



# Investor Presentation

November 2022

CONNECTING  
ENERGY FOR LIFE



# Forward-Looking Information & Non-GAAP and Other Financial Measures

To provide readers with information regarding Keyera, including its assessment of future plans, operations and financial performance, certain statements contained herein contain forward-looking information within the meaning of applicable Canadian securities legislation (collectively, “forward-looking information”). Forward-looking information relate to future events and/or Keyera’s future performance. Forward-looking information are predictions only; actual events or results may differ materially. Use of words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “plan”, “intend”, “believe”, and similar expressions (including negatives thereof), is intended to identify forward-looking information. All statements other than statements of historical fact contained herein are forward-looking information, including, without limitation, statements regarding future dividends, future financial position of Keyera, future returns from capital projects, Keyera’s vision, business strategy and plans of management, anticipated growth and proposed activities, future opportunities, expected capacities associated with capital projects, expected sources of and demand for energy, estimated utilization rates, and expected commodity prices and production levels.

Forward-looking information reflect management’s current beliefs and assumptions with respect to such things as outlook for general economic trends, industry forecasts and/or trends, commodity prices, capital markets, and government, regulatory and/or legal environment and potential impacts thereof. In some instances, forward-looking information may be attributed to third party sources. Management believes its assumptions and analysis are reasonable and that expectations reflected in forward-looking information contained herein are also reasonable. However, Keyera cannot assure readers these expectations will prove to be correct.

All forward-looking information involve known and unknown risks, uncertainties and other factors that may cause actual results, events, levels of activity and achievements to differ materially from those anticipated in the forward-looking information. These unknown risks, uncertainties, and other factors affecting Keyera and its business are contained in Keyera’s 2021 Year-End Report and in Keyera’s Annual Information Form, each dated February 16, 2022, each filed on SEDAR at [www.sedar.com](http://www.sedar.com) and available on the Keyera website at [www.keyera.com](http://www.keyera.com).

Proposed construction and completion schedules and budgets for capital projects are subject to many variables, including the continued uncertainty of the COVID-19 pandemic; weather; availability of and/or prices of materials and/or labour; customer project schedules and expected in-service dates; contractor productivity; contractor disputes; quality of cost estimating; decision processes and approvals by joint venture partners; changes in project scope at the time of project sanctioning; regulatory approvals, conditions or delays (including possible intervention by third parties); Keyera’s ability to secure adequate land rights and water supply; and macro socio-economic trends. As a result, expected timing, costs and benefits associated with these projects may differ materially from descriptions contained herein. Further, some of the projects discussed herein are subject to securing sufficient producer/customer interest and may not proceed if sufficient commitments are not obtained. Typically, the earlier in the engineering process that projects are sanctioned, the greater the likelihood that the schedule and budget may change.

In addition to factors referenced above, Keyera’s expectations with respect to future returns associated with: (i) growth capital projects sanctioned and in development as of the date hereof, and (ii) the KAPS project, are based on a number of assumptions, estimates and projections developed based on past experience and anticipated trends, including but not limited to: capital cost estimates assuming no material unforeseen costs; timing for completion of growth capital projects; customer performance of contractual obligations; reliability of production profiles; commodity prices, margins and volumes; tax and interest rates; availability of capital at attractive prices; and no changes in regulatory or approval requirements, including no delay in securing any outstanding regulatory approvals.

All forward-looking information contained herein are expressly qualified by this cautionary statement. Readers are cautioned they should not unduly rely on these forward-looking information and that information contained in such forward-looking information may not be appropriate for other purposes. Further, readers are cautioned that the forward-looking information contained herein is made as of the date of this Investor Day Presentation. Unless required by law, Keyera does not intend and does not assume any obligation to update any forward-looking information. All forward-looking information contained in this Investor Day Presentation is expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements and management’s assumptions and analysis thereof, is available in filings made by Keyera with Canadian provincial securities commissions, which can be viewed on SEDAR at [www.sedar.com](http://www.sedar.com).

## Non-GAAP and Other Financial Measures

This document refers to certain financial and other measures that are not determined in accordance with Generally Accepted Accounting Principles (“GAAP”) and as a result, may not be comparable to similar measures reported by other entities. Management believes that these non-GAAP and other financial measures facilitate the understanding of Keyera’s results of operations, leverage, liquidity and financial position. These measures do not have any standardized meaning under GAAP and therefore, should not be considered in isolation, or used in substitution for measures of performance prepared in accordance with GAAP. For additional information regarding the composition of these measures, how management utilizes them, and where applicable, a reconciliation of Keyera’s historical non-GAAP financial measures to the most directly comparable GAAP measure, or for information about factors affecting forward-looking information, 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](http://www.sedar.com) and Keyera’s website at [www.keyera.com](http://www.keyera.com). Specifically, the sections of the MD&A for the year ended December 31, 2021 titled “Segmented Results of Operations”, “EBITDA”, “Dividends: Funds from Operations and Distributable Cash Flow”, “Adjusted Cash Flow from Operating Activities and Return on Invested Capital” and “Non-GAAP and Other Financial Measures” include information that has been incorporated by reference for these non-GAAP and other financial measures. For Keyera’s compound annual growth rate (“CAGR”) measures, the following calculation is utilized:

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

*\*CAGR for adjusted EBITDA includes adjusted EBITDA specifically related to Keyera’s fee-for-service business.*

*\*CAGR for DCF per share and CAGR for dividends per share includes DCF per share and dividends per share, respectively.*

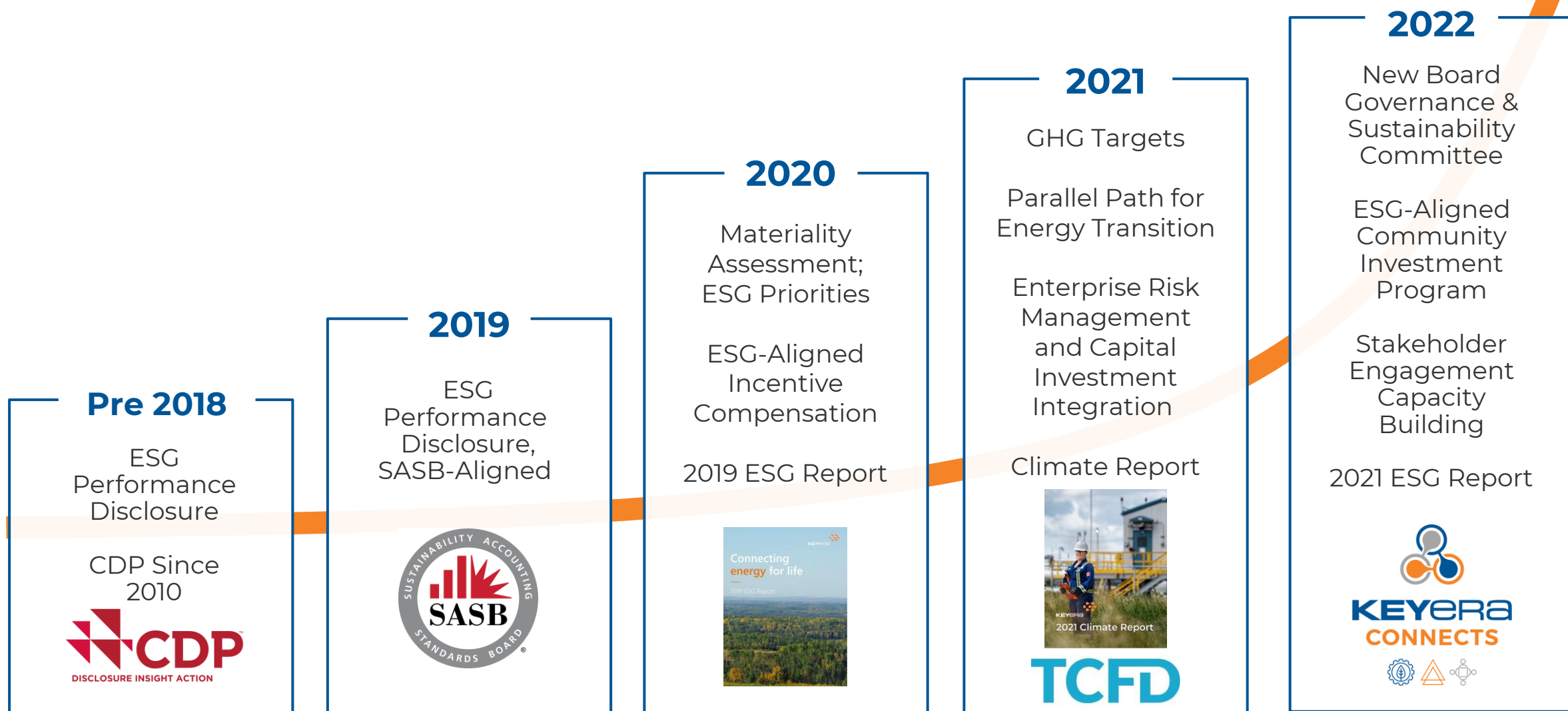
# Why Invest In Keyera?

## Compelling Risk-Adjusted Returns

ESG Focused	Financial Strength	Dividend Sustainability	High-Quality Assets	Value Creation Track Record
<p><b>Emissions</b> on intensity and absolute basis <b>lowered by 12% and 4%</b> from 2019 to 2021</p> <hr/> <p><b>Emissions Reduction Target:</b> 25% and 50% by 2025 and 2035 from 2019 levels</p> <hr/> <p><b>Compensation</b> tied to ESG Performance</p> <hr/> <p><b>Disclosures</b> aligned with internationally recognized standards</p>	<p><b>Low leverage</b> of 2.4x<sup>1</sup> net debt/adjusted EBITDA<sup>2,3</sup></p> <hr/> <p><b>Investment Grade</b> Credit Ratings</p> <hr/> <p>Available <b>liquidity of \$1.52<sup>1</sup> billion</b>; minimal debt maturities in next five years</p>	<p>Aim to steadily <b>grow dividend</b> in-line with distributable cash flow<sup>2</sup> ("DCF") growth</p> <hr/> <p>Payout ratio<sup>2</sup> target of <b>50-70% of DCF<sup>2</sup></b></p> <hr/> <p>Dividend sustainability underpinned by <b>financial strength</b></p>	<p><b>High barrier-to-entry</b> assets with access to <b>highest value markets</b></p> <hr/> <p><b>Integrated</b> value chain maximizes margins</p> <hr/> <p>Accelerating the use of <b>technology and innovation</b></p>	<p>Clearly defined <b>financial framework</b> and <b>capital allocation priorities<sup>4</sup></b></p> <hr/> <p><b>Avg. 5-year ROIC<sup>2</sup>: 15%</b> FY21 ROIC: 14% <sup>2,5</sup></p> <hr/> <p><b>CAGR of 8% for DCF<sup>2</sup> and 7% for dividends<sup>2,6</sup></b> on a per share basis since 2008</p>

**STRONG FOCUS ON TOTAL SHAREHOLDER RETURN**

# Our ESG Journey



# Demonstrating ESG Leadership

Long-Term Value Creation is Consistent with Strong ESG Performance



BBB (2018) → A\* (2022)

\*Rating: Lower is better



41<sup>st</sup> (2018) → 8<sup>th</sup> \* (2022)

\*Percentile: Lower is better



D (2018) → B\* (2021)

\*Rating: Lower is better



31<sup>st</sup> (2018) → 48<sup>th</sup> \* (2022)

\*Score: Higher is better

## Keyera can play a leading role in the transition to a low carbon economy

E



Meaningful emissions reduction to date

- Emission intensity lowered by 12% from 2019 to 2021
- Absolute emissions down by 4% from 2019 to 2021

S



Diversity & Inclusion program update

- 50% female SVP
- 36% female board

G



Strong Corporate Governance

- 100% independent board<sup>1</sup>
- 98% average say on pay voting result
- Compensation linked to ESG performance

Disclosure



Transparent ESG Disclosures

- Second ESG report published November 2022
- Inaugural Climate Report published November 2021

By **2025**, reduce our emissions intensity by

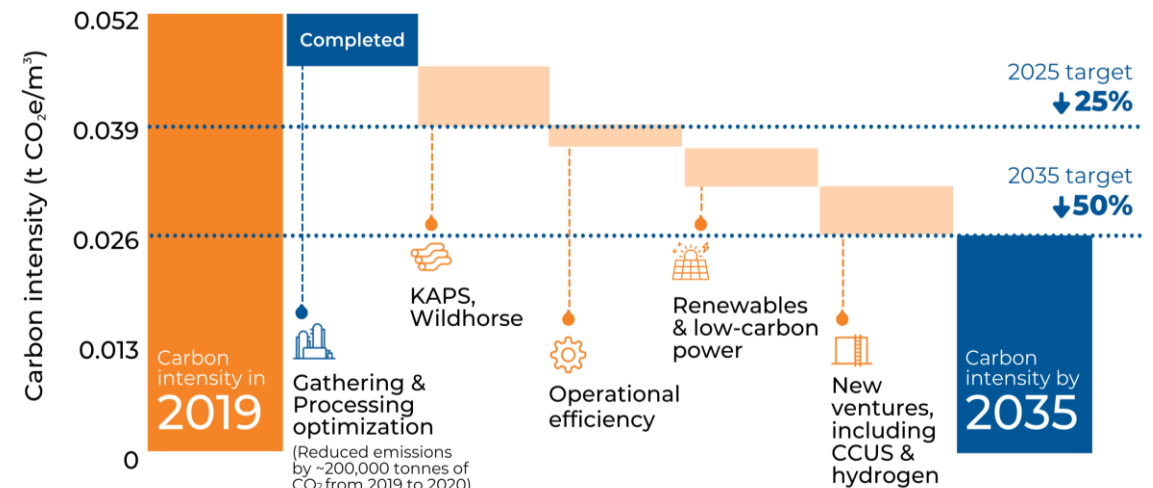
**25%**

from 2019 levels

By **2035**, reduce our emissions intensity by

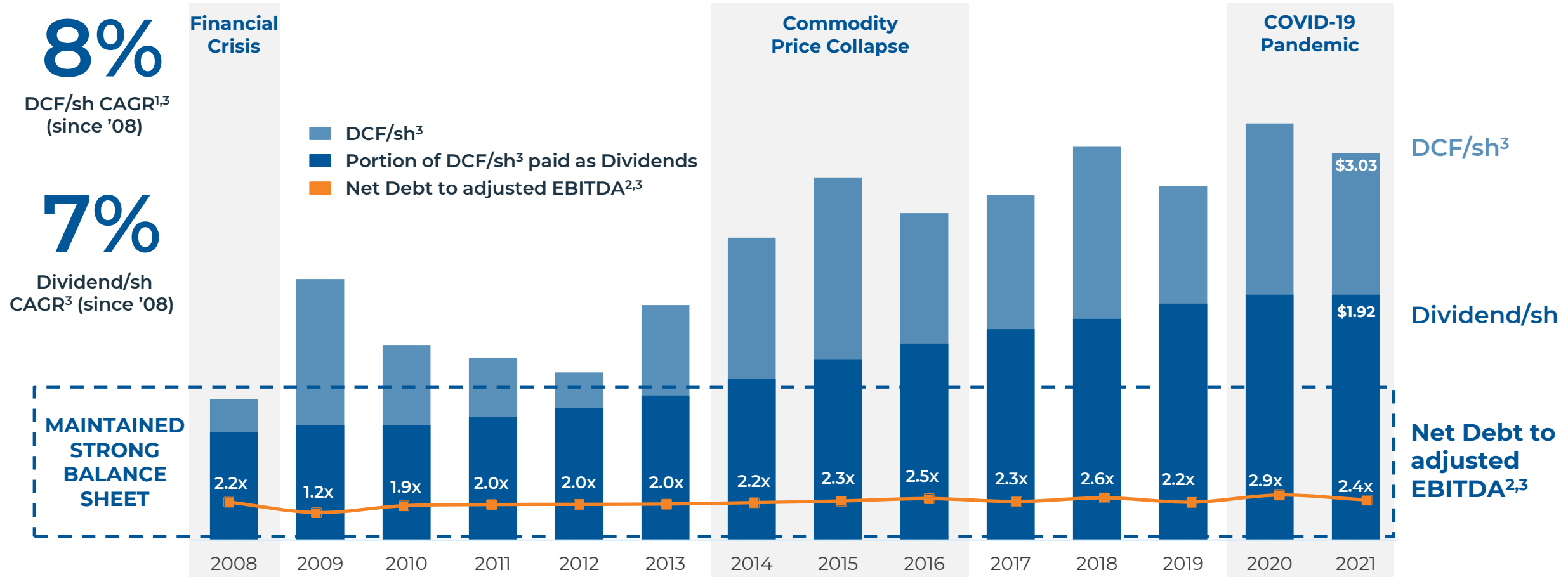
**50%**

from 2019 levels



# Sustained Dividend Growth Through Capital Discipline

Target Payout Range 50%-70% of Distributable Cash Flow<sup>3</sup>





# Our Financial Framework

Guiding Our Efforts to Generate Superior Risk-Adjusted Returns

	Target	2021A
Preserve Financial Strength and Flexibility	Credit ratings	<b>BBB</b> BBB/BBB-
	Net Debt / Adjusted EBITDA <sup>1,2</sup>	<b>2.5x - 3.0x</b> 2.4x
Invest for Margin Growth and Cash Flow Stability	Corporate ROIC <sup>1</sup>	<b>&gt;12%</b> 14%
	Fee-for-Service contribution of Realized Margin <sup>1</sup>	<b>&gt;75%</b> 69%
Cash Returns to Shareholders	Dividend Payout Ratio <sup>1</sup>	<b>50% - 70%</b> 63%
	Activate share buybacks as appropriate	

# Capital Allocation Priorities

Strong Focus on Long-Term Total Shareholder Returns

## Non-Discretionary

- 1 Fund maintenance capital
- 2 Maintain balance sheet strength
- 3 Pay current dividend

## Discretionary

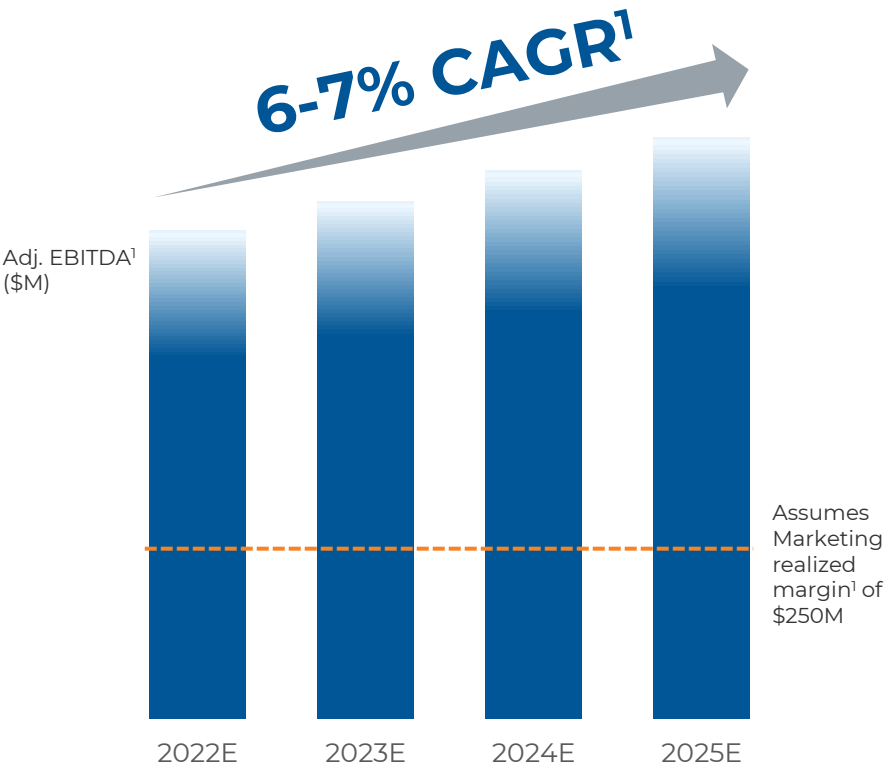
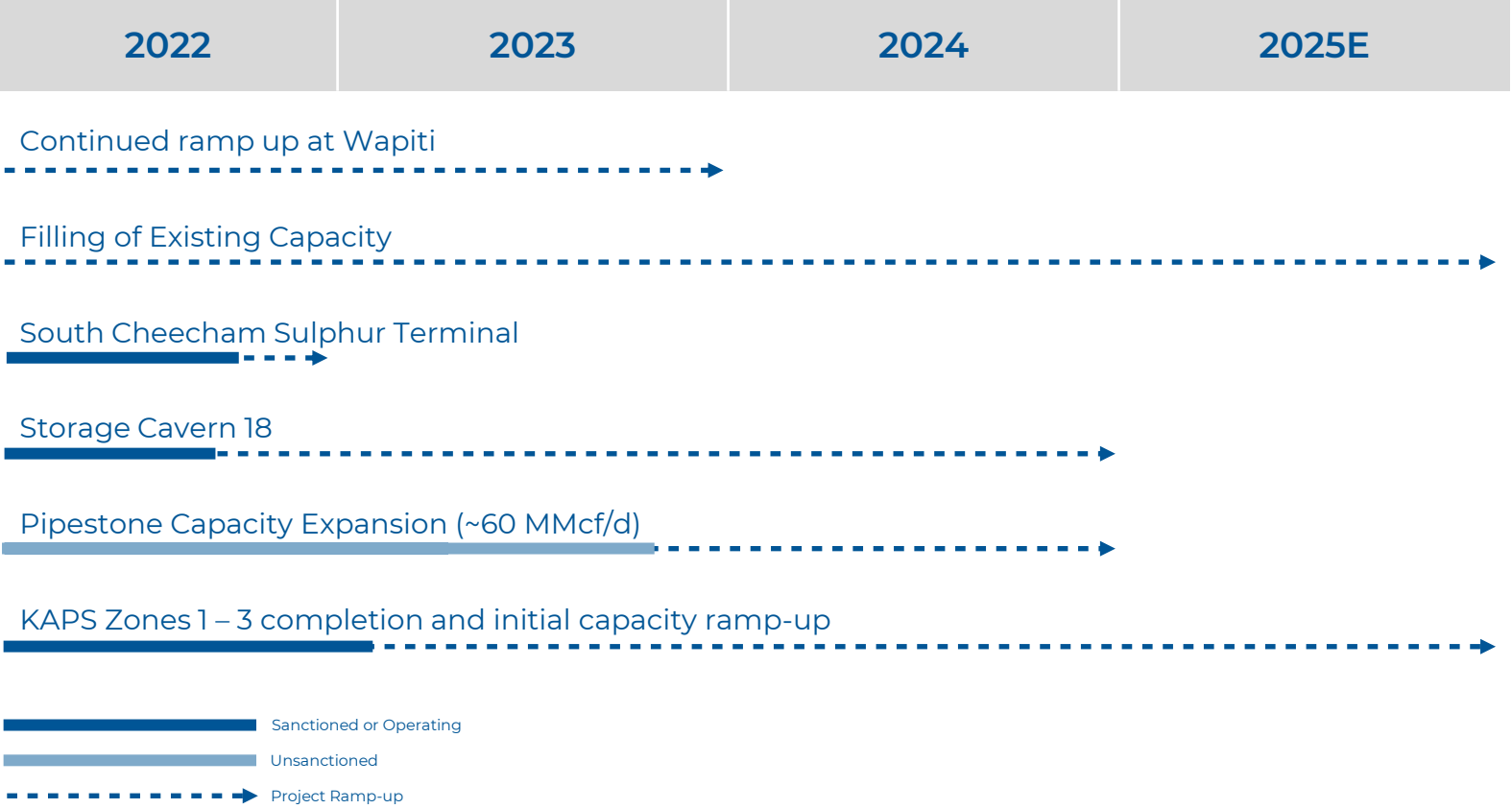
- 4 Allocate remaining capital
  - Further debt reduction
  - Dividend growth
  - Growth capital
  - Share buybacks

Year	Priorities
2022	<ul style="list-style-type: none"><li>• Fund major strategic growth project (KAPS)</li></ul>
2023	<p>Balance priorities between:</p> <ul style="list-style-type: none"><li>• Bringing net debt to adjusted EBITDA<sup>1</sup> within target range by year end 2023</li><li>• Increasing cash returns to shareholders</li><li>• Modest growth capital</li></ul>
2024 - 2025	<p>Balance priorities between:</p> <ul style="list-style-type: none"><li>• Increasing cash returns to shareholders</li><li>• Growth spending</li></ul>



# Clear Pathway to Near-Term EBITDA<sup>1</sup> Growth

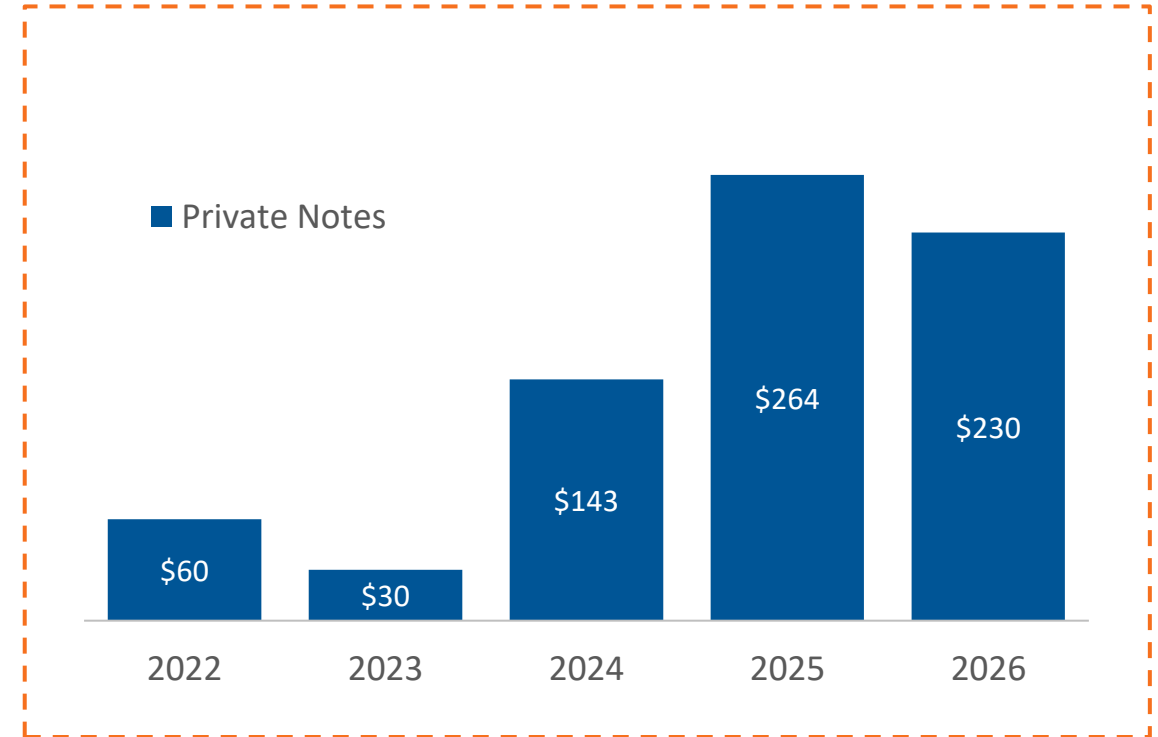
Our '22 – '25 Plan



# Strong Financial Position

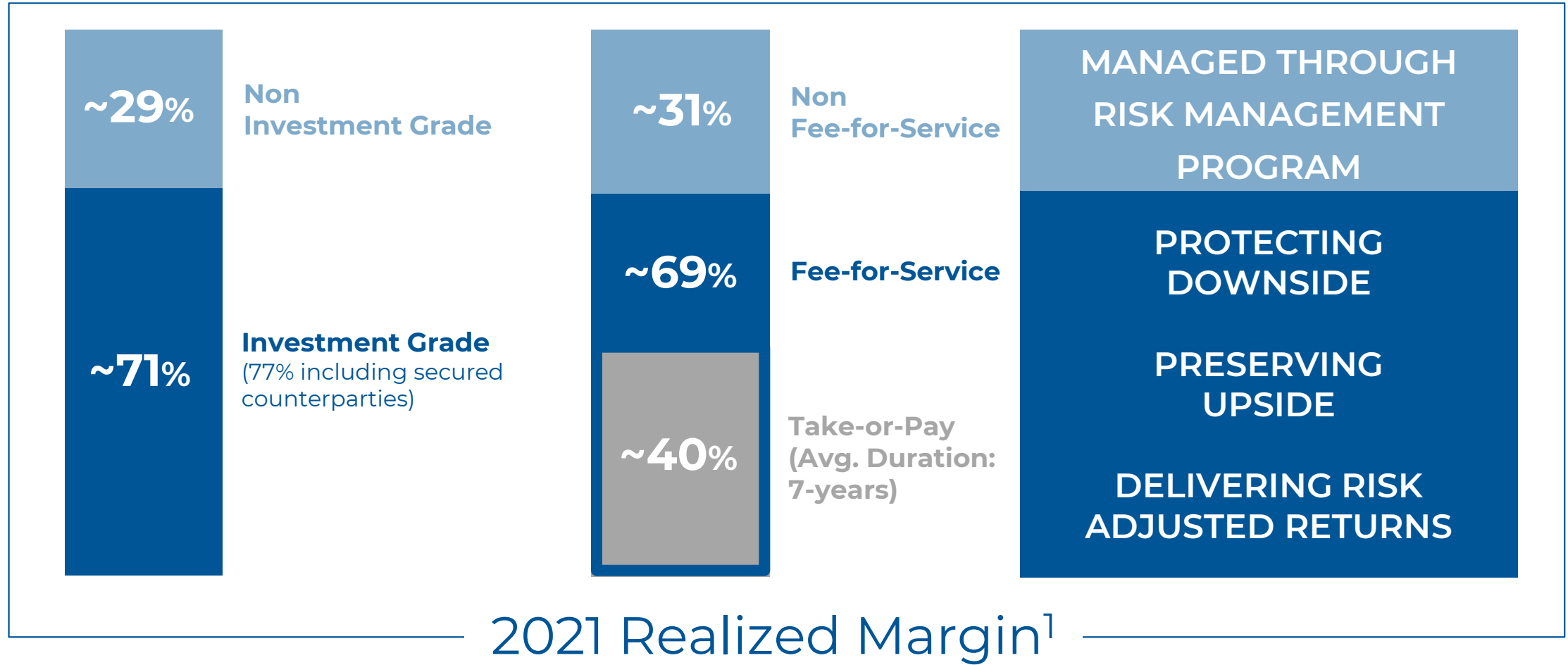
## Long-term debt maturities (C\$ MM)<sup>3</sup> (excludes drawings under revolver)

- 2.4x Net Debt to adjusted EBITDA<sup>1,2</sup>
- Conservative payout ratio<sup>1</sup>
  - 65% for Q3/22 (target of 50 – 70%)
- Investment grade credit ratings
  - DBRS Limited: Affirmed, BBB/Stable
  - S&P Global: Affirmed, BBB-/Stable
- Total liquidity of \$1.52B
  - \$1.5B credit facility (\$30MM drawn at the end of Q3/22)
  - \$54MM in cash
- All outstanding debt is fixed rate



# Managing Cash Flow Stability

Realized Margin<sup>1</sup> from Investment Grade Customers and Take-or-Pay Contracts



# Our Integrated Value Chain

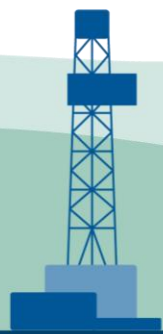
High Barrier-to-Entry Asset Base with Access to High Value Markets

Raw Gas

NGL

Spec Products

External Markets



Customers



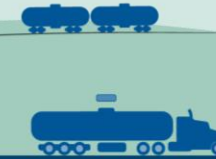
Gathering & Processing

- Strategically located gas plants in the liquids-rich Western Alberta
- 4,400 kilometers of gas gathering network



Liquids Infrastructure

- Highly utilized fractionation, storage, transportation and upgrading assets with high barriers to entry
- Industry-leading condensate system
- Largest underground storage position in Alberta



Marketing

- Utilizes Keyera's infrastructure to access highest value markets
- Demonstrated effective risk management program



End Users

**Difficult and Cost Prohibitive to Replicate Our Asset Base**

# Delivering Energy Infrastructure Solutions

Focused on Maximizing Customer Netbacks

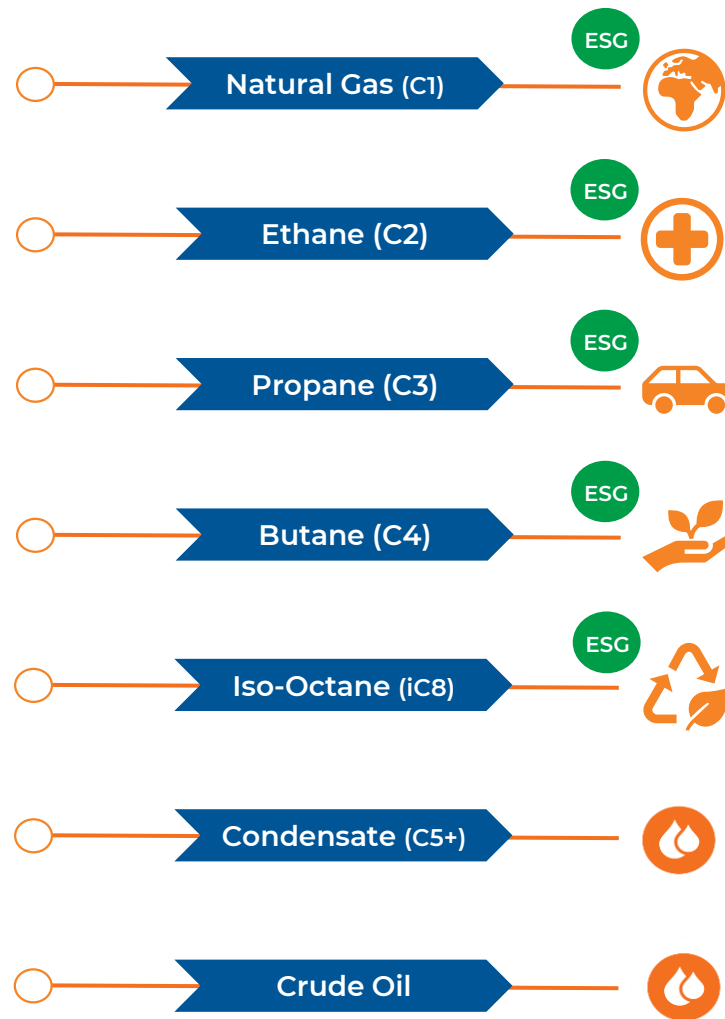
## Energy Infrastructure

LNG Canada



+

## Marketing



## Demand Drivers

LOW-EMISSIONS ENERGY SOURCE  
ENERGY SECURITY

MEDICAL GRADE PLASTIC,  
STERILE PACKAGING

LIGHT WEIGHTING AUTOMOTIVE,  
FOOD PACKAGING, HEATING

LOWER INTENSITY SOLVENTS, OIL  
SANDS ESG TARGETS

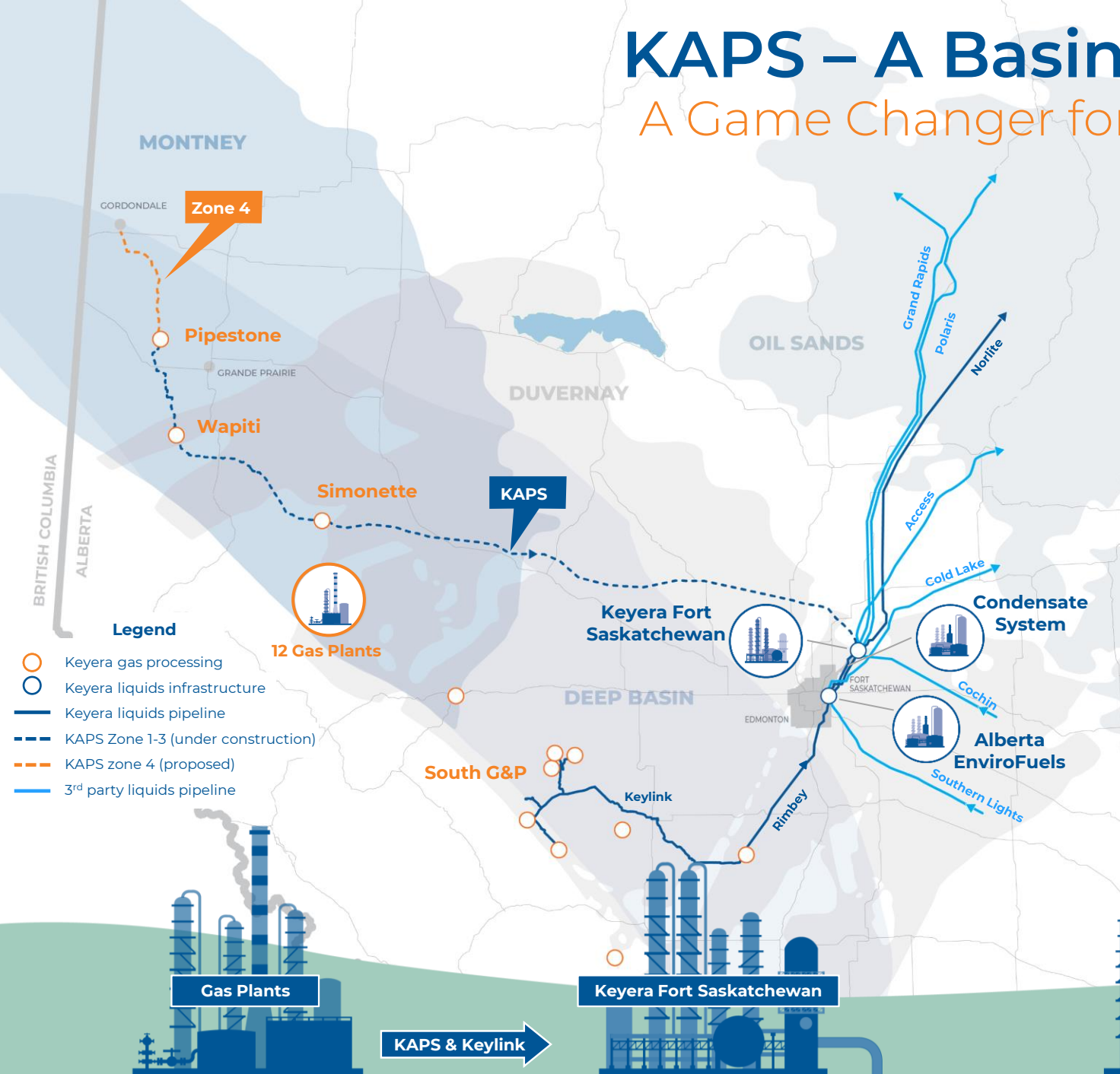
ENVIRONMENTAL STANDARDS,  
CLEAN BURNING ENGINES

OIL SANDS DILUENT

GROWTH IN WORLD ENERGY  
DEMAND, ENERGY SECURITY

# KAPS – A Basin Asset

## A Game Changer for Keyera

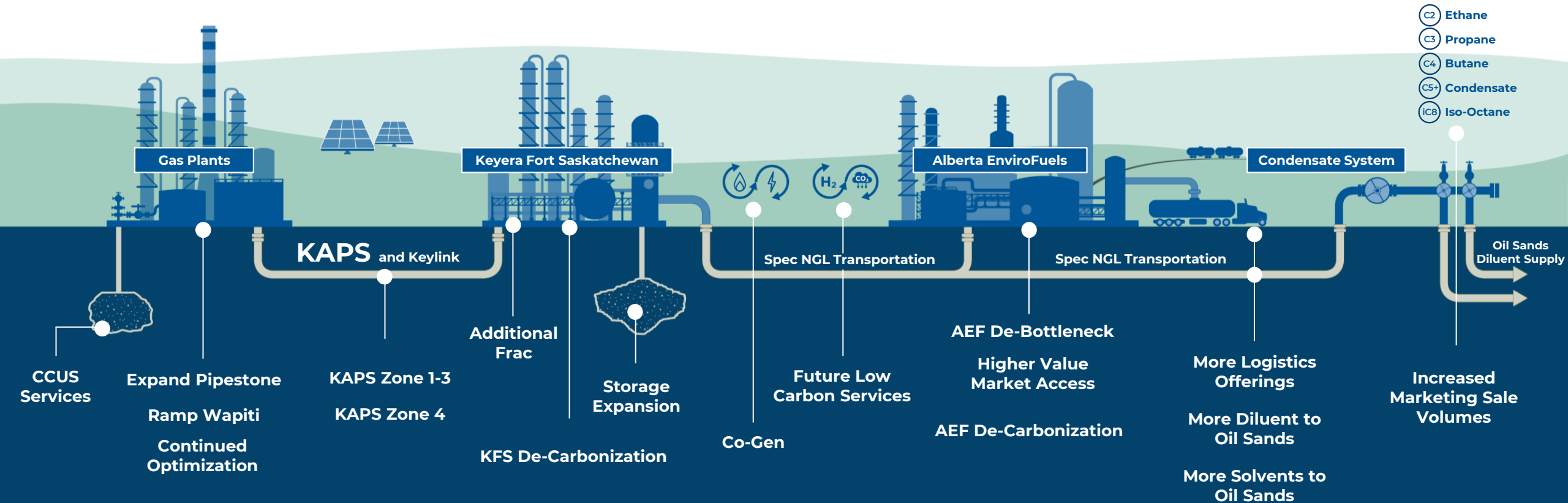


### Improving Our Competitiveness

- ✓ KAPS pipeline system highly desired by industry
- ✓ Competitive alternative, adding optionality and additional connectivity for producers
- ✓ Provides secure, long-term cash flow with 75% take-or-pay
- ✓ Further integrates Keyera's assets and enhances value chain
- ✓ Creates a new platform for growth. Expected to be operational at the end of Q1/23\*

# Growth Across Our Integrated Value Chain

Projects Paced to be Internally Funded



## Drivers Of Additional Margin Growth and Returns



# Playing A Role In The Energy Transition

## Transitioning to A Low-Carbon Economy

### Carbon Capture & Storage

- Acid gas injection at six of our existing locations<sup>1</sup>
- Potential to provide CCS services for customer

### Emissions Reduction

- Emissions on intensity and absolute basis lowered by 19% and 4% from 2019 to 2021
- Actively exploring co-generation opportunities to further lower our overall emissions

### Decarbonizing

- A 15-year solar PPA covering 10% of our total energy consumption to be online in Q1/23



### Clean Fuels

- Exploring opportunities to help refiners meet CFS requirements using iso-octane
- Further enhance the value of iso-octane through decarbonization

### Hydrogen

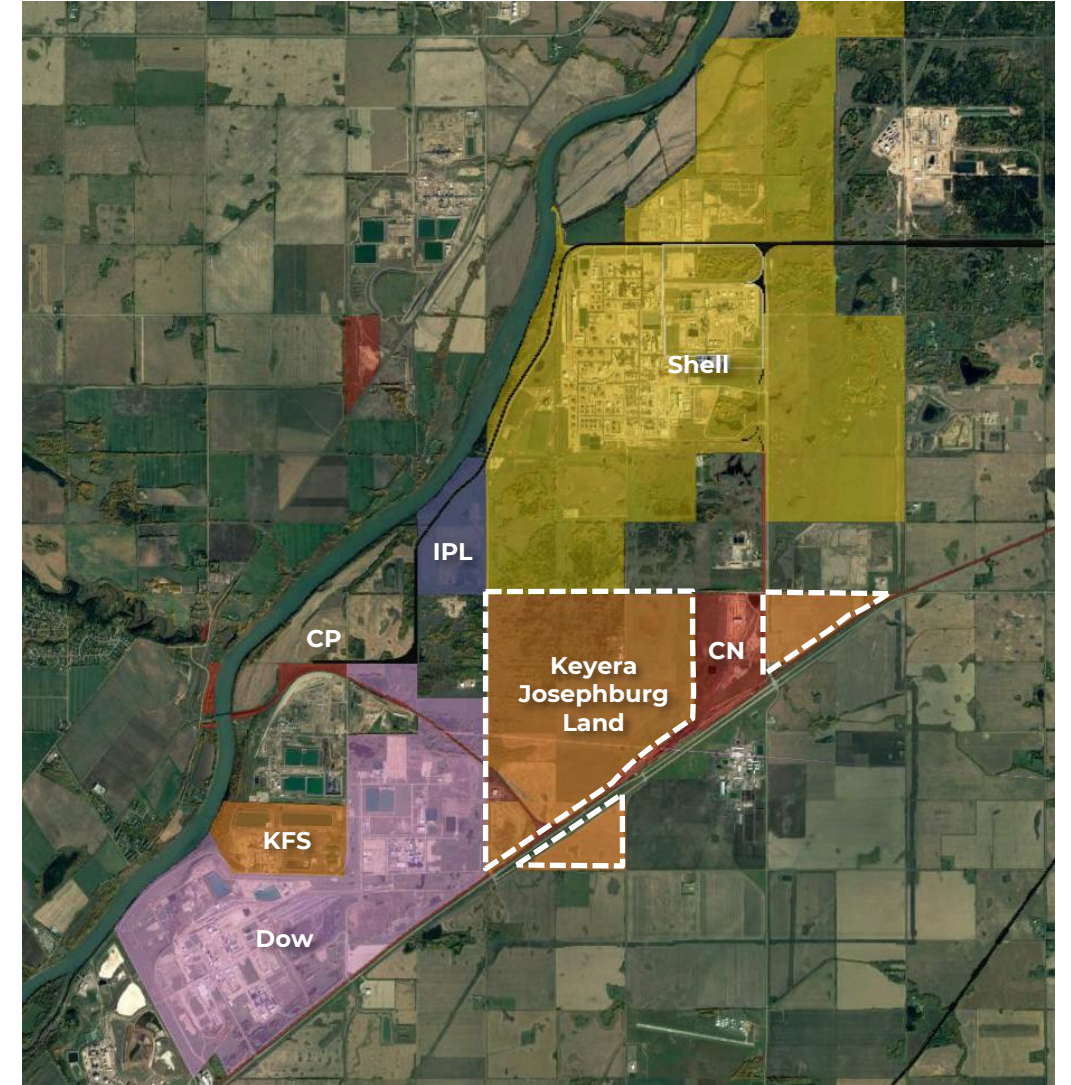
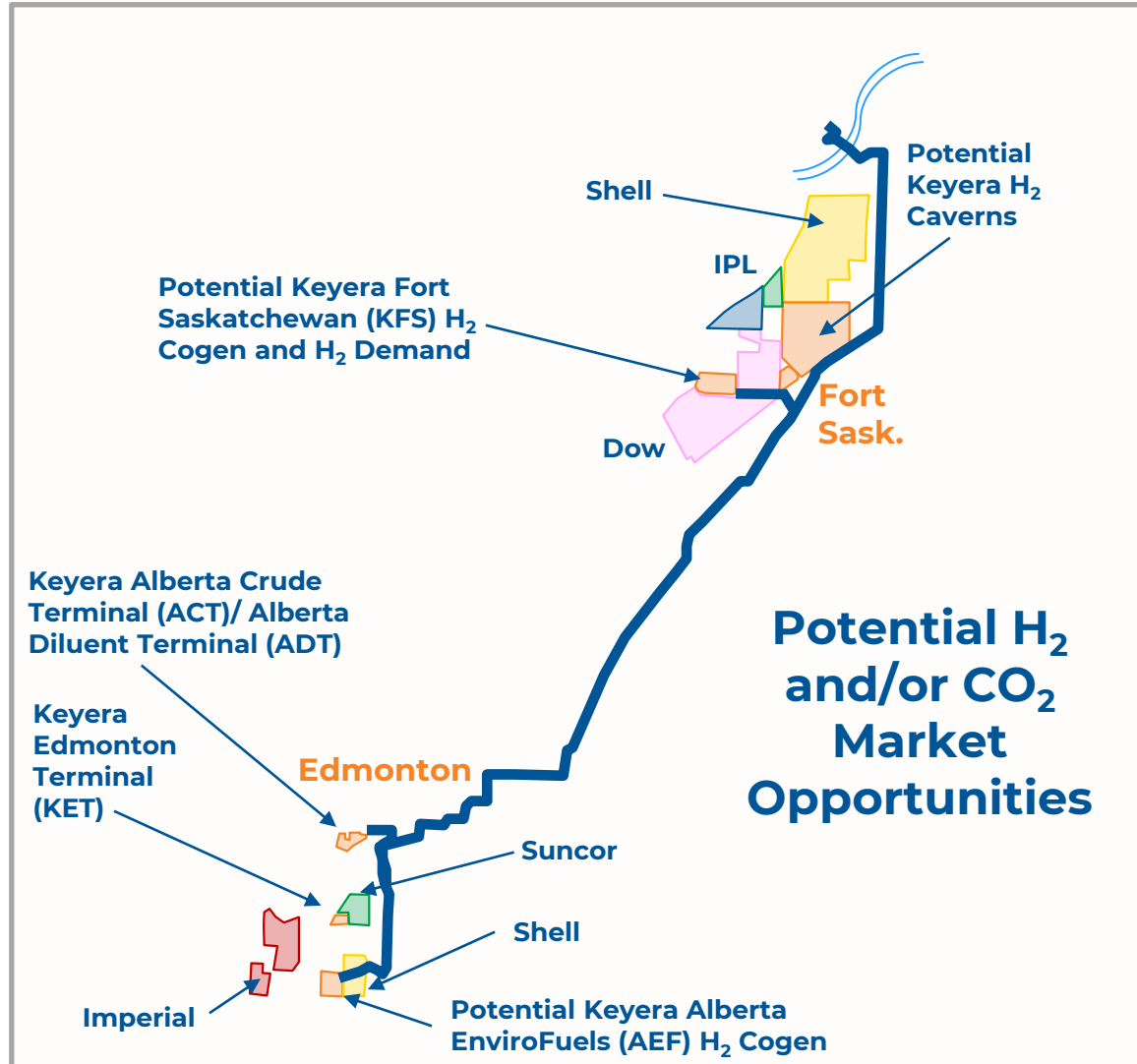
- 1,290 acres of undeveloped land available for H<sub>2</sub> development
- Existing H<sub>2</sub> production
- Existing H<sub>2</sub> pipeline
- Options for H<sub>2</sub> cavern storage

### Solvents

- Help decarbonize oilsands production through solvents supply. Solvents include Propane and butane

# Building A Strong Energy Transition Business

Unique Ability to Evolve Existing Asset Base through Energy Transition



# 2022 & 2023 Guidance

Balancing modest growth, balance sheet strength and returning cash to shareholders

2022 Guidance		2023 Guidance	
Growth Capital Expenditures	\$770-\$800 MM	Growth Capital Expenditures	\$140-\$180 MM
Marketing Realized Margin <sup>1</sup>	\$380-\$410 MM	Annual Base Marketing Realized Margin <sup>1</sup> (updated Q1/23)	\$250-\$280 MM
Maintenance Capital Expenditures	\$100-\$120 MM	Maintenance Capital Expenditures	\$75-\$85 MM
Cash Tax	\$55-\$65 MM	Cash Tax	\$10-\$25 MM

Upcoming Planned Turnarounds and Outages		
Wapiti Gas Plant outage	10 days	Q2/23
Rimbey Gas Plant turnaround	3 weeks	Q2/23
Keyera Fort Saskatchewan Fractionation Unit 2 outage	1 week	Q2/23
Keyera Fort Saskatchewan Fractionation Unit 1 turnaround	2 weeks	Q3/23
Pipestone Gas Plant turnaround	2 weeks	Q3/23

Project Completion Schedule	
South Cheecham Sulphur Facilities	Q4/22
KAPS Liquids Pipeline System	Q1/23

# Why Invest In Keyera?

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**STRONG FOCUS ON TOTAL SHAREHOLDER RETURN**

# Notes

## Slide 3

All information as of December 31, 2021, unless otherwise stated. <sup>1</sup> As of September 30, 2022. <sup>2</sup> Distributable cash flow (“DCF”), payout ratio, compound annual growth rate (“CAGR”) for DCF per share, compound annual growth rate (“CAGR”) for dividends per share, adjusted EBITDA and return on invested capital are not standard measures under GAAP. See “Forward-Looking Information & Non-GAAP and Other Financial Measures” slide. <sup>3</sup> Net Debt to Adjusted EBITDA calculation for covenant test purposes excludes 100% of the company's subordinated hybrid notes. <sup>4</sup> Refer to slides 8 and 9 for further detail. <sup>5</sup> Refer to slide 7 for further detail. <sup>6</sup> Refer to slide 6 for further detail.

## Slide 5

<sup>1</sup> Excludes President & CEO Dean Setoguchi.

## Slide 6

<sup>1</sup> 8% CAGR for distributable cash flow per share is from 2008 to 2021. <sup>2</sup> Net Debt to Adjusted EBITDA calculation for covenant test purposes excludes 100% of the company's subordinated hybrid notes. <sup>3</sup> Distributable cash flow (“DCF”) per share, compound annual growth rate (“CAGR”) for DCF per share, compound annual growth rate (“CAGR”) for dividends per share, payout ratio and adjusted EBITDA are not standard measures under GAAP. See “Forward-Looking Information & Non-GAAP and Other Financial Measures” slide.

## Slide 7

All information as of December 31, 2021, unless otherwise stated. <sup>1</sup> Adjusted EBITDA, return on invested capital, realized margin and payout ratio are not standard measures under GAAP. See “Forward-Looking Information & Non-GAAP and Other Financial Measures” slide. <sup>2</sup> Net Debt to Adjusted EBITDA calculation for covenant test purposes excludes 100% of the company's subordinated hybrid notes.

## Slide 8

<sup>1</sup> Adjusted EBITDA is not a standard measures under GAAP. See “Forward-Looking Information & Non-GAAP and Other Financial Measures” slide.

## Slide 9

<sup>1</sup> EBITDA, adjusted EBITDA, compound annual growth rate (“CAGR”) for adjusted EBITDA and realized margin are not standard measures under GAAP. See “Forward-Looking Information & Non-GAAP and Other Financial Measures” slide.

## Slide 10

All information calculated as of September 30, 2022, unless otherwise stated. <sup>1</sup> Adjusted EBITDA and payout ratio are not standard measures under GAAP. See “Forward-Looking Information & Non-GAAP and Other Financial Measures” slide. <sup>2</sup> Net Debt to Adjusted EBITDA calculation for covenant test purposes excludes 100% of the company's subordinated hybrid notes. <sup>3</sup> All US dollar denominated debt is translated into Canadian dollars at its swap rate.

## Slide 11

Based on 2021 revenues. Counterparty credit ratings on April 28, 2022. Investment Grade includes counterparties who have Split-rating which denoted counterparty that has an investment grade rating by one rating agency and a non-investment grade rating by the other rating agency. Counterparties with less than 50% investment grade ratings are considered non-investment grade. Parent's credit rating used when parental guarantees exist. Investment Grade excludes secured counterparties who have prepay terms or a posted letter of credit. <sup>1</sup> Realized margin is not a standard measure under GAAP. See “Forward-Looking Information & Non-GAAP and Other Financial Measures” slide.

## Slide 14

Project completion timing is weather dependent. Further, the longer-term effects and impacts of the coronavirus disease (COVID-19) outbreak on Keyera's business, the global economy and markets remain unknown at this time and could cause Keyera's actual results to differ.

## Slide 16

<sup>1</sup> Carbon captured through Acid gas injection (“AGI”) which is a process of capturing and sequestering green house gases (“GHG”) including CO<sub>2</sub> and H<sub>2</sub>S, it also uses less energy and has less emissions than Sulphur recovery.

## Slide 18

<sup>1</sup> Realized margin is not a standard measure under GAAP. See “Forward-Looking Information & Non-GAAP and Other Financial Measures” slide.

## Slide 19

All information as of December 31, 2021, unless otherwise stated. <sup>1</sup> As of September 30, 2022. <sup>2</sup> Distributable cash flow (“DCF”), payout ratio, compound annual growth rate (“CAGR”) for DCF per share, compound annual growth rate (“CAGR”) for dividends per share, adjusted EBITDA and return on invested capital are not standard measures under GAAP. See “Forward-Looking Information & Non-GAAP Measures and Other Financial Measures” slide. <sup>3</sup> Net Debt to Adjusted EBITDA calculation for covenant test purposes excludes 100% of the company's subordinated hybrid notes. <sup>4</sup> Refer to slides 8 and 9 for further detail. <sup>5</sup> Refer to slide 7 for further detail. <sup>6</sup> Refer to slide 6 for further detail.



# Contact Information

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