has entered into a definitive agreement to acquire an additional 21% working interest in the Keyera Fort Saskatchewan ("KFS") complex from Plains Midstream Canada, bringing its total ownership in KFS to 98% (the "Acquisition"). Total cash consideration is \$365 million. The Acquisition is expected to close in the first quarter of 2023, subject to customary closing conditions, including receipt of all regulatory approvals, and adjustments.

"This transaction increases our stake in highly strategic core assets located at the heart of our existing value chain," said Dean Setoguchi, Keyera's President and Chief Executive Officer. "It will be immediately accretive upon closing and offers quality cash flow growth without having to build new capacity in an inflationary environment."

Highlights of the Transaction

- **Expands core of integrated value chain** - Adds more than 25% incremental capacity to fractionation, de-ethanization, underground NGL storage and the Fort Saskatchewan Pipeline (FSPL) system which connects KFS to the Edmonton-area market. The assets add meaningful fee-for-service cash flows.
- **Meaningful synergies with Keyera's integrated platform** - These include added operational flexibility, increased volumes available for margin capture in Keyera's Marketing segment and tax savings.
- **Immediately accretive to Distributable Cash Flow ("DCF") per share¹** - Following closing of the Acquisition, DCF per share¹ is expected to average approximately 3% accretion per year, including tax synergies.
- **Attractive acquisition multiple** - The Acquisition price of \$365 million represents approximately 11 times expected 2023 annualized Operating Margin contribution to Keyera, attributable to the 21% working interest in KFS to be acquired, and approximately 9.5 times on the same measure thereafter.
- **Increasing fractionation capacity in a tight market** - Upon closing, the immediate addition of fractionation capacity bolsters Keyera's ability to secure long-term contracts in a high demand market and accommodates incremental growth volumes from the KAPS pipeline. Acquiring incremental existing capacity eliminates the time lag to construct new capacity, and eliminates project execution risk and exposure to the current inflationary cost environment.
- **Provides capital efficient growth options** - Future fractionation capacity expansions, including potential de-bottlenecks, are expected to be more capital efficient given the acquisition includes additional storage, pipeline and finished product egress capacity.
- **Strong go-forward balance sheet flexibility** - The Acquisition will be funded through a combination of cash-on-hand, existing credit facilities and a \$200 million bought deal treasury offering described below, with the aim of

maintaining corporate debt leverage within the Corporation's target range of 2.5 to 3.0 times net debt to adjusted EBITDA².

Summary of Incremental Capacity

KFS Overview	Current Capacity	Acquired Capacity	Upon Closing
Overall Working Interest	77%	21%	98%
Fractionation (bbls/d)	51,000	+14,000	65,000
De-ethanization (bbls/d)	23,000	+6,000	29,000
Storage (bbls)	13.4 million	+3.7 million	17.1 million
Pipelines* (bbls/d)	285,300	+79,200	364,500
*Includes 3 pipelines (8" bi-directional propane, 12" C3+ NGL mix & 16" condensate) that are part of the Fort Saskatchewan Pipeline System (FSPL) which connect Keyera Fort Saskatchewan and Keyera Edmonton Terminal			

RBC Capital Markets acted as exclusive financial advisor to Keyera on the Acquisition.

Bought Deal Equity Offering

In conjunction with the Acquisition, Keyera has entered into an agreement with RBC Dominion Securities Inc., acting on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Corporation has agreed to issue, and the Underwriters have agreed to purchase on a bought deal basis, an aggregate of 7,070,000 common shares (the "Common Shares") at an offering price of \$28.30 per Common Share (the "Offering Price") for total gross proceeds to the Corporation of approximately \$200 million (the "Offering").

In addition Keyera has granted the Underwriters an over-allotment option (the "Over-Allotment Option"), exercisable in whole or in part, at any time up to 30 days following the closing of the Offering, to purchase up to an additional 1,060,500 Common Shares at the same Offering Price and upon the same terms and conditions as the Offering.

The Common Shares to be issued pursuant to the Offering and upon exercise of the Over-Allotment Option, if any, will be offered to prospective purchasers in all provinces of Canada by way of a prospectus supplement to the short form base shelf prospectus of the Corporation dated November 18, 2021 (collectively, the "Prospectus"). The prospectus supplement is expected to be filed on SEDAR on or before December 15, 2022 at www.sedar.com. The Common Shares may also be offered in the United States by way of private placement to "qualified institutional buyers" in reliance upon the exemption from registration provided by Rule 144A under the U.S. Securities Act of 1933 (the "U.S. Securities Act").

Completion of the Offering is subject to certain conditions including receipt of all necessary approvals, including the approval of the Toronto Stock Exchange. The Offering is expected to close on or about December 20, 2022.

No securities regulatory authority has either approved or disapproved the contents of this press release. The Common Shares have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws. Accordingly, the Common Shares may not be offered or sold within the United States unless registered under the U.S.

Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Common Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Keyera Corp.

Keyera Corp. (TSX:KEY) operates an integrated Canadian-based energy infrastructure business with extensive interconnected assets and depth of expertise in delivering energy solutions. Its predominantly fee-for-service based business consists of natural gas gathering and processing; natural gas liquids processing, transportation, storage and marketing; iso-octane production and sales; and an industry-leading condensate system in the Edmonton/Fort Saskatchewan area of Alberta. Keyera strives to provide high quality, value-added services to its customers across North America and is committed to conducting its business ethically, safely and in an environmentally and financially responsible manner.

Additional Information

For more information about Keyera Corp., please visit our website at www.keyera.com or contact:

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Notes:

- 1 Distributable cash flow per share is not a standard measure under GAAP. See the section of this news release titled "Non-GAAP and Other Financial Measures" for additional information.
- 2 Net debt to adjusted EBITDA is calculated in accordance with the covenant test calculations related to the Corporation's credit facility and senior note agreements and excludes hybrid notes.

Non-GAAP and Other Financial Measures

This news release refers to certain financial and other measures that include forward-looking information. These measures are not determined in accordance with Generally Accepted Accounting Principles (GAAP) and as a result, may not be comparable to similar measures reported by other entities. Since these measures do not have any standardized meaning under GAAP, they should not be considered in isolation, or used in substitution for measures of performance prepared in accordance with GAAP.

Specifically, references to distributable cash flow per share have been included. For additional information regarding the composition of this measure, how management

utilizes it, and the equivalent historical non-GAAP financial measure, refer to "Management's Discussion and Analysis" (MD&A) for the year ended December 31, 2021, which is available on SEDAR at www.sedar.com and Keyera's website at www.keyera.com. Specifically, the sections of the MD&A titled, "Dividends: Funds from Operations and Distributable Cash Flow", and "Non-GAAP and Other Financial Measures" include information that has been incorporated by reference. References to adjusted EBITDA in this news release are in relation to net debt to adjusted EBITDA which is calculated in accordance with the covenant test calculations related to the Corporation's credit facility and senior note agreements and excludes hybrid notes. For further information regarding the covenant test calculations, refer to the section of the MD&A for the period ended December 31, 2021 titled, "Liquidity and Capital Resources".

Forward-Looking Information

Certain statements contained herein, including future-oriented financial information or financial outlooks, within the meaning of applicable securities laws, are forward-looking (collectively, "forward-looking statements"). The forward-looking statements contained herein are intended to provide readers with information regarding Keyera, including its assessment of future plans, operations and financial performance related to its acquisition of additional working interest in the Keyera Fort Saskatchewan facility and the Offering, and may not be appropriate for other purposes. These forward-looking statements relate to future events or Keyera's future performance. Such statements are predictions only and actual events or results may differ materially. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "plan", "intend", "believe", and similar expressions, including the negatives thereof. All statements other than statements of historical fact contained in this document are forward-looking statements.

The forward-looking statements reflect management's current beliefs and assumptions with respect to such things as the outlook for general economic trends, industry trends, commodity prices, capital markets, and the governmental, regulatory, and legal environment. In some instances, forward-looking statements contained herein may be attributed to third party sources. Management believes that its assumptions herein are reasonable and that the expectations reflected in the forward-looking statements contained herein are also reasonable based on the information available on the date such statements were made, and the process used to prepare the information. However, Keyera cannot assure readers that these expectations will prove to be correct.

All forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events, levels of activity and achievements to differ materially from those anticipated in the forward-looking statements. For information about the risk factors that could cause actual results to differ materially from forward-looking statements, as well as other assumptions used to develop the forward looking statements, please refer to Keyera's filings made with Canadian provincial securities commissions, including Keyera's Management Discussion & Analysis for the year ended December 31, 2021 dated February 16, 2022 and Keyera's Annual Information Form for the year ended December 31, 2021 dated February 16, 2022, which can be viewed on SEDAR at www.sedar.com and on the Keyera website at www.keyera.com. In addition, the effects, risks and impacts related to widespread epidemic or pandemic outbreaks, including the coronavirus disease (COVID-19), on Keyera's business, the global economy and markets continue to be unknown at this time and could cause Keyera's actual results to differ materially from the forward-looking statements contained in this news release.

Readers are cautioned that the foregoing is not exhaustive, that they should not unduly rely on these forward-looking statements and that the forward-looking statements in this news release speak only as of the date hereof. Unless required by

law, Keyera does not intend and does not assume any obligation to update its forward-looking statements. All forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Further information about the factors affecting forward-looking statements and management's assumptions and analysis thereof, is available in filings made by Keyera with Canadian provincial securities commissions, which can be viewed on SEDAR at www.sedar.com.