2024
Year-End Report

2024 Year-End Report

For the period ended December 31, 2024

"Keyera had an outstanding 2024, achieving record results across all three business segments" said Dean Setoguchi, President and CEO. "We continued to execute our strategy and deliver value to our customers by leveraging the strength of our integrated value chain. Looking ahead, we have a clear pathway to continued margin growth by filling available capacity and advancing capital-efficient growth projects. Our financial strength positions us well to allocate capital to the highest-value opportunities."

Fourth Quarter and Year-End Highlights

- **Financial Results**
  - Adjusted earnings before interest, taxes, depreciation, and amortization[1] ("adjusted EBITDA") were $313 million for the quarter (Q4 2023 – $339 million) and a record $1.28 billion for the full year (2023 – $1.21 billion). These strong results were driven by record quarterly realized margin contributions from the Liquids Infrastructure segment and record annual realized margin contributions from all three business segments.
  - Distributable cash flow[1] ("DCF") was $168 million or $0.73 per share for the quarter (Q4 2023 – $234 million or $1.02 per share) and $771 million or $3.36 per share for the full year (2023 – $855 million or $3.73 per share). The decrease in both figures compared to the prior year periods is mostly due to higher cash taxes.
  - Net earnings were $89 million for the fourth quarter (Q4 2023 – $49 million) and a record $487 million for the full year (2023 – $424 million).
- **Record Fee-for-Service Realized Margin[1] Driven by the Continued Filling of Available Capacity**
  - Fee-for-service realized margin[1] hit a new annual record of $970 million (2023 – $891 million), achieving a year-over-year growth rate of 9%.
  - The Gathering and Processing ("G&P") segment delivered quarterly realized margin[1] of $107 million (Q4 2023 – $116 million), and an annual record of $413 million (2023 – $395 million). The annual increase is mostly due to the cost and downtime associated with the 2023 Alberta wildfires, and higher contributions from the Simonette gas plant. These results also include record annual throughput at the Wapiti and Pipestone gas plants even with a planned turnaround at the Wapiti gas plant.
  - The Liquids Infrastructure segment achieved record quarterly realized margin[1] of $153 million (Q4 2023 – $130 million), and an annual record of $558 million (2023 – $496 million). The main contributors of this performance were the continued steady ramp up of KAPS, record quarterly and annual margin contributions from fractionation and storage services at KFS, and record quarterly and annual deliveries from Keyera's industry leading condensate system.
- **Marketing Segment Delivers Record Year** – The Marketing segment delivered quarterly realized margin[1] of $99 million (Q4 2023 – $129 million) and a record annual realized margin[1] of $485 million (2023 – $479 million), above the previously guided range of $450 million to $480 million. These results were largely driven by strong contributions from iso-octane sales and propane exports off the west coast of Canada.
- **Strong Financial Position** – The company ended the year with net debt to adjusted EBITDA[2] of 2.0 times, below the targeted range of 2.5 to 3.0 times. The company remains well positioned to pursue and equity self-fund growth opportunities that will enhance shareholder value.

2024 Guidance Results

- Marketing segment realized margin[1] delivered an annual record of $485 million, above the latest guidance range of $450 million to $480 million.
- Annual growth capital spending excluding capitalized interest was $116 million, above the latest guidance range of $80 million to $100 million. The additional capital includes optimization work at the Brazeau River gas plant and tie-ins to support new customer volumes at the Wapiti gas plant.
- Maintenance capital spending was $136 million, within the latest guidance range of $120 million to $140 million.
- Cash taxes were $105 million, slightly above the latest guidance of $90 million to $100 million, due to stronger financial performance.

Advancing Capital-Efficient Growth Projects

- The company has formally sanctioned the debottleneck of KFS Fractionation Unit II ("KFS Frac II"), which will add approximately 8,000 barrels per day of capacity for about $85 million. The project is expected to generate strong returns on a standalone basis. The additional capacity is now anticipated to come online earlier than originally planned, with an expected in-service date of mid-2026 (previously late 2026).
- The 47,000 barrel per day KFS Fractionation Unit III project ("KFS Frac III") continues to receive strong contractual support from customers. A formal sanction decision is expected later this year, and the project is expected to be in service in 2028. Combined, the KFS Frac II debottleneck and the KFS Frac III project will increase Keyera's total fractionation capacity by about 60%.
- The company has completed front-end engineering and design for KAPS Zone 4 and continues to progress toward securing sufficient contractual backing.
- The company continues to progress other potential opportunities which include the expansion of North Region G&P capacity, expanding rail and logistics capabilities as fractionation volumes continue to grow, and further liquids extraction projects.

Long-Term Propane Export and Fractionation Agreements with AltaGas

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

AEF Outage

AEF will be taken offline for approximately 6 weeks in the spring of 2025 to conduct maintenance activities addressing an unexpected operational issue. These activities are required to ensure continued safe and reliable operations. The outage is expected to reduce 2025 realized margin[1] for the Marketing segment by approximately $40 million, with no increase to maintenance capital. The company still expects to be within its stated base Marketing realized margin[1] guidance of $310 million to $350 million for 2025. Consistent with prior years, Marketing segment realized margin[1] guidance will be provided with first quarter results in mid-May, after the conclusion of the NGL contracting season.

2025 Guidance Unchanged

- This past December, the company announced a new 7-8% annual growth target for fee-based adjusted EBITDA[1] over the 2024-2027 period.
- Base Marketing realized margin[1] guidance remains between $310 million to $350 million. Consistent with prior years, Marketing segment realized margin[1] guidance will be provided with first quarter results in mid-May, after the conclusion of the NGL contracting season.
- Growth capital expenditures are expected to range between $300 million and $330 million. This includes capital investments to advance the KFS Frac II debottleneck, KFS Frac III, KAPS Zone 4, enhancements at AEF, and optimization work across the portfolio.
- Maintenance capital expenditures are expected to range between $70 million and $90 million.
- Cash taxes are expected to range between $100 million and $110 million.

Summary of Key Measures

(Thousands of Canadian dollars, except where noted)	Three months ended December 31, 2024	2023	Twelve months ended December 31, 2024	2023
Net earnings	**88,906**	49,192	**486,628**	424,032
Per share ($/share) – basic	**0.39**	0.21	**2.12**	1.85
Cash flow from operating activities	**316,431**	230,739	**1,265,788**	975,486
Funds from operations[1]	**227,274**	290,643	**962,438**	1,027,493
Distributable cash flow[1]	**168,301**	233,563	**770,914**	854,622
Per share ($/share)[1]	**0.73**	1.02	**3.36**	3.73
Dividends declared	**119,160**	114,577	**467,473**	449,141
Per share ($/share)	**0.52**	0.50	**2.04**	1.96
Payout ratio %[1]	**71%**	49%	**61%**	53%
Adjusted EBITDA[1]	**312,732**	339,244	**1,275,275**	1,211,774
Operating margin	**307,295**	445,786	**1,385,601**	1,432,938
Realized margin[1]	**359,189**	374,701	**1,454,867**	1,369,401
Gathering and Processing				
Operating margin	**107,834**	114,851	**412,600**	392,430
Realized margin[1]	**107,303**	115,983	**412,718**	394,530
Gross processing throughput[3] (MMcf/d)	**1,532**	1,625	**1,492**	1,588
Net processing throughput[3] (MMcf/d)	**1,380**	1,393	**1,324**	1,358
Liquids Infrastructure				
Operating margin	**154,295**	128,133	**557,021**	486,467
Realized margin[1]	**152,576**	130,170	**557,590**	496,114
Gross processing throughput[4] (Mbbl/d)	**187**	206	**176**	185
Net processing throughput[4] (Mbbl/d)	**102**	116	**97**	101
AEF iso-octane production volumes (Mbbl/d)	**15**	15	**13**	15
Marketing				
Operating margin	**45,264**	202,851	**416,129**	554,251
Realized margin[1]	**99,408**	128,597	**484,708**	478,967
Inventory value	**270,225**	225,790	**270,225**	225,790
Sales volumes (Bbl/d)	**243,500**	253,900	**207,500**	200,700
Acquisitions	**—**	—	**—**	366,537
Growth capital expenditures	**48,580**	34,121	**115,985**	216,177
Maintenance capital expenditures	**44,435**	40,221	**136,340**	119,973
Total capital expenditures	**93,015**	74,342	**252,325**	702,687
Weighted average number of shares outstanding – basic and diluted	**229,153**	229,153	**229,153**	229,153

As at December 31,	**2024**	2023
Long-term debt[5]	**3,379,498**	3,426,994
Credit facility	**—**	470,000
Working capital deficit (surplus) *(current assets less current liabilities)*	**60,930**	(272,793)
Net debt	**3,440,428**	3,624,201
Common shares outstanding – end of period	**229,153**	229,153

CEO's Message to Shareholders

Another year of solid strategy execution. I am very proud of the Keyera team for delivering value for our customers and record financial results in 2024. For the second consecutive year, we had a Lost Time Incident Frequency (LTIF) of zero, underscoring our continued commitment to safety. We set numerous new volume records across our integrated system. We achieved record realized margins across all three business units, leading to record annual EBITDA and ended the year in a very strong financial position. I am confident in our team's ability to keep this momentum going as we continue to grow.

Constructive long-term volume growth outlook for Western Canada. The growth outlook for the Western Canadian Sedimentary Basin remains strong. Western Canada has one of the largest, most cost-competitive hydrocarbon resources in the world. Years of low commodity prices and constrained egress options have made Canadian producers very cost-efficient and resilient. These producers have proven they can continue to grow through changing market conditions. With expanded export capabilities, producers can now access high-value overseas markets to support their growth plans. Additionally, demand within the basin is increasing, driven by a growing petrochemical industry, and rising power needs. Keyera's assets are strategically positioned to benefit from and enable this growth.

Clear pathway to continued growth of high-quality, fee-based cash flow. We have set a target to reach a 7-8% CAGR for fee-based adjusted EBITDA from 2024 to 2027. Most of this growth will come from the continued filling of available capacity which exists in the Gathering and Processing (G&P) segment, KAPS, and our condensate handling systems, all of which contributed to numerous new throughput records this quarter. Capital-efficient growth projects like the KFS Frac II debottleneck and KAPS Zone 4 will also drive growth over this timeframe, while KFS Frac III is expected to be in service in 2028.

Marketing segment cash flow accelerates fee-based growth. Our Marketing segment delivered record realized margin this year, driven by increased volumes flowing through Keyera's integrated system and continued strong iso-octane sales. By leveraging our physical assets and logistics expertise, we connect customers to the highest value markets. Cash flow from this segment is re-invested into growing stable, fee-based cash flows, further enhancing our value, and giving Keyera a distinct competitive advantage.

Allocating capital to maximize value for shareholders. Our strong balance sheet provides us with the flexibility to allocate capital to the highest value option. In 2024, we increased our dividend once again, supported by the continued growth in our fee-based business. In November, we implemented our inaugural Normal Course Issuer Bid (NCIB). The use of the NCIB will be weighed carefully against other capital allocation opportunities. We have a rich inventory of organic growth investments and see many other potential opportunities given the expected growth in the basin. Keyera will continue to leverage our asset base and exercise financial discipline to deliver on our strategy and create value for our customers and shareholders.

On behalf of Keyera's board of directors and management team I want to thank our employees, customers, shareholders, Indigenous rights holders, and other stakeholders for their continued support.

Dean Setoguchi
President and CEO
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, return on invested capital ("ROIC") 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" and "Forward-Looking Statements" of Management's Discussion and Analysis for the period ended December 31, 2024.

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

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

Keyera's Business

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

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

2. **Liquids Infrastructure** – Keyera owns and operates a network of facilities for the gathering, processing, storage and transportation of the by-products of natural gas processing, including NGLs in mix form and specification NGLs such as ethane, propane, butane and condensate. In addition, this segment includes Keyera's iso-octane facilities at Alberta EnviroFuels ("AEF"), its liquids blending facilities, its 50% interest in the crude oil storage facility at the Base Line Terminal, its 50% interest in the South Cheecham Rail and Truck Terminal (which includes sulphur handling, forming and storage) and its 90% interest in the Wildhorse Terminal in Cushing, Oklahoma.

3. **Marketing** – Keyera markets a range of products associated with its two infrastructure business lines, primarily propane, butane, condensate and iso-octane, and also engages in liquids blending.

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

Overview

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

- **Record financial results** including net earnings of $487 million (2023 – $424 million), realized margin[1] of $1.45 billion (2023 – $1.37 billion) and adjusted earnings before interest, taxes, depreciation and amortization[1] of $1.28 billion (2023 – $1.21 billion). Strong distributable cash flow[1] of $771 million (2023 – $855 million) or $3.36 per share (2023 – $3.73 per share) was also achieved.

- **Record contribution from all three operating segments as follows:**
  - $413 million in realized margin[1] from the Gathering and Processing segment, a 5% increase over 2023. The increase was mainly due to the absence of Alberta wildfire related downtime and costs that reduced contribution in 2023 as well as higher contribution from the Simonette gas plant. Included in these results was record annual throughput at both the Wapiti and Pipestone gas plants.
  - $558 million in realized margin[1] from the Liquids Infrastructure segment, a 12% increase over 2023. The outstanding results were mainly attributable to: i) higher storage and fractionation revenues from the KFS complex; ii) incremental margin from the KAPS pipeline system; and iii) higher contracted volumes on Keyera's condensate system.
  - $485 million in realized margin[1] from the Marketing segment which was slightly higher than the previous record achieved in 2023. The stronger results were primarily due to higher sales volumes related to propane, butane and condensate.

- **Advancement of capital-efficient growth projects**
  - Keyera has formally sanctioned the debottleneck of KFS Fractionation Unit II ("KFS Frac II"), which will add approximately 8,000 barrels per day of capacity at an estimated cost of $85 million. The project is expected to generate strong returns on a standalone basis and is expected to be in-service date by mid-2026.
  - A 47,000 barrel per day KFS Fractionation Unit III project ("KFS Frac III") continues to receive strong contractual support from customers. A formal sanction decision is expected later this year, and the project is expected to be in service in 2028. Combined, the KFS Frac II debottleneck and the KFS Frac III project will increase Keyera's total fractionation capacity by about 60%.
  - Keyera has completed front-end engineering and design for KAPS Zone 4 and continues to progress toward securing sufficient contractual backing.

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

2024 Guidance Update

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

2025 Guidance:

- This past December, Keyera announced a new **7-8%** growth target for fee-based adjusted EBITDA[2] over the 2024-2027 period.
- Base Marketing realized margin[2] guidance remains between **\$310 million to \$350 million**. Consistent with prior years, realized margin[2] guidance for the Marketing segment will be provided with the first quarter 2025 results in mid-May, after the conclusion of the NGL contracting season.
- Growth capital expenditures are expected to range between **\$300 million and \$330 million**. This includes capital investments to advance the KFS Frac II debottleneck project, KFS Frac III, KAPS Zone 4, enhancements at AEF, and optimization work across the portfolio.
- Maintenance capital expenditures are expected to range between **\$70 million and \$90 million**.
- Cash taxes are expected to range between **\$100 million and \$110 million**.
- AEF will be taken offline for approximately 6 weeks in the spring of 2025 to conduct maintenance activities addressing an unexpected operational issue. These activities are required to ensure continued safe and reliable operations. The outage is expected to reduce 2025 realized margin[2] for the Marketing segment by approximately \$40 million, with no increase to maintenance capital. The company still expects to be within its stated base Marketing realized margin[2] guidance of \$310 million to \$350 million for 2025.

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

1 As disclosed in the Q2 2024 Report.
2 Realized margin and compound annual growth rate ("CAGR") for fee-based adjusted EBITDA are not standard measures under GAAP, and therefore may not be comparable to similar measures reported by other entities. For additional information, refer to the section titled "Non-GAAP and Other Financial Measures". For the assumptions associated with the base realized margin guidance for the Marketing segment, refer to the sections titled "Segmented Results of Operations: Marketing" and "Forward-Looking Statements".

CONSOLIDATED FINANCIAL RESULTS

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

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

Notes:

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

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

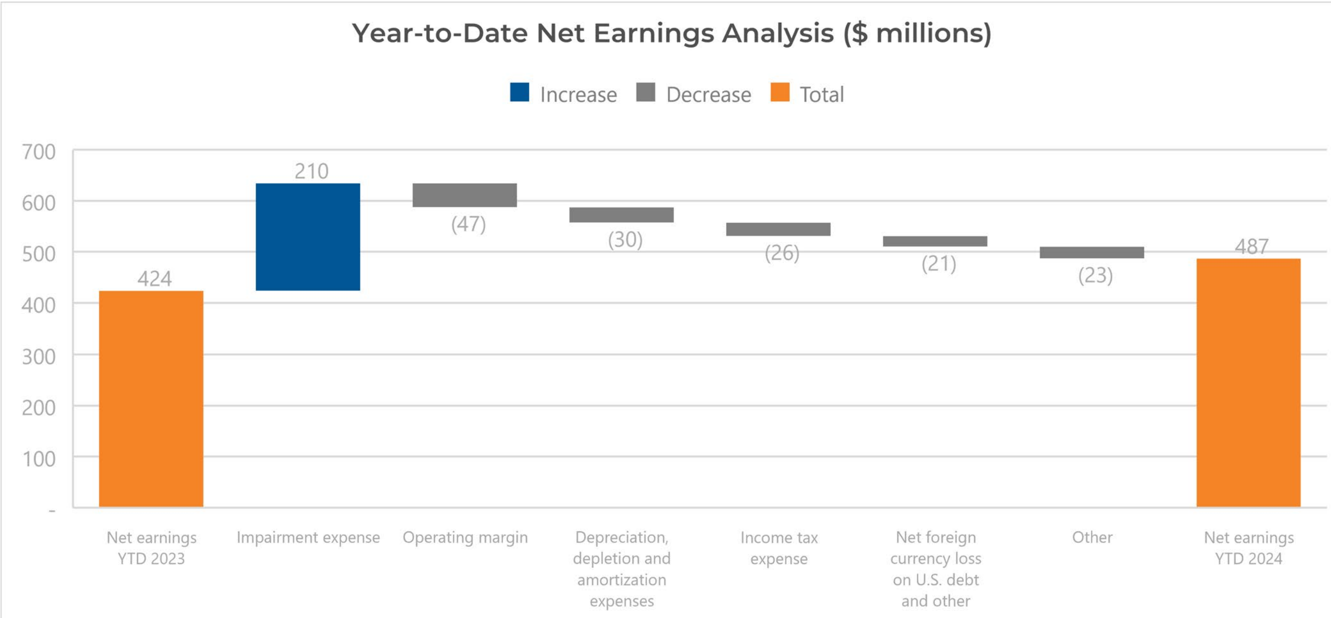
2 EBITDA is defined as earnings before finance costs, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before costs associated with non-cash items, including unrealized gains and losses on commodity-related contracts, net foreign currency gains and losses on U.S. debt and other,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

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

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

Net Earnings

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

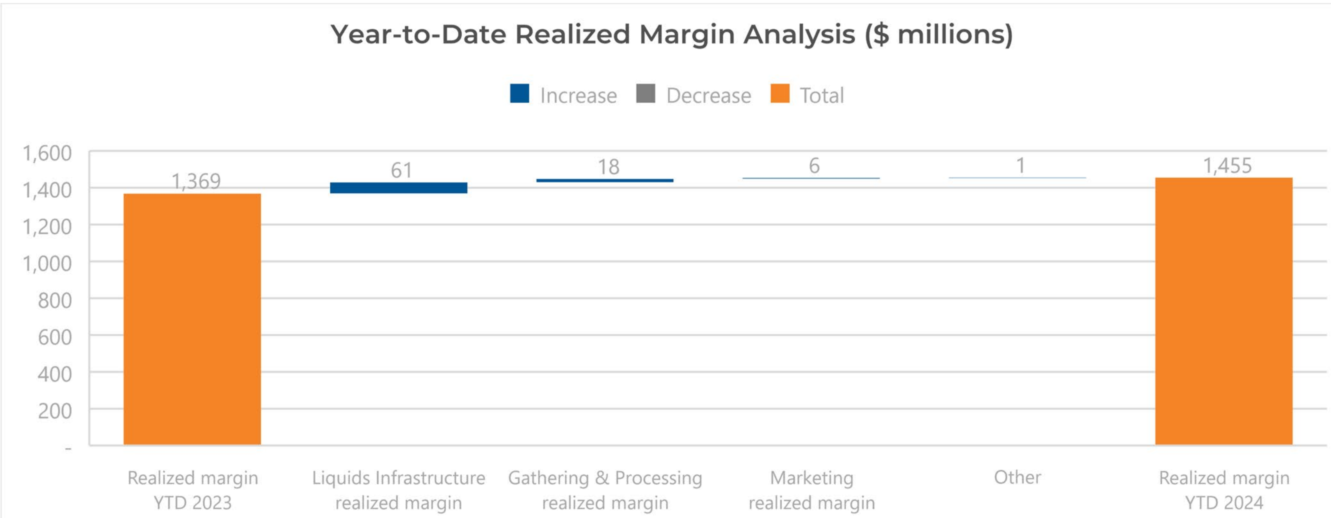


See the section below for more information related to operating margin. For all other charges mentioned above, please see the section of the MD&A titled, “Corporate and Other”.

Operating Margin and Realized Margin

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

Realized margin[1] (which excludes the effect of unrealized gains and losses from commodity-related risk management contracts) was $1.5 billion for the year ended December 31, 2024, $85 million or 6% higher than the prior year and includes the following changes in contribution by segment:



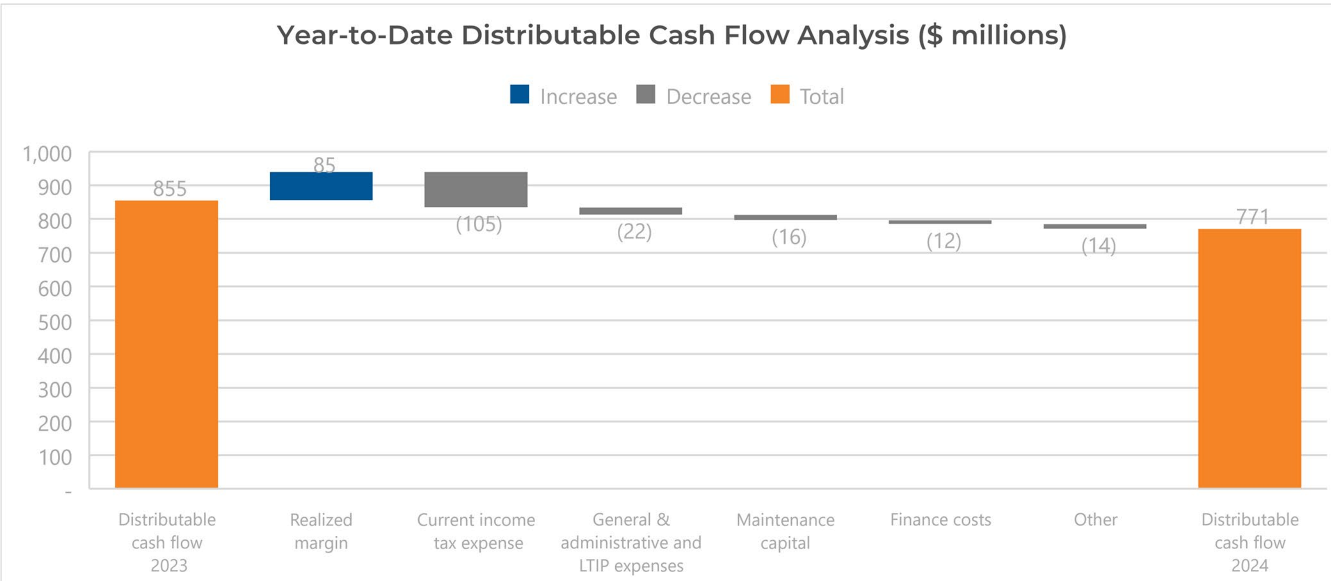
See the section titled "Segmented Results of Operations" for more information on operating results by segment.

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

Cash Flow Metrics

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

Distributable cash flow[1] in 2024 was $771 million, $84 million lower than the prior year due to factors shown in the table below:



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

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

SEGMENTED RESULTS OF OPERATIONS

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

Realized margin is defined as operating margin excluding unrealized gains and losses on commodity-related risk management contracts. Management believes that this supplemental measure facilitates the understanding of the financial results for the operating segments in the period without the effect of mark-to-market changes from risk management contracts related to future periods. Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. Refer to the section of this MD&A titled "Non-GAAP and Other Financial Measures".

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

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

Gathering and Processing

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

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

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

Operating Margin, Realized Margin and Throughput Information *(Thousands of Canadian dollars)*	**2024**	2023
Revenue[3]	**724,983**	733,316
Operating expenses[3]	**(312,383)**	(340,886)
Operating margin	**412,600**	392,430
Unrealized loss on risk management contracts	**118**	2,100
Realized margin[4]	**412,718**	394,530
Gross processing throughput[5] – (MMcf/d)	**1,492**	1,588
Net processing throughput[5,6] – (MMcf/d)	**1,324**	1,358

1 Excludes gas plants where Keyera has suspended operations.

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

3 Includes inter-segment transactions.

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

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

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

Annual Operating Margin and Revenue

Operating Margin	↑ $20 million vs 2023	Increase was primarily due to: • the absence of Alberta wildfire-related costs and downtime which reduced contribution by $16 million in 2023; and • higher contribution from the Simonette gas plant resulting from higher processing throughput and other ancillary revenues in the second half of 2024. The above factors were partly offset by lower contribution from the Strachan gas plant due to lower processing volumes resulting from natural declines and a scheduled maintenance turnaround in the third quarter.
Revenue	↓ $8 million vs 2023	• Decrease in revenue was primarily due to lower operating expenses at the Pipestone gas plant that are largely recovered from customers through higher operating fees. As well, lower ethane sales revenues from the Rimbey gas plant that was primarily based on lower index pricing. The effect on operating margin is minimal as ethane purchases are also based on index pricing and are included in operating expenses.

Gathering and Processing Activity

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

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

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

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

Liquids Infrastructure

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

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

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

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

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

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

Operating Margin and Realized Margin *(Thousands of Canadian dollars)*	**2024**	2023
Revenue[1]	**879,395**	768,996
Operating expenses[1]	**(322,374)**	(282,529)
Operating margin	**557,021**	486,467
Unrealized loss on risk management contracts	**569**	9,647
Realized margin[2]	**557,590**	496,114

Notes:

1 Includes inter-segment transactions.

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

Annual Operating Margin and Revenue

Operating Margin	↑ $71 million vs 2023	Increase was primarily due to: • $22 million in higher contribution from the KFS complex resulting from higher contracted storage volumes and increased fractionation revenues that were partly attributable to the acquisition of an additional 21% working interest in Q1 2023, as well as lower operating expenses; • incremental margin from the KAPS pipeline system which commenced operations during the second quarter of 2023; • higher contribution from Keyera's condensate system; and • $9 million in lower unrealized non-cash losses from risk management contracts in 2024.
Revenue	↑ $110 million vs 2023	• Increase was mainly due to the same factors that contributed to higher operating margin as described above. As well, higher operating revenues from the AEF facility resulting from the recovery of increased operating expenses related to the facility's maintenance outage in Q2 2024. The operating expenses at AEF are recovered from the Marketing segment and do not have an impact on operating margin for the Liquids Infrastructure segment.

Liquids Infrastructure Activity

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

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

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

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

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

The AEF facility will be taken offline for approximately 6 weeks in the spring of 2025 to conduct maintenance activities addressing an unexpected operational issue. These activities are required to ensure continued safe and reliable operations. The outage is expected to reduce 2025 realized margin for the Marketing segment by approximately $40 million, with no increase to maintenance capital.

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

Marketing

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

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

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

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

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

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

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

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

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

Operating margin and realized margin for the Marketing segment were:

Operating Margin and Realized Margin *(Thousands of Canadian dollars, except for sales volume information)*	**2024**	2023
Revenue[1]	**6,036,962**	6,055,725
Operating expenses[1]	**(5,620,833)**	(5,501,474)
Operating margin	**416,129**	554,251
Unrealized loss (gain) on risk management contracts	**68,579**	(75,284)
Realized margin[2]	**484,708**	478,967
Sales volumes (Bbl/d)	**207,500**	200,700

Notes:

1 Includes inter-segment transactions.

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

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

Notes:

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

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

Annual Operating Margin, Realized Margin and Revenue

Operating Margin	↓ $138 million vs 2023	• Decrease was primarily due to $69 million in unrealized non-cash losses from risk management contracts in 2024 compared to $75 million in unrealized non-cash gains in 2023. • Partly offsetting the above factors was $6 million in higher realized margin as described in more detail below.
Realized Margin[1]	↑ $6 million vs 2023	Increase was primarily due to $82 million in higher margin from: • significantly higher propane contribution due to increased sales volumes to higher value markets and strong local demand in Q4 2024 that was partly influenced by colder seasonal weather; • higher butane margin from increased sales volumes in Q4 2024; and • increased condensate margins due to higher sales volumes and strong demand. Partly offsetting the above factors was $74 million in lower iso-octane margin primarily due to lower sales volumes resulting from a six-week maintenance outage at the AEF facility during Q2 2024 as well as lower product premiums and pricing in 2024.
Revenue	↓ $19 million vs 2023	• Decrease was primarily due to lower average sales prices for substantially all products, with the exception of propane, compared to the prior year.

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

Market Commentary

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

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

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

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

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

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

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

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

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

Risk Management

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

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

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

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

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

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

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

CORPORATE AND OTHER

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

Note:
1 Net of overhead recoveries on operated facilities.

General and Administrative Expenses

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

Finance Costs

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

Depreciation, Depletion and Amortization Expenses

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

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

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

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

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

Long-Term Incentive Plan Expense

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

Net Impairment Expense

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

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

Disposal of Property, Plant and Equipment

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

	% Ownership Interest	Date of Disposition
Edson gas plant *(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 $105 million was recorded for the year ended December 31, 2024, compared to a recovery of less than $1 million in 2023. Current taxes have increased in 2024 due to higher earnings and lower tax pool deductions when compared to the prior year.

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

Deferred Income Taxes

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

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

SUMMARY FOURTH QUARTER RESULTS

Fourth Quarter Financial and Operational Highlights *(Thousands of Canadian dollars, except per unit and volumetric information)*	**Three months ended December 31, 2024**	**2023**
Operating Margin (Loss)		
Gathering & Processing	**107,834**	114,851
Liquids Infrastructure	**154,295**	128,133
Marketing	**45,264**	202,851
Other	**(98)**	(49)
Operating margin	**307,295**	445,786
Realized Margin[1] (Loss)		
Gathering & Processing	**107,303**	115,983
Liquids Infrastructure	**152,576**	130,170
Marketing	**99,408**	128,597
Other	**(98)**	(49)
Realized margin[1]	**359,189**	374,701
Net earnings	**88,906**	49,192
Earnings per share (basic)	**0.39**	0.21
Adjusted EBITDA[2]	**312,732**	339,244
Cash flow from operating activities	**316,431**	230,739
Funds from operations[3]	**227,274**	290,643
Distributable cash flow[3]	**168,301**	233,563
Distributable cash flow per share[3] (basic)	**0.73**	1.02
Dividends declared	**119,160**	114,577
Dividends declared per share	**0.52**	0.50
Capital expenditures (including acquisitions)	**93,015**	74,342
Volumetric Information		
Gathering and Processing:		
Gross processing throughput[4] (MMcf/d)	**1,532**	1,625
Net processing throughput[4] (MMcf/d)	**1,380**	1,393
Liquids Infrastructure[5]:		
Gross fractionation throughput (Mbbl/d)	**187**	206
Net fractionation throughput (Mbbl/d)	**102**	116
AEF iso-octane production volumes (Mbbl/d)	**15**	15
Marketing:		
Sales Volumes (Bbl/d)	**243,500**	253,900

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 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, 2024**	2023
Physical sales	**1,717,336**	1,927,724
Realized cash (loss) gain on financial contracts[1]	**(17,636)**	17,608
Unrealized (loss) gain due to reversal of financial contracts existing at end of prior period	**(46,562)**	13,630
Unrealized (loss) gain due to fair value of financial contracts existing at end of current period	**(6,667)**	61,130
Unrealized loss from fixed price physical contracts[2]	**(915)**	(506)
Total unrealized (loss) gain on risk management contracts	**(54,144)**	74,254
Total (loss) gain on risk management contracts	**(71,780)**	91,862
Revenue[3]	**1,645,556**	2,019,586
Operating expenses[3]	**(1,600,292)**	(1,816,735)
Marketing operating margin	**45,264**	202,851
Unrealized loss (gain) on risk management contracts	**54,144**	(74,254)
Marketing realized margin[4]	**99,408**	128,597

Notes:

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

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

3 Includes inter-segment transactions.

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

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

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

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

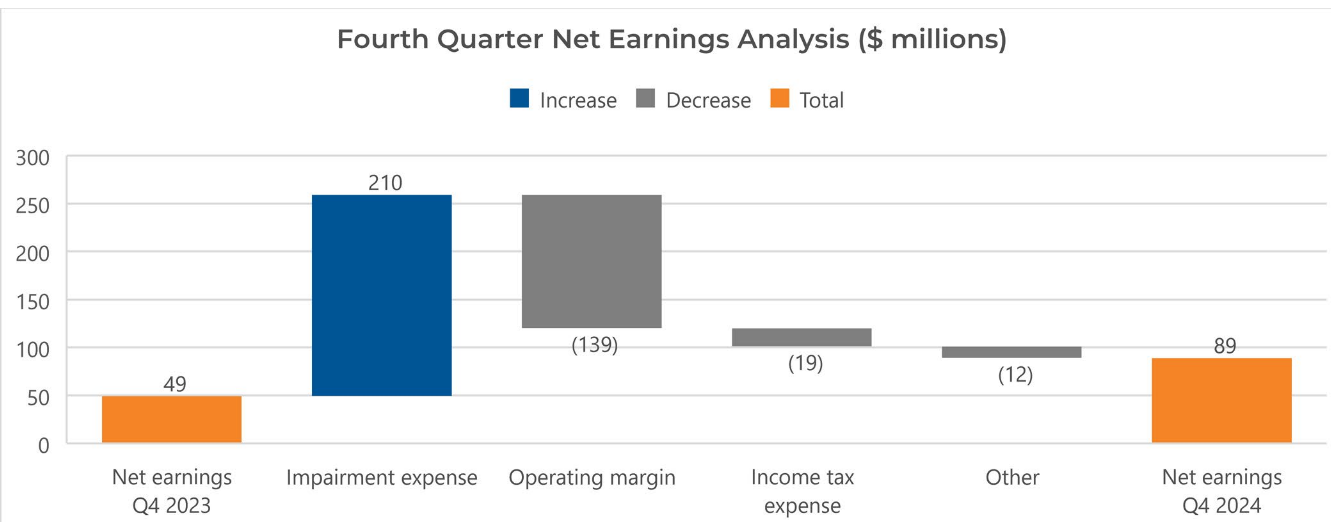
EBITDA and adjusted EBITDA are not standard measures under GAAP, and therefore may not be comparable to similar measures reported by other entities. Refer to the sections of this MD&A titled "EBITDA and Adjusted EBITDA" and "Non-GAAP and Other Financial Measures".

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

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

Net Earnings

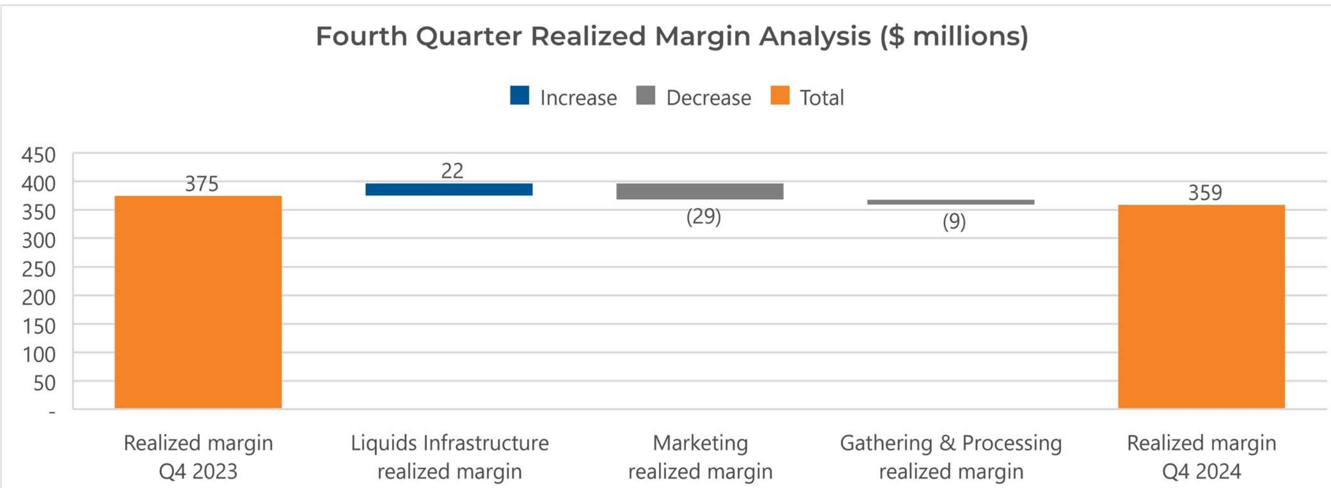
Net earnings of $89 million was recorded in the fourth quarter of 2024 compared to $49 million in the fourth quarter of 2023. The increase in earnings was due to the following:



Operating Margin and Realized Margin

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

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



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

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

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

Fourth Quarter Operating Margin and Revenue

Gathering & Processing

Operating Margin	↓ $7 million vs Q4 2023	• Decrease was primarily due to $14 million in lower contribution from the Pipestone gas plant. Q4 2023 contribution from this facility included cost recoveries related to its maintenance turnaround and a $4 million one-time revenue adjustment associated with prior periods. • The above factors were partly offset by higher contribution from the Simonette gas plant resulting from higher processing throughput and other ancillary revenues.
Revenue	↓ $10 million vs Q4 2023	• Decrease in revenue was mainly due to the same factors that contributed to lower operating margin as described above.

Fourth Quarter Operating Margin and Revenue

Liquids Infrastructure

Operating Margin	↑ $26 million vs Q4 2023	Increase was primarily due to: • incremental margin from the KAPS pipeline system and Keyera's condensate system as a result of higher contracted volumes; • higher operating margin at the Alberta Diluent Terminal mainly due to lower operating costs as tank repair and cleaning costs were incurred in Q4 2023; and • higher contribution from the KFS complex mainly due to lower operating expenses.
Revenue	↑ $14 million vs Q4 2023	• Increase was mainly due to higher revenues from the KAPS pipeline system and Keyera's condensate system as described above.

Fourth Quarter Operating Margin, Realized Margin and Revenue

Marketing

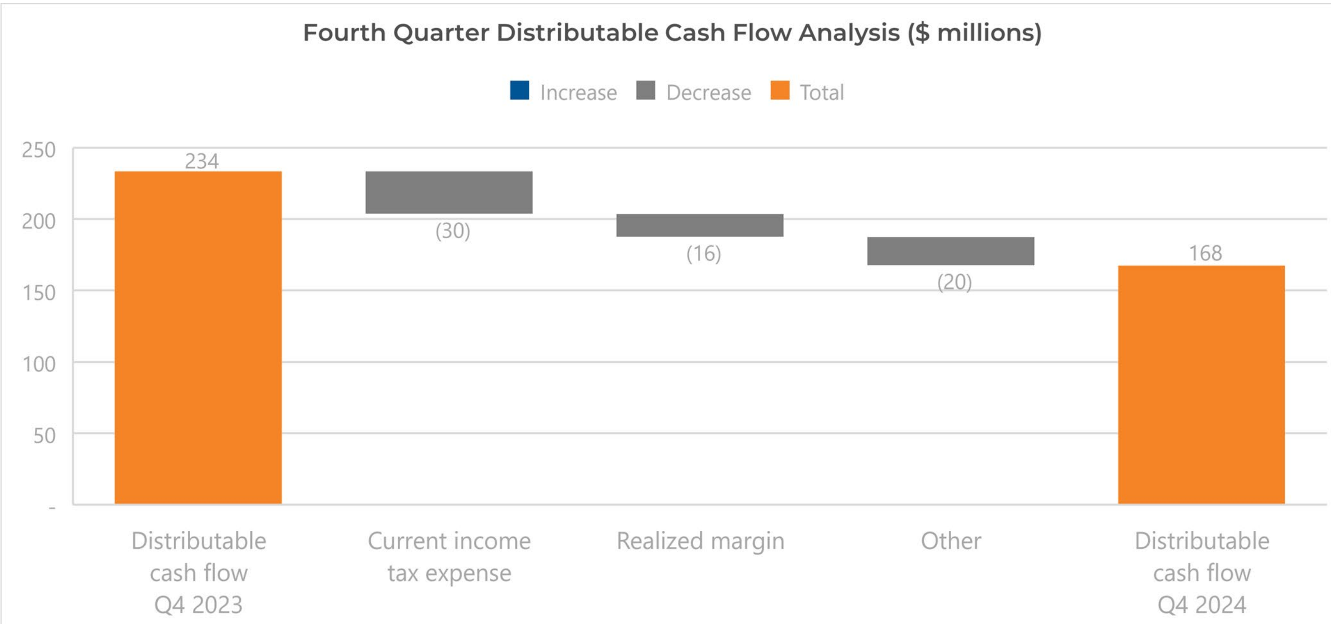
Operating Margin	↓ $158 million vs Q4 2023	• Increase was primarily due to $54 million in unrealized non-cash losses from risk management contracts in Q4 2024 compared to $74 million in unrealized non-cash gains in Q4 2023 and $29 million in lower realized margin as described in more detail below.
Realized Margin[1]	↓ $29 million vs Q4 2023	Decrease was primarily due to $61 million in lower margin from: • lower iso-octane contribution primarily due to reduced product premiums and motor gasoline pricing; and • lower liquids blending contribution due to lower sales volumes. Partly offsetting the above factors was $29 million in higher margin from: • higher propane contribution due to increased sales volumes to higher value markets and strong local demand that was partly influenced by colder seasonal weather; and • higher butane contribution from higher sales volumes.
Revenue	↓ $374 million vs Q4 2023	• Decrease was primarily due to lower liquids blending volumes and lower average sales prices for most products, with the exception of propane and butane, compared to the prior year.

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

Cash Flow Metrics

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

Distributable cash flow[1] was $168 million for the fourth quarter of 2024, $65 million lower than the same period in the prior year due to factors shown in the table below:



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

CRITICAL ACCOUNTING ESTIMATES

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

Operating Revenues

Gathering and Processing and Liquids Infrastructure:

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

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

Marketing:

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

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

Operating Expenses and Product Purchases

Gathering and Processing and Liquids Infrastructure:

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

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

Marketing:

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

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

Equalization Adjustments

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

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

Depreciation of Property, Plant and Equipment

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

Allowance for Expected Credit Losses

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

Derivative Financial Instruments

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

Fair Value Estimates of Property, Plant and Equipment

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

Impairment of Property, Plant and Equipment and Goodwill

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

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

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

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

Long-term Incentive Plan Liability

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

Decommissioning Liability

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

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

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

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

Deferred Tax Assets and Liabilities

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

LIQUIDITY AND CAPITAL RESOURCES

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

Cash inflows (outflows) *(Thousands of Canadian Dollars)*	**2024**	2003	**Increase (Decrease)**	**Explanation**
Operating	**1,265,788**	975,486	290,302	During 2024, cash generated from operating activities was higher when compared to 2023, primarily due to a lower net cash requirement to fund operating working capital associated with accounts receivable and accounts payable, which are merely timing differences associated with the collection and settlement of these balances, and higher realized margin. These increases were partially offset by higher current income tax expense and a higher cash requirement to fund inventory.
Investing	**(235,314)**	(819,713)	584,399	Capital investment in 2024 was lower than the prior year primarily due to: i) the acquisition of an additional 21% working interest in the KFS complex for cash consideration of $367 million during the prior year, and ii) lower capital expenditures associated with the KAPS pipeline project and the South Cheecham sulphur facilities, which became operational during the second and third quarters of 2023, respectively.
Financing	**(935,653)**	(134,263)	(801,390)	Cash used in financing activities was higher in 2024 when compared to 2023 primarily as the result of: i) net repayments under the Credit Facility of $470 million, compared to net borrowings of $430 million during 2023, and ii) $163 million of additional debt repayments. This was partially offset by the issuance of $250 million of medium-term notes during the first quarter of 2024.

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

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

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

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

Corporate Credit Ratings

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

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

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

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

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

Long-term Debt (including Credit Facilities)

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

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

Credit Facilities

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

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

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

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

Long-term Debt

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

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

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

Compliance with Covenants

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

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

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

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

Capital Expenditures and Acquisitions

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

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

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

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

Dividends

Funds from Operations, Distributable Cash Flow and Payout Ratio

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

Funds from operations is defined as cash flow from operating activities adjusted for changes in non-cash working capital. This measure is used to assess the level of cash flow generated from operating activities excluding the effect of changes in non-cash working capital, as they are primarily the result of seasonal fluctuations in product inventories or other temporary changes. Funds from operations is also a valuable measure that allows investors to compare Keyera with other infrastructure companies within the oil and gas industry.

Distributable cash flow is used to assess the level of cash flow generated from ongoing operations and to evaluate the adequacy of internally generated cash flow to fund dividends. Cash flow from operating activities is adjusted for changes in non-cash working capital, inventory write-downs, maintenance capital expenditures and lease payments, including the periodic costs related to prepaid leases.

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

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

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

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

Dividend Policy

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

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

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

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

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

Normal Course Issuer Bid

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

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

Adjusted Cash Flow from Operating Activities and Return on Invested Capital

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

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

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

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

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

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA are not standard measures under GAAP and therefore, may not be comparable to similar measures reported by other entities. EBITDA is a measure showing earnings before finance costs, taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA before costs associated with non-cash items, including unrealized gains and losses on commodity-related contracts, net foreign currency gains and losses on U.S. debt and other, impairment expenses and any other non-cash items such as gains and losses on the disposal of property, plant and equipment. Management believes that these supplemental measures facilitate the understanding of Keyera's results from operations. In particular, these measures are used as an indication of earnings generated from operations after consideration of administrative and overhead costs. Refer to the section of this MD&A titled "Non-GAAP and Other Financial Measures".

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

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

CONTRACTUAL OBLIGATIONS

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

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

Notes:

1 Long-term debt obligations are principal only and exclude interest payments. For the U.S. denominated senior unsecured notes, the principal obligations are converted at the December 31, 2024 spot foreign exchange rate of 1.4405.

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

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

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

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

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

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

RELATED PARTY TRANSACTIONS

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

RISK FACTORS

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

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

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

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

Legislative and Regulatory Risk

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

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

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

Credit Risk

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

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

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

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

Credit Ratings

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

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

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

Marketing Risk

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

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

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

Operational Risk

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

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

Foreign Currency Risk

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

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

Cyber Security

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

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

Breach of Confidentiality

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

ENVIRONMENTAL REGULATION AND CLIMATE CHANGE

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

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

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

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

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

SELECTED FINANCIAL INFORMATION

The following table presents selected annual financial information for Keyera:

(Thousands of Canadian dollars, except per share information)	**2024**	2023	2022
Revenue before inter-segment eliminations[1]			
• Gathering and Processing	**724,983**	733,316	722,395
• Liquids Infrastructure	**879,395**	768,996	633,310
• Marketing	**6,036,962**	6,055,725	6,135,499
• Other	**55**	40	58
Operating margin			
• Gathering and Processing	**412,600**	392,430	347,900
• Liquids Infrastructure	**557,021**	486,467	413,879
• Marketing	**416,129**	554,251	414,973
• Other	**(149)**	(210)	(971)
Realized margin[2]			
• Gathering and Processing	**412,718**	394,530	346,772
• Liquids Infrastructure	**557,590**	496,114	405,912
• Marketing	**484,708**	478,967	397,421
• Other	**(149)**	(210)	(971)
Net earnings	**486,628**	424,032	328,294
Earnings per share ($/share):			
• Basic	**2.12**	1.85	1.48
• Diluted	**2.12**	1.85	1.48
Dividends to shareholders	**467,473**	449,141	425,665
Dividends per share (basic)	**2.04**	1.96	1.92
Shares outstanding (thousands)			
• Weighted average (basic)	**229,153**	229,153	221,290
• Weighted average (diluted)	**229,153**	229,153	221,290
Total assets	**8,755,861**	8,780,011	8,568,188
Total long-term liabilities	**4,731,359**	5,205,317	4,749,473

Notes:

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

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

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

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

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

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

SUMMARY OF QUARTERLY RESULTS

The following table presents selected financial information for Keyera:

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

Notes:

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: i) the KFS complex mainly attributable to the acquisition of an additional 21% working interest in the first quarter of 2023; and ii) the KAPS pipeline system which commenced operations in the second quarter of 2023;
- record gross processing throughput levels for the Wapiti and Pipestone gas plants in the Gathering and Processing segment that contributed to higher operating margin;

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

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

ADOPTION OF NEW STANDARDS

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

FUTURE ACCOUNTING PRONOUNCEMENTS

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

CONTROL ENVIRONMENT

Disclosure Controls and Procedures and Internal Control over Financial Reporting

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

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

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

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

Changes in Internal Control over Financial Reporting

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

COMMON SHARES

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

NON-GAAP AND OTHER FINANCIAL MEASURES

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

Funds from Operations	
Definition	Cash flow from operating activities adjusted for changes in non-cash working capital.
Utilization	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") / Distributable Cash Flow per Share	
Definition	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 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	Dividends declared to shareholders divided by distributable cash flow.
Utilization	Payout ratio is used to assess the sustainability of the company's dividend payment program.

Realized Margin	
Definition	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. The most directly comparable GAAP measure is operating margin for these segments. On an individual basis, a reconciliation of realized margin for the Gathering and Processing and Liquids Infrastructure segments to the most comparable GAAP measure, operating margin for these respective segments can be found in the "Segmented Results of Operations" section.
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".
Related Guidance Measures *(Forward-Looking Information)*	***Annual Base Realized Margin for the Marketing Segment*** *($310 million to $350 million)* This measure represents Keyera's expectation of what the Marketing segment will contribute on average in a typical year. Material factors and assumptions associated with the annual base realized margin guidance for the Marketing segment can be found in the sections titled, "Segmented Results of Operations: Marketing" and "Forward-Looking Statements". 2025 realized margin guidance for the Marketing segment will be provided during the first quarter, after the conclusion of the NGL contracting season.

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

Return on Invested Capital ("ROIC")

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

Compound Annual Growth Rate ("CAGR") Calculations

Definition

CAGR is calculated as follows:

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

* 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.

Compound Annual Growth Rate ("CAGR") Calculations

Definition

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

Fee-Based Adjusted EBITDA

For the Year Ended December 31, *(Thousands of Canadian dollars)*	**2024**	**2023**	**2022**	**2021**
Realized Margin – Fee-for-Service	970,308	890,644	752,684	731,930
Less:				
General and administrative expenses	(117,142)	(106,494)	(82,843)	(80,697)
Long-term incentive plan expense	(62,450)	(50,909)	(33,284)	(27,029)
Fee-Based Adjusted EBITDA	790,716	733,241	636,557	624,204

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

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

CAGR for DCF per Share

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

CAGR for Dividends per Share

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

Utilization

CAGR for fee-based adjusted EBITDA represents the expected earnings growth attributable to the fee-for-service business. Margin and EBITDA growth reinforces Keyera's ability to sustainably return capital to shareholders over the long term.

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

FORWARD-LOOKING STATEMENTS

In order to provide readers with information regarding Keyera, including its assessment of future plans and operations, its financial outlook and future prospects overall, this MD&A contains certain statements that constitute "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "forward-looking information"). Forward-looking information is typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "can", "project", "should", "would", "plan", "intend", "believe", "plan", "target", "outlook", "scheduled", "positioned", and similar words or expressions, including the negatives or variations thereof. All statements other than statements of historical fact contained in this document are forward-looking information, including, without limitation, statements regarding:

- industry, market and economic conditions and any anticipated effects on Keyera;
- Keyera's future financial position and operational performance and future financial contributions and margins from its business segments including, but not limited to, Keyera's Marketing guidance for 2025 annual base realized margin of between $310 million and $350 million;
- estimates for 2025 regarding Keyera's growth capital expenditures, maintenance capital expenditures and cash tax expense;
- the expectation that demand for Keyera's liquid infrastructure service offerings, including fractionation capacity and storage capacity, will remain strong;
- plans around the expansion of Keyera's fractionation capacity, including the cost and timing for the KFS Frac II debottleneck, and sanction and timing for the construction of KFS Frac III;
- expectations around long-term demand for iso-octane;
- plans for deployment of capital, including with respect to use of the NCIB versus other capital allocation opportunities;
- plans around future dividends;
- current estimated income tax expenses for 2025 and tax pools at December 31, 2024;
- business strategy, anticipated growth and plans of management;
- budgets, including future growth capital, operating and other expenditures and projected costs;
- timing of anticipated maintenance activities during 2025 and the impact on 2025 realized margin;
- expectations related to producer drilling activity in the South Region;
- anticipated timing for future revenue streams and optimization plans;
- treatment of Keyera and its projects under existing and proposed governmental regulatory regimes;
- the operation and effectiveness of risk management programs and Keyera's expectation to continue to utilize RBOB-based financial contracts to hedge iso-octane sales;
- expected outcomes with respect to legal proceedings and potential insurance recoveries;
- expectations around replacement of Keyera's credit facilities and other debt arrangements upon maturity;
- expectations regarding Keyera's ability to maintain its competitive position, raise capital and add to its assets through acquisitions or internal growth opportunities, and the ability to equity self-fund future growth opportunities when ready for sanction;
- expectations as to the financial impact of Keyera's compliance with future environmental and carbon tax regulation;
- plans, targets, and strategies with respect to reducing greenhouse gas emissions and anticipated reductions in emissions levels; and
- Keyera's ESG, climate change and risk management initiatives and their implementation generally.

All forward-looking information reflects Keyera's beliefs and assumptions based on information available at the time the applicable forward-looking information is made and in light of Keyera's current expectations with respect to such things as the outlook for general economic trends, industry trends, commodity prices, oil and gas industry exploration and development activity levels and the geographic region of such activity, Keyera's access to the capital markets and the cost of raising capital, the integrity and reliability of Keyera's assets, the governmental, regulatory and legal environment, general compliance with Keyera's plans, strategies, programs, and goals across its reporting and monitoring systems among employees, stakeholders and service providers. Keyera's expectation as to the "base realized margin" to be contributed by its Marketing segment assumes: i) a crude oil price of between US$65 and US$75 per barrel; ii) butane feedstock costs comparable to the 10-year average; and iii) AEF utilization at nameplate capacity. In some instances, this MD&A may also contain forward-looking information attributed to third parties. Forward-looking information does not guarantee future performance. Management believes that its assumptions and expectations reflected in the forward-looking information contained herein are reasonable based on the information available on the date such information is provided and the process used to prepare the information. However, it cannot assure readers that these expectations will prove to be correct.

All forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results, events, levels of activity and achievements to differ materially from those anticipated in the forward-looking information. Such risks, uncertainties and other factors include, without limitation, the following:

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

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

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

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

Investor Information

DIVIDENDS TO SHAREHOLDERS

Dividends declared to shareholders of Keyera were $0.52 per share in the fourth quarter of 2024.

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 2024 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 the fourth quarter and year-end of 2024 at 8:00 AM Mountain Time (10:00 AM Eastern Time) on Thursday, February 13, 2025. 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 Thursday, February 27, 2025 (12:00 AM Eastern Time on Friday, February 28, 2025), by dialing 1-888-660-6345 or 1-289-819-1450 and entering passcode 08660. 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, 2024. 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 12, 2025
Calgary, Alberta

Deloitte.

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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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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, 2024 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 2024 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 2024 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 13, 2025

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

As at	Note	December 31, 2024	December 31, 2023
ASSETS			
Cash		**118,441**	20,088
Trade and other receivables	6	**640,109**	688,237
Derivative financial instruments	22	**93,919**	121,349
Inventory	7	**270,225**	225,790
Other assets	8	**9,477**	12,549
Total current assets		**1,132,171**	1,068,013
Derivative financial instruments	22	**24,596**	55,032
Property, plant and equipment	9	**7,224,113**	7,260,479
Right-of-use assets	10	**216,099**	233,721
Intangible assets		**46,522**	50,443
Goodwill	11	**32,015**	32,015
Deferred tax assets	17	**80,345**	80,308
Total assets		**8,755,861**	8,780,011
LIABILITIES AND EQUITY			
Trade and other payables, and provisions	12	**761,809**	529,989
Derivative financial instruments	22	**44,145**	19,907
Current portion of long-term debt	13	**321,663**	186,018
Current portion of decommissioning liability	14	**16,823**	18,483
Current portion of lease liabilities	15	**48,661**	40,823
Total current liabilities		**1,193,101**	795,220
Derivative financial instruments	22	**6,082**	614
Credit facilities	13	**—**	470,000
Long-term debt	13	**3,379,498**	3,426,994
Decommissioning liability	14	**226,683**	220,321
Long-term lease liabilities	15	**150,710**	162,685
Other long-term liabilities	16	**33,147**	26,408
Deferred tax liabilities	17	**935,239**	898,295
Total liabilities		**5,924,460**	6,000,537
Equity			
Share capital	18	**3,372,561**	3,372,561
Accumulated deficit		**(582,960)**	(602,115)
Accumulated other comprehensive income		**41,800**	9,028
Total equity		**2,831,401**	2,779,474
Total liabilities and equity		**8,755,861**	8,780,011

See accompanying notes to the consolidated financial statements.
Commitments and contingencies (note 31)

These consolidated financial statements were approved by the board of directors of Keyera Corp. on February 12, 2025.

(Signed) Michael Norris
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 share information)

	Note	**2024**	2023
Revenue	30	**7,138,441**	7,053,126
Expenses	30	**(5,752,840)**	(5,620,188)
Operating margin		**1,385,601**	1,432,938
General and administrative expenses	25	**(117,142)**	(106,494)
Finance costs	26	**(217,521)**	(204,084)
Depreciation, depletion and amortization expenses	27	**(352,392)**	(322,514)
Net foreign currency (loss) gain on U.S. debt and other	23	**(9,258)**	11,472
Long-term incentive plan expense	21	**(62,450)**	(50,909)
Impairment expense	9	**(3,397)**	(213,508)
Net gain on disposal of property, plant and equipment	9	**11,677**	—
Other		**—**	(224)
Earnings before income tax		**635,118**	546,677
Income tax expense	17	**(148,490)**	(122,645)
Net earnings		**486,628**	424,032
Other comprehensive income (loss)			
Foreign currency translation adjustment		**32,772**	(13,956)
Comprehensive income		**519,400**	410,076
Earnings per share			
Basic earnings per share	19	**2.12**	1.85
Diluted earnings per share	19	**2.12**	1.85

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	2024	2023
Cash provided by (used in):			
OPERATING ACTIVITIES			
Net earnings		**486,628**	424,032
Adjustments for items not affecting cash:			
Finance costs	26	**24,813**	23,790
Depreciation, depletion and amortization expenses	27	**352,392**	322,514
Unrealized loss (gain) on derivative financial instruments	22	**87,572**	(57,988)
Unrealized gain on foreign exchange		**(16,509)**	(16,178)
Inventory write-down	7	**—**	3,257
Deferred income tax expense	17	**43,522**	123,091
Impairment expense	9	**3,397**	213,508
Net gain on disposal of property, plant and equipment	9	**(11,677)**	—
Decommissioning liability expenditures	14	**(7,700)**	(8,533)
Changes in non-cash working capital	29	**303,350**	(52,007)
Cash flow from operating activities		**1,265,788**	975,486
INVESTING ACTIVITIES			
Acquisitions	9	**—**	(366,537)
Capital expenditures	9	**(252,325)**	(336,150)
Proceeds on disposal of property, plant and equipment	9	**5,705**	—
Changes in non-cash working capital	29	**11,306**	(117,026)
Net cash used in investing activities		**(235,314)**	(819,713)
FINANCING ACTIVITIES			
Borrowings under credit facility	13, 29	**350,000**	1,330,000
Repayments under credit facility	13, 29	**(820,000)**	(900,000)
Proceeds from issuance of long-term debt	13, 29	**250,000**	—
Repayments of long-term debt	13, 29	**(192,648)**	(30,000)
Financing costs related to credit facility/long-term debt	13, 29	**(2,728)**	(967)
Issuance costs related to equity offering		**—**	(229)
Lease payments	15, 29	**(52,804)**	(47,261)
Dividends paid to shareholders	20	**(467,473)**	(485,806)
Net cash used in financing activities		**(935,653)**	(134,263)
Effect of exchange rate fluctuations on foreign cash held		**3,532**	381
Net increase in cash		**98,353**	21,891
Cash (bank indebtedness) at the beginning of the year		**20,088**	(1,803)
Cash at the end of the year		**118,441**	20,088
Income taxes (received) paid in cash		**(444)**	27,520
Interest paid in cash		**195,610**	215,420

See accompanying notes to the consolidated financial statements.

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

	Share Capital (Note 18)	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2022	**3,372,738**	**(577,006)**	**22,984**	**2,818,716**
Issuance costs – 2022 equity offering	(177)	—	—	(177)
Net earnings	—	424,032	—	424,032
Dividends declared to shareholders (Note 20)	—	(449,141)	—	(449,141)
Other comprehensive loss	—	—	(13,956)	(13,956)
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 20)	—	(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**

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, 2024 and 2023
(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.

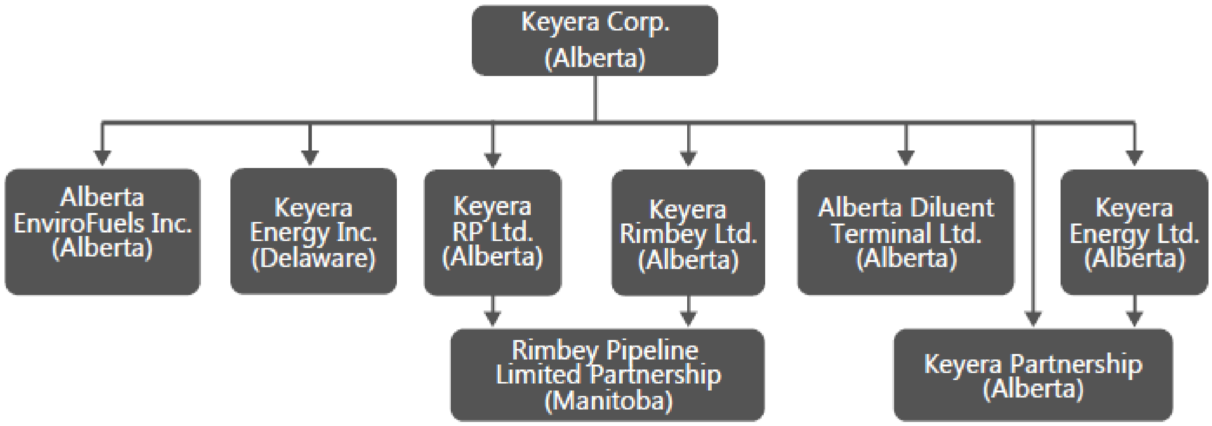
Keyera Corp. and its subsidiaries are collectively referred to herein as "Keyera". The address of Keyera's registered office and principal place of business is Suite 200, The Ampersand, West Tower, 144 – 4th Avenue S.W., Calgary, AB, Canada.

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, 2024.

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, 2024.



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[1]	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
South Cheecham Rail and Truck Terminal	Alberta	50%	Rail Loading, Offloading and Storage[2]
South Grand Rapids Pipeline	Alberta	50%	NGL Pipelines

Notes:

1 In 2023, Keyera acquired an additional 21% ownership interest in KFS (refer to note 9).

2 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 12, 2025 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, 2024.

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 entirely reserved for the proprietary use of Keyera's Marketing segment which sells this product to customers operating in the gasoline blending market.

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 21. 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, depletion 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 22).

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

may include an estimation of the associated reserve lives and production activity related to the assets' respective capture areas.

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

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

6. TRADE AND OTHER RECEIVABLES

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Trade and other receivables	**644,350**	692,478
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	**640,109**	688,237

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)*	**2024**	2023
Neither past due or impaired	**621,354**	680,915
Past due 31 to 60 days	**5,768**	3,613
Past due over 60 days	**12,987**	3,709
Total trade and other receivables	**640,109**	688,237

7. INVENTORY

The total carrying amount and classification of inventory was:

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
NGLs and iso-octane	**249,388**	209,712
Other	**20,837**	16,078
Total inventory	**270,225**	225,790

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

For the year ended December 31, 2024, $270,225 of inventory was carried at cost (2023 – $195,105) and $nil was carried at net realizable value (2023 – $30,685). During the year, no write-downs of inventory were required to adjust the carrying amount of inventory to net realizable value (2023 – $3,257). The cost of inventory expensed for the year ended December 31, 2024 was $4,946,380 (2023 – $4,798,105).

8. OTHER ASSETS

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Prepaid deposits	**1,580**	2,760
Other	**7,897**	9,789
Total other assets	**9,477**	12,549

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, 2022	**9,347,757**	**263,242**	**393,945**	**173,624**	**10,178,568**
Additions	594,187	28,564	70,613	15,381	708,745
Disposals	(785)	—	—	—	(785)
Decommissioning asset	56,298	—	—	—	56,298
Foreign currency translation	(8,522)	(136)	—	(63)	(8,721)
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**

Accumulated depreciation, depletion and impairment *(Thousands of Canadian dollars)*	General plant & processing equipment	Other properties & equipment	Turnarounds	Land & linefill	Total
As at December 31, 2022	**(2,704,835)**	**(165,291)**	**(313,955)**	**(2,291)**	**(3,186,372)**
Impairment expense	(210,493)	—	—	(3,015)	(213,508)
Depreciation and depletion expenses	(220,976)	(22,848)	(30,890)	—	(274,714)
Foreign currency translation	940	28	—	—	968
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 depletion 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)**

Carrying value *(Thousands of Canadian dollars)*	General plant & processing equipment	Other properties & equipment	Turnarounds	Land & linefill	Total
As at December 31, 2022	6,642,922	97,951	79,990	171,333	6,992,196
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**

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, 2023	108,708
As at December 31, 2024	**121,308**

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.

Acquisition of property, plant and equipment

During the first quarter of 2023, Keyera completed the acquisition of an additional 21% working interest in the Keyera Fort Saskatchewan ("KFS") complex, increasing Keyera's total ownership in KFS to 98%. The effective date of the transaction was February 13, 2023 and the total cash consideration paid was $366,537, including closing adjustments. Keyera applied the optional concentration test under *IFRS 3, Business Combinations* and the acquisition of the additional working interest in KFS was accounted for as an asset acquisition, which included $362,621 of general plant and processing equipment and $2,379 of land. A nominal decommissioning liability was also recorded in relation to the acquisition.

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 (2023 – $nil).

2023 Impairment expense

For the year ended December 31, 2023, Keyera identified through its impairment review that certain assets had carrying values that were greater than their recoverable amounts. The recoverable amount for each asset was calculated based on value in use which represents the estimated net present value of the cash flows expected to be derived from the asset, or fair value less costs of disposal ("FVLCOD").

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

The following impairment expenses with a combined value of $213,508 were recognized during the year ended December 31, 2023 in relation to property, plant and equipment:

(Thousands of Canadian dollars)	Period impairment was recorded	Impairment expense recognized
Wildhorse terminal[1]	Q4 2023	210,167
Other[2]	Q3 2023	3,341
Total impairment expense		**213,508**

Notes:

1 Included in the U.S. Liquids Infrastructure CGU in the Liquids Infrastructure operating segment.

2 Includes other assets and projects in the Liquids Infrastructure operating segment that are individually insignificant.

The impairment expense recorded for the U.S. Liquids Infrastructure CGU was the result of market conditions affecting the Wildhorse terminal.

10. RIGHT-OF-USE ASSETS

Cost *(Thousands of Canadian dollars)*	Rail Cars	Pipeline Transportation	Real Estate	Prepaid Lease Asset	Other	Total
As at December 31, 2022	**302,204**	**44,669**	**17,968**	**59,612**	**2,115**	**426,568**
Additions and adjustments	34,877	—	—	—	—	34,877
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**

Accumulated depreciation *(Thousands of Canadian dollars)*	Rail Cars	Pipeline Transportation	Real Estate	Prepaid Lease Asset	Other	Total
As at December 31, 2022	**(167,994)**	**(7,148)**	**(6,788)**	**(5,184)**	**(769)**	**(187,883)**
Depreciation expense	(33,640)	(1,787)	(1,839)	(2,380)	(195)	(39,841)
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)**

Carrying Value *(Thousands of Canadian dollars)*	Rail Cars	Pipeline Transportation	Real Estate	Prepaid Lease Asset	Other	Total
As at December 31, 2022	134,210	37,521	11,180	54,428	1,346	238,685
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**

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

11. 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, 2024 and 2023, 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, 2024 and 2023 in accordance with its policy described in note 3. The recoverable amount for these CGUs was determined based on a value in use calculation. At December 31, 2024, the discount rate used for the Canada Liquids Infrastructure CGU was 13.0% (2023 – 13.2%).

For the years ended December 31, 2024 and 2023, no impairment of goodwill was recorded.

12. TRADE AND OTHER PAYABLES, AND PROVISIONS

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Trade and accrued payables	**582,971**	481,367
Other payables	**33,905**	27,238
Current portion of long-term incentive plan	**39,875**	20,741
Current income taxes payable	**105,058**	643
Total trade and other payables, and provisions	**761,809**	529,989

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

13. 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, 2024 and 2023, as noted below, was determined by reference to valuation inputs under Level 2 of the fair value hierarchy as referenced in note 22.

			(Thousands of Canadian dollars)	
As at December 31, 2024	**Effective Interest Rate**	**Notes**	**Carrying Value**	**Fair Value**
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%	(b)	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**

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

As at December 31, 2023	Effective Interest Rate	Notes	Carrying Value	Fair Value
			(Thousands of Canadian dollars)	
Bank credit facilities	7.70%	(a)	470,000	470,000
Total credit facilities			**470,000**	**470,000**
Canadian dollar denominated debt				
Senior unsecured notes:				
4.91% due June 19, 2024	4.97%		17,000	17,000
4.92% due October 10, 2025	4.94%		100,000	99,000
5.05% due November 20, 2025	5.14%		20,000	19,800
4.15% due June 16, 2026	4.19%		30,000	29,300
3.96% due October 13, 2026	4.01%		200,000	193,800
3.68% due September 20, 2027	3.72%		400,000	380,600
5.09% due October 10, 2028	5.10%		100,000	100,400
4.11% due October 13, 2028	4.16%		100,000	96,300
5.34% due April 8, 2029	5.38%		75,000	76,400
			1,042,000	1,012,600
Senior unsecured medium-term notes:				
3.93% due June 21, 2028	4.00%		400,000	388,300
3.96% due May 29, 2030	4.02%		400,000	380,000
5.02% due March 28, 2032	5.08%		400,000	370,000
Subordinated hybrid notes:				
6.88% due June 13, 2079	6.89%		600,000	579,200
5.95% due March 10, 2081	5.97%		350,000	311,600
			3,192,000	3,041,700
U.S. dollar denominated debt				
Senior unsecured notes:				
4.19% due June 19, 2024 (US$128,000)	4.24%		169,018	169,000
4.75% due November 20, 2025 (US$140,000)	4.81%		184,863	181,600
4.95% due November 20, 2028 (US$65,000)	4.99%		85,829	83,500
			439,710	434,100
Less: Issuance costs			(18,698)	—
Less: Current portion of long-term debt			(186,018)	(186,000)
Total long-term debt			**3,426,994**	**3,289,800**

(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 $2,000,000 subject to certain conditions. In December 2024, the Credit Facility was amended to extend the term from December 6, 2028 to December 6, 2029. As at December 31, 2024, $nil was drawn under this facility (2023 – $470,000).

Financing costs of $726 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 $25,000 and the other with the Royal Bank of Canada in the amount of $50,000. 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, 2024, outstanding letters of credit issued were $5,471 (2023 – $6,425).

(b) 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.

14. 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 $1,329,932 (2023 – $1,405,854) which has been discounted using a credit-adjusted risk-free rate of 5.3% (2023 – 5.6%). 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)*	**2024**	2023
Decommissioning liability – beginning of the year	**238,804**	179,354
Liabilities acquired	**—**	1,650
Liabilities disposed	**(14,663)**	(2,751)
Liabilities settled	**(7,700)**	(8,533)
Change in estimated cash flows and additions	**487**	38,998
Change in discount rate	**18,575**	37,574
Change in estimated timing of settlement	**(5,480)**	(19,148)
Unwinding of discount included in finance costs	**13,085**	11,685
Foreign currency translation	**398**	(25)
Decommissioning liability – end of the year	**243,506**	238,804

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Current portion of decommissioning liability	**16,823**	18,483
Long-term portion of decommissioning liability	**226,683**	220,321
Decommissioning liability – end of the year	**243,506**	238,804

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

15. LEASE LIABILITIES

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Lease liabilities – beginning of the year	**203,508**	209,399
Additions	**26,883**	34,877
Interest on leases	**9,434**	9,825
Lease payments	**(52,804)**	(47,261)
Foreign exchange re-measurement and other	**12,350**	(3,332)
Lease liabilities – end of the year	**199,371**	203,508

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Current portion of lease liabilities	**48,661**	40,823
Long-term portion of lease liabilities	**150,710**	162,685
Lease liabilities – end of the year	**199,371**	203,508

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, 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 (2023 – 3.9% for Canadian dollar denominated leases and between 2.9% and 6.9% for U.S. dollar denominated leases).

(Thousands of Canadian dollars)	**2024**	2023
Variable lease payments	**4,012**	4,919
Low-value leases	**2,769**	2,818
Total lease payments expensed	**6,781**	7,737

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.

16. OTHER LONG-TERM LIABILITIES

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Long-term incentive plan	**28,406**	21,255
Other liabilities	**4,741**	5,153
Total other long-term liabilities	**33,147**	26,408

17. INCOME TAXES

The components of the income tax expense were:

(Thousands of Canadian dollars)	**2024**	2023
Current income taxes		
Current income tax charge	**106,278**	1,003
Adjustments with respect to current income tax of previous year	**(1,310)**	(1,449)
Current income tax (recovery) expense	**104,968**	(446)
Deferred income taxes		
Related to the origination and reversal of temporary differences	**41,725**	120,522
Adjustments to the opening deferred tax balances	**1,797**	2,569
Deferred income tax expense	**43,522**	123,091
Total income tax expense	**148,490**	122,645

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

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.

(Thousands of Canadian dollars)	**2024**	2023
Earnings before income tax	**635,118**	546,677
Income tax at statutory rate of 23.00% (2023 – 23.00%)	**146,077**	125,736
Valuation allowances	**(378)**	(798)
Permanent differences	**1,185**	(1,039)
Tax rate differences and adjustments	**1,290**	(2,012)
Adjustments to tax pool balances	**316**	758
Total income tax expense	**148,490**	122,645

Deferred tax balances

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Deferred tax assets	**80,345**	80,308
Deferred tax liabilities	**(935,239)**	(898,295)
Net deferred tax liabilities	**(854,894)**	(817,987)

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

	Consolidated Statements of Financial Position as at December 31,		**Consolidated Statements of Net Earnings for the years ended December 31,**	
(Thousands of Canadian dollars)	**2024**	2023	**2024**	2023
Property, plant and equipment	**(1,018,519)**	(960,757)	**61,097**	129,538
Intangible assets	**2,153**	1,990	**186**	(163)
Lease liabilities	**46,095**	46,853	**920**	1,475
Non-capital losses	**32,822**	34,359	**4,118**	(5,458)
Decommissioning liability	**56,062**	54,979	**(981)**	(13,695)
Other	**26,493**	4,589	**(21,818)**	11,394
Net deferred tax liabilities	**(854,894)**	(817,987)		
Deferred income tax expense			**43,522**	123,091

Reconciliation of net deferred tax liabilities

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Net deferred tax liabilities – beginning of the year	**(817,987)**	(694,278)
Income tax expense recognized in net earnings	**(43,522)**	(123,091)
Deferred income tax related to share issuance costs	**—**	52
Revaluation of foreign net deferred tax liabilities	**6,615**	(670)
Net deferred tax liabilities – end of the year	**(854,894)**	(817,987)

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, 2024, Keyera and its subsidiaries have non-capital losses carried forward of $137,030 (2023 – $142,914) 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, 2024 was $3,969 (2023 – $6,464).

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

18. SHARE CAPITAL

	Number of Common Shares	(Thousands of Canadian dollars) Share Capital
As at December 31, 2022	**229,153,373**	**3,372,738**
Issuance costs – 2022 equity offering	—	(177)
As at December 31, 2023	**229,153,373**	**3,372,561**
As at December 31, 2024	**229,153,373**	**3,372,561**

For the year ended December 31, 2024, dividends declared totaled $467,473 or $2.04 per common share (2023 – $449,141 or $1.96 per common share).

Normal Course Issuer Bid

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

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

19. 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:

	2024	2023
Earnings per share – basic and diluted *($/share)*	**2.12**	1.85
Net earnings – basic and diluted *(Thousands of Canadian dollars)*	**486,628**	424,032
Weighted average number of shares – basic and diluted *(Thousands)*	**229,153**	229,153

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

20. 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, 2022	**4,218,742**
Dividends declared and paid during the year	449,141
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**

2024 Dividend Increase

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

2023 Dividend Increase

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

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

21. 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. Shares delivered to employees are acquired in the marketplace and are not issued from treasury. The acquired shares are placed in a trust account established for the benefit of the participants until the share awards vest.

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

Performance Awards

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

All Performance Awards issued and outstanding are settled on or before September 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, 2024 share price of Keyera, which was $43.96 per share (December 31, 2023 – $32.03 per share).

The compensation cost recorded for the LTIP was:

LTIP Expense *(Thousands of Canadian dollars)*	**2024**	2023
Performance Awards	**54,122**	43,812
Restricted Awards	**8,328**	7,097
Total long-term incentive plan expense	**62,450**	50,909

The table below shows the number of share awards granted:

	Share awards granted as at December 31,	
Share Award Series	**2024**	2023
Performance Awards		
Issued July 1, 2021	—	424,854
Issued July 1, 2022	**478,319**	520,173
Issued July 1, 2023	**566,324**	616,393
Issued July 1, 2024	**538,105**	—
Restricted Awards		
Issued July 1, 2021	—	52,254
Issued July 1, 2022	**59,367**	129,634
Issued July 1, 2023	**142,537**	233,357
Issued July 1, 2024	**200,521**	—

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.

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

Defined Contribution Pension Plan

For the year ended December 31, 2024, Keyera made pension contributions of $13,043 (2023 – $11,978) 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 20-day weighted average trading share price. DSUs are settled in cash (on an after-tax basis) based on the 20-day weighted average Keyera share price up to the date of termination. For the year ended December 31, 2024, Keyera recorded $6,393 (2023 – $3,081) in general and administrative expenses related to the DSU plan.

The following table reconciles the number of DSUs outstanding:

DSUs Outstanding	2024	2023
DSUs outstanding – beginning of the year	**336,915**	268,963
Granted	**59,900**	67,952
DSUs outstanding – end of the year	**396,815**	336,915

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments include cash, trade and other receivables, derivative financial instruments, trade and other payables, 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 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.

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

Financial instruments with fair value equal to carrying value

The carrying values of cash, trade and other receivables, 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 senior fixed rate debt

Refer to note 13 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 and carrying 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, 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.

As at December 31, 2023	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, 2025	4,141,588 Bbls	99.92/Bbl	22,752	24,925	(2,173)
Buyer of fixed price WTI[3] swaps	March 31, 2025	371,670 Bbls	98.65/Bbl	(1,564)	88	(1,652)
Seller of fixed price NGL swaps	February 28, 2025	3,775,000 Bbls	55.34/Bbl	15,609	19,002	(3,393)
Buyer of fixed price NGL swaps	March 31, 2025	2,755,000 Bbls	50.74/Bbl	(2,321)	5,635	(7,956)
Seller of fixed price RBOB[4] basis spreads *(iso-octane)*	February 28, 2025	2,090,000 Bbls	28.28/Bbl	3,144	5,855	(2,711)
Physical contracts:						
Seller of fixed price NGL forward contracts	January 31, 2024	35,000 Bbls	43.30/Bbl	79	96	(17)
Currency:						
Seller of forward contracts	June 30, 2026	US$363,400,000	1.38/USD	20,144	20,144	—
Buyer of forward contracts	June 30, 2024	US$13,700,000	1.33/USD	(146)	—	(146)
Other foreign exchange contracts[5]				3,512	3,512	—
Liquids Infrastructure						
Electricity:						
Buyer of fixed price swaps	December 31, 2024	39,360 MWhs	88.31/MWh	(130)	234	(364)
Buyer of fixed price solar power contracts	February 28, 2038	101,505 MWhs	62.57/MWh	582	738	(156)
Natural gas:						
Buyer of fixed price swaps	December 31, 2024	1,830,000 Gjs	2.65/Gj	(1,327)	80	(1,407)
Gathering and Processing						
Electricity:						
Buyer of fixed price swaps	December 31, 2024	59,040 MWhs	88.31/MWh	(195)	351	(546)
Corporate and Other						
Long-term Debt:						
Buyer of cross-currency swaps	June 19, 2024 – November 20, 2028	US$365,069,100	0.98/USD - 1.22/USD	95,721	95,721	—
				155,860	**176,381**	**(20,521)**

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 Contracts *(Thousands of Canadian dollars)*	**2024**	2023
Risk management contracts:		
Marketing	**(68,579)**	75,284
Liquids infrastructure	**(569)**	(9,647)
Gathering and processing	**(118)**	(2,100)
Change in fair value of the cross-currency swaps on U.S. debt[1]	**(18,306)**	(5,549)
Total unrealized (loss) gain	**(87,572)**	57,988

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.

Keyera is also exposed to foreign currency risk related to its U.S. dollar denominated long-term debt and U.S. dollar denominated 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 23 for a summary of the foreign currency gains and losses associated with the U.S. dollar denominated long-term debt.

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

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, 2024, fixed rate borrowings comprised 100% of total debt outstanding (December 31, 2023 – 88%). 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, 2024.

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, 2024, the total allowance was $4,241 (December 31, 2023 – $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, 2024:

Contractual Maturities for Financial Liabilities
(Thousands of Canadian dollars)

	Total	2025	2026	2027	2028	2029	After 2029
Trade and other payables	**769,309**	769,309	—	—	—	—	—
Derivative financial instruments	**50,227**	44,145	5,627	455	—	—	—
Credit facility	**—**	—	—	—	—	—	—
Long-term debt[1]	**3,720,292**	321,663	230,000	400,000	693,629	75,000	2,000,000
Lease liabilities[2]	**234,225**	57,056	46,626	32,541	23,362	18,566	56,074
Other liabilities	**28,406**	—	24,518	3,888	—	—	—
	4,802,459	**1,192,173**	**306,771**	**436,884**	**716,991**	**93,566**	**2,056,074**

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:

(Thousands of Canadian dollars)	**Impact on income before tax December 31, 2024**		Impact on income before tax December 31, 2023	
	Increase	**(Decrease)**	Increase	(Decrease)
Commodity price changes				
+ 10% in electricity price	**1,807**	**—**	1,530	—
- 10% in electricity price	**—**	**(1,807)**	—	(1,530)
+ 10% in NGL, crude oil and iso-octane prices	**—**	**(47,484)**	—	(46,572)
- 10% in NGL, crude oil and iso-octane prices	**47,484**	**—**	46,572	—
Foreign currency rate changes				
+ $0.01 in U.S./Canadian dollar exchange rate	**—**	**(2,243)**	—	(4,191)
- $0.01 in U.S./Canadian dollar exchange rate	**2,243**	**—**	4,191	—
Interest rate changes				
+ 1% in interest rate	**—**	**—**	—	(4,700)
- 1% in interest rate	**—**	**—**	4,700	—

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

23. 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)*	**2024**	2023
Translation of long-term debt and interest payable	**(31,567)**	10,956
Change in fair value of the cross-currency swaps – principal and interest	**(18,306)**	(5,549)
Gain from cross-currency swaps – principal and interest[1]	**52,322**	2,800
Foreign exchange re-measurement of lease liabilities and other	**(11,707)**	3,265
Total net foreign currency (loss) gain on U.S. debt and other	**(9,258)**	11,472

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

24. 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 private long-term debt agreements. 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, 2024.

During the fourth quarter of 2024, Keyera received approval to implement a Normal Course Issuer Bid, which is discussed in more detail in note 18, Share Capital. Otherwise, for the year ended December 31, 2024, Keyera's capital management strategy was unchanged from the prior year.

25. GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative Expenses *(Thousands of Canadian dollars)*	**2024**	2023
Salaries and benefits	**101,460**	98,627
Professional fees and consulting	**24,863**	17,866
Other	**26,341**	23,775
Overhead recoveries on operated facilities	**(35,522)**	(33,774)
Total general and administrative expenses	**117,142**	106,494

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.

26. FINANCE COSTS

Finance Costs *(Thousands of Canadian dollars)*	**2024**	2023
Interest on bank indebtedness and credit facilities	**7,464**	28,339
Interest on long-term debt	**188,174**	178,647
Interest capitalized[1]	**—**	(25,375)
Interest on leases	**9,434**	9,825
Other interest income	**(2,930)**	(1,317)
Total interest expense – current and long-term debt, and leases	**202,142**	190,119
Unwinding of discount on decommissioning liabilities	**13,085**	11,685
Unwinding of discount on long-term debt	**2,294**	2,190
Other	**—**	90
Non-cash expenses in finance costs	**15,379**	13,965
Total finance costs	**217,521**	204,084

Note:

1 For the year ended December 31, 2023, borrowing (interest) costs were capitalized at a weighted average capitalization rate of 5.3% on funds borrowed.

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

27. DEPRECIATION, DEPLETION AND AMORTIZATION

Depreciation, Depletion and Amortization Expense *(Thousands of Canadian dollars)*	**2024**	2023
Depreciation and depletion on property, plant and equipment	**299,781**	274,714
Depreciation on right-of-use assets	**44,505**	39,841
Amortization of intangible assets	**8,106**	7,959
Total depreciation, depletion and amortization expenses	**352,392**	322,514

28. RELATED PARTY TRANSACTIONS

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

Compensation of key management personnel was:

(Thousands of Canadian dollars)	**2024**	2023
Salaries and other short-term benefits	**13,527**	13,925
Post-employment benefits	**452**	429
Share-based payments	**15,932**	15,885
Total related party transactions	**29,911**	30,239

29. SUPPLEMENTAL CASH FLOW INFORMATION

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

(Thousands of Canadian dollars)	**2024**	2023
Inventory	**(33,604)**	67,651
Trade and other receivables	**106,860**	12,704
Other assets	**231**	6,605
Trade and other payables, and provisions	**229,863**	(138,967)
Changes in non-cash working capital from operating activities	**303,350**	(52,007)

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

(Thousands of Canadian dollars)	**2024**	2023
Trade and other payables, and provisions	**11,306**	(117,026)
Changes in non-cash working capital from investing activities	**11,306**	(117,026)

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, 2022	**40,000**	**3,652,745**	**101,270**	**209,399**
Cash changes:				
Inflows from borrowings	1,330,000	—	—	—
Outflows related to repayments	(900,000)	(30,000)	—	(47,261)
Outflows related to financing costs	—	(967)	—	9,825
Non-cash and other changes:				
Lease additions	—	—	—	34,877
Fair value changes	—	—	(5,549)	—
Unrealized foreign exchange and other	—	(10,956)	—	(3,332)
Unwinding of discount on long-term debt	—	2,190	—	—
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**

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

30. 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, 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, depletion 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**

Year ended December 31, 2023 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	733,316	768,996	6,055,725	40	(504,951)	7,053,126
Segmented expenses	(340,886)	(282,529)	(5,501,474)	(250)	504,951	(5,620,188)
Operating margin (loss)	392,430	486,467	554,251	(210)	—	1,432,938
General and administrative expenses	—	—	—	(106,494)	—	(106,494)
Finance costs	—	—	—	(204,084)	—	(204,084)
Depreciation, depletion and amortization expenses	—	—	—	(322,514)	—	(322,514)
Net foreign currency gain on U.S. debt and other	—	—	—	11,472	—	11,472
Long-term incentive plan expense	—	—	—	(50,909)	—	(50,909)
Impairment expense	—	(213,508)	—	—	—	(213,508)
Other	—	—	—	(224)	—	(224)
Earnings (loss) before income tax	392,430	272,959	554,251	(672,963)	—	546,677
Income tax expense	—	—	—	(122,645)	—	(122,645)
Net earnings (loss)	**392,430**	**272,959**	**554,251**	**(795,608)**	**—**	**424,032**

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. Certain information provided for the prior year has been reclassified to conform to the presentation adopted in 2024.

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**

Year ended December 31, 2023 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Gas handling and processing services[1]	637,524	157,582	—	—	795,106
Fractionation, storage and transportation services	13,422	609,409	—	—	622,831
Marketing of NGLs and iso-octane	—	—	6,055,725	—	6,055,725
Other[2]	82,370	2,005	—	40	84,415
Revenue before inter-segment eliminations	**733,316**	**768,996**	**6,055,725**	**40**	**7,558,077**
Inter-segment revenue eliminations	(16,250)	(416,324)	(72,377)	—	(504,951)
Revenue from external customers	**717,066**	**352,672**	**5,983,348**	**40**	**7,053,126**

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, 2024 and 2023, 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

(Thousands of Canadian dollars)	**2024**	2023
Canada	**4,915,271**	5,027,779
U.S.	**2,223,170**	2,025,347
Total revenue	**7,138,441**	7,053,126

Non-current assets[1]

As at December 31, *(Thousands of Canadian dollars)*	**2024**	2023
Canada	**7,306,220**	7,374,961
U.S.	**212,529**	201,697
Total non-current assets	**7,518,749**	7,576,658

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, 2024 (2023 – one customer). Revenues from this customer, who is recognized as a large and established energy company with investment grade credit ratings, were approximately $800,000 for the year ended December 31, 2024 (2023 – $828,000).

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

31. 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)*
2025	44,021
2026	3,981
2027	2,123
2028	1,204
2029	1,204
Thereafter	1,630
Total commitments	**54,163**

32. SUBSEQUENT EVENTS

On February 12, 2025, Keyera declared a dividend of $0.52 per share, payable on March 31, 2025 to shareholders of record as of March 17, 2025.

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,** **2024**	2023
Revenue	**1,936,297**	2,301,630
Expenses	**(1,629,002)**	(1,855,844)
Operating margin	**307,295**	445,786
General and administrative expenses	**(33,403)**	(27,897)
Finance costs	**(52,929)**	(57,235)
Depreciation, depletion and amortization expenses	**(89,862)**	(89,568)
Net foreign currency (loss) gain on U.S. debt and other	**(10,949)**	6,192
Long-term incentive plan expense	**(13,054)**	(7,336)
Impairment expense	**(706)**	(210,167)
Gain on disposal of property, plant and equipment	**11,506**	—
Other	**—**	(224)
Earnings before income tax	**117,898**	59,551
Income tax expense	**(28,992)**	(10,359)
Net earnings	**88,906**	49,192
Other comprehensive income (loss)		
Foreign currency translation adjustment	**23,710**	(13,806)
Comprehensive income	**112,616**	35,386
Weighted average number of shares (in thousands)		
Basic	**229,153**	229,153
Diluted	**229,153**	229,153
Earnings per share		
Basic earnings per share	**0.39**	0.21
Diluted earnings per share	**0.39**	0.21

Consolidated Statements of Cash Flows *(Thousands of Canadian Dollars)* *(Unaudited)*	**Three months ended December 31,** **2024**	2023
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net earnings	**88,906**	49,192
Adjustments for items not affecting cash:		
Finance costs	**6,207**	6,042
Depreciation, depletion and amortization expenses	**89,862**	89,568
Unrealized loss (gain) on derivative financial instruments	**36,906**	(61,183)
Unrealized loss (gain) on foreign exchange	**19,806**	(15,320)
Inventory write-down	**—**	3,257
Deferred income tax expense	**783**	12,039
Impairment expense	**706**	210,167
Gain on disposal of property, plant and equipment	**(11,506)**	—
Decommissioning liability expenditures	**(4,396)**	(3,119)
Changes in non-cash working capital	**89,157**	(59,904)
Cash flow from operating activities	**316,431**	230,739
INVESTING ACTIVITIES		
Capital expenditures	**(93,015)**	(74,342)
Proceeds on disposal of property, plant and equipment	**4,691**	—
Changes in non-cash working capital	**9,796**	(30,352)
Net cash used in investing activities	**(78,528)**	(104,694)
FINANCING ACTIVITIES		
Borrowings under credit facility	**30,000**	260,000
Repayments under credit facility	**(50,000)**	(280,000)
Financing costs related to credit facility/long-term debt	**(726)**	(935)
Lease payments	**(13,943)**	(13,007)
Dividends paid to shareholders	**(119,160)**	(114,577)
Net cash used in financing activities	**(153,829)**	(148,519)
Effect of exchange rate fluctuations on foreign cash held	**2,998**	(91)
Net increase (decrease) in cash	**87,072**	(22,565)
Cash at the beginning of the period	**31,369**	42,653
Cash at the end of the period	**118,441**	20,088
Income taxes paid in cash	**82**	175
Interest paid in cash	**60,417**	70,412

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)	**2024**	2023
Inventory	**17,111**	35,407
Trade and other receivables	**(39,598)**	(50,879)
Other assets	**9,013**	19,881
Trade and other payables, and provisions	**102,631**	(64,313)
Changes in non-cash working capital from operating activities	**89,157**	(59,904)

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

(Thousands of Canadian dollars)	Three months ended December 31,	
(Unaudited)	**2024**	2023
Trade and other payables, and provisions	**9,796**	(30,352)
Changes in non-cash working capital from investing activities	**9,796**	(30,352)

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, 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, depletion 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**

Three months ended December 31, 2023 *(Thousands of Canadian dollars)* *(Unaudited)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	202,767	214,790	2,019,586	11	(135,524)	2,301,630
Segmented expenses	(87,916)	(86,657)	(1,816,735)	(60)	135,524	(1,855,844)
Operating margin (loss)	114,851	128,133	202,851	(49)	—	445,786
General and administrative expenses	—	—	—	(27,897)	—	(27,897)
Finance costs	—	—	—	(57,235)	—	(57,235)
Depreciation, depletion and amortization expenses	—	—	—	(89,568)	—	(89,568)
Net foreign currency gain on U.S. debt and other	—	—	—	6,192	—	6,192
Long-term incentive plan expense	—	—	—	(7,336)	—	(7,336)
Impairment expense	—	(210,167)	—	—	—	(210,167)
Other	—	—	—	(224)	—	(224)
Earnings (loss) before income tax	114,851	(82,034)	202,851	(176,117)	—	59,551
Income tax expense	—	—	—	(10,359)	—	(10,359)
Net earnings (loss)	**114,851**	**(82,034)**	**202,851**	**(186,476)**	**—**	**49,192**

DISAGGREGATION OF REVENUE

The following table shows revenue disaggregated by the major service lines offered by Keyera in its four reportable operating segments. Certain information provided for the prior year has been reclassified to conform to the presentation adopted in 2024.

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**

Three months ended December 31, 2023 *(Thousands of Canadian dollars)* *(Unaudited)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Gas handling and processing services[1]	178,294	44,013	—	—	222,307
Fractionation, storage and transportation services	3,940	169,744	—	—	173,684
Marketing of NGLs and iso-octane	—	—	2,019,586	—	2,019,586
Other[2]	20,533	1,033	—	11	21,577
Revenue before inter-segment eliminations	**202,767**	**214,790**	**2,019,586**	**11**	**2,437,154**
Inter-segment revenue eliminations	(5,091)	(116,669)	(13,764)	—	(135,524)
Revenue from external customers	**197,676**	**98,121**	**2,005,822**	**11**	**2,301,630**

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

Douglas Haughey (2)(4)(6)
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 (5)
Corporate Director
Red Deer, Alberta

Gianna Manes (4)
Corporate Director
Salem, South Carolina

Michael Norris (3)
Corporate Director
Toronto, Ontario

Thomas C. O'Connor (3)(5)
Corporate Director
Englewood, Colorado

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

(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

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Officers

C. Dean Setoguchi
President and Chief Executive Officer

Eileen Marikar
Senior Vice President and Chief Financial Officer

Jamie Urquhart
Senior Vice President and Chief Commercial Officer

Jarrod Beztilny
Senior Vice President, Operations & Engineering

Desiree Crawford
Senior Vice President, Safety, People & Technology

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

Stock Exchange Listing

The Toronto Stock Exchange
Trading Symbol KEY

Trading Summary for Q4 2024

TSX: KEY – CAD $	
High	$47.53
Low	$42.10
Close December 31, 2024	$43.96
Volume	69,075,689
Average Daily Volume	1,096,440

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