2025

Year-End Report

2025 Year-End Report

For the period ended December 31, 2025

"2025 was a transformational year for Keyera as we meaningfully advanced our strategy to strengthen and extend our integrated NGL value chain," said Dean Setoguchi, President and CEO. "We achieved this through the sanctioning of three major growth projects, a strategic tuck-in acquisition in Gathering and Processing, and the transformational acquisition of Plains' Canadian NGL business, all while delivering record annual fee-based segment margin contributions. Upon closing, the acquisition of Plains' Canadian NGL business will expand our national platform, brings critical Canadian energy infrastructure under Canadian ownership, and strengthens our ability to reinvest in Canada while delivering greater reliability, competitiveness, and value for customers across the country. Looking ahead, our focus is on safe and successful execution of our growth program and, following completion of the transaction, the integration of Plains to unlock synergies and drive long-term shareholder value."

Fourth Quarter and Year-End Highlights

- **Financial Results**
  - Adjusted earnings before interest, taxes, depreciation, and amortization[1] ("adjusted EBITDA") for the quarter were $301 million (Q4 2024 – $313 million) and $1.13 billion for the full year (2024 – $1.28 billion). Excluding transaction costs related to the Plains acquisition, adjusted EBITDA would have been $313 million for the fourth quarter, and $1.16 billion for the full year. These results reflect increased year-over-year contributions from the Gathering and Processing and Liquids Infrastructure segments which were more than offset by lower Marketing segment contributions.
  - Distributable cash flow[1] ("DCF") for the quarter was $206 million or $0.90 per share (Q4 2024 – $168 million or $0.73 per share) and $735 million or $3.21 per share for the full year (2024 - $771 million or $3.36 per share). Excluding transaction costs, DCF would have been $224 million or $0.98 per share for the quarter, and $767 million or $3.35 per share for the full year.
  - Net earnings for the quarter were $90 million (Q4 2024 – $89 million) and $432 million for the full year (2024 – $487 million).
- **Record Annual Fee-For-Service Realized Margin[1] Driven by the Continued Filling of Available Capacity**
  - The Gathering and Processing segment generated quarterly realized margin[1] of $106 million (Q4 2024 – $107 million) and a record $439 million for the full year (2024 – $413 million). Results were driven primarily by increased throughput at the Wapiti and Simonette gas plants as contracted volumes continued to ramp up.
  - The Liquids Infrastructure segment achieved quarterly realized margin[1] of $150 million (Q4 2024 – $153 million) and a record $593 million for the full year (2024 – $558 million). Performance was driven primarily by higher contracted volumes through Keyera's condensate system and the KAPS pipeline.
- **Marketing Segment Results**
  - The Marketing segment recorded realized margin[1] of $89 million for the quarter (Q4 2024 – $99 million) and $300 million for the full year (2024 - $485 million). Results mainly reflected lower iso-

octane prices and volumes sold, generally weaker commodity prices, and reduced contribution from blending activities.

- Strong Financial Position – The company ended the quarter with net debt to adjusted EBITDA[2] of 1.8 times, which reflects the temporary benefit of the hybrid issuance proceeds generated in Q3 of 2025. This is below the company's long-term target range of 2.5 to 3.0 times.

- Progressing the Plains Acquisition – All required regulatory reviews and approval processes are advancing as expected, and the transaction is expected to close around the end of the first quarter of 2026, subject to the satisfaction of the final conditions to closing.

- Simonette Area Gas Plant Acquisition – During the quarter the company completed a strategic acquisition of a 50.1% working interest in two gas plants and associated infrastructure in the Simonette area from a privately held company for approximately $200 million in cash. The investment delivers immediate cash flow, generates strong returns on capital, and secures additional long-term volumes for the North Region and other downstream integrated services, driving further value creation. The transaction also unlocks potential follow-on growth opportunities in the area.

- Sale of Wildhorse Terminal – In early 2026, Keyera completed the sale of its interest in the non-core Wildhorse Terminal in Oklahoma to a subsidiary of Plains All American Pipeline, L.P. for approximately USD $65 million. The proceeds from the sale will be reflected through closing price adjustments related to the acquisition of Plains' Canadian NGL business. The transaction is consistent with Keyera's strategy to optimize its asset base and recycle capital into higher-return opportunities.

Growth Projects Progressing on Time and On Budget

Over the quarter, Keyera's major projects under construction progressed well. All projects remain on track to be delivered on time and on budget:

- **KFS Frac II Debottleneck** – Detailed engineering was completed, with delivery of major equipment underway, and fabrication continuing to progress. The 8,000 barrel per day project is expected to be in-service by the middle of this year for approximately $85 million.

- **KFS Frac III Expansion** – Early works construction was completed while detailed engineering and procurement activities continued to progress. The 47,000-barrel-per-day project, which includes additional egress investments at the KFS complex, remains on schedule for in-service in mid-2028 and on budget with an estimated net cost of approximately $490 million.

- **KAPS Zone 4** – Detailed engineering and early field activities continued to progress. The 85-kilometre pipeline extension from Pipestone to Gordondale remains on track for in-service in mid-2027 and on budget, with a net cost to Keyera of approximately $220 million.

2025 Guidance Results

- Marketing segment realized margin[1] in 2025 was $300 million, at the top end of the latest guidance range of $280 million and $300 million.

- Growth capital expenditures in 2025 were $222 million, within the latest guidance of $220 million and $240 million.

- Maintenance capital expenditures were $61 million, within the latest guidance of $60 million to $70 million.

- Cash taxes for the year were $83 million, below the latest guidance of $90 million to $100 million.

2026 Stand-alone Guidance (Pre-Plains Closing)

Keyera is providing a summary of its 2026 stand-alone guidance ahead of the closing of the Plains acquisition.

On January 19, 2026, Keyera announced an extended unplanned outage at the Alberta Envirofuels Facility ("AEF") to address a component failure involving long-life equipment that had been replaced approximately three years ago as part of the facility's ongoing maintenance and reliability programs. An investigation into the cause of the early equipment failure is ongoing. Based on the expected timing required to fabricate, deliver, and install replacement components, AEF is currently expected to return to service in May 2026. During the outage period, Keyera plans to complete the previously scheduled six-week major turnaround originally planned for fall 2026, eliminating the need for a separate shutdown later in the year. The guidance summarized below includes the previously announced impacts of the extended unplanned outage.

- Consistent with prior years, Marketing segment realized margin[1] guidance will be provided with first quarter results in mid-May, following the conclusion of the NGL contracting season. As previously disclosed, this guidance will reflect the approximately $110 million expected impact associated with the unplanned AEF outage.
- 2026 growth capital expenditures are reaffirmed to range between $400 million and $475 million.
- As previously announced, maintenance capital expenditures are expected to range between $140 million and $160 million, reflecting an increase from the prior range of $130 million to $150 million.
- As previously announced, cash taxes are expected to decrease by approximately $30 million as a result of the AEF outage and are expected to range between $60 million and $70 million on a stand-alone basis.

Leadership Update

As Keyera prepares for the closing of the Plains acquisition, the Company has reorganized its leadership reporting structure to better position the business for its next phase of growth. The updated structure is designed to drive competitiveness across Keyera's integrated platform by strengthening accountability, improving coordination across business units, and enhancing the Company's ability to execute efficiently.

Under the new structure, Brad Slessor has been appointed Senior Vice President, G&P & NGL Pipelines Business Unit, with responsibility for gas gathering and processing operations and NGL pipeline assets. Brad was previously Vice President, G&P & KAPS Business Development and has been promoted to the role.

Jamie Urquhart will assume the role of Senior Vice President, Liquids Business Unit, overseeing Keyera's liquids infrastructure assets, including fractionation, storage, and terminals, and the Company's Marketing business.

Following the implementation of the updated leadership structure, Jarrod Beztilny, Senior Vice President, Operations and Engineering, has decided to voluntarily depart the Company to pursue other interests.

"This organizational structure strengthens our ability to compete and execute as we continue to grow and integrate the business," said Dean Setoguchi, President and Chief Executive Officer. "I would like to congratulate Brad on his promotion and expanded responsibilities. On behalf of the Board of Directors and the entire Keyera team, I also want to thank Jarrod for his contributions to the Company."

These changes are effective February 2, 2026.

Summary of Key Measures *(Thousands of Canadian dollars, except where noted)*	Three months ended December 31, 2025	2024	Twelve months ended December 31, 2025	2024
Net earnings	**90,266**	88,906	**432,335**	486,628
Per share ($/share) – basic	**0.39**	0.39	**1.89**	2.12
Cash flow from operating activities	**290,071**	316,431	**774,539**	1,265,788
Funds from operations[1]	**234,485**	227,274	**853,617**	962,438
Distributable cash flow[1]	**205,547**	168,301	**735,157**	770,914
Per share ($/share)[1]	**0.90**	0.73	**3.21**	3.36
Distributable cash flow[1] *(adjusted for acquisition-related items)*	**224,287**	168,301	**767,153**	770,914
Per share ($/share)[1]	**0.98**	0.73	**3.35**	3.36
Dividends declared	**123,813**	119,160	**485,945**	467,473
Per share ($/share)	**0.54**	0.52	**2.12**	2.04
Payout ratio %[1]	**60%**	71%	**66%**	61%
Payout ratio %[1] *(adjusted for acquisition-related items)*	**55%**	71%	**63%**	61%
Adjusted EBITDA[1]	**300,918**	312,732	**1,131,472**	1,275,275
Adjusted EBITDA[1] *(adjusted for acquisition-related items)*	**312,675**	312,732	**1,160,444**	1,275,275
Operating margin	**345,913**	307,295	**1,381,111**	1,385,601
Realized margin[1]	**345,317**	359,189	**1,332,852**	1,454,867
Gathering and Processing				
Operating margin	**100,691**	107,834	**434,090**	412,600
Realized margin[1]	**106,280**	107,303	**439,377**	412,718
Gross processing throughput[3] (MMcf/d)	**1,533**	1,532	**1,550**	1,492
Net processing throughput[3] (MMcf/d)	**1,393**	1,380	**1,412**	1,324
Liquids Infrastructure				
Operating margin	**147,980**	154,295	**592,355**	557,021
Realized margin[1]	**150,338**	152,576	**593,295**	557,590
Gross processing throughput[4] (Mbbl/d)	**185**	187	**175**	176
Net processing throughput[4] (Mbbl/d)	**106**	102	**101**	97
AEF iso-octane production volumes (Mbbl/d)	**12**	15	**12**	13
Marketing				
Operating margin	**97,308**	45,264	**354,914**	416,129
Realized margin[1]	**88,765**	99,408	**300,428**	484,708
Inventory value	**206,491**	270,225	**206,491**	270,225
Sales volumes (Bbl/d)	**248,600**	243,500	**224,300**	207,500
Acquisitions	**200,000**	—	**212,567**	—
Growth capital expenditures	**108,768**	48,580	**221,599**	115,985
Maintenance capital expenditures	**12,532**	44,435	**60,925**	136,340
Total capital expenditures	**321,300**	93,015	**495,091**	252,325
Weighted average number of shares outstanding – basic and diluted	**229,283**	229,153	**229,205**	229,153

As at December 31,	2025	2024
Long-term debt[5]	**5,917,088**	3,379,498
Credit facility	**—**	—
Working capital (surplus) deficit *(current assets less current liabilities)*	**(2,288,319)**	60,930
Net debt	**3,628,769**	3,440,428
Common shares outstanding – end of period	**229,283**	229,153

CEO's Message to Shareholders

Delivering a stronger, more integrated platform for long-term growth. 2025 was a transformational year for Keyera as we delivered on our strategy and continued to strengthen our integrated value chain with a clear focus on enhancing the competitiveness of our business. I am very proud of what our team accomplished during the year, including filling available capacity across our asset base to deliver record annual fee-based EBITDA, advancing a disciplined portfolio of capital-efficient growth projects, and taking important steps to further expand and integrate our system. Together, these actions position Keyera for sustained, long-term growth and our ability to compete across the value chain.

Disciplined execution and building a stronger Canadian energy system. Execution remains at the core of our strategy. We are making strong progress on three highly strategic growth projects currently under construction, while also preparing for the post-closing integration of Plains' Canadian NGL business. Across these initiatives, our focus is consistent: safe and reliable operations, disciplined capital deployment, and efficient project execution. The addition of Plains' Canadian NGL business is expected to further strengthen our integrated platform, enhancing connectivity, improving operational efficiency, and expanding market access for our customers. The transaction also establishes a fully integrated, cross-Canada NGL system under Canadian ownership, strengthening energy security, supporting long-term competitiveness, and enabling the reinvestment of cash flows back into the Canadian economy. We look forward to welcoming new colleagues and combining their experience with Keyera's capabilities as we continue to advance our strategy.

Active portfolio management to drive value. We continue to actively manage our portfolio to strengthen our integrated footprint and enhance returns. During the year, we expanded our presence in the Simonette area through the acquisition of a working interest in two gas plants, immediately adding cash flow secured by long-term commitments and further supporting utilization across our downstream assets. At the same time, we divested our interest in the non-core Wildhorse terminal in Oklahoma. Together, these actions reflect our ongoing focus on optimizing our asset base and redeploying capital toward higher-return opportunities aligned with our integrated strategy.

Positioned to grow with a resilient Western Canada basin. Keyera's long-term growth continues to be underpinned by one of the most competitive and resilient energy basins in the world. Western Canada benefits from low-cost, long-life production and improving access to global markets. With an increasingly constructive policy environment, our integrated infrastructure, disciplined approach to investment, and focus on reliability and efficiency, Keyera plays an important role in supporting a more competitive Canadian energy industry. Our strong financial position and customer-focused approach position the Company well to continue creating long-term value for customers and shareholders.

On behalf of the Board of Directors and management team, I would like to thank our employees, customers, shareholders, Indigenous rights holders, and other stakeholders for their continued support. Together, we will continue to build on our momentum and advance Keyera's role in supporting Canada's energy future.

Dean Setoguchi
President and Chief Executive Officer
Keyera Corp.

Notes:

1 Keyera uses certain non-Generally Accepted Accounting Principles ("GAAP") and other financial measures such as EBITDA, adjusted EBITDA, funds from operations, distributable cash flow, distributable cash flow per share, payout ratio, realized margin, fee-for-service realized margin and compound annual growth rate ("CAGR") for fee-based adjusted EBITDA. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. For additional information, and where applicable, for a reconciliation of the historical non-GAAP financial measures to the most directly comparable GAAP measure, refer to the section of this news release titled "Non-GAAP and Other Financial Measures". For the assumptions associated with the base 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" of Management's Discussion and Analysis for the period ended December 31, 2025.

2 Ratio is calculated in accordance with the covenant test calculations related to the company's credit facility and senior note agreements and excludes hybrid notes.

3 Includes gas volumes and the conversion of liquids volumes handled through the processing facilities to a gas volume equivalent. Net processing throughput refers to Keyera's share of raw gas processed at its processing facilities.

4 Fractionation throughput in the Liquids Infrastructure segment is the aggregation of volumes processed through the fractionators and the de-ethanizers at the Keyera and Dow Fort Saskatchewan facilities.

5 Long-term debt includes the total value of Keyera's hybrid notes which receive 50% equity treatment by Keyera's rating agencies. The hybrid notes are also excluded from Keyera's covenant test calculations related to the company's credit facility and senior note agreements.

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") was prepared as of February 12, 2026 and is a review of the results of operations and the liquidity and capital resources of Keyera Corp. and its subsidiaries (collectively "Keyera"). The MD&A should be read in conjunction with the accompanying audited consolidated financial statements ("accompanying financial statements") of Keyera Corp. for the years ended December 31, 2025 and 2024 and the notes thereto. The accompanying financial statements have been prepared in accordance with the IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB"), which are generally accepted accounting principles ("GAAP") in Canada, and are stated in Canadian dollars. Additional information related to Keyera, including its Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on Keyera's website at www.keyera.com.

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

Keyera's Business

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

1. Gathering and Processing – Keyera owns and operates raw gas gathering pipelines and processing plants, which collect and process raw natural gas, remove waste products and separate the economic components, primarily natural gas liquids ("NGLs"), before the sales gas is delivered into long-distance pipeline systems for transportation to end-use markets. Keyera also provides condensate handling services through its condensate gathering pipelines and stabilization facilities.

2. Liquids Infrastructure – Keyera owns and operates a network of facilities for the gathering, processing, storage and transportation of the by-products of natural gas processing, including NGLs in mix form and specification NGLs such as ethane, propane, butane and condensate. In addition, this segment includes Keyera's iso-octane facilities at Alberta EnviroFuels ("AEF"), its liquids blending facilities, its 50% interest in the crude oil storage facility at the Base Line Terminal and its 50% interest in the South Cheecham Rail and Truck Terminal (which includes sulphur handling, forming and storage).

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 delivered an exceptional year in 2025, highlighted by record performance from the Fee-for-Service segments and the advancement of several enterprise-defining endeavors.

Strong financial results

- Net earnings of $432 million (2024 – $487 million), realized margin of $1.33 billion (2024 – $1.45 billion), adjusted earnings before finance costs, taxes, depreciation and amortization (adjusted for acquisition and integration costs) of $1.16 billion (2024 – $1.28 billion) and distributable cash flow (adjusted for acquisition and integration costs) of $767 million (2024 – $771 million).

Record financial results from Fee for Service segments offset by lower Marketing contribution

- The Gathering and Processing segment delivered outstanding results in 2025, including record realized margin of $439 million, a 6% increase over the prior year. The results were supported by record gross processing throughput from the North region including record volumes at the Wapiti gas plant. All North region gas plants demonstrated strong operational performance in 2025 while handling incremental production from the condensate-rich Montney formation. The North region facilities continue to account for over 70% of the segment's overall margin.

- The Liquids Infrastructure segment completed another exceptional year, generating record realized margin of $593 million, representing a 6% increase year-over-year and reflecting the segment's consistent financial strength. The growth in margin was primarily 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 2024.

- The Marketing segment effectively protected and captured margin in 2025 amid a softer commodity price environment and a seven-week unplanned outage at AEF that impacted iso-octane sales. The business posted realized margin of $300 million during this period, reflecting lower iso-octane, liquids blending and condensate sales margins compared to 2024.

2025 Guidance Update

2025 Guidance[1]	2025 Results	Commentary
Realized margin[1,2] for the Marketing segment of between $280 million and $300 million	$300 million	Within guidance range.
Growth capital expenditures between $220 million and $240 million (excluding capitalized interest)	$222 million	Within guidance range.
Maintenance capital spending between $60 million to $70 million	$61 million	Within guidance range.
Cash tax expense between $90 million and $100 million	$83 million	Below guidance range due to additional tax pool deductions that were available from the acquisition of the Simonette area gas plants.

2026 Stand-alone Guidance (Pre-Plains Closing)

Keyera is summarizing its 2026 stand-alone guidance ahead of the closing of the Plains acquisition.

On January 19, 2026, Keyera announced an extended unplanned outage at AEF to address a component failure involving long-life equipment replaced approximately three years ago. An investigation into the early failure is ongoing. Based on the time required to fabricate, deliver, and install replacement components, AEF is expected to return to service in May 2026. During the outage, Keyera will complete the previously scheduled six-week major turnaround originally planned for fall 2026, eliminating the need for a separate shutdown later in the year. The guidance below reflects the impacts of the extended unplanned outage.

- Consistent with prior years, Marketing segment realized margin[1] guidance will be provided with first quarter results in mid-May, following the conclusion of the NGL contracting season. As previously disclosed, this guidance will reflect the approximately $110 million expected impact associated with the unplanned AEF outage.
- 2026 growth capital expenditures are expected to range between $400 million and $475 million.
- Maintenance capital expenditures are expected to range between $140 million and $160 million, reflecting an increase from the previously disclosed range of $130 million to $150 million.
- Cash taxes are expected to decrease by approximately $30 million as a result of the AEF outage and are now expected to range between $60 million and $70 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 As disclosed in the Q3 2025 Report.

2 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 realized margin guidance for the Marketing segment, refer to the sections titled “Segmented Results of Operations: Marketing” and “Forward-Looking Statements”.

CONSOLIDATED FINANCIAL RESULTS

The following table highlights some of the key consolidated financial results for the years ended December 31, 2025 and 2024:

(Thousands of Canadian dollars, except per share data)	**2025**	2024
Net earnings	**432,335**	486,628
Net earnings per share (basic)	**1.89**	2.12
Operating margin	**1,381,111**	1,385,601
Realized margin[1]	**1,332,852**	1,454,867
Adjusted EBITDA[2]	**1,131,472**	1,275,275
Adjusted EBITDA[2] *(adjusted for acquisition-related items)*	**1,160,444**	1,275,275
Cash flow from operating activities	**774,539**	1,265,788
Funds from operations[3]	**853,617**	962,438
Distributable cash flow[3]	**735,157**	770,914
Distributable cash flow per share[3] (basic)	**3.21**	3.36
Distributable cash flow[3] *(adjusted for acquisition-related items)*	**767,153**	770,914
Distributable cash flow per share[3] (basic) *(adjusted for acquisition-related items)*	**3.35**	3.36
Dividends declared	**485,945**	467,473
Dividends declared per share	**2.12**	2.04
Payout ratio[4]	**66%**	61%
Payout ratio[4] *(adjusted for acquisition-related items)*	**63%**	61%

Notes:

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

1 Realized margin is defined as operating margin excluding unrealized gains and losses on commodity-related risk management contracts. See the section titled "Segmented Results of Operations" for a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin.

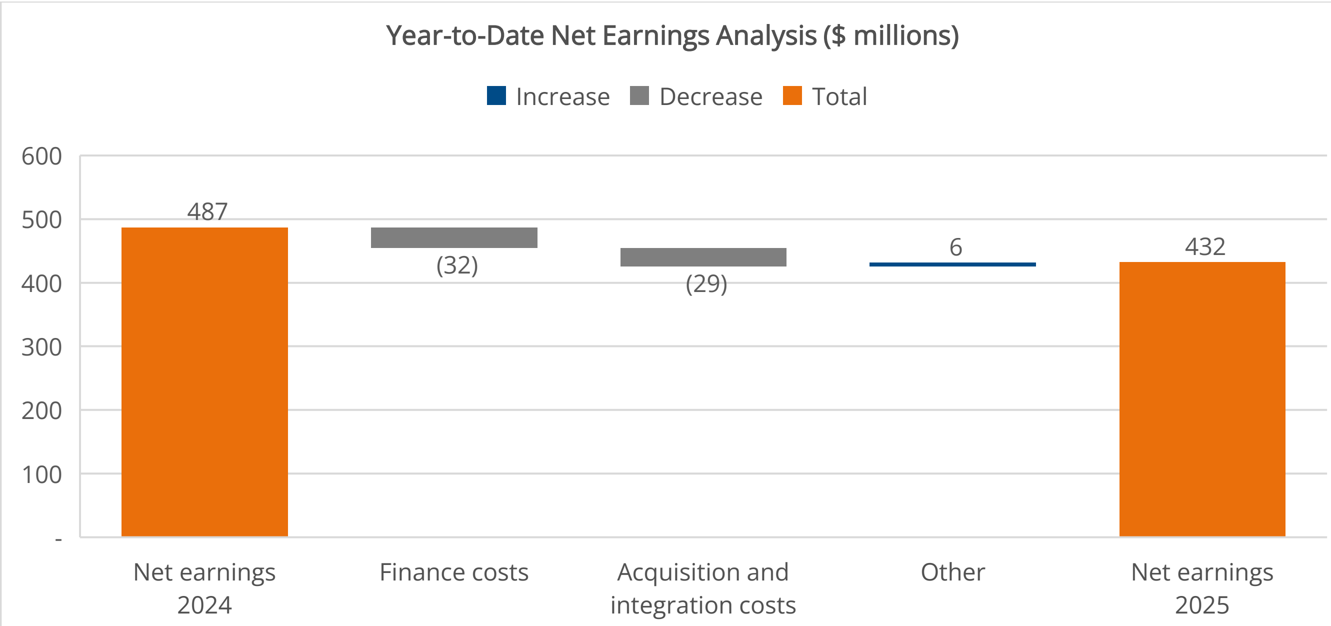
2 EBITDA is defined as earnings before finance costs, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before costs associated with non-cash items, including unrealized gains and losses on commodity-related contracts, net foreign currency gains and losses on U.S. debt and other, impairment expenses and any other non-cash items such as gains and losses on the disposal of property, plant and equipment. See the section titled "EBITDA and Adjusted EBITDA" for a reconciliation of EBITDA and adjusted EBITDA to the most directly comparable GAAP measure, net earnings.

3 Funds from operations is defined as cash flow from operating activities adjusted for changes in non-cash working capital. Distributable cash flow is defined as cash flow from operating activities adjusted for changes in non-cash working capital, inventory write-downs, maintenance capital expenditures and lease payments, including the periodic costs related to prepaid leases. Distributable cash flow per share is defined as distributable cash flow divided by weighted average number of shares – basic. See the section titled "Dividends: Funds from Operations, Distributable Cash Flow and Payout Ratio" for a reconciliation of funds from operations and distributable cash flow to the most directly comparable GAAP measure, cash flow from operating activities.

4 Payout ratio is defined as dividends declared to shareholders divided by distributable cash flow. See the section titled "Dividends: Funds from Operations, Distributable Cash Flow and Payout Ratio".

Net Earnings

For the year ended December 31, 2025, net earnings were $432 million, $54 million lower than the prior year due to the factors shown in the table below:

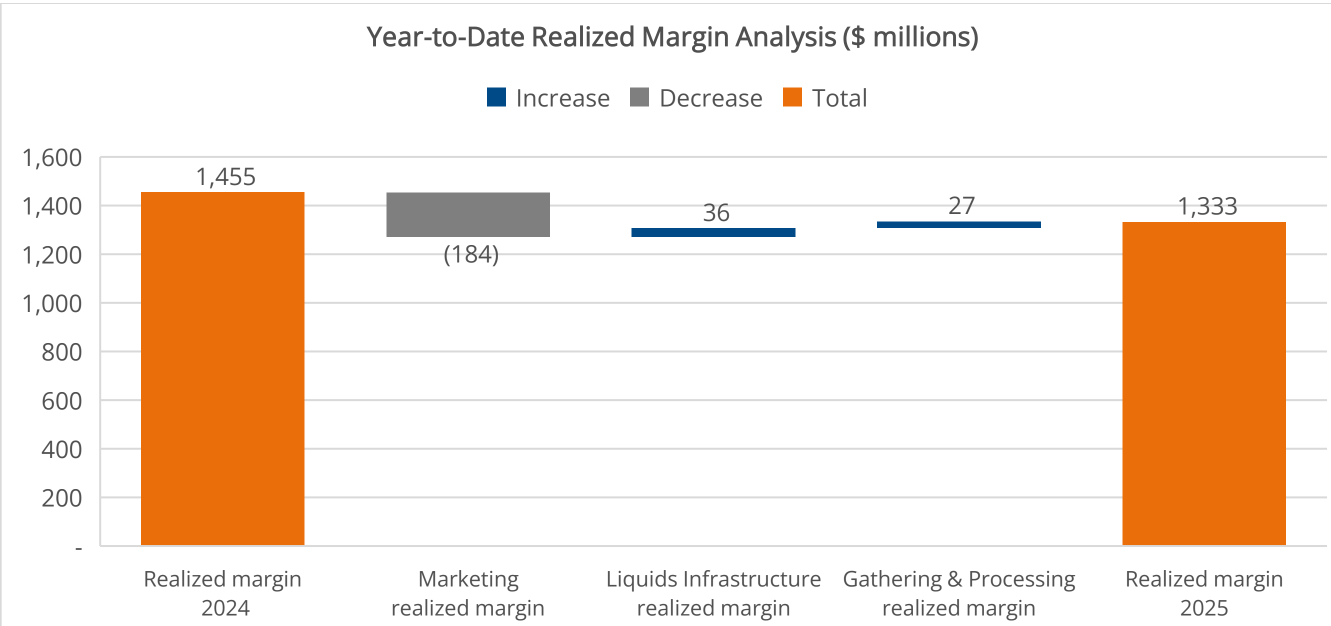


See the section below for information related to operating margin. For all other charges mentioned above, please see the section of the MD&A titled, "Corporate and Other".

Operating Margin and Realized Margin

For the year ended December 31, 2025, operating margin was $1.4 billion, $4 million lower than the prior year primarily due to $122 million of lower realized margin as described in more detail below. This decrease was partially offset by the inclusion of a $54 million unrealized non-cash gain associated with risk management contracts from the Marketing segment in 2025, compared to a non-cash loss of $69 million in the prior year.

Realized margin[1] (excludes the effect of unrealized gains and losses from commodity-related risk management contracts) was $1.3 billion for 2025, $122 million lower than 2024 and includes the following changes in contribution by segment:



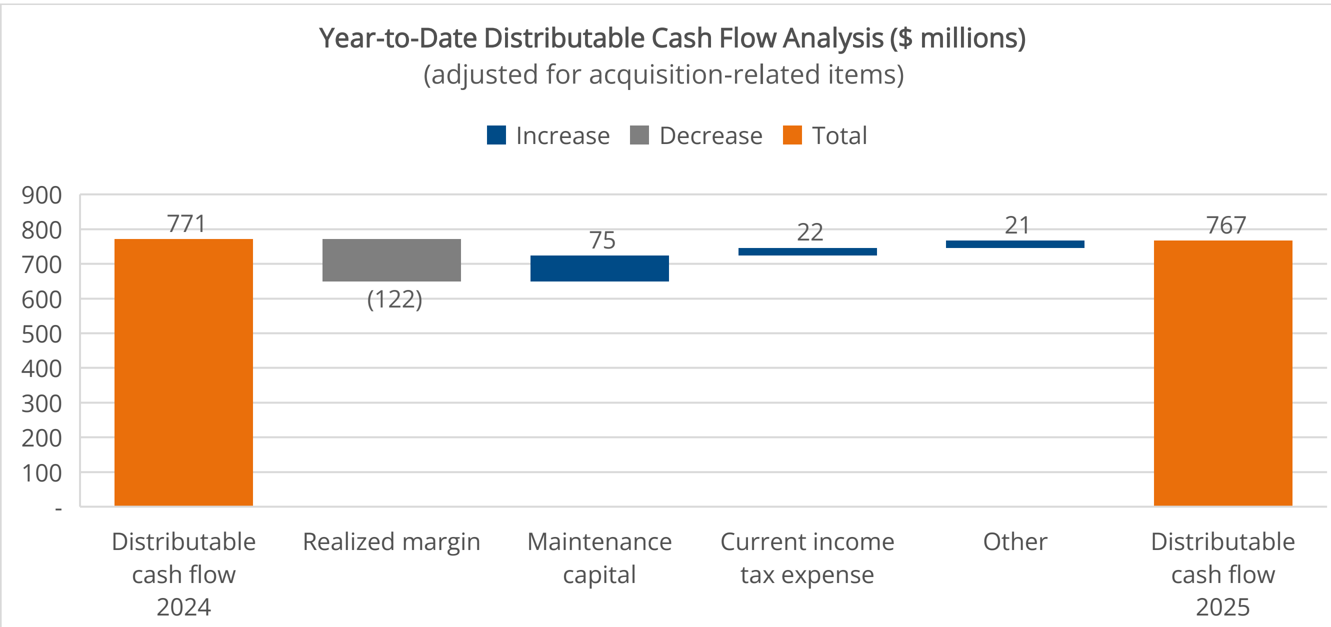
See the section titled "Segmented Results of Operations" for additional information on operating results by segment.

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 year ended December 31, 2025 was $775 million, $491 million lower than the prior year 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, and lower realized margin from the Marketing segment. This was partially offset by a lower cash requirement to fund inventory.

Distributable cash flow[1] in 2025 was $735 million, $36 million lower than 2024. Distributable cash flow[1] adjusted for acquisition-related items was $767 million in 2025, $4 million lower than the prior year 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 years ended December 31, 2025 and 2024 are reported in note 31, 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 *(Thousands of Canadian dollars)*	2025	2024
Revenue	**6,854,019**	7,138,441
Operating expenses	**(5,472,908)**	(5,752,840)
Operating margin	**1,381,111**	1,385,601
Unrealized (gain) loss on risk management contracts	**(48,259)**	69,266
Realized margin	**1,332,852**	1,454,867

Gathering and Processing

Keyera currently has interests in 11 active gas plants[1,2,3], all of which are located in Alberta. 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, Pipestone and newly acquired Simonette East[3] gas plants are 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 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 *(Thousands of Canadian dollars, except for processing throughput information)*	2025	2024
Revenue[4]	**741,892**	724,983
Operating expenses[4]	**(307,802)**	(312,383)
Operating margin	**434,090**	412,600
Unrealized loss on risk management contracts	**5,287**	118
Realized margin[5]	**439,377**	412,718
Gross processing throughput[6] – (MMcf/d)	**1,550**	1,492
Net processing throughput[6,7] – (MMcf/d)	**1,412**	1,324

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 In December 2025, Keyera completed the acquisition of a 50.1% working interest in two gas plants and associated infrastructure in the Simonette area. These gas plants and their associated infrastructure will be collectively referred to as Simonette East.

4 Includes inter-segment transactions.

5 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".

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

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

Annual Operating Margin and Revenue

Operating Margin	↑ $21 million vs 2024	• Increase was largely due to $34 million in higher operating margin from increased processing throughput at the Wapiti and Simonette gas plants as well as lower operating costs at the Brazeau River gas plant. • The above factors were partly offset by: i) lower contribution from the Pipestone gas plant primarily due to a $6 million one-time revenue adjustment included in Q1 2024; and ii) $5 million in higher unrealized non-cash losses from risk management contracts in 2025 relative to the prior year.
Revenue	↑ $17 million vs 2024	• Increase in revenue was primarily due to the same factors that contributed to higher operating margin as described above.

Gathering and Processing Activity

In 2025, the Gathering and Processing segment delivered outstanding results, including record realized margin that was achieved through strong operational performance and a commitment to meeting customer needs. The financial results were supported by record volumes from the North region gas plants which account for over 70% of the segment's overall margin.

In the North region, producer activity was strong throughout 2025 due to economics that are largely tied to NGL pricing, condensate in particular. Incremental production from the condensate-rich Montney formation contributed to record annual gross processing throughput for the region that was 15% higher than the prior year. At the Wapiti gas plant, strong operational performance supported several periods of record throughput levels as new production volumes came online. The Simonette gas plant further contributed to the region's robust performance with significant volume growth in 2025. 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.

In the South region, overall gross processing throughput for 2025 declined 3% compared to the prior year. The lower volumes were primarily due to the divestments of the Zeta Creek and Pembina North gas plants in 2024.

In December, Keyera completed the acquisition of a 50.1% working interest in two gas plants and associated infrastructure in the Simonette area for approximately $200 million in cash. The investment delivers immediate margin growth and secures additional long-term volumes for the North Region including other downstream integrated services, driving further value creation. The transaction also unlocks potential follow-on growth opportunities in the area. These newly acquired gas plants have a combined gross processing capacity of 135 MMcf per day, and will be collectively referred to as Simonette East.

In September, the business successfully completed its scheduled maintenance turnaround at the Cynthia gas plant over a three-week period. The cost of the turnaround was approximately $12 million. Costs associated with maintenance turnarounds are capitalized for accounting purposes and do not have an effect on operating expenses in the Gathering and Processing segment. Distributable cash flow is reduced by Keyera's share of the cost of the turnarounds, as these costs are included in its financial results as maintenance capital expenditures.

Liquids Infrastructure

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

- NGL and condensate pipelines
- 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. Substantially 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)*	**2025**	**2024**
Revenue[1]	**933,041**	879,395
Operating expenses[1]	**(340,686)**	(322,374)
Operating margin	**592,355**	557,021
Unrealized loss on risk management contracts	**940**	569
Realized margin[2]	**593,295**	557,590

Notes:

1 Includes inter-segment transactions.

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

Annual Operating Margin and Revenue

Operating Margin	↑ $35 million vs 2024	Increase was primarily due to $33 million in higher contribution from: • higher contracted volumes through Keyera's condensate system; • the KAPS pipeline system due to incremental revenues associated with higher volumes; and • the Alberta Diluent Terminal, as the facility incurred tank repair and cleaning activities in 2024.
Revenue	↑ $54 million vs 2024	• 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 exceptional year in 2025, highlighted by record financial results and the advancement of several enterprise-defining endeavors, including the following:

- **Acquisition of Plains' Canadian NGL Business**
  In June, Keyera entered into a definitive agreement to acquire substantially all of Plains' Canadian NGL business, plus select U.S. assets, for $5.15 billion in cash. The acquisition represents a natural extension of Keyera's integrated NGL value chain and will provide customers with more reliable, cost effective, and flexible services across the country. With assets across Alberta, Saskatchewan, Manitoba, and Ontario, and a strong presence in both western and eastern NGL hubs, the combined platform will deliver greater customer value through enhanced market access and operational efficiency. All required regulatory reviews and approval processes are advancing as expected. The transaction is anticipated to close around the end of the first quarter of 2026, subject to satisfaction of the final conditions to closing.

- **KAPS Zone 4 Sanctioned**
  Sanctioned in June at an estimated cost of $220 million (net to Keyera), this 85-kilometre extension from Pipestone to Gordondale, including new pump stations, will enhance connectivity to growing Montney production in Northeast BC and Northwest Alberta. KAPS Zone 4 is expected to be in service in mid-2027.

- **KFS Fractionation Unit III Sanctioned**
  Sanctioned in May, this 47,000 barrel per day expansion is expected to cost $490 million (net to Keyera), including investments to enhance egress capability at the site. 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. KFS Fractionation Unit III is expected to enter service in mid-2028.

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 in 2025. Keyera's existing and planned fractionation capacity, including the KFS Frac II debottleneck and KFS Frac III expansion, are substantially all contracted. The current average contract life of 7 years is expected to extend to 11 years by 2028, while average take-or-pay commitments are anticipated to increase from 70% to 80%.

Demand for services from Keyera's Fort Saskatchewan storage assets was strong in 2025 and is expected to remain consistent over the long term. These assets provide significant operational flexibility and value to customers in a dynamic commodity price environment.

Ongoing strength in oil sands production supported robust condensate demand through 2025. Higher contracted volumes along with strong operational performance led to record annual throughput on Keyera's condensate system that was 2% higher than the previous record set in 2024. The higher volumes 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. With the Fort Saskatchewan Condensate System ("FSCS") nearing contractual capacity, 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 completed at a total cost of approximately $15 million, all of which were recovered from the Marketing segment. The outage reduced 2025 realized margin for the Marketing segment by approximately $50 million.

2026 Liquids Infrastructure Update

Unplanned Outage at AEF

In early January 2026, Keyera initiated an unplanned outage at AEF to investigate an observed reduction in plant performance. Following the facility shutdown and subsequent inspection, Keyera identified component failure involving long-life equipment that had been replaced approximately three years ago as part of AEF's ongoing maintenance and reliability programs.

The outage is expected to reduce realized margin in the Liquids Infrastructure segment by approximately $15 million. Readers are referred to the section of the MD&A titled, "Overview" for further details related to the unplanned outage.

Sale of the Wildhorse Terminal

In January, Keyera entered into an agreement to sell its non-core Wildhorse Terminal in Oklahoma for USD $65 million. The sale is consistent with Keyera's focus on optimizing its asset base and recycling capital into higher-return opportunities. The transaction closed on January 16.

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	KFS Fractionation Unit II Debottleneck The debottleneck of KFS Fractionation Unit II ("KFS Frac II") will add approximately 8,000 barrels per day of processing capacity.	Detailed engineering is complete and major equipment deliveries are underway. Site construction activities and offsite fabrication continue to progress. The debottleneck project is expected to be complete by mid-2026. *Estimated total cost to complete:* • gross cost and Keyera's net share of costs is estimated to be approximately \$85 million *Total net costs to December 31, 2025:* • \$37 million for the year ended December 31, 2025 • \$42 million since inception
KFS	KFS Fractionation Unit III Expansion KFS Fractionation Unit III ("KFS Frac III") will have processing capacity of approximately 47,000 barrels per day. This project includes investments to enhance egress capability at the plant.	Early works construction activities are complete, while detailed engineering and procurement activities continue to advance. KFS Frac III is expected to enter service in mid-2028. *Estimated total cost to complete:* • gross cost is estimated to be approximately \$500 million • Keyera's net share of costs is approximately \$490 million *Total net costs to December 31, 2025:* • \$65 million for the year ended December 31, 2025 • \$68 million since inception

Liquids Infrastructure – Capital Projects Status Update		
Facility/Area	**Project Description**	**Project Status Update**
KAPS (50/50 joint venture with Stonepeak)	KAPS Zone 4 KAPS Zone 4 is an 85-kilometre extension of the existing KAPS pipeline, connecting Pipestone to Gordondale, Alberta. This project includes investments in additional pumping capacity on KAPS Zones 1 to 3.	Detailed engineering and early field activities remain in progress. KAPS Zone 4 is expected to be in service in mid-2027. *Estimated total cost to complete:* • gross cost is estimated to be approximately $440 million • Keyera's net share of costs is approximately $220 million *Total net costs to December 31, 2025:* • $28 million for the year ended December 31, 2025 • $33 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. With the seasonal nature of propane demand in North America, 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. Complementing its North American sales, Keyera also benefits from commercial access to a west coast export terminal, allowing propane sales into Asia, further diversifying end-market exposure. Keyera is well positioned to serve these geographically diverse markets due to its extensive infrastructure and rail logistics expertise.

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

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

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

Overall, the integration of Keyera's business lines means that its Marketing segment can draw on the resources available to it through its two fee-for-service, facilities-based operating segments (Liquids Infrastructure and

Gathering and Processing), including access to NGL supply and key fractionation, storage and transportation infrastructure and logistics expertise.

In a typical year, Keyera expects the Marketing business to contribute on average, a base realized margin of between $310 million and $350 million. This guidance assumes: i) a crude oil price of between US$65 and US$75 per barrel; ii) butane feedstock costs comparable to the 10-year average; and iii) AEF utilization at nameplate capacity.

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

Operating margin and realized margin for the Marketing segment were:

Operating Margin and Realized Margin *(Thousands of Canadian dollars, except for sales volume information)*	2025	2024
Revenue[1]	5,713,861	6,036,962
Operating expenses[1]	(5,358,947)	(5,620,833)
Operating margin	354,914	416,129
Unrealized (gain) loss on risk management contracts	(54,486)	68,579
Realized margin[2]	300,428	484,708
Sales volumes (Bbl/d)	224,300	207,500

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)*	2025	2024
Physical sales	5,610,259	6,102,906
Realized gain on financial contracts[1]	49,116	2,635
Unrealized gain (loss) due to reversal of financial contracts existing at end of prior period	6,667	(61,130)
Unrealized gain (loss) due to fair value of financial contracts existing at end of current period	47,056	(6,667)
Unrealized gain (loss) from fixed price physical contracts[2]	763	(782)
Total unrealized gain (loss) on risk management contracts	54,486	(68,579)
Total gain (loss) on risk management contracts	103,602	(65,944)
Total Marketing revenue	5,713,861	6,036,962

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.

Annual Operating Margin, Realized Margin and Revenue

Operating Margin	↓ $61 million vs 2024	• Decrease was primarily due to $184 million in lower realized margin as described in more detail below. Partly offsetting the decrease was $54 million in unrealized non-cash gains from risk management contracts in 2025 compared to $69 million in unrealized non-cash losses in 2024.
Realized Margin[1]	↓ $184 million vs 2024	Decrease was primarily due to $173 million in lower contribution from: • iso-octane that was attributable to lower iso-octane premiums as well as decreased sales volumes stemming from a longer maintenance outage at the AEF facility in 2025 compared to 2024; and • condensate and liquids blending that was primarily the result of lower volumes and a lower commodity price environment.
Revenue	↓ $323 million vs 2024	• Decrease was primarily due to lower average sale prices for all products compared to the prior year.

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

Market Commentary

In 2025, Keyera's Marketing business effectively protected and captured margin amid a softer commodity price environment. During this time, the business applied its disciplined risk management program and leveraged the strength of Keyera's integrated infrastructure platform.

Iso-octane margins are largely derived from three key components: i) butane, the primary feedstock used to produce the product; ii) the price of motor gasoline, referred to as Reformulated Blendstock for Oxygenate Blending ("RBOB"); and iii) a negotiated premium above the price of RBOB, referred to as the iso-octane premium. In 2025, North American driving demand and inventory levels were generally consistent with prior-year patterns, however, motor gasoline pricing and iso-octane premiums normalized to pre-pandemic levels. This pricing environment, which is below the elevated levels seen in recent years, contributed to a reduction in iso-octane margins. 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. Looking ahead to 2026, with the growth in natural gas liquids production in Alberta, butane is expected to remain over-supplied. Lower butane prices directly benefit iso-octane margins.

Crude oil pricing remained below prior year levels throughout 2025, reflecting a mix of market pressures and intermittent softness across North American supply and demand dynamics. This softening of crude prices reduced condensate and liquids blending margins relative to the prior year. Despite this, margins from Keyera's condensate and liquids blending business continue to be a strong contributor to the overall Marketing results.

Propane contribution was solid in 2025 as high export levels out of North America helped maintain stable pricing and a balanced supply-demand environment. Keyera expects sustained strong propane demand from Asia into 2026 that will result in high export levels out of the west coast of Canada. Access to Keyera's cavern storage, 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.

2026 Marketing Update

Unplanned Outage at AEF

As discussed in the section of the MD&A titled "2026 Liquids Infrastructure Update", in early January 2026, Keyera initiated an unplanned outage at AEF to investigate an observed reduction in plant performance. During the subsequent inspection, Keyera identified component failure involving long-life equipment.

Due to the expected timing required for the fabrication, delivery and installation of replacement components, Keyera currently anticipates that AEF will return to service in May 2026. The previously planned six-week major turnaround at AEF, originally scheduled for fall 2026, will now be completed during the current outage period, eliminating the need for a separate shutdown later in the year. The outage, including the completion of the turnaround, is expected to reduce realized margin in the Marketing segment by approximately $110 million.

Risk Management

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

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

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

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

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

For the year ended December 31, 2025, the total unrealized gain on risk management contracts was $54 million. Further details are provided in the "Composition of Marketing Revenue" table above.

The fair value of outstanding financial and physical risk management contracts as at December 31, 2025 resulted in an asset of $47 million. These fair values will vary as these contracts are marked-to-market at the end of each period. A summary of the financial contracts existing at December 31, 2025, and the sensitivity to earnings resulting from changes in commodity prices, can be found in note 23, Financial Instruments and Risk Management, of the accompanying financial statements.

CORPORATE AND OTHER

Non-Operating Expenses and Other *(Thousands of Canadian dollars)*	2025	2024
General and administrative expenses[1]	**(128,612)**	(117,142)
Acquisition and integration costs	**(28,972)**	—
Finance costs	**(249,847)**	(217,521)
Depreciation and amortization expenses	**(374,945)**	(352,392)
Net foreign currency gain (loss) on U.S. debt and other	**14,060**	(9,258)
Long-term incentive plan expense	**(43,796)**	(62,450)
Impairment expense	**—**	(3,397)
Net gain on disposal of property, plant and equipment	**—**	11,677
Income tax expense	**(136,664)**	(148,490)

Note:
1 Net of overhead recoveries on operated facilities.

General and Administrative Expenses

General and administrative ("G&A") expenses for 2025 were $129 million, $11 million higher than the prior year, which was primarily due to one-time and other employee-related costs. Additional information can be found in note 26, General and Administrative Expenses, of the accompanying financial statements.

Acquisition and Integration Costs

In 2025, $29 million of acquisition and integration costs associated with the Plains acquisition have been expensed to the consolidated statement of net earnings and comprehensive income. For additional information related to the Plains acquisition, refer to the section of this MD&A titled "Liquidity and Capital Resources: Subscription Receipt Offering" and note 10, Plains Acquisition and Subscription Receipt Offering, of the accompanying financial statements.

Finance Costs

Finance costs for 2025 were $250 million, $32 million higher than the prior year, primarily as a result of a net finance expense of $26 million recorded during the year in relation to Dividend Equivalent Payments that were paid to subscription receipt holders that were partly offset by interest income earned on the subscription receipt proceeds held in escrow. Additional information can be found in note 27, Finance Costs, of the accompanying financial statements.

Depreciation and Amortization Expenses

Depreciation and amortization expenses for 2025 were $375 million, $23 million higher than the prior year, primarily due to an increase in Keyera's overall asset base, including its decommissioning assets, that resulted in additional depreciation charges when compared to 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)*	2025	2024
Translation of long-term debt and interest payable	**9,575**	(31,567)
Change in fair value of cross-currency swaps – principal and interest	**(57,064)**	(18,306)
Gain on cross-currency swaps – principal and interest[1]	**55,723**	52,322
Foreign exchange re-measurement of lease liabilities and other	**5,826**	(11,707)
Net foreign currency gain (loss) on U.S. debt and other	**14,060**	(9,258)

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

To manage the foreign currency exposure on U.S. dollar denominated debt, Keyera has entered into cross-currency agreements with a syndicate of banks to swap the U.S. dollar principal and future interest payments into Canadian dollars. The cross-currency agreements are accounted for as derivative instruments and are marked-to-market at the end of each period. The fair value of the cross-currency swap agreements will fluctuate between periods due to changes in the forward curve for foreign exchange rates, as well as an adjustment to reflect credit risk. Additional information on the swap agreements can be found in note 23, Financial Instruments and Risk Management, of the accompanying financial statements.

Long-Term Incentive Plan Expense

For 2025, the Long-Term Incentive Plan ("LTIP") expense was $44 million, $19 million lower than 2024, which was primarily due to lower share price growth and a decrease in certain estimated payout multipliers associated with the outstanding LTIP grants.

Net Impairment Expense

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

For the year ended December 31, 2025, Keyera did not record any impairment expenses or impairment reversals for previously recorded impairment expenses. For the same period of 2024, Keyera recorded an impairment expense of $3 million.

Disposal of Property, Plant and Equipment

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

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

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

Taxes

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

Current Income Taxes

A current income tax expense of $83 million was recorded for the year ended December 31, 2025, $22 million lower than the prior year.

For 2026, it is estimated that current income tax expense will range between $60 million and $70 million on a stand-alone basis prior to the Plains acquisition. This current income tax estimate assumes that Keyera's business performs as planned.

Deferred Income Taxes

A deferred income tax expense of $54 million was recorded for the year ended December 31, 2025, compared to an expense of $44 million in 2024.

Keyera estimates its total tax pools at December 31, 2025 were approximately $3.1 billion.

SUMMARY FOURTH QUARTER RESULTS

Fourth Quarter Financial and Operational Highlights *(Thousands of Canadian dollars, except per unit and volumetric information)*	Three months ended December 31, 2025	2024
Operating Margin (Loss)		
Gathering & Processing	**100,691**	107,834
Liquids Infrastructure	**147,980**	154,295
Marketing	**97,308**	45,264
Other	**(66)**	(98)
Operating margin	**345,913**	307,295
Realized Margin[1] (Loss)		
Gathering & Processing	**106,280**	107,303
Liquids Infrastructure	**150,338**	152,576
Marketing	**88,765**	99,408
Other	**(66)**	(98)
Realized margin[1]	**345,317**	359,189
Net earnings	**90,266**	88,906
Earnings per share (basic)	**0.39**	0.39
Adjusted EBITDA[2]	**300,918**	312,732
Adjusted EBITDA[2] *(adjusted for acquisition-related items)*	**312,675**	312,732
Cash flow from operating activities	**290,071**	316,431
Funds from operations[3]	**234,485**	227,274
Distributable cash flow[3]	**205,547**	168,301
Distributable cash flow per share[3] (basic)	**0.90**	0.73
Distributable cash flow[3] *(adjusted for acquisition-related items)*	**224,287**	168,301
Distributable cash flow per share[3] (basic) *(adjusted for acquisition-related items)*	**0.98**	0.73
Dividends declared	**123,813**	119,160
Dividends declared per share	**0.54**	0.52
Capital expenditures (including acquisitions)	**321,300**	93,015
Volumetric Information		
Gathering and Processing:		
Gross processing throughput[4] (MMcf/d)	**1,533**	1,532
Net processing throughput[4] (MMcf/d)	**1,393**	1,380
Liquids Infrastructure[5]:		
Gross fractionation throughput (Mbbl/d)	**185**	187
Net fractionation throughput (Mbbl/d)	**106**	102
AEF iso-octane production volumes (Mbbl/d)	**12**	15
Marketing:		
Sales Volumes (Bbl/d)	**248,600**	243,500

Notes:

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" and see the section below titled "Operating Margin and Realized Margin" for a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin.

2 Adjusted EBITDA is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled "Non-GAAP and Other Financial Measures" and see the "EBITDA and Adjusted EBITDA" table below for a reconciliation of EBITDA and adjusted EBITDA to the most directly comparable GAAP measure, net earnings.

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

4 Includes gas volumes and the conversion of liquids volumes handled through the processing facilities to a gas volume equivalent. Net processing throughput refers to Keyera's share of raw gas processed at its processing facilities.

5 Fractionation throughput in the Liquids Infrastructure segment is the aggregation of volumes processed through the fractionators and the de-ethanizers at the Keyera and Dow Fort Saskatchewan facilities.

Composition of Marketing Revenue, Operating Margin and Realized Margin *(Thousands of Canadian dollars)*	Three months ended December 31, 2025	2024
Physical sales	**1,367,018**	1,717,336
Realized cash gain (loss) on financial contracts[1]	**31,711**	(17,636)
Unrealized loss due to reversal of financial contracts existing at end of prior period	**(38,350)**	(46,562)
Unrealized gain (loss) due to fair value of financial contracts existing at end of current period	**47,056**	(6,667)
Unrealized loss from fixed price physical contracts[2]	**(163)**	(915)
Total unrealized gain (loss) on risk management contracts	**8,543**	(54,144)
Total gain (loss) on risk management contracts	**40,254**	(71,780)
Revenue[3]	**1,407,272**	1,645,556
Operating expenses[3]	**(1,309,964)**	(1,600,292)
Marketing operating margin	**97,308**	45,264
Unrealized (gain) loss on risk management contracts	**(8,543)**	54,144
Marketing realized margin[4]	**88,765**	99,408

Notes:

1 Realized cash gains and losses represent actual cash settlements or receipts under the respective contracts.

2 Unrealized gains and losses represent the change in fair value of fixed price physical contracts that meet the IFRS Accounting Standards definition of a derivative instrument.

3 Includes inter-segment transactions.

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

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

The following is a reconciliation of funds from operations and distributable cash flow to the most directly comparable GAAP measure, cash flow from operating activities, for the fourth quarter:

Funds from Operations and Distributable Cash Flow *(Thousands of Canadian dollars)*	Three months ended December 31, 2025	 2024
Cash flow from operating activities	290,071	316,431
Add (deduct):		
Changes in non-cash working capital	(55,586)	(89,157)
Funds from operations	234,485	227,274
Maintenance capital	(12,532)	(44,435)
Leases	(13,535)	(13,943)
Prepaid lease asset	(595)	(595)
Inventory write-down	(2,276)	—
Distributable cash flow	205,547	168,301
Acquisition and integration costs, net of tax	9,052	—
Net financing adjustments for incremental debt, net of tax	9,688	—
Distributable cash flow *(adjusted for acquisition-related items)*	224,287	168,301
Dividends declared to shareholders	123,813	119,160

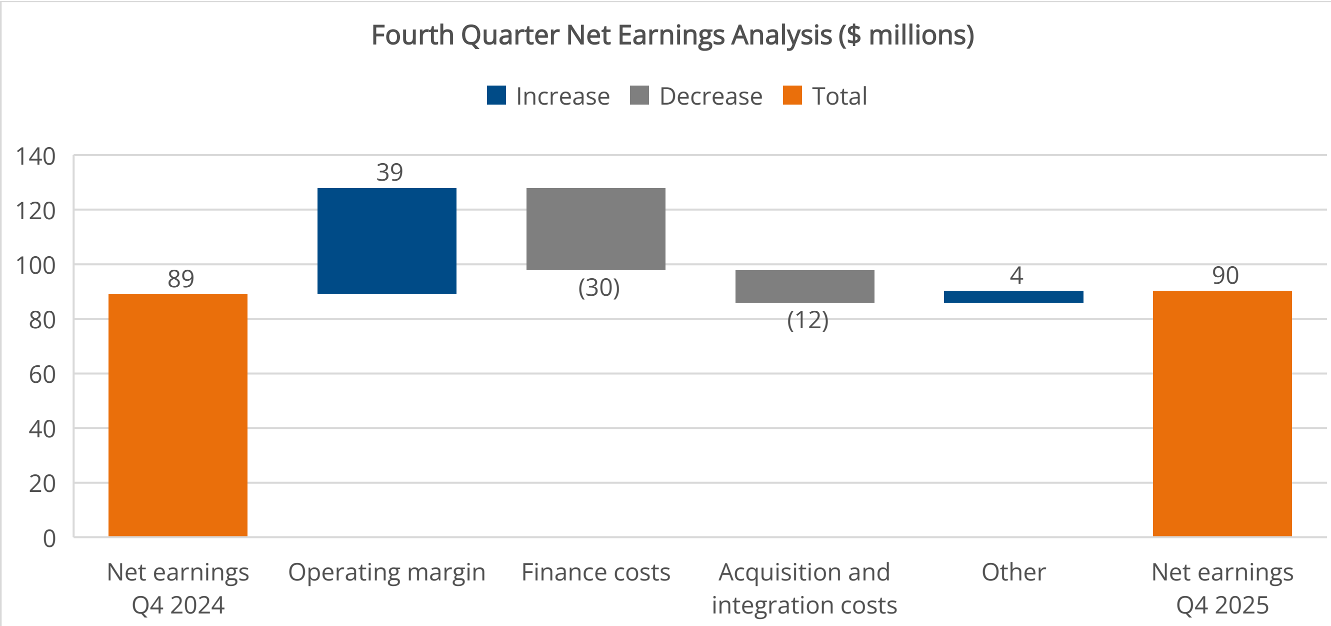
EBITDA and adjusted EBITDA are not standard measures under GAAP, and therefore may not be comparable to similar measures reported by other entities. Refer to the sections of this MD&A titled "EBITDA and Adjusted EBITDA" and "Non-GAAP and Other Financial Measures".

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

EBITDA and Adjusted EBITDA *(Thousands of Canadian dollars)*	Three months ended December 31, 2025	 2024
Net earnings	90,266	88,906
Add (deduct):		
Finance costs	82,609	52,929
Depreciation and amortization expenses	100,860	89,862
Income tax expense	31,323	28,992
EBITDA	305,058	260,689
Unrealized (gain) loss on commodity contracts	(596)	51,894
Net foreign currency (gain) loss on U.S. debt and other	(3,544)	10,949
Impairment expense	—	706
Gain on disposal of property, plant and equipment	—	(11,506)
Adjusted EBITDA	300,918	312,732
Acquisition and integration costs	11,757	—
Adjusted EBITDA *(adjusted for acquisition-related items)*	312,675	312,732

Net Earnings

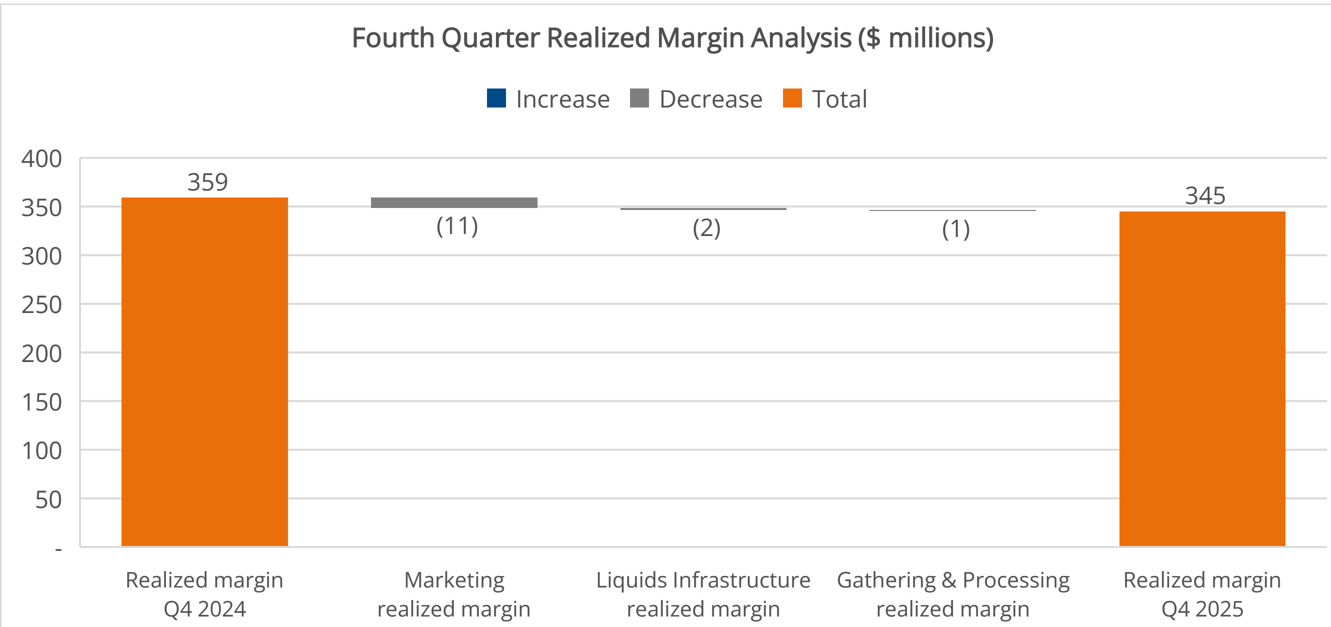
Net earnings of $90 million were recorded in the fourth quarter of 2025 compared to $89 million in the fourth quarter of 2024. The increase in earnings was due to the following:



Operating Margin and Realized Margin

Total operating margin for the fourth quarter of 2025 was $346 million, $39 million higher than the same period in 2024 largely due to the inclusion of an unrealized non-cash gain of $9 million associated with risk management contracts from the Marketing segment compared to an unrealized non-cash loss of $54 million during the fourth quarter of 2024, which was partially offset by lower realized margin as described below in more detail.

Realized margin (excludes the effect of unrealized gains and losses from commodity-related risk management contracts) was $345 million, $14 million lower than the same period in the prior year and includes the following changes in contribution by segment:



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

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

Operating Margin and Realized Margin *(Thousands of Canadian dollars)*	Three months ended December 31, 2025	 2024
Revenue	1,695,762	1,936,297
Operating expenses	(1,349,849)	(1,629,002)
Operating margin	345,913	307,295
Unrealized (gain) loss on risk management contracts	(596)	51,894
Realized margin	345,317	359,189

Fourth Quarter Operating Margin and Revenue

Gathering & Processing

Operating Margin	↓ $7 million vs Q4 2024	• Decrease was primarily due to $6 million in unrealized non-cash losses from risk management contracts in Q4 2025 compared to $1 million in unrealized non-cash gains during the same period in the prior year.
Revenue	↓ $1 million vs Q4 2024	• Marginal decrease reflects routine period-to-period variability.

Fourth Quarter Operating Margin and Revenue

Liquids Infrastructure

Operating Margin	↓ $6 million vs Q4 2024	• Decrease was primarily due to \$2 million in unrealized non-cash losses from risk management contracts in Q4 2025 compared to \$2 million in unrealized non-cash gains during the same period in the prior year.
Revenue	↑ $7 million vs Q4 2024	• Increase includes the impact of higher operating revenues from higher operating expenses at the AEF facility. The operating expenses at AEF are recovered from the Marketing segment and do not have an effect on operating margin for the Liquids Infrastructure segment.

Fourth Quarter Operating Margin, Realized Margin and Revenue

Marketing

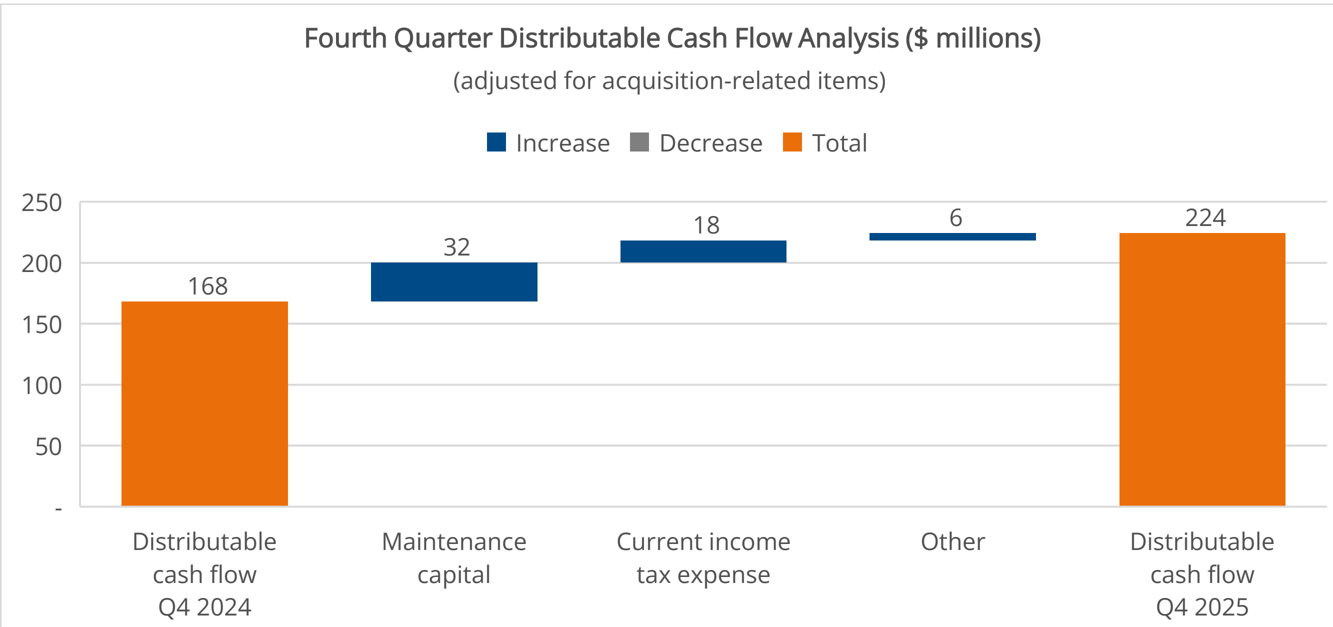
Operating Margin	↑ $52 million vs Q4 2024	• Increase was primarily due to $9 million in unrealized non-cash gains on risk management contracts in Q4 2025 compared to $54 million in unrealized non-cash losses in Q4 2024. This was partly offset by an $11 million decrease in realized margin, as described in more detail below.
Realized Margin[1]	↓ $11 million vs Q4 2024	• Decrease was primarily due to lower condensate contribution as a result of lower sales volumes and a lower commodity price environment.
Revenue	↓ $238 million vs Q4 2024	• Decrease was primarily due to lower average sale prices for all products compared to the same period in the prior year.

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

Cash Flow Metrics

For the three months ended December 31, 2025, cash flow from operating activities was $290 million, $26 million lower than the prior year 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. This was partially offset by a lower cash requirement to fund inventory and lower current taxes.

Distributable cash flow[1] was $206 million for the fourth quarter of 2025, $37 million higher than the prior year. Distributable cash flow[1] adjusted for acquisition-related items for the fourth quarter of 2025 was $224 million, $56 million higher than 2024 due to the factors shown in the table below:



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

CRITICAL ACCOUNTING ESTIMATES

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

Operating Revenues

Gathering and Processing and Liquids Infrastructure:

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

At December 31, 2025, operating revenues and accounts receivable for the Gathering and Processing and Liquids Infrastructure segments contained an estimate of approximately $86 million primarily for December 2025 operations.

Marketing:

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

At December 31, 2025, the Marketing sales and accounts receivable contained an estimate for December 2025 revenues of approximately $246 million.

Operating Expenses and Product Purchases

Gathering and Processing and Liquids Infrastructure:

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

At December 31, 2025, operating expenses and accounts payable contained an estimate of approximately $51 million primarily for December 2025 operations.

Marketing:

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

Marketing cost of goods sold, inventory and accounts payable contained an estimate of NGL product purchases of approximately $237 million at December 31, 2025.

Equalization Adjustments

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

For the Gathering and Processing segment, an equalization adjustment of $4 million was included in revenue and accounts receivable at December 31, 2025. Operating expenses and accounts payable contained an equalization adjustment of $22 million.

Depreciation of Property, Plant and Equipment

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

Allowance for Expected Credit Losses

The allowance for expected credit losses is reviewed on a monthly basis. An assessment is made whether an account is deemed impaired based on the number of days outstanding and the likelihood of collection from the counterparty. The allowance for expected credit losses was $4 million as at December 31, 2025, which is unchanged from the prior year.

Derivative Financial Instruments

Keyera utilizes derivative financial instruments to manage its exposure to market risks relating to commodity prices and foreign currency exchange rates. Fair values of derivative contracts fluctuate depending on the underlying estimates of future commodity prices or foreign currency exchange rates. The estimated fair value of all derivative financial instruments are based on observable market data, including commodity price curves, foreign currency curves and credit spreads. Refer to note 23, Financial Instruments and Risk Management, of the accompanying financial statements for a summary of the fair value of derivative financial instruments existing at December 31, 2025.

Fair Value Estimates of Property, Plant and Equipment

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

Impairment of Property, Plant and Equipment and Goodwill

In the absence of quoted market prices when determining the recoverable amount of assets, estimates are made regarding the present value of future cash flows. Future cash flow estimates are based on future production profiles and reserves for surrounding areas, commodity prices and costs. Estimates are also made in determining the discount rate used to calculate the present value of future cash flows.

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

Refer to note 9, Property, Plant and Equipment and note 12, Goodwill, of the accompanying financial statements for further details. No impairment expenses were recorded for the year ended December 31, 2025.

Long-term Incentive Plan Liability

The LTIP is measured at fair value. Determining the fair value requires management to estimate Keyera's financial performance over a three-year period to determine the appropriate payout multiplier associated with the Performance Awards. The payout multiplier determines the number of shares expected to be settled following the third anniversary of the grant date of the Performance Awards and is based on the following performance measures: i) average annual pre-tax distributable cash flow per share over the three-year period, and ii) the relative total shareholder return over the same period. Refer to note 22, Share-based Compensation and Pension Plans, of the accompanying financial statements for further details.

Decommissioning Liability

Keyera will be responsible for compliance with all applicable laws and regulations regarding the decommissioning, abandonment and reclamation of its gathering and processing, fractionation, iso-octane and storage facilities, pipelines and terminals at the end of their economic life. The majority of decommissioning obligations are generally expected to be incurred over the next 25 to 60 years. While the provision is based on the best estimate of future costs and the economic lives of these assets, there is uncertainty regarding the amount and timing of these costs. No assets have been legally restricted for settlement of the liability.

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

Keyera has estimated the net present value of its total decommissioning liability to be approximately $250 million at December 31, 2025, compared to $244 million at December 31, 2024. The fair value of the decommissioning liability was calculated by using a credit-adjusted risk-free discount rate of 5.4% (December 31, 2024 – 5.3%).

Refer to note 15, Decommissioning Liability, of the accompanying financial statements for a reconciliation of the beginning and ending carrying amount of the decommissioning liability. Additional information related to decommissioning, abandonment and reclamation is also provided in Keyera's Annual Information Form, which is available on SEDAR+ at *www.sedarplus.ca*.

Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities require management's judgment in determining the amounts to be recognized. In particular, judgment is used when assessing the extent to which deferred tax assets should be recognized with consideration given to the timing and level of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period. Refer to note 18, Income Taxes, of the accompanying financial statements for a reconciliation of income taxes to the income tax provision recognized for the year ended December 31, 2025.

LIQUIDITY AND CAPITAL RESOURCES

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

Cash inflows (outflows) *(Thousands of Canadian dollars)*	2025	2024	Increase (decrease)	Explanation
Operating	**774,539**	1,265,788	(491,249)	Cash generated from operating activities was lower during 2025, primarily due to: i) 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, and ii) lower realized margin from the Marketing segment. This was partially offset with a lower cash requirement to fund inventory.
Investing	**(465,428)**	(235,314)	(230,114)	Cash used in investing activities was higher in 2025 primarily due to the acquisition of a 50.1% working interest in two gas plants and associated infrastructure in the Simonette area for approximately $200 million cash consideration during the fourth quarter.
Financing	**1,911,109**	(935,653)	2,846,762	During 2025, Keyera issued the following aggregate principal amounts, of which the net proceeds will be used to fund a portion of the purchase price of the Plains acquisition: i) $2.3 billion of senior unsecured notes, and ii) $500 million of fixed-to-fixed rate subordinated notes. Comparatively, Keyera issued $250 million of medium-term notes in 2024. Additionally, Keyera had net borrowings and repayments of $nil under the credit facility during 2025, compared to $470 million of net repayments during the prior year.

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

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

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

A working capital surplus (current assets less current liabilities) of $2.3 billion existed at December 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 December 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 Morningstar 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.

Subscription Receipt Offering

On June 17, 2025, Keyera entered into a definitive agreement to acquire substantially all of Plains' Canadian natural gas liquids business, plus select U.S. assets (the "Acquisition"), for total cash consideration of $5.15 billion, subject to adjustments. The Acquisition is expected to close around the end of the first quarter of 2026 and is subject to the satisfaction or waiver of customary closing conditions, including applicable regulatory reviews and clearance.

At the time of announcement, Keyera obtained fully committed financing to fund the entire $5.15 billion purchase price through an acquisition credit facility in place with the Royal Bank of Canada and a syndicate of other lenders, and a bought deal equity offering of subscription receipts, as described in more detail below. The remainder of the purchase price was funded through the issuance of debt securities and bank facilities of various tenors.

As described in the section titled, “Long-term Debt: 2025 Debt Issuances”, on September 29, 2025, Keyera issued the aggregate principal amounts of $2.3 billion of senior unsecured notes and $500 million of fixed-to-fixed rate subordinated notes. The acquisition credit facility that was secured for interim financing of the Acquisition was cancelled on September 29, 2025, upon being replaced by the issuance of these notes.

On June 20, 2025, Keyera completed a bought deal offering in Canada of subscription receipts (the “Subscription Receipt Offering” or “Offering”), whereby Keyera issued 52,874,700 subscription receipts (including 6,896,700 subscription receipts pursuant to the exercise in full by the underwriters for the Subscription Receipt Offering of the over-allotment that was granted). The subscription receipts were issued at a price of $39.15 per subscription receipt, for total gross proceeds of approximately $2.07 billion. The net proceeds of the Offering (gross proceeds from the sale of the subscription receipts, less 50% of the underwriters’ fees, together with any interest and other income received or credited thereon) will be held in escrow (the “Escrowed Funds”) and are expected to be used to finance a portion of the purchase price of the Acquisition.

The subscription receipts entitle the holder thereof to receive one common share of Keyera upon closing of the Acquisition, without payment of any additional consideration or further action on the part of the holder. While the subscription receipts remain outstanding, subscription receipt holders are also entitled to receive cash payments that are equal to dividends declared by Keyera on each common share, net of any applicable withholding taxes (“Dividend Equivalent Payments”). The Dividend Equivalent Payments will have the same record date and payment date as the related common share dividends and will be paid first out of any interest on the Escrowed Funds, and then out of the Escrowed Funds.

For the year ended December 31, 2025, interest income of $31 million was recognized on the Escrowed Funds and Dividend Equivalent Payments of $57 million were made to the subscription receipt holders. These amounts have been recognized in finance costs of the consolidated statement of net earnings and comprehensive income.

As the subscription receipts do not qualify as issuable shares until the Acquisition closes and the subscription receipts are converted to common shares, they have not been included in the calculation of earnings per share for the year ended December 31, 2025.

Additional details regarding the subscription receipts and the Acquisition arrangement can be found in note 10, Plains Acquisition and Subscription Receipt Offering, of the accompanying financial statements.

Long-term Debt (including Credit Facilities)

Below is a summary of Keyera's long-term debt obligations as at December 31, 2025:

As at December 31, 2025 *(Thousands of Canadian dollars)*	Total	2026	2027	2028	2029	2030	After 2030
Credit facilities	—	—	—	—	—	—	—
Total credit facilities	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Canadian dollar denominated debt							
Senior unsecured notes:							
4.15% due June 16, 2026	**30,000**	30,000	—	—	—	—	—
3.96% due October 13, 2026	**200,000**	200,000	—	—	—	—	—
3.68% due September 20, 2027	**400,000**	—	400,000	—	—	—	—
5.09% due October 10, 2028	**100,000**	—	—	100,000	—	—	—
4.11% due October 13, 2028	**100,000**	—	—	100,000	—	—	—
5.34% due April 8, 2029	**75,000**	—	—	—	75,000	—	—
3.70% due October 15, 2030	**500,000**	—	—	—	—	500,000	—
4.20% due April 15, 2033	**600,000**	—	—	—	—	—	600,000
4.57% due October 15, 2035	**500,000**	—	—	—	—	—	500,000
5.31% due October 15, 2055	**700,000**	—	—	—	—	—	700,000
	3,205,000	230,000	400,000	200,000	75,000	500,000	1,800,000
Senior unsecured medium-term notes:							
3.93% due June 21, 2028	**400,000**	—	—	400,000	—	—	—
3.96% due May 29, 2030	**400,000**	—	—	—	—	400,000	—
5.02% due March 28, 2032	**400,000**	—	—	—	—	—	400,000
5.66% due January 4, 2054	**250,000**	—	—	—	—	—	250,000
Subordinated hybrid notes:							
6.00% due October 15, 2055	**500,000**	—	—	—	—	—	500,000
6.88% due June 13, 2079	**600,000**	—	—	—	—	—	600,000
5.95% due March 10, 2081	**350,000**	—	—	—	—	—	350,000
	6,105,000	230,000	400,000	600,000	75,000	900,000	3,900,000
Senior unsecured U.S. dollar denominated notes							
4.95% due November 20, 2028 (US$65,000)	**89,144**	—	—	89,144	—	—	—
	89,144	—	—	89,144	—	—	—
Less: current portion of long-term debt	**(230,000)**	(230,000)	—	—	—	—	—
Total long-term debt	**5,964,144**	—	400,000	689,144	75,000	900,000	3,900,000

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 $2.5 billion, subject to certain conditions. As at December 31, 2025, no amounts were drawn under this facility (December 31, 2024 – $nil).

In December 2025, the Credit Facility was amended to: i) extend the term from December 6, 2029 to December 6, 2030, and ii) increase the total potential commitment limit from $2.0 billion to $2.5 billion. Management expects to extend the Credit Facility prior to maturity, and in the event of reaching maturity, expects an adequate replacement will be established.

Keyera also has two unsecured revolving demand facilities, one with the Toronto Dominion Bank in the amount of $50,000 and the other with the Royal Bank of Canada in the amount of $75,000. 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.

Arranged Sources of Financing Not Yet Effective

In December 2025, Keyera executed the following arrangements which become effective on the closing date of the Plains acquisition. These arrangements are subject to compliance with covenants that are similar to the main facility. The proceeds of the arrangements will be used to finance a portion of the Plains acquisition and related transaction costs.

- **Revolving Credit Facility Amendment** – Keyera amended its revolving Credit Facility, increasing the amount it can borrow from $1.5 billion to $2.0 billion, with the potential to increase that limit to $2.5 billion. The amendment also increased the syndicate from six to seven lenders. The facility's other terms and covenants remain substantially unchanged.

- **Term Loan Credit Facility** – Keyera entered into a non-revolving term loan facility with the same syndicate of seven lenders as the revolving credit facility amendment, which allows for committed financing of up to $850 million as a one-time drawn amount. The term of the facility is three years and commences on the day it is funded. The amount to be drawn on the facility can be decided prior to the close date of the Plains acquisition and is repayable at any time; however, once repaid, the facility cannot be re-drawn. Similar to the main facility, borrowings are available in Canadian or U.S. dollar prime commercial loans, U.S. base rate loans, CORRA loans or SOFR loans.

Long-term Debt

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

As at December 31, 2025, Keyera had $6.1 billion and US$65 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.

2025 Debt Issuances

On September 29, 2025, Keyera issued the aggregate principal amounts of $2.3 billion of senior unsecured notes (the "Senior Notes") and $500 million of fixed-to-fixed rate subordinated notes (the "Hybrid Notes" and together with the Senior Notes, the "Notes"), with the following terms:

	Principal	Interest Rate[1]	Maturity Date
Senior unsecured notes – Series 5	$500 million	3.702%	October 15, 2030
Senior unsecured notes – Series 6	$600 million	4.204%	April 15, 2033
Senior unsecured notes – Series 7	$500 million	4.569%	October 15, 2035
Senior unsecured notes – Series 8	$700 million	5.309%	October 15, 2055
Fixed-to-fixed rate subordinated notes	$500 million	6.000%	October 15, 2055

Note:
1 Interest is payable semi-annually.

The net proceeds from the issuance of the notes, together with the proceeds from the subscription receipt offering that occurred during the second quarter of 2025, will be used to fund a portion of the purchase price of the Plains acquisition. The remaining balance, if any, will be used for general corporate purposes.

If the Plains acquisition does not occur prior to the June 30, 2026 deadline (5:00 p.m. MST), the Acquisition Agreement is terminated, or Keyera announces that it does not intend to proceed with the acquisition, the Notes will be subject to a special mandatory redemption at a price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to the date of such special mandatory redemption.

On October 20, 2025, Keyera commenced a solicitation of written consents (the "Consent Solicitation") from holders as of October 17, 2025 of its:

- $600 million 6.875% Fixed-to-Floating Rate Subordinated Notes, Series 2019, due June 13, 2079 (the "2019 Notes"); and
- $350 million 5.950% Fixed-to-Fixed Rate Subordinated Notes, Series 2021, due March 10, 2081 (the "2021 Notes").

The Consent Solicitation requested approval from the Noteholders of certain proposed amendments to the respective indentures governing the 2019 Notes and 2021 Notes, permitting the exchange of the outstanding principal amount of these notes for an equal principal amount of new notes (the "New Notes") that would have the same economic terms as the 2019 Notes and 2021 Notes, including interest rate, payment dates, maturity date and redemption provisions, except that the New Notes would not include provisions requiring the automatic conversion into preferred shares upon certain bankruptcy and related events. The removal of these provisions ensures the New Notes rank equally in right of payment with Keyera's most recently issued hybrid notes, bringing all outstanding hybrid instruments into alignment.

On November 3, 2025, Keyera announced the successful completion of the Consent Solicitation after receiving the required written consent of holders of not less than 66 2/3% of the aggregate outstanding principal amount of each of the 2019 Notes and 2021 Notes before the October 31, 2025 deadline. The amendments were effected through supplemental indentures dated November 3, 2025, pursuant to which all outstanding principal amount of the 2019 Notes and 2021 Notes were exchanged for an equal principal amount of the New Notes.

2024 Debt Issuances

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

Compliance with Covenants

The Credit Facility and Term Loan Credit Facility are 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, its Credit Facility and the Term Loan 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 $1.45 billion subordinated hybrid notes. Keyera is required to maintain a Net Debt to Adjusted EBITDA ratio of less than 4.0; however, the company has the flexibility to increase this ratio from 4.0 to 4.5 for periods of up to four consecutive fiscal quarters.

As at December 31, 2025, Keyera was in compliance with all covenants under its credit facilities and outstanding notes. As a long-term target, Keyera’s objective is to maintain a Net Debt to Adjusted EBITDA ratio for covenant test purposes of between 2.5x to 3.0x. This range results in a leverage profile that supports Keyera’s investment grade credit ratings. As at December 31, 2025, Keyera’s Net Debt to Adjusted EBITDA ratio was 1.8x for covenant test purposes (December 31, 2024 – 2.0x), reflecting the temporary benefit of cash proceeds from the $500 million of hybrid notes issued during the third quarter and the credit that Keyera receives for the associated cash balance.

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:

Capital Expenditures and Acquisitions *(Thousands of Canadian dollars)*	2025	2024
Acquisitions	212,567	—
Growth capital expenditures	221,599	115,985
Maintenance capital expenditures	60,925	136,340
Total capital expenditures	495,091	252,325

Keyera completed the following acquisitions in 2025: i) effective December 18, a 50.1% working interest in two gas plants and associated infrastructure in the Simonette area for approximately $200 million cash consideration, and ii) the purchase of the Sherwood Park office building that was previously under lease and associated land for a total cost of $13 million.

Growth capital expenditures for the year ended December 31, 2025 amounted to $222 million. Refer to the section titled "Segmented Results of Operations" for information related to the various growth capital projects in the Gathering and Process and Liquids Infrastructure segments, including estimated costs to complete, costs incurred in 2025 and since inception of the projects, and estimated completion timeframes.

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.

Commencing with the 2025 LTIP expense settlement, shares delivered to employees under the LTIP are being issued from treasury instead of being acquired in the marketplace. As a result, the calculation of DCF will now include an adjustment for the value of these shares as they do not require an exchange of cash.

Payout ratio is calculated as dividends declared to shareholders divided by distributable cash flow. This ratio is used to assess the sustainability of Keyera's dividend payment program.

Distributable cash flow and payout ratio, adjusted for acquisition-related items (net of tax), have also been presented. The acquisition-related adjustments include the following in relation to the Plains Acquisition: i) acquisition and integration costs recorded, and ii) net financing adjustments related to the long-term debt issued during the third quarter of 2025 to partially fund the acquisition purchase price, including incremental interest expense and interest income earned.

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)*	2025	2024
Cash flow from operating activities	**774,539**	1,265,788
Add (deduct):		
Changes in non-cash working capital	**79,078**	(303,350)
Funds from operations	**853,617**	962,438
Maintenance capital	**(60,925)**	(136,340)
Leases	**(55,438)**	(52,804)
Prepaid lease asset	**(2,380)**	(2,380)
Inventory write-down	**(5,251)**	—
LTIP expense – common shares issued	**5,534**	—
Distributable cash flow	**735,157**	770,914
Acquisition and integration costs, net of tax	**22,308**	—
Net financing adjustments for incremental debt, net of tax	**9,688**	—
Distributable cash flow *(adjusted for acquisition-related items)*	**767,153**	770,914
Dividends declared to shareholders	**485,945**	467,473
Payout ratio	**66%**	61%
Payout ratio *(adjusted for acquisition-related items)*	**63%**	61%

For 2025, distributable cash flow adjusted for acquisition-related items was $767 million, $4 million lower than 2024. Refer to the section of this MD&A titled, “Consolidated Financial Results: Cash Flow Metrics”, for additional details.

Dividend Policy

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

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

2025 Dividend Increase

On August 6, 2025, Keyera’s board of directors approved a 4% increase to the quarterly dividend and declared a dividend of $0.54 per share (previously $0.52 per share) payable on September 29, 2025 to shareholders of record as of September 15, 2025. On an annualized basis, the revised dividend is $2.16 per share (previously $2.08 per share).

2024 Dividend Increase

On August 7, 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).

Normal Course Issuer Bid

On November 28, 2024, the Toronto Stock Exchange ("TSX") accepted a notice of intention filed by Keyera to implement a Normal Course Issuer Bid ("NCIB") with respect to Keyera's issued and outstanding common shares ("Common Shares"). Under the NCIB, Keyera had the option to purchase and cancel up to approximately 2.5% of its 229,153,373 Common Shares issued and outstanding as of the acceptance date or 5,700,000 Common Shares between December 3, 2024 and December 2, 2025, in accordance with the applicable rules and policies of the TSX and applicable securities law. Keyera did not have any repurchases of Common Shares under the NCIB before it was terminated on December 2, 2025 and did not renew the NCIB upon termination.

Adjusted Cash Flow from Operating Activities and Return on Invested Capital

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

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

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

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

Adjusted Cash Flow from Operating Activities and Return on Invested Capital *(Thousands of Canadian dollars)*	2025	2024
Cash flow from operating activities	**774,539**	1,265,788
Add:		
Changes in non-cash working capital	**79,078**	(303,350)
Decommissioning liability expenditures	**13,026**	7,700
Finance costs	**249,847**	217,521
Adjusted cash flow from operating activities	**1,116,490**	1,187,659
Invested capital	**7,393,678**	7,545,966
Return on invested capital	**15%**	16%

EBITDA AND ADJUSTED EBITDA

EBITDA and adjusted EBITDA are not standard measures under GAAP and therefore, may not be comparable to similar measures reported by other entities. EBITDA is a measure showing earnings before finance costs, taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA before costs associated with non-cash items, including unrealized gains and losses on commodity-related contracts, net foreign currency gains and losses on U.S. debt and other, impairment expenses and any other non-cash items such as gains and losses on the disposal of property, plant and equipment. Management believes that these supplemental measures facilitate the understanding of Keyera's results from operations. In particular, these measures are used as an indication of earnings generated from operations after consideration of administrative and overhead costs. Adjusted EBITDA, adjusted for the acquisition and integration costs associated with the Plains acquisition, has also been presented. 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)*	2025	2024
Net earnings	**432,335**	486,628
Add:		
Finance costs	**249,847**	217,521
Depreciation and amortization expenses	**374,945**	352,392
Income tax expense	**136,664**	148,490
EBITDA	**1,193,791**	1,205,031
Unrealized (gain) loss on commodity-related contracts	**(48,259)**	69,266
Net foreign currency (gain) loss on U.S. debt and other	**(14,060)**	9,258
Impairment expense	**—**	3,397
Net gain on disposal of property, plant and equipment	**—**	(11,677)
Adjusted EBITDA	**1,131,472**	1,275,275
Acquisition and integration costs	**28,972**	—
Adjusted EBITDA *(adjusted for acquisition-related items)*	**1,160,444**	1,275,275

CONTRACTUAL OBLIGATIONS

Keyera has assumed various contractual obligations in the normal course of its operations. At December 31, 2025, the obligations that represent known future cash payments that are required under existing contractual arrangements were as follows:

Contractual obligations *(Thousands of Canadian dollars)*	Total	Payment Due by Period 2026	2027	2028	2029	2030	After 2030
Derivative financial instruments	**34,970**	30,703	4,125	142	—	—	—
Credit facility	**—**	—	—	—	—	—	—
Long-term debt[1]	**6,194,144**	230,000	400,000	689,144	75,000	900,000	3,900,000
Lease liabilities[2]	**175,341**	45,229	31,818	23,050	18,666	13,157	43,421
Other liabilities[3]	**56,042**	41,224	10,056	4,762	—	—	—
Decommissioning liabilities[4]	**249,744**	14,956	—	—	—	—	234,788
Service obligations[5]	**37,400**	12,745	10,866	7,214	3,054	3,032	489
Purchase obligations[6,7]	**198,913**	181,569	17,344	—	—	—	—
Total contractual obligations	**6,946,554**	**556,426**	**474,209**	**724,312**	**96,720**	**916,189**	**4,178,698**

Notes:

1 Long-term debt obligations are principal only and exclude interest payments. For the U.S. denominated senior unsecured notes, the principal obligations are converted at the December 31, 2025 spot foreign exchange rate of 1.3715.

2 Lease liabilities include the expected undiscounted cash payments related to leases.

3 Other liabilities include the current and long-term portions of the LTIP liability.

4 No assets have been legally restricted for settlement of the liability.

5 Service obligations relate to terminal storage and natural gas transportation.

6 Purchase obligations include third party contractual commitments related to assets under construction.

7 Keyera, through its operating entities, has assumed commitments in various contractual purchase agreements in the normal course of its operations. The agreements involve the purchase of NGL production from producers in the areas specified in the agreements. The purchase prices are based on current market prices. The future volumes and prices for these contracts cannot be reasonably determined and therefore no amount has been included in purchase obligations to reflect these contractual agreements.

RELATED PARTY TRANSACTIONS

Keyera has provided compensation to key management personnel who are comprised of its directors and executive officers. There have been no other material related party transactions or significant changes to the annual compensation amounts disclosed in the December 31, 2025 annual audited financial statements.

RISK FACTORS

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

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

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

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

Legislative and Regulatory Risk

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

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

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

Credit Risk

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

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

As at December 31, 2025, the allowance for expected credit losses was $4 million (December 31, 2024 – $4 million) to provide for specific accounts receivable amounts that may be uncollectible. Despite Keyera's efforts in the monitoring and collection of accounts receivable, actual losses from defaults may be greater than that provided for.

For a discussion of the risks that could affect Keyera's liquidity and working capital and the steps Keyera takes to mitigate these risks, readers are referred to note 23, Financial Instruments and Risk Management, of the accompanying financial statements.

Credit Ratings

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

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

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

Marketing Risk

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

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

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

Operational Risk

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

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

Foreign Currency Risk

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

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

Cyber Security

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

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

Breach of Confidentiality

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

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 that leverage Keyera's existing asset base, core competencies, and strong customer relationships.

SELECTED FINANCIAL INFORMATION

The following table presents selected annual financial information for Keyera:

(Thousands of Canadian dollars, except per share information)	**2025**	2024	2023
Revenue before inter-segment eliminations[1]			
• Gathering and Processing	**741,892**	724,983	733,316
• Liquids Infrastructure	**933,041**	879,395	768,996
• Marketing	**5,713,861**	6,036,962	6,055,725
• Other	**46**	55	40
Operating margin			
• Gathering and Processing	**434,090**	412,600	392,430
• Liquids Infrastructure	**592,355**	557,021	486,467
• Marketing	**354,914**	416,129	554,251
• Other	**(248)**	(149)	(210)
Realized margin[2]			
• Gathering and Processing	**439,377**	412,718	394,530
• Liquids Infrastructure	**593,295**	557,590	496,114
• Marketing	**300,428**	484,708	478,967
• Other	**(248)**	(149)	(210)
Net earnings	**432,335**	486,628	424,032
Earnings per share ($/share):			
• Basic	**1.89**	2.12	1.85
• Diluted	**1.89**	2.12	1.85
Dividends to shareholders	**485,945**	467,473	449,141
Dividends per share (basic)	**2.12**	2.04	1.96
Shares outstanding (thousands)			
• Weighted average (basic)	**229,205**	229,153	229,153
• Weighted average (diluted)	**229,205**	229,153	229,153
Total assets	**13,052,947**	8,755,861	8,780,011
Total long-term liabilities	**7,272,019**	4,731,359	5,205,317

Notes:

1 Keyera's Gathering and Processing and Liquids Infrastructure segments charge Keyera's Marketing segment for the use of facilities at market rates. Revenue before inter-segment eliminations includes these transactions. Inter-segment transactions are eliminated on consolidation in order to arrive at Operating Revenues in accordance with GAAP.

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

Keyera achieved another year of outstanding financial results in 2025 with the achievement of record operating margin and realized margin in the Gathering and Processing and Liquids Infrastructure segments.

The Gathering and Processing segment's record realized margin in 2025 was achieved through strong operational performance and was supported by record volumes from the North region gas plants, which account for over 70% of the segment's overall margin.

The Liquids Infrastructure segment's record realized margin in 2025 was mainly attributable to: i) higher contribution from higher contracted volumes on Keyera's condensate system; and ii) incremental revenues associated with higher volumes on the KAPS pipeline system.

The Marketing segment's realized margin in 2025 was impacted by: i) lower contribution from iso-octane that was primarily attributable to lower iso-octane premiums, in addition to decreased sales volumes resulting from a longer maintenance outage at the AEF facility in 2025 compared to 2024; and ii) lower contribution from condensate and liquids blending that was primarily the result of lower volumes and a lower commodity price environment.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected financial information for Keyera:

	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
Revenue[1]								
Gathering and Processing	**190,936**	178,075	189,638	183,243	192,405	174,234	178,702	179,642
Liquids Infrastructure	**236,186**	228,182	232,848	235,825	228,701	216,369	222,175	212,150
Marketing	**1,407,272**	1,511,294	1,319,965	1,475,330	1,645,556	1,694,319	1,444,656	1,252,431
Other	**9**	13	7	17	10	13	30	2
Operating margin (loss)								
Gathering and Processing	**100,691**	111,795	109,464	112,140	107,834	99,114	101,885	103,767
Liquids Infrastructure	**147,980**	148,264	140,599	155,512	154,295	135,677	131,904	135,145
Marketing	**97,308**	57,983	115,614	84,009	45,264	190,799	136,010	44,056
Other	**(66)**	(43)	(68)	(71)	(98)	(64)	(50)	63
Operating margin	**345,913**	317,999	365,609	351,590	307,295	425,526	369,749	283,031
Realized margin (loss)[2]								
Gathering and Processing	**106,280**	112,293	111,498	109,306	107,303	99,152	101,934	104,329
Liquids Infrastructure	**150,338**	147,348	143,162	152,447	152,576	135,374	133,077	136,563
Marketing	**88,765**	73,234	60,001	78,428	99,408	134,857	135,983	114,460
Other	**(66)**	(43)	(68)	(71)	(98)	(64)	(50)	63
Realized margin[2]	**345,317**	332,832	314,593	340,110	359,189	369,319	370,944	355,415
Net earnings	**90,266**	85,216	126,518	130,335	88,906	184,631	142,177	70,914
Net earnings per share ($/share)								
Basic	**0.39**	0.37	0.55	0.57	0.39	0.81	0.62	0.31
Diluted	**0.39**	0.37	0.55	0.57	0.39	0.81	0.62	0.31
Weighted average number of shares (basic)	**229,283**	229,229	229,153	229,153	229,153	229,153	229,153	229,153
Weighted average number of shares (diluted)	**229,283**	229,229	229,153	229,153	229,153	229,153	229,153	229,153
Dividends declared to shareholders	**123,813**	123,812	119,160	119,160	119,160	119,160	114,576	114,577

Notes:

1 Keyera's Gathering and Processing and Liquids Infrastructure segments charge Keyera's Marketing segment for the use of facilities at market rates. Revenue before inter-segment eliminations reflects these transactions. Inter-segment transactions are eliminated on consolidation in order to arrive at operating revenues in accordance with GAAP.

2 Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section of this MD&A titled "Non-GAAP and Other Financial Measures" for 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 due to higher contracted volumes;
- record gross processing throughput levels for the Wapiti and Pipestone gas plants in the Gathering and Processing segment that contributed to higher operating margin;
- periods marked by exceptionally strong motor gasoline pricing and iso-octane premiums, followed in 2025 by a return to pricing levels more in line with historical averages observed prior to the COVID-19 pandemic;
- the recognition of expenses and income in net earnings related to the Plains acquisition, including acquisition and integration costs, Dividend Equivalent Payments and interest income earned on the Escrowed Funds; and
- a prudent and effective risk management program.

See the section of this MD&A, "Segmented Results of Operations", for more information on the financial results of Keyera's operating segments for the year ended December 31, 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 year ended December 31, 2025.

FUTURE ACCOUNTING PRONOUNCEMENTS

In 2024, the Canadian Accounting Standards Board endorsed *IFRS 18, Presentation and Disclosure in Financial Statements*, issued by the IASB. 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, 2025 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 December 31, 2025 that have materially affected, or are reasonably likely to materially affect Keyera's ICFR.

COMMON SHARES

The total common shares outstanding at December 31, 2025 was 229,282,818.

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	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. 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".

Distributable Cash Flow ("DCF") / DCF per Share	
Definition	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. Commencing with the 2025 LTIP expense settlement, shares delivered to employees under the LTIP are being issued from treasury instead of being acquired in the marketplace. As a result, the calculation of DCF will now include an adjustment for the value of these shares as they do not require an exchange of cash. DCF per Share: Distributable cash flow divided by weighted average number of shares – basic. DCF (adjusted for acquisition-related items): Acquisition and integration costs associated with the Plains acquisition and net financing adjustments related to the long-term debt issued to partially fund the Plains acquisition purchase price (including incremental interest expense and interest income earned) have been added back to the calculation of DCF. These adjustments have been calculated net of tax. The acquisition-related adjustments include the following in relation to the Plains acquisition: i) acquisition and integration costs recorded, and ii) net financing adjustments related to the long-term debt issued during the third quarter of 2025 to partially fund the acquisition purchase price, including incremental interest expense and interest income earned. DCF per Share (adjusted for acquisition-related items): DCF (adjusted for acquisition-related items) divided by weighted average number of shares – basic.
Utilization	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. 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".

Payout Ratio	
Definition	Payout Ratio: Dividends declared to shareholders divided by distributable cash flow. Payout Ratio (adjusted for acquisition-related items): Dividends declared to shareholders divided by distributable cash flow (adjusted for acquisition-related items).
Utilization	Payout ratio is used to assess the sustainability of Keyera'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 following is the reconciliation 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 December 31, 2025
(Thousands of Canadian dollars)

	Gathering & Processing	Liquids Infrastructure	Fee-for-Service
Operating margin	100,691	147,980	248,671
Unrealized loss on risk management contracts	5,589	2,358	7,947
Realized margin	106,280	150,338	256,618

Fee-for-Service Realized Margin

For the year ended December 31, 2025
(Thousands of Canadian dollars)

	Gathering & Processing	Liquids Infrastructure	Fee-for-Service
Operating margin	434,090	592,355	1,026,445
Unrealized loss on risk management contracts	5,287	940	6,227
Realized margin	439,377	593,295	1,032,672

Realized Margin	
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". 2026 realized margin guidance for the Marketing segment will be provided during the first quarter, after the conclusion of the NGL contracting season.

EBITDA / Adjusted EBITDA	
Definition	EBITDA: Earnings before finance costs, taxes, depreciation, and amortization. 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. Adjusted EBITDA (adjusted for acquisition-related items): Acquisition and integration costs associated with the Plains acquisition have been added back to the calculation of Adjusted EBITDA.
Utilization	EBITDA and adjusted EBITDA are measures used as an indication of earnings generated from operations after consideration of administrative and overhead costs. 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".

Adjusted Cash Flow from Operating Activities	
Definition	Adjusted Cash Flow from Operating Activities: Cash flow from operating activities before changes in non-cash working capital, decommissioning liability expenditures and finance costs.
Utilization	Adjusted cash flow from operating activities is used solely for purposes of calculating return on invested capital and is therefore not used by management on a stand-alone basis. Since the return on invested capital measure is intended to be calculated on an annual basis, the reconciliation of adjusted cash flow from operating activities to the most directly comparable GAAP measure, cash flow from operating activities, can be found in the section titled, "Adjusted Cash Flow from Operating Activities and Return on Invested Capital" included in Keyera's most recent annual MD&A.

Return on Invested Capital ("ROIC")	
Definition	ROIC: Adjusted cash flow from operating activities, divided by invested capital. 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.
Utilization	Return on invested capital is used to reflect the profitability of Keyera's in-service capital assets.

Compound Annual Growth Rate ("CAGR") Calculations

Definition

CAGR is calculated as follows:

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

* 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 years ended December 31,

(Thousands of Canadian dollars)	2025	2024	2023	2022
Realized Margin – Fee-for-Service	1,032,672	970,308	890,644	752,684
Less:				
General and administrative expenses	(128,612)	(117,142)	(106,494)	(82,843)
Long-term incentive plan expense	(43,796)	(62,450)	(50,909)	(33,284)
Fee-Based Adjusted EBITDA	860,264	790,716	733,241	636,557

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;
- Keyera's expectations on Marketing base realized margin in a typical year of between $310 million and $350 million;
- estimates for 2026 regarding Keyera's growth capital expenditures, maintenance capital expenditures and cash tax expense;
- the 2026 financial impact of the AEF outage including on realized margin, cash taxes and maintenance capital;
- expectations on demand for Keyera's liquid infrastructure service offerings, including fractionation capacity and storage capacity, and expected increases in take-or-pay commitments;
- 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;
- the KAPS Zone 4 project, including cost and timing of the same;
- 2026 and future years financial and operational guidance (on a stand-alone basis);
- plans for deployment of capital and additional growth opportunities, and the impact of current and future growth projects on Keyera's growth targets;
- approvals and anticipated timing of closing of the acquisition of Plains' Canadian NGL business, the benefits of the acquisition, and Keyera's dividend growth and financial position post-closing of the acquisition;
- anticipated timing for fabrication, delivery, installation of replacement components, and return to service of AEF, as well as plans related to the regularly scheduled AEF turnaround;
- the impact of acquisitions completed during 2025, including on follow-on growth opportunities;
- expectations around long-term demand for iso-octane;
- expectations around 2026 butane supply;
- expectations around future propane demand from Asia;
- plans around future dividends;
- current estimated income tax expenses for 2026 and tax pools at December 31, 2025;
- business strategy, anticipated growth and plans of management;
- budgets, including future growth capital, operating and other expenditures and projected costs;
- 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;
- 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 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. 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;
- the ability to successfully complete the acquisition of Plains' Canadian NGL business and obtain the anticipated benefits therefrom, including impacts on growth and accretion in various financial metrics;
- Keyera's ability to integrate the assets acquired pursuant to the Plains acquisition into Keyera's operations;
- activities of customers, producers and other facility owners;
- operational hazards and performance and reliability of both Keyera and third-party assets and infrastructure;
- 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 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. Further information about the factors affecting forward-looking information and management's assumptions and analysis thereof is available 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. All forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Investor Information

DIVIDENDS TO SHAREHOLDERS

Dividends declared to shareholders of Keyera were $0.54 per share in the fourth quarter of 2025.

TAXABILITY OF DIVIDENDS

Keyera's dividends are considered to be eligible dividends for the purpose of the Income Tax Act (Canada). For non-resident shareholders, Keyera's dividends are subject to Canadian withholding tax.

SUPPLEMENTARY INFORMATION

A breakdown of Keyera's operational and financial results, including volumetric and operating margin information by business segment, is available on our website at www.keyera.com/ir/reports.

YEAR END AND FOURTH QUARTER 2025 RESULTS CONFERENCE CALL AND WEBCAST

Keyera will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the financial results for year end and the fourth quarter of 2025 at 8:00 AM Mountain Time (10:00 AM Eastern Time) on Thursday, February 12, 2026. Callers may participate by dialing 1-888-510-2154 or 1-437-900-0527. A recording of the conference call will be available for replay until 10:00 PM Mountain Time on Wednesday, February 25, 2026 (12:00 AM Eastern Time on Thursday, February 26, 2026), by dialing 1-888-660-6345 or 1-289-819-1450 and entering passcode 60215. Internet users can listen to the call live on Keyera's website at www.keyera.com/news/events. Shortly after the call, an audio archive will be posted on the website for 90 days.

QUESTIONS

We welcome questions from interested parties. Calls should be directed to Keyera's Investor Relations department at 1-403-205-7670, toll free at 1-888-699-4853 or via email at ir@keyera.com. Information about Keyera can also be found on our website at www.keyera.com.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Keyera Corp. (the "Company") is responsible for the preparation of the financial statements. The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and include certain estimates that reflect management's best estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

Management has developed and maintains an extensive system of internal accounting controls that provide reasonable assurance that all transactions are accurately recorded, that the financial statements realistically report the Company's operating and financial results, and that the Company's assets are safeguarded. Management believes that this system of internal controls has operated effectively for the year ended December 31, 2025. The Company has effective disclosure controls and procedures to ensure timely and accurate disclosure of material information relating to the Company which complies with the requirements of Canadian securities legislation.

Deloitte LLP, an independent firm of chartered professional accountants, was appointed by a resolution of the Board of Directors to audit the financial statements of the Company and to provide an independent professional opinion. Deloitte LLP was appointed to hold such office until the next such annual meeting of the shareholders of the Company.

The Board of Directors, through its Audit Committee, has reviewed the financial statements including notes thereto with management and Deloitte LLP. The members of the Audit Committee are composed of independent directors who are not employees of the Company. The Board of Directors has approved the information contained in the financial statements based on the recommendation of the Audit Committee.

/s/ *C. Dean Setoguchi*

C. Dean Setoguchi
Chief Executive Officer
Keyera Corp.

/s/ *Eileen Marikar*

Eileen Marikar
Chief Financial Officer
Keyera Corp.

February 11, 2026
Calgary, Alberta

Deloitte.

Deloitte LLP
700, 850 2nd Street SW
Calgary AB T2P 0R8

Tel: 403-267-1700
Fax: 587-774-5379
www.deloitte.ca

Independent Auditor's Report

To the Shareholders and the Board of Directors of
Keyera Corp.

Opinion

We have audited the consolidated financial statements of Keyera Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of net earnings and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment – Assessment of Whether Impairment Indicators or Impairment Reversal Exist Within Property, Plant and Equipment - Refer to Notes 3 and 9 to the financial statements

Key Audit Matter description

The Company reviews property, plant and equipment for indicators of impairment or impairment reversal at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. When an impairment indicator is identified the

Company determines the recoverable amount and compares it to the carrying value of the asset. The recoverable amount is the greater of i) an asset's fair value less costs of disposal; and ii) its value in use.

Auditing the Company's assessment of whether an indicator of impairment or impairment reversal existed as at December 31, 2025 required increased auditor attention due to the judgments made by management when determining whether events or changes in circumstances could indicate a potential impairment or impairment reversal. As a result, auditing the indicators of impairment or impairment reversal required an increased extent of audit effort.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the assessment of whether an indicator of impairment or impairment reversal existed included the following, among others:

- Evaluated management's indicator assessment of internal or external factors that could result in an impairment charge or impairment reversal.
- Evaluated the reasonableness of the change in the Company's forecasted operating margins by:
    - Comparing key assumptions to historical operating margins, taking into consideration known changes in operations or the industry in which it operates; and
    - Considering internal communications with management and the Board of Directors, as appropriate.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the 2025 Year-End Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the 2025 Year-End Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Brian Ralofsky.

/s/ Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
February 12, 2026

Keyera Corp.
Consolidated Statements of Financial Position
(Thousands of Canadian dollars)

As at	Note	December 31, 2025	December 31, 2024
ASSETS			
Cash		2,331,518	118,441
Subscription receipt proceeds held in escrow	10	2,007,488	—
Trade and other receivables	6	652,397	640,109
Derivative financial instruments	23	61,597	93,919
Inventory	7	206,491	270,225
Other assets	8	45,110	9,477
Total current assets		5,304,601	1,132,171
Derivative financial instruments	23	32,856	24,596
Property, plant and equipment	9	7,398,804	7,224,113
Right-of-use assets	11	173,973	216,099
Intangible assets		36,196	46,522
Goodwill	12	32,015	32,015
Deferred tax assets	18	74,502	80,345
Total assets		13,052,947	8,755,861
LIABILITIES AND EQUITY			
Trade and other payables, and provisions	13	631,204	761,809
Subscription receipts obligation	10	2,070,045	—
Derivative financial instruments	23	30,703	44,145
Current portion of long-term debt	14	230,000	321,663
Current portion of decommissioning liability	15	14,956	16,823
Current portion of lease liabilities	16	39,374	48,661
Total current liabilities		3,016,282	1,193,101
Derivative financial instruments	23	4,267	6,082
Long-term debt	14	5,917,088	3,379,498
Decommissioning liability	15	234,788	226,683
Long-term lease liabilities	16	109,842	150,710
Other long-term liabilities	17	19,146	33,147
Deferred tax liabilities	18	986,888	935,239
Total liabilities		10,288,301	5,924,460
Equity			
Share capital	19	3,378,095	3,372,561
Accumulated deficit		(636,570)	(582,960)
Accumulated other comprehensive income		23,121	41,800
Total equity		2,764,646	2,831,401
Total liabilities and equity		13,052,947	8,755,861

See accompanying notes to the consolidated financial statements.
Commitments and contingencies (note 32)

These consolidated financial statements were approved by the board of directors of Keyera Corp. on February 11, 2026.

(Signed) Janet P. Woodruff
Director

(Signed) C. Dean Setoguchi
Director

Keyera Corp.

Consolidated Statements of Net Earnings and Comprehensive Income
For the Years Ended December 31,

(Thousands of Canadian dollars, except per share information)

	Note	2025	2024
Revenue	31	6,854,019	7,138,441
Expenses	31	(5,472,908)	(5,752,840)
Operating margin		1,381,111	1,385,601
General and administrative expenses	26	(128,612)	(117,142)
Acquisition and integration costs	10	(28,972)	—
Finance costs	27	(249,847)	(217,521)
Depreciation and amortization expenses	28	(374,945)	(352,392)
Net foreign currency gain (loss) on U.S. debt and other	24	14,060	(9,258)
Long-term incentive plan expense	22	(43,796)	(62,450)
Impairment expense	9	—	(3,397)
Net gain on disposal of property, plant and equipment	9	—	11,677
Earnings before income tax		568,999	635,118
Income tax expense	18	(136,664)	(148,490)
Net earnings		432,335	486,628
Other comprehensive (loss) income			
Foreign currency translation adjustment		(18,679)	32,772
Comprehensive income		413,656	519,400
Earnings per share			
Basic earnings per share	20	1.89	2.12
Diluted earnings per share	20	1.89	2.12

See accompanying notes to the consolidated financial statements.

Keyera Corp.
Consolidated Statements of Cash Flows
For the Years Ended December 31,
(Thousands of Canadian dollars)

	Note	2025	2024
Cash provided by (used in):			
OPERATING ACTIVITIES			
Net earnings		432,335	486,628
Adjustments for items not affecting cash:			
Finance costs	27	50,260	24,813
Depreciation and amortization expenses	28	374,945	352,392
Unrealized loss on derivative financial instruments	23	8,805	87,572
Unrealized gain on foreign exchange		(58,775)	(16,509)
Inventory write-down	7	5,251	—
Deferred income tax expense	18	53,822	43,522
Impairment expense	9	—	3,397
Net gain on disposal of property, plant and equipment	9	—	(11,677)
Decommissioning liability expenditures	15	(13,026)	(7,700)
Changes in non-cash working capital	30	(79,078)	303,350
Cash flow from operating activities		774,539	1,265,788
INVESTING ACTIVITIES			
Acquisitions	9	(212,567)	—
Capital expenditures	9	(282,524)	(252,325)
Proceeds on disposal of property, plant and equipment	9	—	5,705
Changes in non-cash working capital	30	29,663	11,306
Net cash used in investing activities		(465,428)	(235,314)
FINANCING ACTIVITIES			
Borrowings under credit facility	14,30	100,000	350,000
Repayments under credit facility	14,30	(100,000)	(820,000)
Proceeds from issuance of long-term debt	14,30	2,800,000	250,000
Repayments of long-term debt	14,30	(317,260)	(192,648)
Financing costs related to credit facility/long-term debt	14,30	(30,248)	(2,728)
Lease payments	16,30	(55,438)	(52,804)
Dividends paid to shareholders	21	(485,945)	(467,473)
Net cash provided by (used in) financing activities		1,911,109	(935,653)
Effect of exchange rate fluctuations on foreign cash held		(7,143)	3,532
Net increase in cash		2,213,077	98,353
Cash at the beginning of the year		118,441	20,088
Cash at the end of the year		2,331,518	118,441
Income taxes paid (received) in cash		216,336	(444)
Interest paid in cash		178,986	195,610

See accompanying notes to the consolidated financial statements.

Keyera Corp.
Consolidated Statements of Changes in Equity
(Thousands of Canadian dollars)

	Share Capital (Note 19)	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2023	**3,372,561**	**(602,115)**	**9,028**	**2,779,474**
Net earnings	—	486,628	—	486,628
Dividends declared to shareholders *(note 21)*	—	(467,473)	—	(467,473)
Other comprehensive income	—	—	32,772	32,772
Balance at December 31, 2024	**3,372,561**	**(582,960)**	**41,800**	**2,831,401**
Common shares issued pursuant to LTIP settlement	5,534	—	—	5,534
Net earnings	—	432,335	—	432,335
Dividends declared to shareholders *(note 21)*	—	(485,945)	—	(485,945)
Other comprehensive loss	—	—	(18,679)	(18,679)
Balance at December 31, 2025	**3,378,095**	**(636,570)**	**23,121**	**2,764,646**

See accompanying notes to the consolidated financial statements.

Keyera Corp.

Notes to the Consolidated Financial Statements

As at and for the years ended December 31, 2025 and 2024

(All amounts expressed in thousands of Canadian dollars, except as otherwise noted)

1. GENERAL BUSINESS DESCRIPTION

The operating subsidiaries of Keyera Corp. include Keyera Partnership (the "Partnership"), Keyera Energy Ltd. ("KEL"), Keyera Energy Inc. ("KEI"), Keyera Rimbey Ltd. ("KRL"), Keyera RP Ltd. ("KRPL"), Rimbey Pipeline Limited Partnership ("RPLP"), Alberta Diluent Terminal Ltd. ("ADT") and Alberta EnviroFuels Inc. ("AEF"). Keyera Corp. and its subsidiaries are involved in the business of natural gas gathering and processing; transportation, storage and marketing of natural gas liquids ("NGLs") and iso-octane in Canada and the United States ("U.S."); the production of iso-octane; and liquids blending in Canada and the U.S.

Keyera Corp. and its subsidiaries are collectively referred to herein as "Keyera". The address of Keyera's registered office and principal place of business is Suite 200, The Ampersand, West Tower, 144 – 4th Avenue S.W., Calgary, Alberta, Canada.

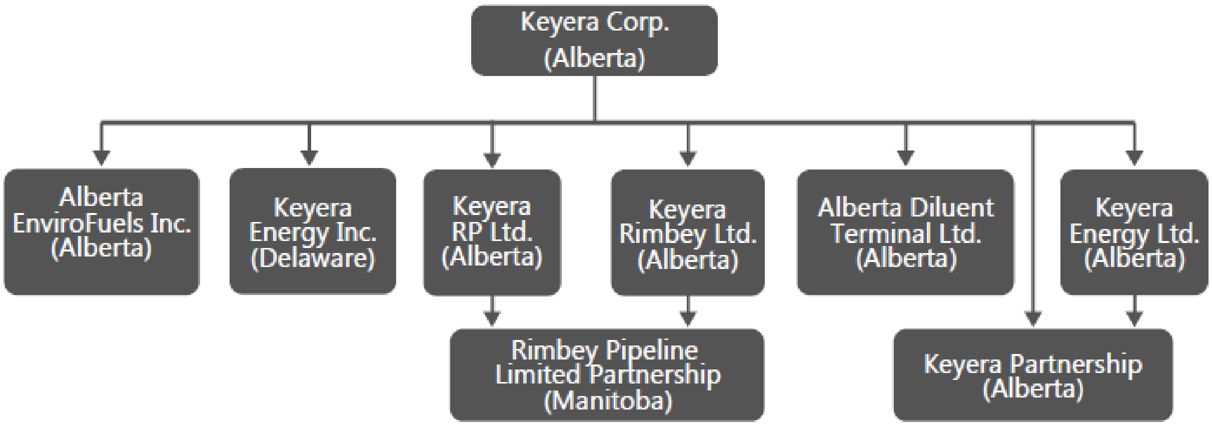
Pursuant to its Articles of Amalgamation, Keyera Corp. is authorized to issue an unlimited number of common shares (the "Shares"). The Shares trade on the Toronto Stock Exchange under the symbol "KEY".

Keyera is approved to issue two classes of preferred shares (one class referred to as the "First Preferred Shares", a second class referred to as the "Second Preferred Shares", and collectively both classes being referred to as the "Preferred Shares"). Each are issuable in one or more series without par value and each with such rights, restrictions, designations and provisions as the board of directors may at any time and from time to time determine, subject to an aggregate maximum number of authorized Preferred Shares. No preferred shares have been issued as at December 31, 2025.

Interests in Subsidiaries

Keyera Corp. directly or indirectly owns 100% of the voting interests in all of its operating subsidiaries and is the managing partner of the Partnership, Keyera's primary Canadian operating subsidiary.

The following diagram sets out the name and jurisdiction of formation of the operating subsidiaries of Keyera Corp. as of December 31, 2025.



The Partnership owns and operates the majority of Keyera's Canadian assets and businesses. In accordance with the Partnership Agreement, the Partnership is authorized to carry on a number of business activities including: (i) directly or indirectly, alone or in conjunction with other persons, gathering, processing, transporting, delivering, fractionating, extracting, storing, blending, buying, selling, marketing, investing in, developing, producing, and disposing of natural gas, NGLs, iso-octane, crude oil, bitumen and other petroleum products (including any by-products associated with the foregoing), petroleum based solvents, and electricity; (ii) constructing, owning, operating, managing, acquiring and investing in facilities and infrastructure related to the foregoing; (iii) other business activities as the board of directors may determine; and (iv) all activities ancillary or incidental to any of the foregoing.

Keyera's only Canadian assets that are not owned and operated by the Partnership are the Rimbey Pipeline, which is owned and operated by RPLP, and the Alberta Diluent Terminal, which is owned and operated by ADT.

Keyera Energy Inc. is Keyera's U.S. operating subsidiary. It carries out Keyera's NGL, iso-octane, liquids blending, storage and marketing activities in the United States.

Interests in Material Jointly Controlled Operations

For all of the material jointly controlled operations below, Keyera recognizes its proportionate share of revenues, expenses, and property, plant and equipment.

Name of Joint Arrangement	Place of Business	% Ownership	Nature of Relationship
Alder Flats Gas Plant	Alberta	70%	Gathering and Processing Facilities
Base Line Terminal	Alberta	50%	Crude Oil Storage
Brazeau River Gas Plant	Alberta	94%	Gathering and Processing Facilities
Cynthia Gas Plant	Alberta	94%	Gathering and Processing Facilities
KAPS Pipeline	Alberta	50%	NGL and Condensate Pipelines
Keyera Fort Saskatchewan ("KFS") Facilities	Alberta	98%	NGL Processing, Storage and Pipelines
Norlite Pipeline	Alberta	30%	NGL Pipelines
Rimbey Gas Plant	Alberta	99%	Gathering and Processing Facilities, NGL Processing, and Rail Loading
Simonette East	Alberta	50%	Gathering and Processing Facilities
South Cheecham Rail and Truck Terminal	Alberta	50%	Rail Loading, Offloading and Storage[1]
South Grand Rapids Pipeline	Alberta	50%	NGL Pipelines

Notes:

1 Includes sulphur handling, forming and storage.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

2. BASIS OF PREPARATION

IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB") are generally accepted accounting principles in Canada. As such, the accompanying consolidated financial statements were prepared in accordance with the respective IFRS Accounting Standards.

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value; and
- liabilities for Keyera's long-term incentive plan are measured at fair value.

The consolidated financial statements were authorized for issuance on February 11, 2026 by the board of directors.

Adoption of new accounting standards

There were no significant new or amended IFRS Accounting Standards, IAS® Standards, IFRIC® Interpretations or SIC® Interpretations adopted by Keyera during the year ended December 31, 2025.

3. MATERIAL ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements include the accounts of Keyera and all of its subsidiaries. Subsidiaries are entities over which Keyera has control. Generally, control is achieved where Keyera has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of subsidiaries are prepared for the same reporting period as Keyera, using consistent accounting policies. All intercompany accounts and transactions have been eliminated upon consolidation.

Jointly controlled operations

Jointly controlled operations are assets over which Keyera has joint ownership with one or more unaffiliated entities. Keyera undertakes a number of Gathering and Processing and Liquids Infrastructure activities through jointly controlled operations.

Jointly controlled operations are accounted for using the proportionate consolidation method as follows:

- the consolidated statements of financial position includes Keyera's share of the assets that it controls jointly and the liabilities for which it is jointly responsible; and
- the consolidated statements of net earnings and comprehensive income includes Keyera's share of the income and expenses generated by the jointly controlled operation.

Business combinations

Business combinations are accounted for using the acquisition method. Assets and liabilities acquired in a business combination and any contingent consideration are measured at their fair values as of the date of acquisition and subsequently remeasured at fair value with changes recorded through the consolidated statements of net earnings and comprehensive income each period until settled. In addition, acquisition related and restructuring costs are recognized separately from the business combination and are expensed to the consolidated statements of net earnings and comprehensive income. Business combinations also apply to the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business.

Currency

The functional currency and presentation currency of Keyera and the majority of its subsidiaries is Canadian dollars. Keyera's only foreign subsidiary, KEI, has a functional currency of U.S. dollars as the primary economic environment in which it operates is in the U.S.

Transactions in foreign currencies are initially recorded in the functional currency by applying the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange on the statement of financial position date. Any resulting exchange differences are included in the consolidated statements of net earnings and comprehensive income. Non-monetary assets and liabilities denominated in a foreign currency are measured at historical cost and are translated into the functional currency using the rates of exchange as at the dates of the initial transactions.

Foreign subsidiary translation

The accounts of KEI are translated into Keyera Corp.'s presentation currency at period-end exchange rates for assets and liabilities, and using the rates in effect at the date of the transaction for revenues and expenses. The resulting translation gains and losses related to the foreign operations of KEI are recognized as foreign currency translation adjustments in other comprehensive income ("OCI") in the consolidated statements of net earnings and comprehensive income.

Revenue recognition

Keyera's performance obligations include the products or services that are promised to a customer. Revenues are recognized when Keyera satisfies its performance obligations by transferring control of the promised products or services to its customers, in an amount that reflects the consideration Keyera expects to be entitled to in exchange for those products or services. Customer credit worthiness is assessed prior to the signing of any contract, as well as throughout the contract duration. Revenues are generally invoiced and received on a monthly basis. Inter-segment and intra-segment revenues are recorded at current market prices and are eliminated upon consolidation to arrive at net earnings in accordance with the IFRS Accounting Standards.

Gathering and Processing segment

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, before the sales gas is injected into pipeline systems for transportation to end-use markets. The services performed in the G&P operating segment largely consist of gas handling services and other ancillary services such as NGL extraction, NGL handling and loading services, and condensate stabilization.

Revenue is recognized for each unit of raw gas volumes handled and processed by Keyera on a fee-for-service basis. The fee structure is stipulated in the contract and is based on either a fixed fee structure or a flow-through operating cost structure.

Each quarter, throughput volumes and operating costs are reviewed to determine whether the estimated unit fee charged during the quarter properly reflects the actual volumes and costs, and the allocation of revenues and operating costs to other facility owners is also reviewed. Amounts collected in excess of the recoverable amounts under flow-through arrangements are recorded as a current liability. Recoverable amounts in excess of the amounts collected under flow-through arrangements are recorded as a current receivable.

Keyera's gas handling agreements are generally either long term in nature or evergreen. Evergreen contracts continue in force until terminated by either party by providing notice to the other party.

In addition to providing services to third party customers at Keyera's gathering and processing facilities, the G&P segment charges fees, at market rates, to Keyera's Marketing segment for the use of the gathering and processing facilities.

Liquids Infrastructure segment

Keyera owns and operates a network of facilities including underground NGL storage caverns, above ground storage tanks, NGL fractionation facilities, NGL and condensate pipelines as well as rail and truck terminals for the processing, fractionation, storage and transportation of the by-products of natural gas processing, including NGLs such as ethane, propane, butane and condensate.

Most of Keyera's Liquids Infrastructure assets are located in, or connected to, the Edmonton/Fort Saskatchewan area in Alberta, one of four key energy hubs in North America. This area also serves as a condensate hub which supports the operations of customers in the oil sands sector. Condensate is used as a diluent to facilitate movement of bitumen by pipeline.

Diluent handling services provided to oil sands customers involves providing capacity for diluent transportation services, including the provision of operational storage on a temporary basis as well as rail and truck terminaling services.

In addition, the Liquids Infrastructure segment produces iso-octane at the Alberta EnviroFuels facility ("AEF"). Iso-octane is a low vapour pressure, high-octane content component used in the blending of gasoline. The AEF facility is substantially reserved for the proprietary use of Keyera's Marketing segment which sells this product to customers operating in the gasoline blending business.

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 products of higher value. As a result, these products are exposed to variability in price and quality differential between various product streams.

Customers who utilize the Liquids Infrastructure services enter into contracts with Keyera on a fee-for-service basis. Revenue is recognized for each unit of volume fractionated, processed, stored, transported and handled by Keyera based on the fee structure stipulated in the service contract with its customers. These contracts provide Keyera with an enforceable right to payment for services completed to date. The fees charged for services performed in the Liquids Infrastructure segment are negotiated on a customer-by-customer basis depending on the various assets required to fulfill the services stipulated in the contracts.

In addition to including firm capacity and/or interruptible service terms, the Liquids Infrastructure contracts may also include volumetric tariffs, rate of return components, take-or-pay components and/or the flow through of certain costs.

Keyera's Liquids Infrastructure segment provides a significant amount of processing, fractionation, storage, blending and/or de-ethanization services to Keyera's Marketing segment, which pays market prices for the services it utilizes.

Take-or-pay arrangements

In both the Liquids Infrastructure and G&P segments, certain contracts are entered into under take-or-pay arrangements whereby the customer has committed to minimum volume deliveries, regardless of whether the committed volumes are utilized. In these instances, Keyera recognizes revenue either rateably over the term of the fixed fee arrangement, or as volumes are handled and processed.

Take-or-pay arrangements may contain make-up rights, which are rights earned by the customer when the minimum volume commitments are not utilized during the period, but under certain circumstances can be used to offset excess volumes in future periods, subject to expiry. Consideration associated with take-or-pay contracts which have make-up rights are deferred and revenue is recognized at the earlier of i) when the make-up volume is processed; ii) the make-up right expires; or iii) when it is determined the likelihood that the customer will exercise its make-up right is remote.

Marketing segment

Keyera markets a range of products associated with its two infrastructure business lines, and revenue generated from this operating segment consists of primarily selling NGLs (propane, butane, condensate), iso-octane, as well as natural gas and crude oil. In addition, Keyera's Marketing segment will enter into product purchase and processing contracts whereby NGL products are purchased from the customer at the delivery point to one or more of Keyera's facilities.

Revenue contracts within the Marketing segment are typically short-term in nature (one year or less). Revenue from selling NGLs, iso-octane, natural gas and crude oil is recognized based on volumes delivered to customers at specified delivery points and at contracted prices, depending on the hydrocarbon product being sold. The contracted sales price is generally based on a market index price or is transacted at a fixed price. Keyera also enters into financial instruments and physical hedging contracts as risk mitigating measures to either protect the value of its NGL inventory, protect the sales price for iso-octane, or to hedge the foreign currency exposure on sales prices based in U.S. dollars.

The unrealized gains/losses representing the change in fair value of financial instruments contracts are recorded in Marketing revenue along with the realized gains/losses resulting from the settlement of the financial instruments.

Share-based compensation

Keyera has a Long-Term Incentive Plan ("LTIP"), which is described in note 22. The LTIP is measured at fair value at each statement of financial position date until the award is settled. The liability is measured by using a fair value pricing model. The compensation expense is recognized over the vesting period, with a corresponding liability recognized in the consolidated statements of financial position.

Inventory

Inventory is comprised primarily of NGL and iso-octane products for sale through the Marketing operations. Inventory is measured at the lower of weighted average cost and net realizable value. Net realizable value represents the estimated selling price for inventories less selling expenses at the statement of financial position date. The reversal of previous net realizable value write-downs is recorded when there is a subsequent increase in the value of inventories.

Property, plant and equipment

Items of property, plant and equipment, which include plant and processing equipment, are measured at cost less accumulated depreciation, amortization and accumulated impairment losses net of recoveries. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning liability, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Major maintenance programs (turnaround costs) are capitalized and amortized over the period to the next scheduled maintenance. The costs of day-to-day servicing of property, plant and equipment are recognized in the consolidated statements of net earnings and comprehensive income as incurred.

The cost of replacing part of an item of property, plant and equipment is capitalized if it is probable that future economic benefits will flow to Keyera and its cost can be measured reliably.

Depreciation is recognized to expense the cost of significant components of assets less their residual values over their useful lives, using the straight-line method. Land and linefill are not depreciated. Depreciation methods, useful lives and residual values are reviewed on an annual basis and, if necessary, any changes would be accounted for prospectively.

The estimated useful lives of Keyera's property, plant and equipment are as follows:

General plant and processing equipment	4 - 45 years
Other properties and equipment	5 - 10 years
Turnarounds	4 - 10 years

Impairment of property, plant and equipment

Keyera assesses assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units or CGUs). Impairment losses are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, and are recognized immediately in the consolidated statements of net earnings and comprehensive income.

The recoverable amount is the greater of:

i) an asset's fair value less costs of disposal; and
ii) its value in use.

Fair value is the price that would be expected to be received in a sale transaction less costs of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Keyera evaluates impairment losses for potential reversals, other than goodwill impairment, when events or changes in circumstances warrant such consideration. Reversals of impairment losses are evaluated and if deemed necessary are recognized immediately in the consolidated statements of net earnings and comprehensive income.

Goodwill

Goodwill arising in a business combination is recognized as an asset and initially measured at cost, being the excess of the consideration transferred in the business combination over Keyera's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If Keyera's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in the consolidated statements of net earnings and comprehensive income.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized.

Impairment of goodwill

Goodwill impairment is assessed at least annually and is determined by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU or group of CGUs is less than the carrying amount, an impairment loss is recognized in the consolidated statements of net earnings and comprehensive income. The impairment loss is allocated first to reduce the carrying amount of any goodwill and then on a pro-rata basis to the other assets within the CGU. An impairment loss recognized for goodwill is not reversed in a subsequent period.

The recoverable amount for CGUs with allocated goodwill is determined based on a value in use calculation or fair value less costs of disposal. Value in use is calculated by discounting future cash flow projections that are based on Keyera's internal cash flow estimates. These forecasts include estimates of the future cash flows expected to be derived from continued use of the asset and involve the use of various assumptions, the most significant of which are operating margin, inter-segment allocations, discount rates, and terminal growth and decline rates.

The discount rate used in the value in use calculation represents a weighted average cost of capital ("WACC"). The WACC is an estimate of the overall required rate of return on an investment for both debt and equity owners and serves as the basis for developing an appropriate discount rate. Determination of the WACC requires separate analysis of the cost of equity and debt, and considers a risk premium based on an assessment of risks related to the projected cash flows of each CGU.

Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognized at fair value, and for financial assets and liabilities not measured at fair value through profit or loss, net of transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The subsequent measurement of financial assets and financial liabilities depends on their classification as follows:

Financial assets

Financial assets include cash, trade and other receivables and derivative financial instruments. Keyera determines the classification of its financial assets at initial recognition.

a) Financial assets measured at amortized cost

These are non-derivative financial assets composed of contractual cash flows that are held to collect and are solely payments of principal and interest on the principal amount outstanding with fixed or determinable payments that are not quoted in an active market. These assets are subsequently carried at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statements of net earnings and comprehensive income when the financial assets are derecognized or impaired. Assets in this category include cash, and trade and other receivables that are classified as current assets in the consolidated statements of financial position.

b) Financial assets measured at fair value

Financial assets not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss in the consolidated statements of net earnings and comprehensive income. Derivatives, other than those designated as effective hedging instruments, are included in this category. Keyera has not designated any derivative instruments as hedges.

These assets are carried on the consolidated statements of financial position at fair value with gains or losses recognized in the consolidated statements of net earnings and comprehensive income in the period in which they arise. The estimated fair value of assets and liabilities classified as fair value through profit or loss in the consolidated statements of net earnings and comprehensive income is determined by reference to observable market data, including commodity price curves, foreign currency curves and credit spreads. Transaction costs are charged to the consolidated statements of net earnings and comprehensive income as incurred.

Impairment of financial assets

Keyera assesses at each statement of financial position date whether there is objective evidence that a financial asset is impaired based on expected credit loss information. Impairments arising from expected credit losses are recognized in the consolidated statements of net earnings and comprehensive income.

Financial liabilities

Financial liabilities consist of bank indebtedness, derivative financial instruments, trade and other payables, dividends payable, current and long-term lease liabilities, credit facilities, current and long-term debt, and certain other long-term liabilities.

a) Financial liabilities measured at fair value through profit or loss

Derivatives are included in this category. These liabilities are carried on the consolidated statements of financial position at fair value with gains or losses recognized in the consolidated statements of net earnings and comprehensive income in the period in which they arise. Keyera has not designated any derivative instruments as hedges. Transaction costs are charged to the consolidated statements of net earnings and comprehensive income as incurred.

b) Financial liabilities measured at amortized cost

If a financial liability is not measured at fair value through profit or loss, it is measured at amortized cost. For interest bearing debt, this is the fair value of the proceeds received net of transaction costs associated with the borrowing. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any transaction costs, and any discount or premium on settlement. Keyera has classified bank indebtedness, current and long-term debt, credit facilities, trade and other payables, dividends payable and finance lease liabilities in this category.

Derivatives and embedded derivatives

Derivative instruments include financial contracts that derive their value from underlying changes in interest rates, foreign exchange rates, credit spreads, commodity prices, equities or other financial measures. Keyera uses derivative instruments such as commodity price swaps (NGLs, crude oil, natural gas, motor gasoline), electricity price swaps, solar power purchase agreements, foreign exchange forward contracts, and cross-currency swaps to manage its risks.

Natural gas, NGL and crude oil contracts that require physical delivery at fixed prices and do not meet Keyera's expected purchase, sale or usage requirements are accounted for as derivative instruments.

Derivative instruments are recorded on the consolidated statements of financial position at fair value. Changes in the fair value of derivatives are recognized in the consolidated statements of net earnings and comprehensive income in the period in which they arise and are included in Marketing revenues, Liquids Infrastructure operating expenses, Gathering and Processing revenues and operating expenses, Corporate and Other operating expenses and foreign currency gain (loss) on U.S. debt and other. The grouping of these gains and losses in the consolidated statements of net earnings and comprehensive income is consistent with the underlying nature and purpose of the derivative instruments (see note 23).

Derivatives may include those derivatives that are embedded in financial or non-financial contracts that are not closely related to the host contracts. For embedded derivatives within a financial asset host contract, the embedded derivative is not separated from the host contract and instead, the whole contract is accounted for as a single instrument. For embedded derivatives within a financial liability host contract, the embedded derivative is separated from the host contract and accounted for as a derivative instrument.

Provisions

Provisions are recognized when Keyera has a present obligation (legal or constructive) as a result of a past event, it is probable that Keyera will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning Liability

Liabilities for decommissioning costs are recognized for the reclamation of Keyera's facilities at the end of their economic life. Any change in the present value, as a result of a change in discount rate or expected future costs, of the estimated obligation is reflected as an adjustment to the provision and the corresponding item of property, plant and equipment. Keyera's discount rate is a credit-adjusted risk-free rate based on the Government of Canada's benchmark long-term bond yield. The liability for decommissioning costs is increased each period through the unwinding of the discount, which is included in finance costs in the consolidated statements of net earnings and comprehensive income. Actual expenditures incurred are charged against the decommissioning liability.

Taxation

Income tax expense represents the sum of current and deferred tax. Tax is recognized in the consolidated statements of net earnings and comprehensive income except to the extent it relates to items recognized in other comprehensive income or directly in equity.

a) Current tax

The tax currently payable is based on taxable profit for the year. Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period.

b) Deferred tax

Deferred tax is recognized using the liability method on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts on the consolidated statements of financial position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences;
- are not recognized for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets:

- are recognized to the extent it is probable that taxable income will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Keyera intends to settle its current tax assets and liabilities on a net basis.

Leases

Lease identification and initial measurement

Lessee lease arrangements are identified whenever the contract terms provide Keyera with the right to control the use of an identified asset for a period of time in exchange for consideration. Leases are recognized at the commencement of the lease, which is the date that the underlying asset is made available for use, by recording a lease liability and a corresponding right-of-use asset. The lease liability is initially recognized at the present value of the minimum lease payments that have not been paid at that date.

Variable lease payments that are dependent on future performance or use of the underlying asset are excluded from the measurement of the lease liability and instead are recognized in the consolidated statements of net earnings and comprehensive income in the period that such payments are incurred.

Minimum lease payments are discounted using Keyera's weighted average incremental borrowing rate when the rate implicit in the lease is not readily determinable. Individual weighted average incremental borrowing rates are calculated for lease payments denominated in Canadian dollars and U.S. dollars.

The right-of-use asset is initially measured at cost. Prepaid lease assets include long-term arrangements which provide Keyera with the exclusive use of an asset over a specified period time, whereby Keyera has fully reimbursed the construction of such assets upon the commencement of initial operations. Since the investment is paid in advance, a prepaid lease asset is recorded without the recognition of a corresponding lease liability.

Subsequent measurement – lease liabilities

Subsequent to initial measurement, lease payments are allocated to: i) interest expense on the lease liability, and ii) repayment of the carrying value of the lease liability. The interest expense in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability and is included in finance costs in the consolidated statements of net earnings and comprehensive income. If there is a change in future lease payments resulting from a change in an index or rate used to determine the payments, the lease liability is remeasured to reflect such changes. For lease payments denominated in U.S. dollars, the lease liability is remeasured to reflect the applicable foreign exchange rate at each reporting period, with the offset recognized in the consolidated statements of net earnings and comprehensive income.

Subsequent measurement – right-of-use assets

If the lease term reflects that Keyera will exercise a purchase option, the right-of-use asset is depreciated from the lease commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the earlier of the end of the useful life of the underlying asset or to the end of the lease term. For prepaid lease assets, the right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the end of the agreement term.

Impairment – right-of-use assets

Similar to property plant and equipment, right-of-use assets are subject to the impairment requirements of *IAS 36, Impairment of Assets*. Keyera assesses right-of-use assets for impairment whenever events or changes in circumstances indicate that the carrying value of the right-of-use asset may not be recoverable. A right-of-use asset may be assessed for impairment individually, or as part of a cash-generating unit ("CGU") if the cash flows related to the lease are not independent from the cash flows of the CGU. An impairment loss is recognized immediately in the consolidated statements of net earnings and comprehensive income for the amount that the right-of-use asset's carrying amount exceeds its recoverable amount.

Earnings per share

Basic earnings per share are calculated by dividing net earnings by the weighted average number of shares outstanding during the period. For the calculation of the weighted average number, shares are determined to be outstanding from the date they are issued. Diluted earnings per share are calculated by adding the weighted average number of shares outstanding during the period to the additional shares that would have been outstanding if potentially dilutive shares had been issued as a result of any convertible debentures outstanding, using the "if converted" method.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of Keyera's accounting policies, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

The most significant estimates and judgments contained in the consolidated financial statements are described below:

Allowance for expected credit losses

Keyera provides services and sells NGLs and iso-octane to a number of counterparties on credit terms. The allowance for credit losses is reviewed on a monthly basis. An assessment is made whether an account is deemed impaired based on expected credit losses, which includes the number of days outstanding and the likelihood of collection from the counterparty.

Depreciation of property, plant and equipment and amortization of intangible assets

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

Depreciation methods, useful lives and residual values are reviewed on an annual basis and, if necessary, any changes are accounted for prospectively.

Fair value estimates of property, plant and equipment

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

Impairment of property, plant and equipment

In determining the recoverable amount of assets, in the absence of quoted market prices, estimates are made regarding the present value of future cash flows. Future cash flow estimates are based on a number of factors, including future production profiles and reserves for surrounding wells, commodity prices and costs. Estimates are also made in determining the discount rate used to calculate the present value of future cash flows.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGU and the discount rate in order to calculate present value. The determination of CGUs is subject to management's judgment.

Derivative financial instruments

Keyera utilizes derivative financial instruments to manage its exposure to market risks relating to commodity prices and foreign currency exchange rates. Fair values of derivative contracts fluctuate depending on the underlying estimates of future commodity prices or foreign currency exchange rates. The estimated fair value of all derivative financial instruments is based on observable market data, including commodity price curves, foreign currency curves and credit spreads.

Long-term incentive plan liability

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

Decommissioning liabilities

Keyera estimates future site restoration costs for its gathering and processing, fractionation, iso-octane and storage facilities, pipelines and terminals. The ultimate costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other processing sites.

Deferred tax assets and liabilities

Deferred tax assets and liabilities require management's judgment in determining the amounts to be recognized. In particular, judgment is used when assessing the extent to which deferred tax assets should be recognized with consideration given to the timing and level of future taxable income. To the extent estimates differ from the final tax return, earnings would be affected in a subsequent period.

Leases

To account for Keyera's lease obligations, the following significant judgments and estimates are utilized which affect the valuation of the lease liabilities and the right-of-use assets:

a) Determination of lease term

In determining lease term, management must consider all relevant facts and circumstances that create an economic incentive for Keyera, and as a result, make it reasonably certain, that Keyera will exercise a lease extension option or not exercise a termination option. Upon the occurrence of a significant event or change in circumstances, Keyera reviews its assessment and if required, revises the lease term.

b) Estimation uncertainty arising from variable lease payments

Some of Keyera's lessee lease contracts contain lease payments that are only payable if certain options are elected under the arrangement. In these scenarios, there is more than one set of payments that Keyera can be expected to make: (i) $nil if the option is not elected, or (ii) the fixed payment outlined in the arrangement if the option is elected. As a result, these payments are only included in the measurement of the lease liability when they become in-substance fixed lease payments, which is if and when the variability associated with electing the option is resolved.

Revenue recognition

To determine the timing and amount of revenue recognition, management must utilize significant judgments and estimates, which include: (i) the nature and type of performance obligations under contract, (ii) the timing of when such performance obligations have been satisfied, (iii) the amount of any variable consideration associated with a revenue contract and whether such consideration is constrained or not reasonably estimable, (iv) the contract term, and (v) the likelihood that customers will have the ability to exercise any make-up rights that have accumulated before they expire.

Operating revenues and operating expenses

a) Gathering and Processing and Liquids Infrastructure

Each month, actual volumes processed and fees earned from the Gathering and Processing and Liquids Infrastructure assets are not known until the following month. In addition, the period in which invoices are rendered for the supply of goods and services necessary for the operation of the Gathering and Processing and Liquids Infrastructure assets is generally later than the period in which the goods or services were provided. Estimates of one month's revenue and one month's operating costs are recorded in the consolidated financial statements based upon a review of historical trends that is adjusted for events that are known to have a significant effect on the month's operations.

b) Marketing

Marketing sales revenue is recorded based on actual volumes and prices. However, in many cases actual volumes have not yet been confirmed and sales prices that are dependent on other variables are not yet known. In addition, the majority of NGL supply purchases are estimated each month as actual volume information is not available until the following month. At the end of the period, estimates for sales and purchases are recorded in the consolidated financial statements. Estimates are prepared based on contracted volumes and known events.

Equalization adjustments

Much of the revenue from the Gathering and Processing segment includes a recovery of operating costs. Users of each facility are charged a per unit fee based upon estimated costs and throughput, with an adjustment to actual throughput completed after the end of the year. On a quarterly basis, throughput volumes and operating costs are reviewed and adjustments are made to revenue and operating expenses based on actual operating costs incurred to date.

5. FUTURE ACCOUNTING PRONOUNCEMENTS

In 2024, the Canadian Accounting Standards Board endorsed IFRS 18, *Presentation and Disclosure in Financial Statements,* issued by the IASB. 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.

6. TRADE AND OTHER RECEIVABLES

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Trade and other receivables	656,638	644,350
Allowance for expected credit losses:		
Beginning of the year	(4,241)	(4,241)
Impairment losses – trade receivables	—	—
End of the year	(4,241)	(4,241)
Total trade and other receivables	652,397	640,109

Trade and other receivables are non-interest bearing and are generally on 5 to 30 day terms which are classified as neither past due or impaired in the aging analysis below.

Aging of receivables that are not impaired

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Neither past due or impaired	639,305	621,354
Past due 31 to 60 days	6,811	5,768
Past due over 60 days	6,281	12,987
Total trade and other receivables	652,397	640,109

7. INVENTORY

The total carrying amount and classification of inventory was:

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
NGLs and iso-octane	172,625	249,388
Other	33,866	20,837
Total inventory	206,491	270,225

For the year ended December 31, 2025, $169,832 of inventory was carried at cost (2024 – $270,225) and $36,659 was carried at net realizable value (2024 – $nil).

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

During the year, inventory write-downs of $5,251 were recorded to adjust the carrying amount of inventory to net realizable value (2024 – $nil). The cost of inventory expensed for the year ended December 31, 2025 was $4,635,657 (2024 – $4,946,380).

8. OTHER ASSETS

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Prepaid deposits	38,626	1,580
Other	6,484	7,897
Total other assets	45,110	9,477

9. PROPERTY, PLANT, AND EQUIPMENT

Cost *(Thousands of Canadian dollars)*	General plant & processing equipment	Other properties & equipment	Turnarounds	Land & linefill	Total
As at December 31, 2023	9,988,935	291,670	464,558	188,942	10,934,105
Additions	139,810	31,090	81,963	226	253,089
Disposals and other	(43,755)	(3,702)	(30,155)	(1,083)	(78,695)
Decommissioning asset	594	—	—	—	594
Foreign currency translation	11,906	515	—	229	12,650
As at December 31, 2024	10,097,490	319,573	516,366	188,314	11,121,743
Additions	436,319	39,515	12,782	6,475	495,091
Decommissioning asset	6,653	—	—	—	6,653
Foreign currency translation	(7,241)	(311)	—	(132)	(7,684)
As at December 31, 2025	10,533,221	358,777	529,148	194,657	11,615,803

Accumulated depreciation, amortization and impairment *(Thousands of Canadian dollars)*	General plant & processing equipment	Other properties & equipment	Turnarounds	Land & linefill	Total
As at December 31, 2023	(3,135,364)	(188,111)	(344,845)	(5,306)	(3,673,626)
Impairment expense	(3,397)	—	—	—	(3,397)
Depreciation and amortization expenses	(232,331)	(22,291)	(45,159)	—	(299,781)
Disposals and other	62,353	1,679	19,349	—	83,381
Foreign currency translation	(3,893)	(314)	—	—	(4,207)
As at December 31, 2024	(3,312,632)	(209,037)	(370,655)	(5,306)	(3,897,630)
Depreciation and amortization expenses	(245,338)	(23,271)	(52,975)	—	(321,584)
Foreign currency translation	2,081	134	—	—	2,215
As at December 31, 2025	(3,555,889)	(232,174)	(423,630)	(5,306)	(4,216,999)

Carrying value *(Thousands of Canadian dollars)*	General plant & processing equipment	Other properties & equipment	Turnarounds	Land & linefill	Total
As at December 31, 2023	6,853,571	103,559	119,713	183,636	7,260,479
As at December 31, 2024	6,784,858	110,536	145,711	183,008	7,224,113
As at December 31, 2025	6,977,332	126,603	105,518	189,351	7,398,804

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Property, plant and equipment under construction included in carrying value *(Thousands of Canadian dollars)*	Cost
As at December 31, 2024	121,308
As at December 31, 2025	**474,994**

Acquisition of property, plant and equipment

Keyera completed the following acquisitions in 2025:

- Effective December 18, a 50.1% working interest in two gas plants and associated infrastructure in the Simonette area for $200,000 cash consideration. A decommissioning liability of $623 was recorded as part of the transaction.
- The purchase of the Sherwood Park office building that was previously under lease and associated land for a total cost of $12,567.

Disposal of property, plant and equipment

For the year ended December 31, 2024, Keyera completed the disposition of its ownership interest in the following assets:

(Thousands of Canadian dollars)	Date of disposition	% ownership interest	Net proceeds[1]	Gain/(loss) recorded[2]
Edson gas plant *(non-operated)*	March 28, 2024	22%	35	(4,093)
Pembina North gas plant	May 8, 2024	100%	979	4,264
Zeta Creek gas plant	November 12, 2024	60%	4,676	3,516
Caribou gas plant	December 6, 2024	100%	15	7,990
Total			**5,705**	**11,677**

Notes:

1 Net proceeds after closing adjustments.

2 Includes the following assumed decommissioning liabilities: Edson - $2,576, Pembina North - $3,285, Zeta Creek - $812 and Caribou - $7,990.

2025 Impairment expense

For the year ended December 31, 2025, Keyera did not record any impairment expenses or impairment reversals for previously recorded impairment expenses.

2024 Impairment expense

For the year ended December 31, 2024, Keyera recorded $3,397 in impairment expense related to insignificant assets and cancelled projects included in the Liquids Infrastructure and Gathering and Processing segments.

For the year ended December 31, 2024, Keyera did not record any impairment reversals for previously recorded impairment expenses.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

10. PLAINS ACQUISITION AND SUBSCRIPTION RECEIPT OFFERING

On June 17, 2025, Keyera announced that it had entered into a definitive agreement to acquire substantially all of Plains Midstream Canada ULC's Canadian natural gas liquids business, plus select U.S. assets (the "Acquisition"), pursuant to a share price agreement between Keyera and Plains Midstream Luxembourg S.A.R.L, for total cash consideration of $5.15 billion, subject to adjustments. The Acquisition is expected to close around the end of the first quarter of 2026 and is subject to the satisfaction or waiver of customary closing conditions, including clearance under the *Competition Act* (Canada) and other applicable regulatory reviews.

At the time of announcement, Keyera obtained fully committed financing to fund the entire $5.15 billion purchase price through an acquisition credit facility in place with the Royal Bank of Canada and a syndicate of other lenders, and a bought deal equity offering of subscription receipts, as described in more detail below. The remainder of the purchase price was funded through the issuance of debt securities and bank facilities of various tenors. As described in note 14, on September 29, 2025, Keyera issued the aggregate principal amounts of $2.3 billion of senior unsecured notes and $500 million of fixed-to-fixed rate subordinated notes. The acquisition credit facility that was secured for interim financing of the Acquisition was cancelled on September 29, 2025, upon being replaced by the issuance of these notes.

On June 20, 2025, Keyera completed a bought deal offering in Canada of subscription receipts (the "Subscription Receipt Offering" or "Offering"), whereby Keyera issued 52,874,700 subscription receipts (including 6,896,700 subscription receipts pursuant to the exercise in full by the underwriters for the Subscription Receipt Offering of the over-allotment that was granted). The subscription receipts were issued at a price of $39.15 per subscription receipt, for total gross proceeds of approximately $2.07 billion. The net proceeds of the Offering (gross proceeds from the sale of the subscription receipts, less 50% of the underwriters' fees, together with any interest and other income received or credited thereon) will be held in escrow (the "Escrowed Funds") and are expected to be used to finance a portion of the purchase price of the Acquisition.

The subscription receipts entitle the holder thereof to receive:

i) one common share of Keyera upon closing of the Acquisition, without payment of any additional consideration or further action on the part of the holder; and
ii) while the subscription receipts remain outstanding, cash payments that are equal to dividends declared by Keyera on each common share, net of any applicable withholding taxes ("Dividend Equivalent Payments").

The Dividend Equivalent Payments will have the same record date and payment date as the related common share dividends. The Dividend Equivalent Payments will be paid first out of any interest on the Escrowed Funds, and then out of the Escrowed Funds.

If the escrow release notice and direction is not delivered to the Subscription Receipt Agent prior to the June 30, 2026 deadline (5:00 p.m. MST), the Acquisition Agreement is terminated, or Keyera announces that it does not intend to proceed with the Acquisition, a termination payment equal to the Offering Price of such holder's subscription receipts, plus any unpaid Dividend Equivalent Payments owing to such holder will be paid. If no Dividend Equivalent Payment has been paid or is payable in respect of the subscription receipts at any time following their issuance, such holder's proportionate share of any interest and other income received or credited on the investment of the Escrowed Funds between the closing of the Offering and the Termination Date will be paid.

The subscription receipt arrangement creates the following separate financial instruments, which have been recorded on the consolidated statement of financial position:

i) **Subscription receipt proceeds held in escrow** – a financial asset (non-cash), recorded net of the underwriters' fees and interest earned on the subscription receipt proceeds held in escrow, representing the proceeds that Keyera expects to receive upon the closing of the Acquisition; and

ii) **Subscription receipts obligation** – a financial liability representing Keyera's obligation to reimburse the holders of the subscription receipts, pursuant to the subscription receipt agreement.

The offsetting amounts for the underwriters' fees and prepaid share issuance costs recognized to date have been recorded in other assets on the consolidated statement of financial position.

For the year ended December 31, 2025, the following amounts were recognized in finance costs on the consolidated statement of net earnings and comprehensive income:

Financing costs – subscription receipt arrangement *(Thousands of Canadian dollars)*	2025
Interest income earned on the Escrowed Funds	(30,774)
Dividend equivalent payments	57,105
Net financing charge	26,331

The offsetting amounts for the underwriters' fees and prepaid share issuance costs recognized to date have been recorded in other assets on the consolidated statement of financial position.

For the year ended December 31, 2025, acquisition and integration costs of $28,972 were recognized in the consolidated statement of net earnings and comprehensive income.

11. RIGHT-OF-USE ASSETS

Cost *(Thousands of Canadian dollars)*	Rail Cars	Pipeline Transportation	Real Estate	Prepaid Lease Asset	Other	Total
As at December 31, 2023	**337,081**	**44,669**	**17,968**	**59,612**	**2,115**	**461,445**
Additions and adjustments	26,883	—	—	—	—	26,883
As at December 31, 2024	**363,964**	**44,669**	**17,968**	**59,612**	**2,115**	**488,328**
Additions and adjustments	5,995	—	—	—	—	5,995
Leased asset purchase	—	—	(6,987)	—	—	(6,987)
As at December 31, 2025	**369,959**	**44,669**	**10,981**	**59,612**	**2,115**	**487,336**

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Accumulated depreciation *(Thousands of Canadian dollars)*	Rail Cars	Pipeline Transportation	Real Estate	Prepaid Lease Asset	Other	Total
As at December 31, 2023	**(201,634)**	**(8,935)**	**(8,627)**	**(7,564)**	**(964)**	**(227,724)**
Depreciation expense	(38,305)	(1,787)	(1,838)	(2,380)	(195)	(44,505)
As at December 31, 2024	**(239,939)**	**(10,722)**	**(10,465)**	**(9,944)**	**(1,159)**	**(272,229)**
Depreciation expense	(39,380)	(1,787)	(1,370)	(2,380)	(195)	(45,112)
Leased asset purchase	—	—	3,978	—	—	3,978
As at December 31, 2025	(279,319)	(12,509)	(7,857)	(12,324)	(1,354)	(313,363)

Carrying value *(Thousands of Canadian dollars)*	Rail Cars	Pipeline Transportation	Real Estate	Prepaid Lease Asset	Other	Total
As at December 31, 2023	135,447	35,734	9,341	52,048	1,151	233,721
As at December 31, 2024	124,025	33,947	7,503	49,668	956	216,099
As at December 31, 2025	**90,640**	**32,160**	**3,124**	**47,288**	**761**	**173,973**

12. GOODWILL

Allocation of goodwill to cash-generating units

For the purpose of impairment testing, goodwill is allocated to Keyera's CGUs which represent the lowest level within Keyera at which the goodwill is monitored for internal management purposes. As at December 31, 2025 and 2024, the entire goodwill balance of $32,015 was included in the Canada Liquids Infrastructure CGU.

Impairment test of goodwill

Keyera performed its annual tests for goodwill impairment on December 31, 2025 and 2024 in accordance with its policy described in note 3. The recoverable amount for this CGU was determined based on a value in use calculation, using a discount rate of 13%.

For the years ended December 31, 2025 and 2024, no impairment of goodwill was recorded.

13. TRADE AND OTHER PAYABLES, AND PROVISIONS

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Trade and accrued payables	**523,541**	582,971
Other payables	**66,439**	33,905
Current portion of long-term incentive plan	**41,224**	39,875
Current income taxes payable	**—**	105,058
Total trade and other payables, and provisions	**631,204**	761,809

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

14. LONG-TERM DEBT

The following is a summary of Keyera's current and long-term debt. The fair value of long-term debt is based on third-party estimates for similar issues or current rates offered to Keyera for debt of the same maturity. The fair value of Keyera's senior unsecured notes at December 31, 2025 and 2024, as noted below, was determined by reference to valuation inputs under Level 2 of the fair value hierarchy as referenced in note 23.

			(Thousands of Canadian dollars)	
As at December 31, 2025	Effective Interest Rate	Notes	Carrying Value	Fair Value
Bank credit facilities	4.95%	(a)	—	—
Total credit facilities			—	—
Canadian dollar denominated debt				
Senior unsecured notes:				
4.15% due June 16, 2026	4.19%		30,000	30,000
3.96% due October 13, 2026	4.01%		200,000	200,300
3.68% due September 20, 2027	3.72%		400,000	399,300
5.09% due October 10, 2028	5.10%		100,000	103,100
4.11% due October 13, 2028	4.16%		100,000	100,500
5.34% due April 8, 2029	5.38%		75,000	78,300
3.70% due October 15, 2030	3.89%	(b)	500,000	497,500
4.20% due April 15, 2033	4.33%	(b)	600,000	594,500
4.57% due October 15, 2035	4.67%	(b)	500,000	497,200
5.31% due October 15, 2055	5.35%	(b)	700,000	693,200
			3,205,000	3,193,900
Senior unsecured medium-term notes:				
3.93% due June 21, 2028	4.00%		400,000	405,400
3.96% due May 29, 2030	4.02%		400,000	403,400
5.02% due March 28, 2032	5.08%		400,000	417,800
5.66% due January 4, 2054	5.69%	(c)	250,000	260,300
Subordinated hybrid notes:				
6.00% due October 15, 2055	6.05%	(b)	500,000	501,900
6.88% due June 13, 2079	6.89%		600,000	639,000
5.95% due March 10, 2081	5.97%		350,000	361,400
			6,105,000	6,183,100
U.S. dollar denominated debt				
Senior unsecured notes:				
4.95% due November 20, 2028 (US$65,000)	4.99%		89,144	89,600
Less: Issuance costs			(47,056)	—
Less: Current portion of long-term debt			(230,000)	(230,300)
Total long-term debt			**5,917,088**	**6,042,400**

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

As at December 31, 2024	Effective Interest Rate	Notes	Carrying Value	Fair Value
			(Thousands of Canadian dollars)	
Bank credit facilities	5.95%	(a)	—	—
Total credit facilities			—	—
Canadian dollar denominated debt				
Senior unsecured notes:				
4.92% due October 10, 2025	4.94%		100,000	100,500
5.05% due November 20, 2025	5.14%		20,000	20,100
4.15% due June 16, 2026	4.19%		30,000	30,000
3.96% due October 13, 2026	4.01%		200,000	199,500
3.68% due September 20, 2027	3.72%		400,000	395,700
5.09% due October 10, 2028	5.10%		100,000	103,000
4.11% due October 13, 2028	4.16%		100,000	99,600
5.34% due April 8, 2029	5.38%		75,000	78,300
			1,025,000	1,026,700
Senior unsecured medium-term notes:				
3.93% due June 21, 2028	4.00%		400,000	401,800
3.96% due May 29, 2030	4.02%		400,000	398,600
5.02% due March 28, 2032	5.08%		400,000	418,100
5.66% due January 4, 2054	5.69%	(c)	250,000	268,500
Subordinated hybrid notes:				
6.88% due June 13, 2079	6.89%		600,000	627,000
5.95% due March 10, 2081	5.97%		350,000	352,200
			3,425,000	3,492,900
U.S. dollar denominated debt				
Senior unsecured notes:				
4.75% due November 20, 2025 (US$140,000)	4.81%		201,663	200,300
4.95% due November 20, 2028 (US$65,000)	4.99%		93,629	91,300
			295,292	291,600
Less: Issuance costs			(19,131)	—
Less: Current portion of long-term debt			(321,663)	(320,900)
Total long-term debt			**3,379,498**	**3,463,600**

(a) The Partnership has an unsecured revolving credit facility ("Credit Facility") with a syndicate of six lenders under which it can borrow up to $1,500,000 with the potential to increase this limit to $2,500,000 subject to certain conditions. In December 2025, the Credit Facility was amended to: i) extend the term from December 6, 2029 to December 6, 2030, and ii) increase the total potential commitment limit from $2,000,000 to $2,500,000. As at December 31, 2025, $nil was drawn under this facility (2024 – $nil).

Financing costs of less than $1,000 were incurred upon the renewal and extension of the Credit Facility and have been deferred and are amortized using the effective interest method over the remaining term of the Credit Facility.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Keyera also has two unsecured revolving demand facilities, one with the Toronto Dominion Bank in the amount of $50,000 and the other with the Royal Bank of Canada in the amount of $75,000. 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. As at December 31, 2025, outstanding letters of credit issued were $2,748 (2024 – $5,471).

(b) On September 29, 2025, Keyera issued the aggregate principal amounts of $2,300,000 of senior unsecured notes (the "Senior Notes") and $500,000 of fixed-to-fixed rate subordinated notes (the "Hybrid Notes" and together with the Senior Notes, the "Notes"), with the following terms:

	Principal	Interest Rate	Maturity Date	Associated Financing Costs
Senior unsecured notes – Series 5	$500,000	3.702%	October 15, 2030	4,683
Senior unsecured notes – Series 6	$600,000	4.204%	April 15, 2033	5,737
Senior unsecured notes – Series 7	$500,000	4.569%	October 15, 2035	4,933
Senior unsecured notes – Series 8	$700,000	5.309%	October 15, 2055	7,608
Fixed-to-fixed rate subordinated notes	$500,000	6.000%	October 15, 2055	7,120

Interest on the Notes is payable semi-annually. The aggregate associated financing costs of $30,081 have been deferred and are amortized using the effective interest method over the remaining terms of the respective debt.

The net proceeds from the issuance of the Notes, together with the proceeds from the subscription receipt offering that occurred during the second quarter of 2025, will be used to fund a portion of the purchase price of the Plains acquisition. The remaining balance, if any, will be used for general corporate purposes.

If the Plains acquisition does not occur prior to the June 30, 2026 deadline (5:00 p.m. MST), the Acquisition Agreement is terminated, or Keyera announces that it does not intend to proceed with the acquisition, the Notes will be subject to a special mandatory redemption at a price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to the date of such special mandatory redemption.

(c) On January 4, 2024, Keyera closed a public note offering of $250,000, 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.

The associated financing costs of $1,926 have been deferred and are amortized using the effective interest method over the remaining term of the debt.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Arranged Sources of Financing Not Yet Effective

In December 2025, Keyera executed the following arrangements which become effective on the closing date of the Plains Acquisition. These arrangements are subject to compliance with covenants that are similar to the main facility. The proceeds of the arrangements will be used to finance a portion of the Plains acquisition and related transaction costs.

- **Revolving Credit Facility Amendment** – Keyera amended its revolving Credit Facility, increasing the amount it can borrow from $1,500,000 to $2,000,000, with the potential to increase that limit to $2,500,000. The amendment also increased the syndicate from six to seven lenders. The facility's other terms and covenants remain substantially unchanged.

- **Term Loan Credit Facility** – Keyera entered into a non-revolving term loan facility with the same syndicate of seven lenders as the revolving credit facility amendment, which allows for committed financing of up to $850,000 as a one-time drawn amount. The term of the facility is three years and commences on the day it is funded. The amount to be drawn on the facility can be decided prior to the close date of the Plains Acquisition and is repayable at any time; however, once repaid, the facility cannot be re-drawn. Similar to the main facility, borrowings are available in Canadian or U.S. dollar prime commercial loans, U.S. base rate loans, CORRA loans or SOFR loans.

15. DECOMMISSIONING LIABILITY

Keyera estimates the future costs of decommissioning for its gathering and processing, fractionation, iso-octane and storage facilities, pipelines and terminals on a discounted basis upon acquisition or installation of these assets. The total undiscounted amount of cash flows required to settle the decommissioning liability is $1,317,604 (2024 – $1,329,932) which has been discounted using a credit-adjusted risk-free rate of 5.4% (2024 – 5.3%). The majority of these costs are expected to be incurred over the next 25 to 60 years. While the provision is based on the best estimate of future costs and the economic lives of the facilities and pipelines, there is uncertainty regarding the amount and timing of these costs. No assets have been legally restricted for settlement of the liability.

The following is a reconciliation of the beginning and ending carrying amounts of the obligation associated with the decommissioning of Keyera's assets:

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Decommissioning liability – beginning of the year	**243,506**	238,804
Liabilities acquired	**623**	—
Liabilities disposed	**—**	(14,663)
Liabilities settled	**(13,026)**	(7,700)
Change in estimated cash flows and additions	**12,499**	487
Change in discount rate	**(6,344)**	18,575
Change in estimated timing of settlement	**(125)**	(5,480)
Unwinding of discount included in finance costs	**12,878**	13,085
Foreign currency translation	**(267)**	398
Decommissioning liability – end of the year	**249,744**	243,506

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Current portion of decommissioning liability	**14,956**	16,823
Long-term portion of decommissioning liability	**234,788**	226,683
Decommissioning liability – end of the year	**249,744**	243,506

The following table summarizes the sensitivity of the estimate of future costs associated with Keyera's decommissioning provision to fluctuations in the credit-adjusted risk-free rate:

As at December 31, 2025 *(Thousands of Canadian dollars)*	Impact on decommissioning liability provision *Increase / (Decrease)*
+1% credit-adjusted risk-free rate	(53,322)
-1% credit adjusted risk-free rate	74,329

16. LEASE LIABILITIES

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Lease liabilities – beginning of the year	**199,371**	203,508
Additions	**5,995**	26,883
Interest on leases	**8,189**	9,434
Lease payments	**(55,438)**	(52,804)
Leased asset purchase *(note 9)*	**(3,008)**	—
Foreign exchange re-measurement and other	**(5,893)**	12,350
Lease liabilities – end of the year	**149,216**	199,371

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Current portion of lease liabilities	**39,374**	48,661
Long-term portion of lease liabilities	**109,842**	150,710
Lease liabilities – end of the year	**149,216**	199,371

Keyera's most significant lease payments are incurred for rail car, pipeline transportation and real estate arrangements. The longest initial lease term for Keyera's lease contracts is 15 years. For certain lease arrangements, Keyera has the option to extend the lease for additional terms, up to 5 years each. As at December 31, 2025 and 2024, the incremental borrowing rates used to measure lease liabilities was 3.9% for Canadian dollar denominated leases, and between 4.2% and 6.9% for U.S. dollar denominated leases.

Total lease payments expensed *(Thousands of Canadian dollars)*	2025	2024
Variable lease payments	**3,452**	4,012
Low-value leases	**3,691**	2,769
Total lease payments expensed	**7,143**	6,781

The variable lease payments primarily relate to operating expenses and property taxes for real estate contracts and ancillary costs associated with the rail car leases.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

17. OTHER LONG-TERM LIABILITIES

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Long-term incentive plan	14,818	28,406
Other liabilities	4,328	4,741
Total other long-term liabilities	19,146	33,147

18. INCOME TAXES

The components of the income tax expense were:

(Thousands of Canadian dollars)	2025	2024
Current income taxes		
Current income tax charge	82,606	106,278
Adjustments with respect to current income tax of previous year	236	(1,310)
Current income tax expense	82,842	104,968
Deferred income taxes		
Related to the origination and reversal of temporary differences	54,380	41,725
Adjustments to the opening deferred tax balances	(558)	1,797
Deferred income tax expense	53,822	43,522
Total income tax expense	136,664	148,490

The following is a reconciliation of income taxes, calculated at the combined federal and provincial income tax rate, to the income tax provision included in the consolidated statements of net earnings and comprehensive income.

Reconciliation of income taxes to the income tax provision *(Thousands of Canadian dollars)*	2025	2024
Earnings before income tax	568,999	635,118
Income tax at statutory rate of 23.00% (2024 – 23.00%)	130,870	146,077
Subscription receipts	6,056	—
Valuation allowances	(561)	(378)
Permanent differences	596	1,185
Tax rate differences and adjustments	18	1,290
Adjustments to tax pool balances	(315)	316
Total income tax expense	136,664	148,490

Deferred tax balances

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Deferred tax assets	74,502	80,345
Deferred tax liabilities	(986,888)	(935,239)
Net deferred tax liabilities	(912,386)	(854,894)

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

The deferred tax (liabilities) assets relate to losses and to the (taxable) deductible temporary differences in the carrying values and tax bases as follows:

(Thousands of Canadian dollars)	Consolidated Statements of Financial Position as at December 31, 2025	2024	Consolidated Statements of Net Earnings for the years ended December 31, 2025	2024
Property, plant and equipment	**(1,049,775)**	(1,018,519)	**29,611**	61,097
Intangible assets	**419**	2,153	**1,524**	186
Lease liabilities	**34,478**	46,095	**11,482**	920
Non-capital losses	**33,299**	32,822	**(1,994)**	4,118
Decommissioning liability	**57,504**	56,062	**(1,505)**	(981)
Other	**11,689**	26,493	**14,704**	(21,818)
Net deferred tax liabilities	**(912,386)**	(854,894)		
Deferred income tax expense			**53,822**	43,522

Reconciliation of net deferred tax liabilities

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Net deferred tax liabilities – beginning of the year	**(854,894)**	(817,987)
Income tax expense recognized in net earnings	**(53,822)**	(43,522)
Revaluation of foreign net deferred tax liabilities	**(3,670)**	6,615
Net deferred tax liabilities – end of the year	**(912,386)**	(854,894)

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The ability to realize the tax benefits of these losses is dependent upon a number of factors, including the future profitability of operations in the jurisdictions in which the tax losses arose.

As at December 31, 2025, Keyera and its subsidiaries have non-capital losses carried forward of $137,949 (2024 – $137,030) which are available to offset income of specific entities of the consolidated group in future periods. The amount of unrecognized net capital losses and other assets as at December 31, 2025 was $967 (2024 – $3,969).

19. SHARE CAPITAL

	Number of Common Shares	*(Thousands of Canadian dollars)* Share Capital
Balance at December 31, 2023	229,153,373	3,372,561
Balance at December 31, 2024	229,153,373	3,372,561
Common shares issued	129,445	5,534
Balance at December 31, 2025	**229,282,818**	**3,378,095**

For the year ended December 31, 2025, dividends declared totaled $485,945 or $2.12 per common share (2024 – $467,473 or $2.04 per common share).

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

During the year, 129,445 common shares were issued from treasury at a value of $42.75 per share to satisfy the remaining 2025 Long-Term Incentive Plan ("LTIP") share settlement obligation. Refer to note 22 for additional details regarding Keyera's LTIP.

Normal Course Issuer Bid

On November 28, 2024, the Toronto Stock Exchange ("TSX") accepted a notice of intention filed by Keyera to implement a Normal Course Issuer Bid ("NCIB") with respect to Keyera's issued and outstanding common shares ("Common Shares"). Under the NCIB, Keyera had the option to purchase and cancel up to approximately 2.5% of its 229,153,373 Common Shares issued and outstanding as of the acceptance date or 5,700,000 Common Shares between December 3, 2024 and December 2, 2025, in accordance with the applicable rules and policies of the TSX and applicable securities law. Keyera did not have any repurchases of Common Shares under the NCIB before it was terminated on December 2, 2025 and did not renew the NCIB upon termination.

20. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net earnings by the weighted average number of shares outstanding for the related period:

	2025	2024
Earnings per share – basic and diluted *($/share)*	**1.89**	2.12
Net earnings – basic and diluted *(Thousands of Canadian dollars)*	**432,335**	486,628
Weighted average number of shares – basic and diluted *(Thousands)*	**229,205**	229,153

21. ACCUMULATED DIVIDENDS TO SHAREHOLDERS

The following table presents the reconciliation between the beginning and ending accumulated dividends to shareholders:

Accumulated dividends to shareholders *(Thousands of Canadian dollars)*	
As at December 31, 2023	**4,667,883**
Dividends declared and paid during the year	467,473
As at December 31, 2024	**5,135,356**
Dividends declared and paid during the year	485,945
As at December 31, 2025	**5,621,301**

2025 Dividend Increase

On August 6, 2025, Keyera's board of directors approved a 4% increase to the quarterly dividend and declared a dividend of $0.54 per share (previously $0.52 per share) payable on September 29, 2025 to shareholders of record as of September 15, 2025. On an annualized basis, the revised dividend is $2.16 per share (previously $2.08 per share).

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

2024 Dividend Increase

On August 7, 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).

Keyera's dividend policy is to maintain and grow the dividend, while retaining a portion of cash flow to fund ongoing growth projects. The amount of dividends to be paid on the common shares, if any, is subject to the discretion of the board of directors and may vary depending on a variety of factors. In determining the level of dividends to be declared each quarter, the board of directors takes into consideration such factors as current and expected future levels of distributable cash flow, capital expenditures, borrowings and debt repayments, changes in working capital requirements and other factors.

22. SHARE-BASED COMPENSATION AND PENSION PLANS

Long-Term Incentive Plan

Keyera has a Long-Term Incentive Plan ("LTIP") which compensates officers and key employees by delivering shares of Keyera or paying cash in lieu of shares. Participants in the LTIP are granted rights ("share awards") to receive shares of Keyera on specified dates in the future. Grants of share awards are authorized by the board of directors. Previously, shares delivered to employees were acquired in the marketplace and placed in a trust account established for the benefit of the participants until the share awards vested. For the 2025 LTIP settlement, the remaining shares held in the trust were delivered to employees, with the additional shares required for settlement issued from treasury. Going forward, all shares delivered to employees will be issued from treasury. Refer to note 19 for additional information.

The LTIP consists of two types of share awards, which are described below:

Performance Awards

Prior to the 2025 grant, all Performance Awards issued and outstanding will be settled on or before September 1st following the third anniversary of the grant date. Commencing with the 2025 grant, all Performance Awards issued and outstanding will be settled on or before March 1st following the third anniversary of the grant date. The number of shares to be delivered will be determined by the financial performance of Keyera over the three-year period, and will be calculated by multiplying the number of share awards by an adjustment ratio and a payout multiplier. The adjustment ratio adjusts the number of shares to be delivered to reflect the per share cash dividends paid by Keyera to its shareholders during the term that the share award is outstanding.

The payout multiplier is based 50% on the average annual pre-tax distributable cash flow per share over the performance period of three years and 50% on the relative total shareholder return in a defined peer group over the performance period of three years.

Time Vested Awards ("Restricted Awards")

Restricted Awards are settled in three equal installments over a three-year period regardless of the performance of Keyera. The number of shares to be delivered will be multiplied by an adjustment ratio which reflects the per share cash dividends paid by Keyera to its shareholders during the term that the share award is outstanding.

The LTIP is measured at fair value at each statement of financial position date until the award is settled. The fair value of the liability is measured by applying a fair value pricing model whereby one of the valuation inputs was the December 31, 2025 share price of Keyera, which was $44.00 per share (December 31, 2024 – $43.96 per share).

The compensation cost recorded for the LTIP was:

LTIP expense *(Thousands of Canadian dollars)*	**2025**	2024
Performance Awards	**31,275**	54,122
Restricted Awards	**12,521**	8,328
Total long-term incentive plan expense	**43,796**	62,450

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

The table below shows the number of share awards granted:

Share Award Series	Share awards granted as at December 31, 2025	2024
Performance Awards		
Issued July 1, 2022	—	478,319
Issued July 1, 2023	**543,887**	566,324
Issued July 1, 2024	**514,976**	538,105
Issued February 13, 2025	**515,771**	—
Restricted Awards		
Issued July 1, 2022	—	59,367
Issued July 1, 2023	**67,984**	142,537
Issued July 1, 2024	**127,430**	200,521
Issued February 13, 2025	**192,759**	—

Employee Stock Purchase Plan

Keyera maintains an employee stock purchase plan ("ESPP") whereby eligible employees can purchase common shares of Keyera. Keyera will contribute an amount equal to 5% of the employee's contribution. To participate in the ESPP, eligible employees select an amount to be deducted from their semi-monthly remuneration. Employees may elect to withhold up to 25% of their base compensation for the stock purchases. The shares of Keyera are acquired on the Toronto Stock Exchange on a semi-monthly basis consistent with the timing of the semi-monthly remuneration. The cost of the shares purchased to match the employee's contribution is expensed as incurred and recorded in general and administrative expenses.

Defined Contribution Pension Plan

For the year ended December 31, 2025, Keyera made pension contributions of $14,271 (2024 – $13,043) on behalf of its employees. The contributions were recorded in general and administrative expenses.

Deferred Share Unit Plan

Effective January 1, 2016, Keyera implemented a deferred share unit ("DSU") plan, for non-employee directors. Each DSU vests on the date the grant is awarded but cannot be redeemed until a director ceases to be a member of the board of directors. The grant value is determined based on a 5-day weighted average trading share price (prior to the DSU plan amendment during the second quarter of 2025, the grant value was determined using a 20-day weighted average trading share price). DSUs are settled in cash (on an after-tax basis). Directors are entitled to irrevocably designate up to two payment dates, which cannot be earlier than the day following the termination date and cannot be later than December 15 of the year following the termination date. Settlement is based on the 5-day weighted average Keyera share price up to the payment dates.

For the year ended December 31, 2025, Keyera recorded $2,837 (2024 – $6,393) in general and administrative expenses related to the DSU plan and recognized DSU settlements of $3,778 (2024 - $nil).

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

The following table reconciles the number of DSUs outstanding:

Reconciliation of DSUs outstanding *(Number of Deferred Share Units)*	**2025**	2024
DSUs outstanding – beginning of the period	**396,815**	336,915
Granted	**63,595**	59,900
Redeemed	**(85,950)**	—
DSUs outstanding – end of the period	**374,460**	396,815

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments include cash, subscription receipt proceeds held in escrow, trade and other receivables, derivative financial instruments, trade and other payables, the subscription receipts obligation, current and long-term lease liabilities, credit facilities, and current and long-term debt. Derivative financial instruments include foreign exchange contracts, cross-currency swaps, NGLs, crude oil, motor gasoline and natural gas price contracts, electricity price contracts, including solar and wind power purchase arrangements, and physical fixed price commodity contracts. Derivative instruments are recorded on the consolidated statements of financial position at fair value. Changes in the fair value of these financial instruments are recognized through profit or loss in the consolidated statements of net earnings and comprehensive income in the period in which they arise. All other financial instruments are measured at amortized cost.

Financial Instruments

Fair value

Fair value represents Keyera's estimate of the price at which a financial instrument could be exchanged between knowledgeable and willing parties in an orderly arm's length transaction motivated by normal business considerations.

Fair value measurement of assets and liabilities recognized on the consolidated statements of financial position are categorized into levels within a fair value hierarchy based on the nature of valuation inputs.

The fair value hierarchy has the following levels:

- **Level 1:** quoted prices in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3:** inputs for the asset or liability that are not based on observable market data.

All of Keyera's derivative instruments are classified as Level 2 as their fair value is derived by using observable inputs, including commodity and electricity price curves, foreign currency curves and credit spreads. For fixed price forward contracts, fair value is derived from observable NGL market prices.

Financial instruments with fair value equal to carrying value

The carrying values of cash, subscription receipt proceeds held in escrow, trade and other receivables, the subscription receipts obligation, and trade and other payables approximate their fair values because the instruments are either near maturity, have 5 to 30 days payment terms or have no fixed repayment terms. The carrying value of the credit facilities approximates fair value due to their floating rates of interest.

Fair value of fixed rate debt

Refer to note 14 for the fair value amounts of the senior unsecured notes, the senior unsecured medium-term notes, and the subordinated hybrid notes.

Fair value of derivative instruments

The fair values of the derivative instruments are listed below and represent an estimate of the amount that Keyera would receive (pay) if these instruments were settled at the end of the period.

As at December 31, 2025	Maturing by	Notional Volume[1]	Weighted Average Price	Net Fair Value[2]	Carrying Value Asset	Carrying Value Liability
				(Thousands of Canadian dollars)		
Marketing						
Financial contracts:						
Seller of fixed price WTI[3] swaps	December 31, 2026	4,427,462 Bbls	80.89/Bbl	10,752	11,799	(1,047)
Buyer of fixed price WTI[3] swaps	March 31, 2026	211,670 Bbls	85.53/Bbl	(1,465)	28	(1,493)
Seller of fixed price NGL swaps	December 31, 2027	5,316,500 Bbls	42.62/Bbl	26,403	26,714	(311)
Buyer of fixed price NGL swaps	December 31, 2027	4,430,400 Bbls	42.60/Bbl	(17,026)	65	(17,091)
Seller of fixed price RBOB[4] basis spreads *(iso-octane)*	December 31, 2026	2,235,000 Bbls	28.96/Bbl	1,686	6,172	(4,486)
Physical contracts:						
Seller of fixed price forward contracts	January 31, 2026	85,000 Bbls	50.69/Bbl	33	65	(32)
Buyer of fixed price forward contracts	February 28, 2026	70,000 Bbls	71.97/Bbl	27	35	(8)
Currency:						
Seller of forward contracts	June 30, 2027	US$414,500,000	1.38/USD	4,399	5,544	(1,145)
Buyer of forward contracts	January 31, 2026	US$50,000,000	1.38/USD	(555)	—	(555)
Other foreign exchange contracts[5]				22,862	22,862	—
Liquids Infrastructure						
Electricity:						
Buyer of fixed price swaps	December 31, 2027	60,882 MWhs	53.62/MWh	(101)	91	(192)
Buyer of fixed price solar and wind power contracts	December 31, 2030 – February 28, 2038	101,505 MWhs – 146,117 MWhs	62.57/MWh – 75.00/MWh	(2,255)	393	(2,648)
Natural gas:						
Buyer of fixed price swaps	December 31, 2026	730,000 Gjs	2.55/Gj	(28)	97	(125)
Gathering and Processing						
Electricity:						
Buyer of fixed price swaps	December 31, 2027	158,118 MWhs	53.62/MWh	(261)	237	(498)
Buyer of fixed price solar and wind power contracts	December 31, 2030	379,483 MWhs	75.00/MWh	(5,339)	—	(5,339)
Corporate and Other						
Long-term Debt:						
Buyer of cross-currency swaps	November 20, 2028	US$74,652,500	1.03/USD - 1.14/USD	20,351	20,351	—
				59,483	94,453	(34,970)

Notes:

1 All notional amounts represent actual volumes or actual prices and are not expressed in thousands.

2 All derivative instruments are classified as Level 2.

3 West Texas Intermediate ("WTI") crude oil.

4 Reformulated Blendstock for Oxygenate Blending ("RBOB").

5 Keyera has entered into other foreign exchange contracts to protect against fluctuations in the U.S. dollar to Canadian dollar exchange rate.

As at December 31, 2024	Maturing by	Notional Volume[1]	Weighted Average Price	Net Fair Value[2]	Carrying Value Asset	Carrying Value Liability
				(Thousands of Canadian dollars)		
Marketing						
Financial contracts:						
Seller of fixed price WTI[3] swaps	March 31, 2026	3,706,952 Bbls	102.52/Bbl	2,605	9,581	(6,976)
Buyer of fixed price WTI[3] swaps	March 31, 2026	557,963 Bbls	99.53/Bbl	600	1,028	(428)
Seller of fixed price NGL swaps	December 31, 2026	4,948,000 Bbls	56.60/Bbl	(13,252)	1,824	(15,076)
Buyer of fixed price NGL swaps	December 31, 2026	4,063,000 Bbls	42.31/Bbl	15,510	16,332	(822)
Seller of fixed price RBOB[4] basis spreads *(iso-octane)*	December 31, 2025	1,110,000 Bbls	27.20/Bbl	2,313	4,554	(2,241)
Physical contracts:						
Seller of fixed price forward contracts	February 28, 2025	933,966 Bbls	83.84/Bbl	(2,783)	—	(2,783)
Buyer of fixed price forward contracts	January 31, 2025	580,966 Bbls	95.97/Bbl	2,080	2,080	—
Currency:						
Seller of forward contracts	June 30, 2026	US$226,900,000	1.41/USD	(5,755)	443	(6,198)
Buyer of forward contracts	December 31, 2025	US$13,500,000	1.34/USD	1,218	1,218	—
Other foreign exchange contracts[5]				(9,906)	2,862	(12,768)
Liquids Infrastructure						
Electricity:						
Buyer of fixed price swaps	December 31, 2025	142,452 MWhs	51.06/MWh	(370)	491	(861)
Buyer of fixed price solar power contracts	February 28, 2038	101,505 MWhs	62.57/MWh	(1,017)	—	(1,017)
Natural gas:						
Buyer of fixed price swaps	December 31, 2025	1,730,000 Gjs	2.04/Gj	(57)	273	(330)
Gathering and Processing						
Electricity:						
Buyer of fixed price swaps	December 31, 2025	120,348 MWhs	51.06/MWh	(313)	414	(727)
Corporate and Other						
Long-term Debt: Buyer of cross-currency swaps	November 20, 2025 – November 20, 2028	US$229,453,750	1.03/USD - 1.14/USD	77,415	77,415	—
				68,288	118,515	(50,227)

Notes:

1 All notional amounts represent actual volumes or actual prices and are not expressed in thousands.

2 All derivative instruments are classified as Level 2.

3 West Texas Intermediate ("WTI") crude oil.

4 Reformulated Blendstock for Oxygenate Blending ("RBOB").

5 Keyera has entered into other foreign exchange contracts to protect against fluctuations in the U.S. dollar to Canadian dollar exchange rate.

Unrealized gains (losses), representing the change in fair value of derivative contracts, were:

Unrealized gains (losses) on derivative financial instruments *(Thousands of Canadian dollars)*	2025	2024
Risk management contracts:		
Marketing	**54,486**	(68,579)
Liquids infrastructure	**(940)**	(569)
Gathering and processing	**(5,287)**	(118)
Change in fair value of cross-currency swaps on U.S. debt[1]	**(57,064)**	(18,306)
Total unrealized loss	**(8,805)**	(87,572)

Note:
1 Includes principal and interest portion.

Risk Management

Market risk is the risk that the fair value of future cash flows of a financial asset or a financial liability will fluctuate because of changes in market prices. Market risk is comprised of commodity price risk, foreign currency risk, and interest rate risk, as well as credit and liquidity risks.

Commodity price risk

Subsidiaries of Keyera enter into contracts to purchase and sell primarily NGLs and iso-octane, as well as natural gas and crude oil. These contracts are exposed to commodity price risk between the time when contracted volumes are purchased and sold, and foreign currency risk for those sales denominated in U.S. dollars. These risks are actively managed by utilizing physical and financial contracts which include commodity-related forward contracts, price swaps and forward currency contracts. A risk management committee meets regularly to review and assess the risks inherent in existing contracts and the effectiveness of the risk management strategies. This is achieved by modeling future sales and purchase contracts to monitor the sensitivity of changing prices and volumes.

Significant amounts of electricity and natural gas are consumed by certain facilities. In order to mitigate the exposure to fluctuations in the prices of electricity and natural gas, price swap agreements may be used. These agreements are accounted for as derivative instruments.

Certain NGL contracts that require physical delivery at fixed prices are accounted for as derivative instruments.

Foreign currency risk

Foreign currency risk arises on financial instruments that are denominated in a foreign currency. Keyera's foreign currency risk largely arises from the Marketing segment where a significant portion of sales and purchases are denominated in U.S. dollars. Foreign currency risk is actively managed by using forward currency contracts and cross-currency swaps. Management monitors the exposure to foreign currency risk and regularly reviews its financial instrument activities and all outstanding positions.

The Gathering and Processing and Liquids Infrastructure segments have very little foreign currency risk as sales and purchases are primarily denominated in Canadian dollars.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Keyera is also exposed to foreign currency risk related to its U.S. dollar denominated long-term debt and U.S. dollar denominated Secured Overnight Financing Rate ("SOFR") loans when drawn under Keyera's bank credit facility. To manage its currency exposure, Keyera has entered into long-term cross-currency swap contracts relating to the principal portion and future interest payments of the U.S. dollar denominated debt. These cross-currency contracts are accounted for as derivative instruments. Refer to note 24 for a summary of the foreign currency gains and losses associated with the U.S. dollar denominated long-term debt.

Interest rate risk

The majority of Keyera's interest rate risk is attributed to its fixed and floating rate debt, which is used to finance capital investments and operations. Keyera's remaining financial instruments are not significantly exposed to interest rate risk. The floating rate debt creates exposure to interest rate cash flow risk, whereas the fixed rate debt creates exposure to interest rate price risk. As at December 31, 2025 and 2024, fixed rate borrowings comprised 100% of total debt outstanding. The fair value of future cash flows for fixed rate debt fluctuates with changes in market interest rates. It is Keyera's intention to not repay fixed rate debt until maturity and therefore future cash flows would not fluctuate.

Credit risk

The majority of trade and other receivables are due from entities in the oil and gas industry and are subject to normal industry credit risks. Concentration of credit risk is mitigated by having a broad domestic and international customer base. Keyera evaluates and monitors the financial strength of its customers in accordance with its credit policy. Keyera does not typically renegotiate the terms of trade receivables. There were no significant renegotiated balances outstanding at December 31, 2025.

With respect to counterparties for derivative financial instruments, the credit risk is managed through dealing primarily with recognized futures exchanges or investment grade financial institutions and by maintaining credit policies which significantly reduce overall counterparty credit risk. In addition, Keyera incorporates the credit risk associated with counterparty default, as well as Keyera's own credit risk, into the estimates of fair value.

The allowance for credit losses is reviewed on a monthly basis. An assessment is made whether an account is deemed impaired based on expected credit losses, which includes the number of days outstanding and the likelihood of collection from the counterparty. As at December 31, 2025, the total allowance was $4,241 (December 31, 2024 – $4,241). The carrying amount of financial assets on the consolidated statements of financial position approximates Keyera's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that suitable sources of funding for Keyera's business activities may not be available. Keyera manages liquidity risk by maintaining bank credit facilities, continuously managing forecasted and actual cash flows, and monitoring the maturity profiles of financial assets and financial liabilities. Keyera has access to a wide range of funding at competitive rates through capital markets and banks to meet the immediate and ongoing requirements of the business.

The following table shows the contractual maturities for financial liabilities of Keyera as at December 31, 2025:

Contractual Maturities for Financial Liabilities
(Thousands of Canadian dollars)

	Total	2026	2027	2028	2029	2030	After 2030
Trade and other payables	**631,204**	631,204	—	—	—	—	—
Derivative financial instruments	**34,970**	30,703	4,125	142	—	—	—
Credit facility	**—**	—	—	—	—	—	—
Long-term debt[1]	**6,194,144**	230,000	400,000	689,144	75,000	900,000	3,900,000
Lease liabilities[2]	**175,341**	45,229	31,818	23,050	18,666	13,157	43,421
Other liabilities	**14,818**	—	10,056	4,762	—	—	—
	7,050,477	**937,136**	**445,999**	**717,098**	**93,666**	**913,157**	**3,943,421**

Notes:

1 Amounts represent principal only and exclude accrued interest.

2 Amounts represent the expected undiscounted cash payments related to leases.

Risk Management Sensitivities

The following table summarizes the sensitivity of the fair value of Keyera's risk management positions to fluctuations in commodity price, foreign currency rate and interest rate. Fluctuations in commodity prices, foreign currency rates and interest rates could have resulted in unrealized gains (losses) affecting income before tax as follows:

	Impact on income before tax December 31, 2025		Impact on income before tax December 31, 2024	
(Thousands of Canadian dollars)	Increase	(Decrease)	Increase	(Decrease)
Commodity price changes				
+ 10% in electricity price	**4,956**	**—**	1,807	—
- 10% in electricity price	**—**	**(4,956)**	—	(1,807)
+ 10% in NGL, crude oil and iso-octane prices	**—**	**(41,965)**	—	(47,484)
- 10% in NGL, crude oil and iso-octane prices	**41,965**	**—**	47,484	—
Foreign currency rate changes				
+ $0.01 in U.S./Canadian dollar exchange rate	**—**	**(1,553)**	—	(2,243)
- $0.01 in U.S./Canadian dollar exchange rate	**1,553**	**—**	2,243	—
Interest rate changes				
+ 1% in interest rate	**—**	**—**	—	—
- 1% in interest rate	**—**	**—**	—	—

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

24. NET FOREIGN CURRENCY GAIN (LOSS) ON U.S. DEBT AND OTHER

The components of the net foreign currency gain (loss) were:

Net foreign currency gain (loss) on U.S. debt and other *(Thousands of Canadian dollars)*	**2025**	2024
Translation of long-term debt and interest payable	**9,575**	(31,567)
Change in fair value of cross-currency swaps – principal and interest	**(57,064)**	(18,306)
Gain from cross-currency swaps – principal and interest[1]	**55,723**	52,322
Foreign exchange re-measurement of lease liabilities and other	**5,826**	(11,707)
Total net foreign currency gain (loss) on U.S. debt and other	**14,060**	(9,258)

Note:

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

25. CAPITAL MANAGEMENT

Keyera's objectives when managing capital are:

- to safeguard Keyera's ability to continue as a going concern;
- to maintain financial flexibility in order to fund investment opportunities and meet financial obligations; and
- to distribute to shareholders a portion of the current cash flow of its subsidiaries, after
  - I. satisfaction of debt service obligations (principal and interest) and income tax expenses,
  - II. satisfaction of any reclamation funding requirements,
  - III. providing for maintenance capital expenditures, and
  - IV. retaining reasonable reserves for administrative and other expense obligations and reasonable reserves for working capital and capital expenditures as may be considered appropriate.

Keyera defines its capital as shareholders' equity, long-term debt, credit facilities, and working capital (defined as current assets less current liabilities). Keyera manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, Keyera may adjust the amount of dividends paid to shareholders, issue new shares, purchase and cancel issued and outstanding shares, issue new debt or replace existing debt with new debt having different characteristics.

Keyera monitors its capital structure primarily based on its consolidated net debt to consolidated earnings before finance costs, taxes, depreciation and amortization, unrealized gains and losses, impairment expenses and any other non-cash items ("adjusted EBITDA") ratio. The definition of adjusted EBITDA for capital management purposes is similar, but not identical to the adjusted EBITDA financial measure used in the calculation of Keyera's financial covenants on its credit facilities and outstanding notes. This ratio is calculated as consolidated net debt divided by a twelve-month trailing adjusted EBITDA, which are non-GAAP measures. For purposes of this financial covenant, Keyera has the ability to increase its Net Debt to EBITDA ratio from 4.0 to 4.5 for periods of up to four consecutive fiscal quarters. In addition, Keyera can utilize the cross-currency swap rates in the calculation of debt rather than the spot rate as at each statement of financial position date.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Keyera is also subject to the following financial covenants: (i) adjusted EBITDA to consolidated interest charges, and (ii) priority debt to consolidated total assets. The calculation for each of these financial covenants is based on specific definitions and is not in accordance with GAAP, and cannot be directly derived from the consolidated financial statements. Keyera was in compliance with all financial covenants as at December 31, 2025.

26. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses *(Thousands of Canadian dollars)*	**2025**	2024
Salaries and benefits	**109,516**	101,460
Professional fees and consulting	**30,715**	24,863
Other	**23,799**	26,341
Overhead recoveries on operated facilities	**(35,418)**	(35,522)
Total general and administrative expenses	**128,612**	117,142

As operator of most of its facilities, Keyera is compensated for its administrative work by collecting an overhead recovery fee equal to a certain percentage of operating costs. The reimbursement of such costs is included in overhead recoveries.

27. FINANCE COSTS

The components of finance costs were:

Finance costs *(Thousands of Canadian dollars)*	**2025**	2024
Interest on bank indebtedness and credit facilities	**4,550**	7,464
Interest on long-term debt[1]	**217,201**	188,174
Interest capitalized[2]	**(3,786)**	—
Interest on leases	**8,189**	9,434
Dividend equivalent payments[3]	**57,105**	—
Other interest income[1,3]	**(49,152)**	(2,930)
Total interest expense – current and long-term debt, and leases	**234,107**	202,142
Unwinding of discount on decommissioning liabilities	**12,878**	13,085
Unwinding of discount on long-term debt	**2,862**	2,294
Non-cash expenses in finance costs	**15,740**	15,379
Total finance costs	**249,847**	217,521

Notes:

1 Includes approximately $30,000 of incremental interest expense and approximately $17,000 of incremental interest income related to the senior and hybrid note financing issued for the Plains Acquisition. These amounts have been recorded in interest on long-term debt and other interest income, respectively.

2 For the years ended December 31, 2024 and 2025, borrowing (interest) costs were capitalized at a weighted average capitalization rate of 5% on funds borrowed.

3 For the year ended December 31, 2025, the interest income recognized on the subscription receipt proceeds held in escrow was $30,774 and dividend equivalent payments paid to the subscription receipt holders was $57,105, resulting in a net finance charge of $26,331. For additional information, refer to note 10.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

28. DEPRECIATION AND AMORTIZATION

Depreciation and amortization expenses *(Thousands of Canadian dollars)*	2025	2024
Depreciation on property, plant and equipment	321,584	299,781
Depreciation on right-of-use assets	45,112	44,505
Amortization of intangible assets	8,249	8,106
Total depreciation and amortization expenses	374,945	352,392

29. RELATED PARTY TRANSACTIONS

Key management personnel are comprised of Keyera's board of directors and executive officers.

Compensation of key management personnel was:

Compensation of key management personnel *(Thousands of Canadian dollars)*	2025	2024
Salaries and other short-term benefits	13,455	13,527
Post-employment benefits	491	452
Share-based payments	30,803	15,932
Total related party transactions	44,749	29,911

30. SUPPLEMENTAL CASH FLOW INFORMATION

Details of changes in non-cash working capital from operating activities were:

Changes in non-cash working capital – operating activities *(Thousands of Canadian dollars)*	2025	2024
Inventory	51,086	(33,604)
Trade and other receivables	34,332	106,860
Other assets	5,727	231
Trade and other payables, and provisions	(170,223)	229,863
Changes in non-cash working capital from operating activities	(79,078)	303,350

Details of changes in non-cash working capital from investing activities were:

Changes in non-cash working capital – investing activities *(Thousands of Canadian dollars)*	2025	2024
Trade and other payables, and provisions	29,663	11,306
Changes in non-cash working capital from investing activities	29,663	11,306

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Reconciliation of liabilities arising from financing activities

(Thousands of Canadian dollars)	Credit Facilities	Current and Long-term Debt	Derivative Financial Assets Related to U.S. Long-Term Borrowings	Current and Long-Term Lease Liabilities
As at December 31, 2023	**470,000**	**3,613,012**	**95,721**	**203,508**
Cash changes:				
Inflows from borrowings	350,000	250,000	—	—
Outflows related to repayments	(820,000)	(192,648)	—	(52,804)
Outflows related to financing costs	—	(2,728)	—	9,434
Non-cash and other changes:				
Lease additions	—	—	—	26,883
Fair value changes	—	—	(18,306)	—
Unrealized foreign exchange and other	—	31,231	—	12,350
Unwinding of discount on long-term debt	—	2,294	—	—
As at December 31, 2024	**—**	**3,701,161**	**77,415**	**199,371**
Cash changes:				
Inflows from borrowings	100,000	2,800,000	—	—
Outflows related to repayments	(100,000)	(317,260)	—	(55,438)
Outflows related to financing costs	—	(30,248)	—	8,189
Non-cash and other changes:				
Lease additions	—	—	—	5,995
Leased asset purchase	—	—	—	(3,008)
Fair value changes	—	—	(57,064)	—
Unrealized foreign exchange and other	—	(9,427)	—	(5,893)
Unwinding of discount on long-term debt	—	2,862	—	—
As at December 31, 2025	**—**	**6,147,088**	**20,351**	**149,216**

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

31. SEGMENT INFORMATION

Keyera has the following three key reportable operating segments based on the nature of its business activities. Keyera also has a Corporate and Other segment, which primarily includes corporate functions.

Gathering and Processing

The Gathering and Processing segment includes raw gas gathering systems and processing plants located in the natural gas production areas primarily on the western side of the Western Canada Sedimentary Basin. The operations predominantly involve providing natural gas gathering and processing, including liquids extraction and condensate stabilization services to customers. This segment also includes sales of ethane volumes extracted from the Rimbey facility and sold to a third-party customer under a long-term commercial arrangement.

Liquids Infrastructure

The Liquids Infrastructure segment provides fractionation, storage, transportation and terminalling services for NGLs and crude oil. As well, it provides processing services to Keyera's Marketing business related to NGLs, iso-octane and liquids blending. These services are provided to customers through an extensive network of facilities that include underground NGL storage caverns, NGL fractionation and de-ethanization facilities, NGL pipelines, rail and truck terminals, the AEF facility, a 50% interest in the Base Line Terminal, a 50% interest in the South Cheecham Rail and Truck Terminal (which includes sulphur handling, forming and storage), the Oklahoma Liquids Terminal and a 90% interest in the Wildhorse Terminal.

Marketing

The Marketing segment is primarily involved in the marketing of NGLs, such as propane, butane, and condensate; and iso-octane to customers in Canada and the United States, as well as liquids blending.

Inter-segment and intra-segment sales and expenses are recorded at current market prices at the date of the transaction. These transactions are eliminated on consolidation in order to arrive at net earnings in accordance with the IFRS Accounting Standards.

The following table shows the operating margin from each of Keyera's operating segments and includes inter-segment transactions. Operating margin is a key measure used by management to monitor profitability by segment.

Year ended December 31, 2025 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	741,892	933,041	5,713,861	46	(534,821)	6,854,019
Segmented expenses	(307,802)	(340,686)	(5,358,947)	(294)	534,821	(5,472,908)
Operating margin (loss)	**434,090**	**592,355**	**354,914**	**(248)**	**—**	**1,381,111**
General and administrative expenses	—	—	—	(128,612)	—	(128,612)
Acquisition and integration costs	—	—	—	(28,972)	—	(28,972)
Finance costs	—	—	—	(249,847)	—	(249,847)
Depreciation and amortization expenses	—	—	—	(374,945)	—	(374,945)
Net foreign currency gain on U.S. debt and other	—	—	—	14,060	—	14,060
Long-term incentive plan expense	—	—	—	(43,796)	—	(43,796)
Earnings (loss) before income tax	434,090	592,355	354,914	(812,360)	—	568,999
Income tax expense	—	—	—	(136,664)	—	(136,664)
Net earnings (loss)	**434,090**	**592,355**	**354,914**	**(949,024)**	**—**	**432,335**

Year ended December 31, 2024 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	724,983	879,395	6,036,962	55	(502,954)	7,138,441
Segmented expenses	(312,383)	(322,374)	(5,620,833)	(204)	502,954	(5,752,840)
Operating margin (loss)	**412,600**	**557,021**	**416,129**	**(149)**	**—**	**1,385,601**
General and administrative expenses	—	—	—	(117,142)	—	(117,142)
Finance costs	—	—	—	(217,521)	—	(217,521)
Depreciation and amortization expenses	—	—	—	(352,392)	—	(352,392)
Net foreign currency loss on U.S. debt and other	—	—	—	(9,258)	—	(9,258)
Long-term incentive plan expense	—	—	—	(62,450)	—	(62,450)
Impairment expense	(171)	(3,226)	—	—	—	(3,397)
Net gain on disposal of property, plant and equipment	11,677	—	—	—	—	11,677
Earnings (loss) before income tax	424,106	553,795	416,129	(758,912)	—	635,118
Income tax expense	—	—	—	(148,490)	—	(148,490)
Net earnings (loss)	**424,106**	**553,795**	**416,129**	**(907,402)**	**—**	**486,628**

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Disaggregation of Revenue

The following table shows revenue disaggregated by the major service lines offered by Keyera in its four reportable operating segments.

Year ended December 31, 2025 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Gas handling and processing services[1]	667,729	231,728	—	—	899,457
Fractionation, storage and transportation services	14,107	698,610	—	—	712,717
Marketing of NGLs and iso-octane	—	—	5,713,861	—	5,713,861
Other[2]	60,056	2,703	—	46	62,805
Revenue before inter-segment eliminations	**741,892**	**933,041**	**5,713,861**	**46**	**7,388,840**
Inter-segment revenue eliminations	(20,812)	(495,541)	(18,468)	—	(534,821)
Revenue from external customers	**721,080**	**437,500**	**5,695,393**	**46**	**6,854,019**

Year ended December 31, 2024 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Gas handling and processing services[1]	652,953	214,390	—	—	867,343
Fractionation, storage and transportation services	13,018	661,405	—	—	674,423
Marketing of NGLs and iso-octane	—	—	6,036,962	—	6,036,962
Other[2]	59,012	3,600	—	55	62,667
Revenue before inter-segment eliminations	**724,983**	**879,395**	**6,036,962**	**55**	**7,641,395**
Inter-segment revenue eliminations	(15,505)	(470,553)	(16,896)	—	(502,954)
Revenue from external customers	**709,478**	**408,842**	**6,020,066**	**55**	**7,138,441**

Notes:

1 Processing services revenue recognized in Keyera's Liquids Infrastructure segment represents the processing fees charged to Keyera's Marketing segment for the production of iso-octane at the Keyera AEF facility.

2 Other revenue in Keyera's Gathering and Processing segment includes sales of ethane volumes extracted from the Rimbey facility and sold to a third-party customer, and other miscellaneous revenue.

Contract Balances

Contract liabilities are recorded when consideration has been received from a customer prior to Keyera's fulfillment of its obligation to provide future services. Contract liabilities primarily relate to consideration received under take-or-pay contract arrangements whereby the customer has the ability to exercise accumulated make-up rights prior to their expiry. Contract liabilities also arise when Keyera receives non-cash consideration or up-front payments from customers for the performance of future services. As at December 31, 2025 and 2024, contract liabilities were immaterial.

Contract assets are recorded when Keyera performs services for customers in advance of receiving consideration from the customer or before payment is due. All instances whereby Keyera's performance obligations were satisfied prior to receiving consideration from the customer were unconditional and therefore have been presented as a receivable.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Geographical Information

Keyera operates in two geographical areas, Canada and the U.S. Keyera's revenue from external customers and information about its non-current assets by geographical location are detailed below based on the country of origin.

Revenue from external customers

Revenue from external customers *(Thousands of Canadian dollars)*	2025	2024
Canada	4,800,440	4,915,271
U.S.	2,053,579	2,223,170
Total revenue	6,854,019	7,138,441

Non-current assets[1]

As at December 31, *(Thousands of Canadian dollars)*	2025	2024
Canada	7,431,061	7,306,220
U.S.	209,927	212,529
Total non-current assets	7,640,988	7,518,749

Note:
1 Non-current assets are comprised of property, plant and equipment, right-of-use assets, intangible assets, and goodwill.

Information about major customers

Attributable to the Marketing and Liquids Infrastructure segments, Keyera earned revenues from a single external customer that accounted for more than 10% of its total revenue for the year ended December 31, 2025 (2024 – one customer). Revenues from this customer, who is recognized as a large and established energy company with investment grade credit ratings, were approximately $900,000 for the year ended December 31, 2025 (2024 – $800,000).

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

32. COMMITMENTS AND CONTINGENCIES

Keyera, through its operating entities, has assumed commitments in various contractual purchase agreements in the normal course of its operations. The agreements involve the purchase of NGL production from producers in the areas specified in the agreements. The purchase prices are based on then current market prices. The future volumes and prices for these contracts cannot be reasonably determined and therefore no amount has been included in purchase obligations to reflect these contractual agreements.

In addition, Keyera has service obligations relating to terminal storage and natural gas transportation, and third-party contractual obligations related to assets under construction. The estimated annual minimum payments due for these commitments are:

Year	*(Thousands of Canadian dollars)*
2026	194,314
2027	28,210
2028	7,214
2029	3,054
2030	3,032
Thereafter	489
Total commitments	**236,313**

33. SUBSEQUENT EVENTS

On January 16, 2026, Keyera completed the sale of its non-core Wildhorse Terminal in Oklahoma, which is included in the Liquids Infrastructure segment. The transaction includes net proceeds of approximately US$65,000 for the terminal assets and is subject to normal closing adjustments.

On February 11, 2026, Keyera declared a dividend of $0.54 per share, payable on March 31, 2026 to shareholders of record as of March 16, 2026.

All amounts expressed in thousands of Canadian dollars, except as otherwise noted

Additional Information

Fourth Quarter Results

Consolidated Statements of Net Earnings and Comprehensive Income *(Thousands of Canadian Dollars)* *(Unaudited)*	Three months ended December 31, 2025	 2024
Revenue	**1,695,762**	1,936,297
Expenses	**(1,349,849)**	(1,629,002)
Operating margin	**345,913**	307,295
General and administrative expenses	**(30,405)**	(33,403)
Acquisition and integration costs	**(11,757)**	—
Finance costs	**(82,609)**	(52,929)
Depreciation and amortization expenses	**(100,860)**	(89,862)
Net foreign currency gain (loss) on U.S. debt and other	**3,544**	(10,949)
Long-term incentive plan expense	**(2,237)**	(13,054)
Impairment expense	**—**	(706)
Gain on disposal of property, plant and equipment	**—**	11,506
Earnings before income tax	**121,589**	117,898
Income tax expense	**(31,323)**	(28,992)
Net earnings	**90,266**	88,906
Other comprehensive (loss) income		
Foreign currency translation adjustment	**(5,232)**	23,710
Comprehensive income	**85,034**	112,616
Weighted average number of shares (in thousands)		
Basic	**229,283**	229,153
Diluted	**229,283**	229,153
Earnings per share		
Basic earnings per share	**0.39**	0.39
Diluted earnings per share	**0.39**	0.39

Consolidated Statements of Cash Flows *(Thousands of Canadian Dollars)* *(Unaudited)*	Three months ended December 31, 2025	 2024
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net earnings	90,266	88,906
Adjustments for items not affecting cash:		
Finance costs	21,362	6,207
Depreciation and amortization expenses	100,860	89,862
Unrealized loss on derivative financial instruments	50,737	36,906
Unrealized (gain) loss on foreign exchange	(47,789)	19,806
Inventory write-down	2,276	—
Deferred income tax expense	20,882	783
Impairment expense	—	706
Gain on disposal of property, plant and equipment	—	(11,506)
Decommissioning liability expenditures	(4,109)	(4,396)
Changes in non-cash working capital	55,586	89,157
Cash flow from operating activities	290,071	316,431
INVESTING ACTIVITIES		
Acquisitions	(200,000)	—
Capital expenditures	(121,300)	(93,015)
Proceeds on disposal of property, plant and equipment	—	4,691
Changes in non-cash working capital	27,191	9,796
Net cash used in investing activities	(294,109)	(78,528)
FINANCING ACTIVITIES		
Borrowings under credit facility	—	30,000
Repayments under credit facility	—	(50,000)
Repayments of long-term debt	(317,260)	—
Financing costs related to credit facility/long-term debt	(4,660)	(726)
Lease payments	(13,535)	(13,943)
Dividends paid to shareholders	(123,813)	(119,160)
Net cash used in financing activities	(459,268)	(153,829)
Effect of exchange rate fluctuations on foreign cash held	(5,299)	2,998
Net (decrease) increase in cash	(468,605)	87,072
Cash at the beginning of the period	2,800,123	31,369
Cash at the end of the period	2,331,518	118,441
Income taxes paid in cash	24,194	82
Interest paid in cash	44,926	60,417

SUPPLEMENTAL CASH FLOW INFORMATION

Details of changes in non-cash working capital from operating activities were:

(Thousands of Canadian dollars)	Three months ended December 31,	
(Unaudited)	**2025**	2024
Inventory	**89,459**	17,111
Trade and other receivables	**(42,144)**	(39,598)
Other assets	**15,477**	9,013
Trade and other payables, and provisions	**(7,206)**	102,631
Changes in non-cash working capital from operating activities	55,586	89,157

Details of changes in non-cash working capital from investing activities were:

(Thousands of Canadian dollars)	Three months ended December 31,	
(Unaudited)	**2025**	2024
Trade and other payables, and provisions	**27,191**	9,796
Changes in non-cash working capital from investing activities	27,191	9,796

SEGMENT INFORMATION

The following table shows the operating margin from each of Keyera's operating segments and includes inter-segment transactions. Operating margin is a key measure used by management to monitor profitability by segment.

Three months ended December 31, 2025 *(Thousands of Canadian dollars) (Unaudited)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	190,936	236,186	1,407,272	9	(138,641)	1,695,762
Segmented expenses	(90,245)	(88,206)	(1,309,964)	(75)	138,641	(1,349,849)
Operating margin (loss)	100,691	147,980	97,308	(66)	—	345,913
General and administrative expenses	—	—	—	(30,405)	—	(30,405)
Acquisition and integration costs	—	—	—	(11,757)	—	(11,757)
Finance costs	—	—	—	(82,609)	—	(82,609)
Depreciation and amortization expenses	—	—	—	(100,860)	—	(100,860)
Net foreign currency gain on U.S. debt and other	—	—	—	3,544	—	3,544
Long-term incentive plan expense	—	—	—	(2,237)	—	(2,237)
Earnings (loss) before income tax	100,691	147,980	97,308	(224,390)	—	121,589
Income tax expense	—	—	—	(31,323)	—	(31,323)
Net earnings (loss)	**100,691**	**147,980**	**97,308**	**(255,713)**	**—**	**90,266**

Three months ended December 31, 2024 *(Thousands of Canadian dollars) (Unaudited)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	192,405	228,701	1,645,556	10	(130,375)	1,936,297
Segmented expenses	(84,571)	(74,406)	(1,600,292)	(108)	130,375	(1,629,002)
Operating margin (loss)	107,834	154,295	45,264	(98)	—	307,295
General and administrative expenses	—	—	—	(33,403)	—	(33,403)
Finance costs	—	—	—	(52,929)	—	(52,929)
Depreciation and amortization expenses	—	—	—	(89,862)	—	(89,862)
Net foreign currency loss on U.S. debt and other	—	—	—	(10,949)	—	(10,949)
Long-term incentive plan expense	—	—	—	(13,054)	—	(13,054)
Impairment expense	(171)	(535)	—	—	—	(706)
Gain on disposal of property, plant and equipment	11,506	—	—	—	—	11,506
Earnings (loss) before income tax	119,169	153,760	45,264	(200,295)	—	117,898
Income tax expense	—	—	—	(28,992)	—	(28,992)
Net earnings (loss)	**119,169**	**153,760**	**45,264**	**(229,287)**	**—**	**88,906**

DISAGGREGATION OF REVENUE

The following table shows revenue disaggregated by the major service lines offered by Keyera in its four reportable operating segments.

Three months ended December 31, 2025 *(Thousands of Canadian dollars)* *(Unaudited)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Gas handling and processing services[1]	171,859	58,037	—	—	229,896
Fractionation, storage and transportation services	3,365	177,648	—	—	181,013
Marketing of NGLs and iso-octane	—	—	1,407,272	—	1,407,272
Other[2]	15,712	501	—	9	16,222
Revenue before inter-segment eliminations	**190,936**	**236,186**	**1,407,272**	**9**	**1,834,403**
Inter-segment revenue eliminations	(5,548)	(128,385)	(4,708)	—	(138,641)
Revenue from external customers	**185,388**	**107,801**	**1,402,564**	**9**	**1,695,762**

Three months ended December 31, 2024 *(Thousands of Canadian dollars)* *(Unaudited)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Gas handling and processing services[1]	174,580	52,957	—	—	227,537
Fractionation, storage and transportation services	3,135	175,275	—	—	178,410
Marketing of NGLs and iso-octane	—	—	1,645,556	—	1,645,556
Other[2]	14,690	469	—	10	15,169
Revenue before inter-segment eliminations	**192,405**	**228,701**	**1,645,556**	**10**	**2,066,672**
Inter-segment revenue eliminations	(4,000)	(122,584)	(3,791)	—	(130,375)
Revenue from external customers	**188,405**	**106,117**	**1,641,765**	**10**	**1,936,297**

Notes:

1 Processing services revenue recognized in Keyera's Liquids Infrastructure segment represents the processing fees charged to Keyera's Marketing segment for the production of iso-octane at the Keyera AEF facility.

2 Other revenue in Keyera's Gathering and Processing segment includes sales of ethane volumes extracted from the Rimbey facility and sold to a third-party customer, and other miscellaneous revenue.

Corporate Information

Board of Directors

Jim V. Bertram [1]
Corporate Director
Calgary, Alberta

Isabelle Brassard [4][5]
Executive Vice President and Chief Operating Officer
Fednav Limited
Montreal, Quebec

Michael Crothers [5][6]
Corporate Director
Calgary, Alberta

Blair Goertzen [2][4][5]
Corporate Director
Red Deer, Alberta

Tim Kitchen [3][6]
Corporate Director
Calgary, Alberta

Gianna Manes [4]
Corporate Director
Salem, South Carolina

Thomas C. O'Connor [3][5]
Corporate Director
Englewood, Colorado

Bob Pritchard[3][5]
Corporate Director
Calgary, Alberta

Charlene Ripley [4][6]
Corporate Director
Vancouver, British Columbia

C. Dean Setoguchi
President and Chief Executive Officer
Keyera Corp.
Calgary, Alberta

Janet Woodruff [3][6]
Corporate Director
West Vancouver, British Columbia

Renee Zemljak [3][4]
Corporate Director
Denver, Colorado

[1] Chair of the Board
[2] Independent Lead Director
[3] Member of the Audit Committee
[4] Member of the Human Resources Committee
[5] Member of the Health, Safety and Environment Committee
[6] Member of the Governance and Sustainability Committee

Head Office

Keyera Corp.
The Ampersand, West Tower 200
144 – 4th Avenue S.W.
Calgary, Alberta T2P 3N4
Main phone: 403-205-8300
Website: www.keyera.com

Officers

C. Dean Setoguchi
President and Chief Executive Officer

Eileen Marikar
Senior Vice President and Chief Financial Officer

Jamie Urquhart
Senior Vice President, Liquids Business Unit

Brad Slessor
Senior Vice President, G&P & NGL Pipelines Business Unit

Christy Elliott
Senior Vice President, Sustainability, External Affairs & General Counsel

Stock Exchange Listing

The Toronto Stock Exchange
Trading Symbol KEY

Trading Summary for Q4 2025

TSX: KEY – CAD $	
High	$47.12
Low	$40.93
Close December 31, 2025	$44.00
Volume	79,212,104
Average Daily Volume	1,257,335

Auditors

Deloitte LLP
Chartered Professional Accountants
Calgary, Canada

Investor Relations

Contact:
Dan Cuthbertson
Tyler Monzingo
Toll Free: 1-888-699-4853
Direct: 403-205-7670
Email: ir@keyera.com