



KEYERA

# Investor Presentation

May 2024



# Forward-Looking Information

To provide readers with information regarding Keyera, including its assessment of future plans, operations and financial performance, certain statements contained herein contain forward-looking information within the meaning of applicable Canadian securities legislation (collectively, “forward-looking information”). Forward-looking information relate to future events and/or Keyera’s future performance. Forward-looking information are predictions only; actual events or results may differ materially. Use of words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “plan”, “intend”, “believe”, and similar expressions (including negatives thereof), is intended to identify forward-looking information. All statements other than statements of historical fact contained herein are forward-looking information, including, without limitation, statements regarding future dividends, future financial position, operating and financial results and capital and other expenditures of Keyera (including 2024 and future years’ guidance), future returns from capital projects or corporate return on investment, financial and capital targets and priorities, Keyera’s vision, business strategy and plans of management, anticipated growth and proposed activities, future opportunities, expected capacities associated with capital projects, expected sources of and demand for energy, estimated utilization rates, attaining emissions reduction targets, and expected commodity prices and production levels.

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

All forward-looking information involve known and unknown risks, uncertainties and other factors that may cause actual results, events, levels of activity and achievements to differ materially from those anticipated in the forward-looking information. The principal risks, uncertainties, and other factors affecting Keyera and its business are contained in Keyera’s 2023 Year-End Report dated February 14, 2024, Keyera’s 2024 First Quarter Report and in Keyera’s Annual Information Form dated February 29, 2024, each filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and available on the Keyera website at [www.keyera.com](http://www.keyera.com).

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

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

This Presentation includes historical, current and forecast market and industry data that has been obtained from third party or public sources. Although management of Keyera believes such information to be reliable, none of such information has been independently verified by Keyera.

All forward-looking information contained herein are expressly qualified by this cautionary statement. Readers are cautioned they should not unduly rely on this forward-looking information and that information contained in such forward-looking information may not be appropriate for other purposes. Further, readers are cautioned that the forward-looking information contained herein is made as of May 14, 2024. Unless required by law, Keyera does not intend and does not assume any obligation to update any forward-looking information. Further information about the factors affecting forward-looking statements and management’s assumptions and analysis thereof, is available in filings made by Keyera with Canadian provincial securities commissions, which can be viewed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# Non-GAAP and Other Financial Measures

This presentation refers to certain financial and other measures that are not determined in accordance with Generally Accepted Accounting Principles (GAAP), such as: adjusted EBITDA, distributable cash flow (DCF), DCF per share, payout ratio, return on invested capital (ROIC), compound annual growth rate (CAGR) for dividends per share, CAGR for DCF per share, CAGR for adjusted EBITDA holding Marketing constant, realized margin, realized margin from the Marketing segment, realized margin from the Gathering and Processing (G&P) segment, realized margin from the Liquids Infrastructure segment, and realized margin from the fee-for-service business segments. As a result, these measures may not be comparable to similar measures reported by other entities. Management believes that these non-GAAP and other financial measures facilitate the understanding of Keyera's results of operations, leverage, liquidity and financial position. These measures do not have any standardized meaning under GAAP and therefore, should not be considered in isolation, or used in substitution for measures of performance prepared in accordance with GAAP. For additional information regarding the composition of these measures, how management utilizes them, and where applicable, a reconciliation of Keyera's historical non-GAAP financial measures to the most directly comparable GAAP measure, refer to Management's Discussion and Analysis (MD&A) for the periods ended December 31, 2023 and March 31, 2024, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and Keyera's website at [www.keyera.com](http://www.keyera.com). Specifically, the sections of the MD&A titled "Non-GAAP and Other Financial Measures", "Segmented Results of Operations", "EBITDA and Adjusted EBITDA", "Dividends: Funds from Operations, Distributable Cash Flow and Payout Ratio", and "Adjusted Cash Flow from Operating Activities and Return on Invested Capital", include information that has been incorporated by reference for these non-GAAP and other financial measures. ROIC is only prepared on an annual basis; therefore, refer to the MD&A for the year ended December 31, 2023 for additional details related to this financial measure.

For the historical equivalent measure and updated assumptions associated with the realized margin guidance for the Marketing segment, refer to the section titled, "Segmented Results of Operations: Marketing" of the MD&A for the periods ended December 31, 2023 and March 31, 2024, respectively.

## Realized Margin from the Fee-for-Service Business Segments

Realized margin from the fee-for-service business segments, or fee-for-service realized margin (defined as realized margin from the Gathering and Processing and Liquids Infrastructure segments), is a non-GAAP financial measure that is utilized in this presentation; however, is not included in the MD&A.

Fee-for-service realized margin is used to assess the financial performance of Keyera's ongoing operations in its G&P and Liquids Infrastructure segments without the effect of unrealized gains and losses on commodity-related risk management contracts related to future periods. The following is a reconciliation of fee-for-service realized margin to the most directly comparable GAAP measure, operating margin for the G&P and Liquids Infrastructure segments.

	For the year ended December 31,	
	2023	2022
<b>Fee-for-Service Realized Margin</b> <i>(Thousands of Canadian dollars)</i>		
<b>Operating margin – Fee-for-Service</b>	<b>878,897</b>	761,779
Unrealized loss (gain) or risk management contracts	<b>11,747</b>	(9,095)
<b>Realized margin – Fee-for-Service</b>	<b>890,644</b>	752,684

# Why Invest In Keyera?

## Compelling Risk-Adjusted Returns

### Strong ESG Performance

**Emissions<sup>1</sup>** on intensity and absolute basis **lowered by 13.5% and 6%** from 2019 to 2022

**Emissions Reduction Target:** 25% and 50% by 2025 and 2035 from 2019 levels

**Compensation** tied to ESG Performance

**Disclosures** aligned with internationally recognized standards

### Financial Strength

**Low leverage** of 2.2x net debt/adjusted EBITDA<sup>2</sup> at the end of Q1/24

**Investment Grade** Credit Ratings

Available **liquidity of \$1.53 billion** at the end of Q1/24

All term debt at fixed interest rate

### Sustainable Dividend Growth

Current Annual Dividend: **\$2 per share**

Dividend sustainability underpinned by financial strength

Dividend growth supported by growth in stable long-term fee-for-service cash flow

Payout ratio<sup>3</sup> target of **50-70% of distributable cash flow (DCF)<sup>3</sup>**

### High-Quality Assets

**High barrier-to-entry** assets with access to **highest value markets**

**Integrated** value chain maximizes margins

Accelerating the use of **technology and innovation**

### Value Creation Track Record

Clearly defined **financial framework** and **capital allocation priorities<sup>4</sup>**

**Avg. 5-year ROIC<sup>3</sup>: 15%**  
FY23 ROIC: 16%<sup>3,5</sup>

**CAGR of 8% for DCF<sup>3</sup>**  
**and 6% for dividends<sup>3,6</sup>** on a per share basis since 2008

## STRONG FOCUS ON TOTAL SHAREHOLDER RETURN

# Ensuring Business Sustainability

Long-Term Value Creation is Consistent with Strong Environmental and Social Performance



BBB (2018) → AA (2024)



41<sup>st</sup> (2018) → 5<sup>th</sup>\* (2023)



D (2018) → B (2023)



31<sup>st</sup> (2018) → 51<sup>st</sup>\* (2023)

\*Percentile: Lower is better

\*Score: Higher is better

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

**E**



Meaningful emissions reduction to date

- Emission intensity lowered by 13.5% from 2019 to 2022
- Absolute emissions down by 6% from 2019 to 2022

**S**



Diversity & Inclusion program update

- 50% female SVP
- 40% female independent board directors

**G**



Strong Corporate Governance

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

**Disclosure**



Transparent Disclosures

- Disclosures aligned with global frameworks
- Climate Report and Sustainability Reports

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

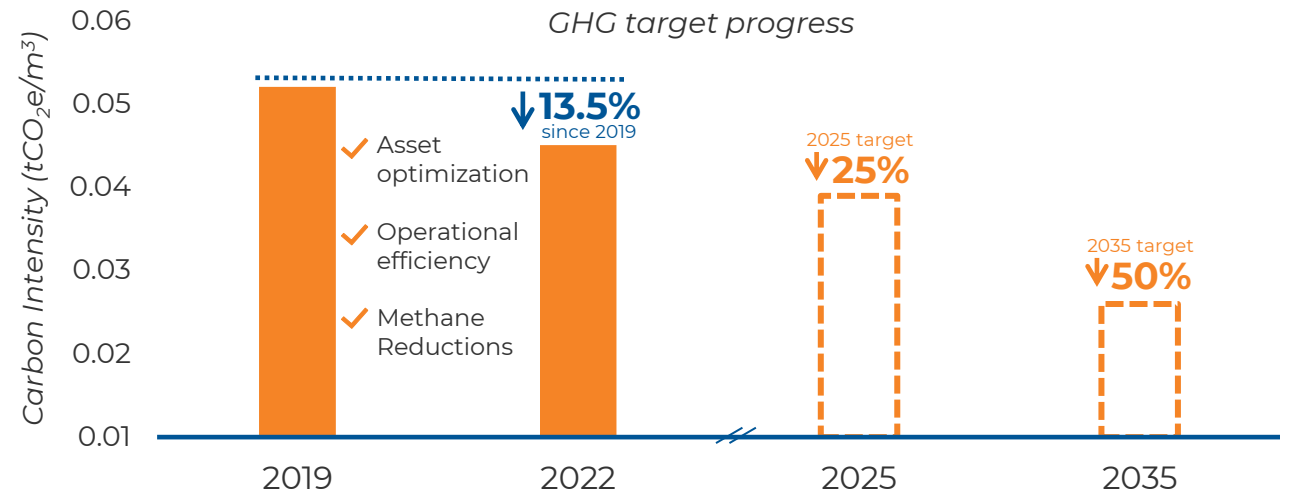
**25%**

from 2019 levels

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

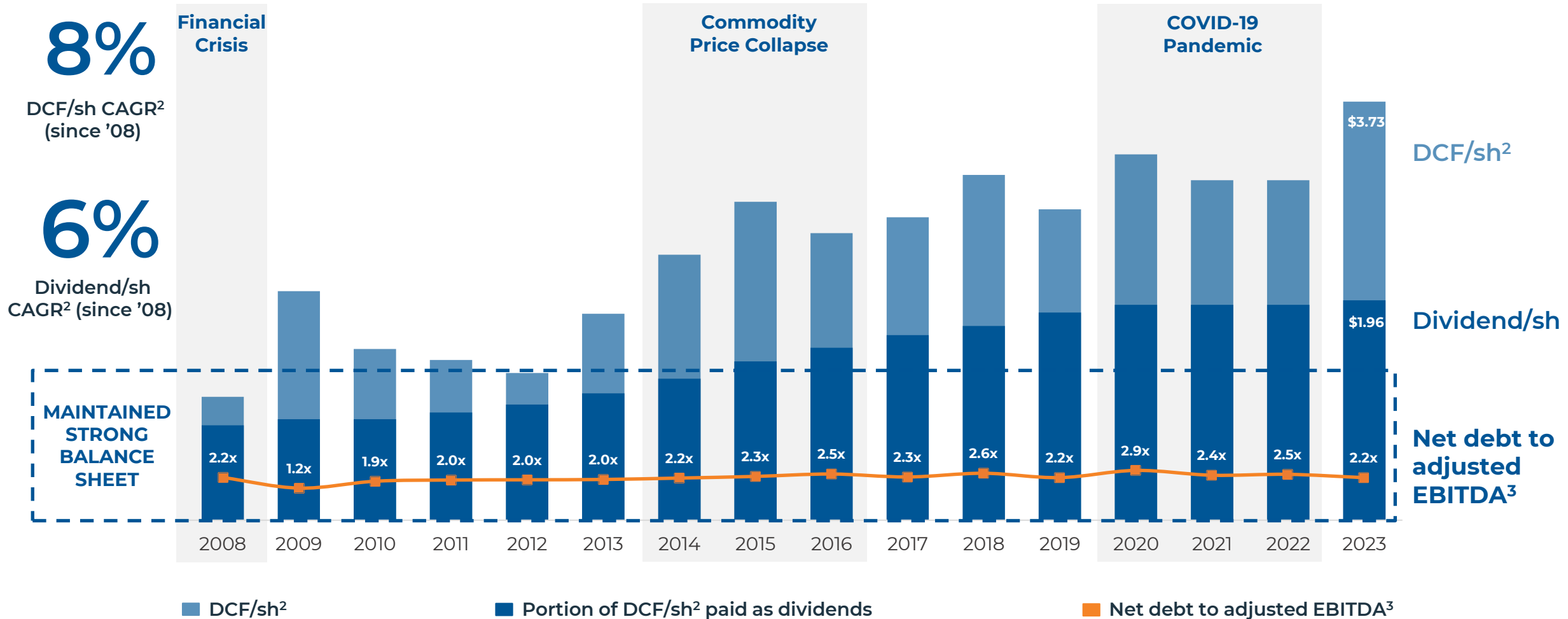
**50%**

from 2019 levels



# Sustained Dividend Growth Through Capital Discipline

Target Payout Range 50%-70% of Distributable Cash Flow<sup>1,2</sup> ("DCF")



# Our Financial Framework

Guiding Our Efforts to Generate Superior Risk-Adjusted Returns

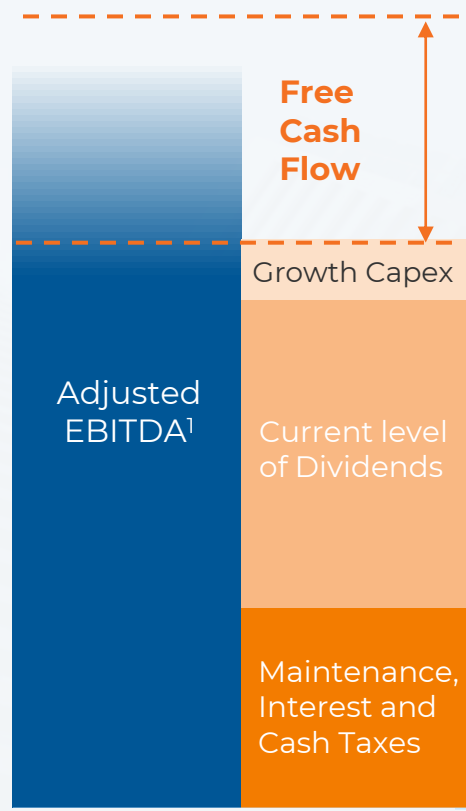
		Target	2023A
<b>Preserve Financial Strength and Flexibility</b>	Credit Ratings	<b>BBB</b>	BBB/BBB
	Net Debt / Adjusted EBITDA <sup>1</sup>	<b>2.5x - 3.0x</b>	2.2x
<b>Invest for Margin Growth and Cash Flow Stability</b>	Corporate ROIC <sup>2</sup>	<b>&gt;12%</b>	16%
<b>Increasing Cash Returns to Shareholders</b>	Dividend Payout Ratio <sup>2</sup>	<b>50% - 70%</b>	53%
	Share Buyback	Use opportunistically	



# Strong Free Cash Flow Generation in 2024

## Sources and uses

### Adjusted EBITDA<sup>1</sup> Vs. Cash Uses



2024E

### 2024 Free Cash Flow Uses

- Pay down short-term debt, building balance sheet optionality
- Sustainable dividend growth
- Potential for share buybacks, preference for capital efficient growth investments

### Capital Allocation Priorities

#### Non-Discretionary

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

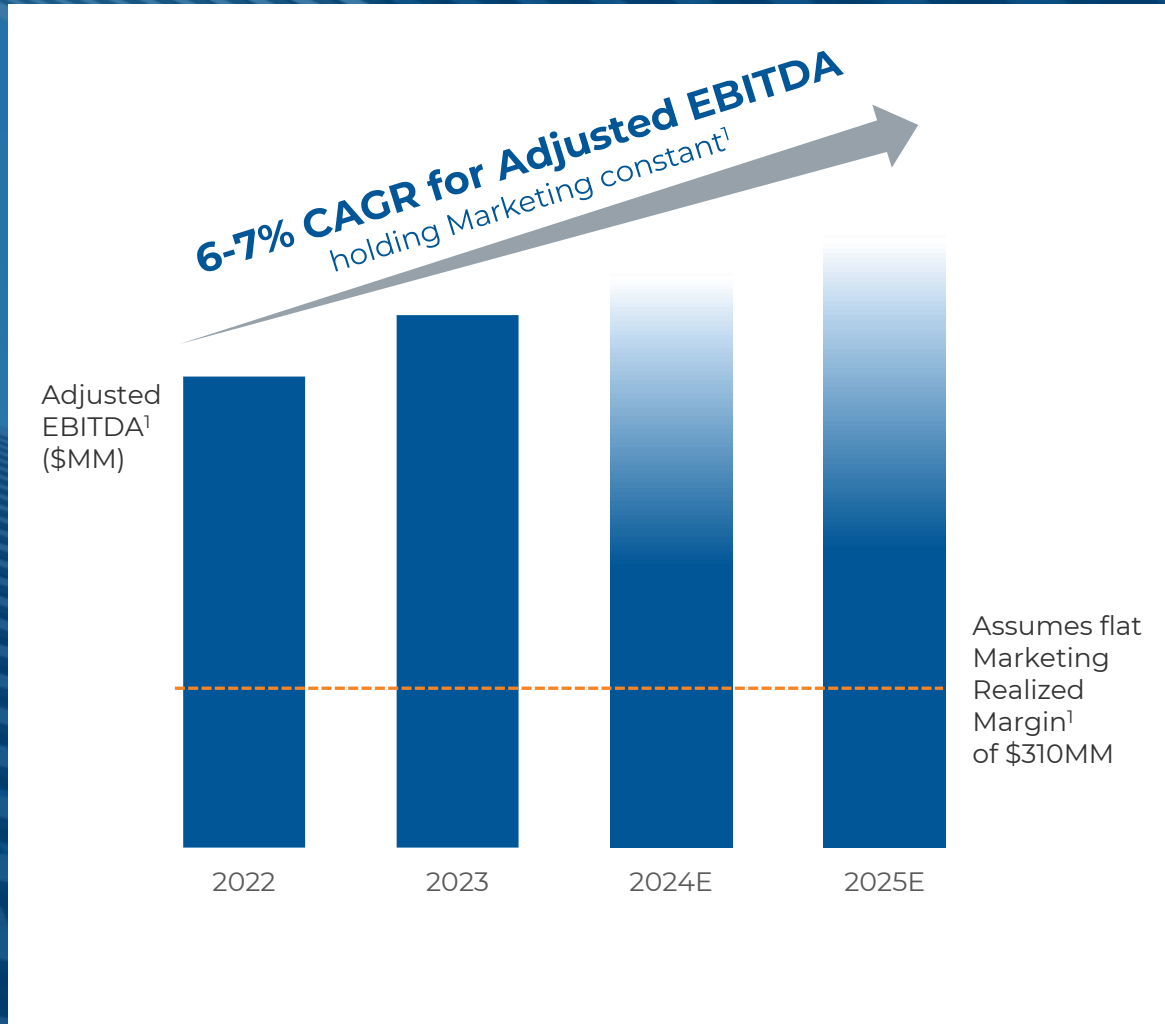
#### Discretionary

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



# Expected to Reach High End of Growth Target

6-7% CAGR for adjusted EBITDA holding Marketing constant<sup>1</sup>



## Fee-For-Service Growth Drivers '22-'25

>20% realized margin<sup>1</sup> growth since beginning of '22; Near-term growth requires little incremental capital

### Gathering & Processing

- Filling available capacity at Wapiti
- Pipestone Gas Plant expansion (complete Dec 2023)

### Liquid Infrastructure

- Continued ramp-up of KAPS
- Acquisition of additional 21% stake in KFS
- Re-contracting of fractionation and other services at KFS under stronger terms

## Growth Drivers 2025+

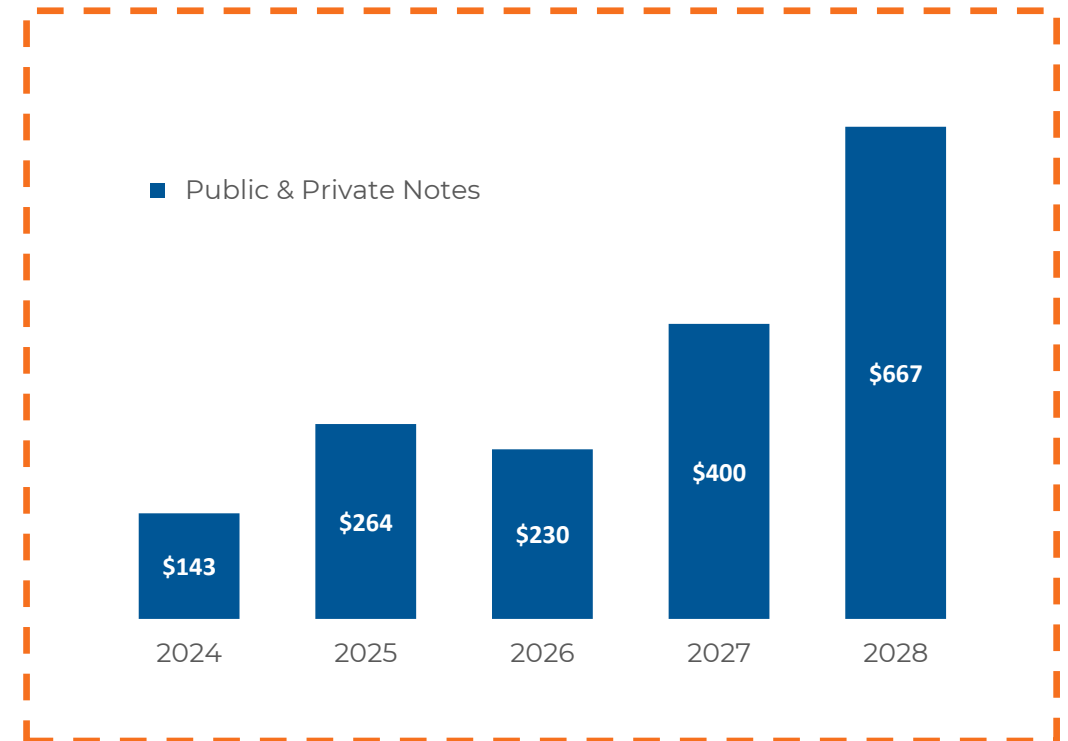
Projects subject to strong contractual underpinning and Board sanction

- KAPS Zone 4 expansion
- KFS Frac II debottleneck
- KFS Frac III expansion
- Low Carbon Hub Strategy

# Strong Financial Position

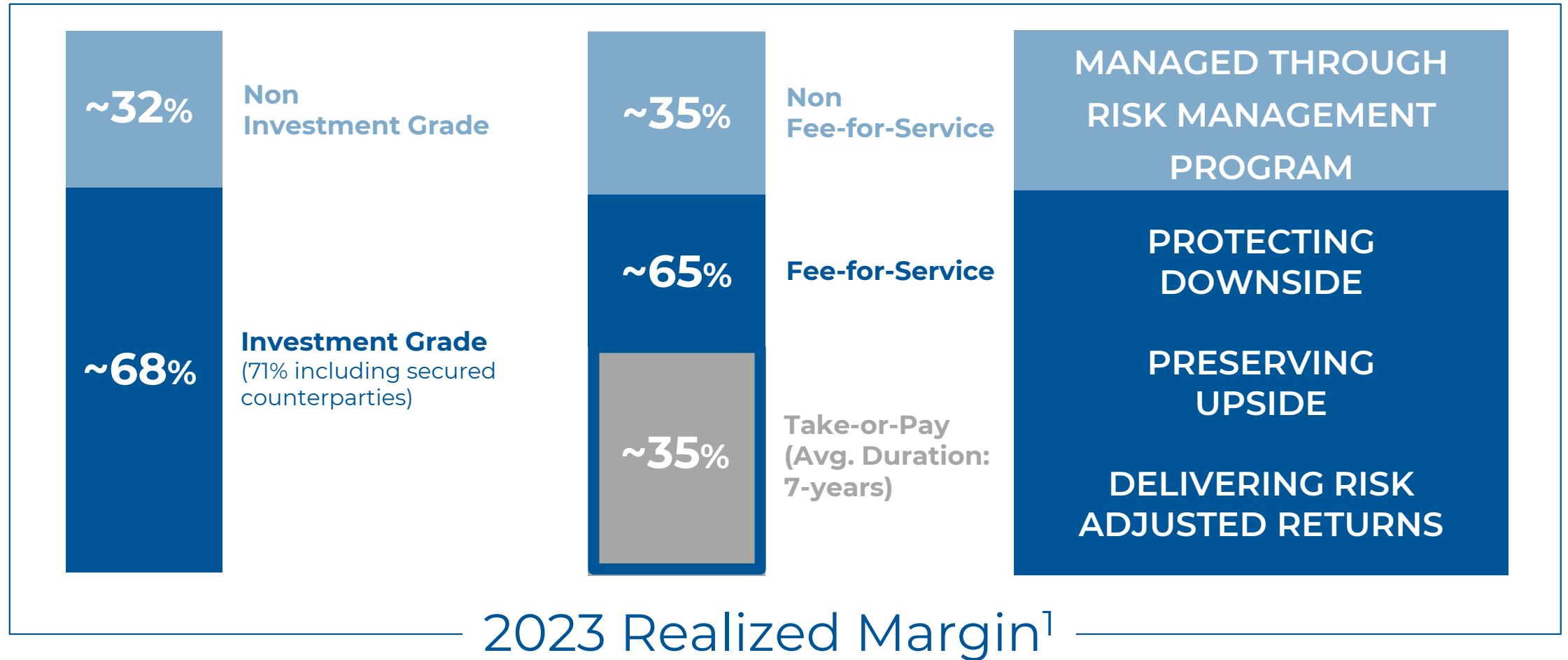
- 2.2x net debt to adjusted EBITDA<sup>1</sup> at the end of Q1/24
- Conservative payout ratio<sup>2</sup>
  - 53% for 2023 (target of 50 - 70%)
- Investment grade credit ratings
  - S&P Global: Upgraded to BBB/Stable in September 2023
  - DBRS Limited: Affirmed, BBB/Stable
- Total liquidity of \$1.53B at the end of Q1/24 with:
  - Nil drawn on \$1.5B credit facility
  - \$29 MM cash on hand
- All term debt at fixed rates

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



# Managing Cash Flow Stability

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



# Our Integrated Value Chain

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

Raw Gas

NGL

Spec Products

External Markets

Customers

Gathering & Processing

Liquids Infrastructure

Marketing

End Users

- Strategically located gas plants in the liquids-rich Western Alberta
- 4,000 kilometers of gas gathering network

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

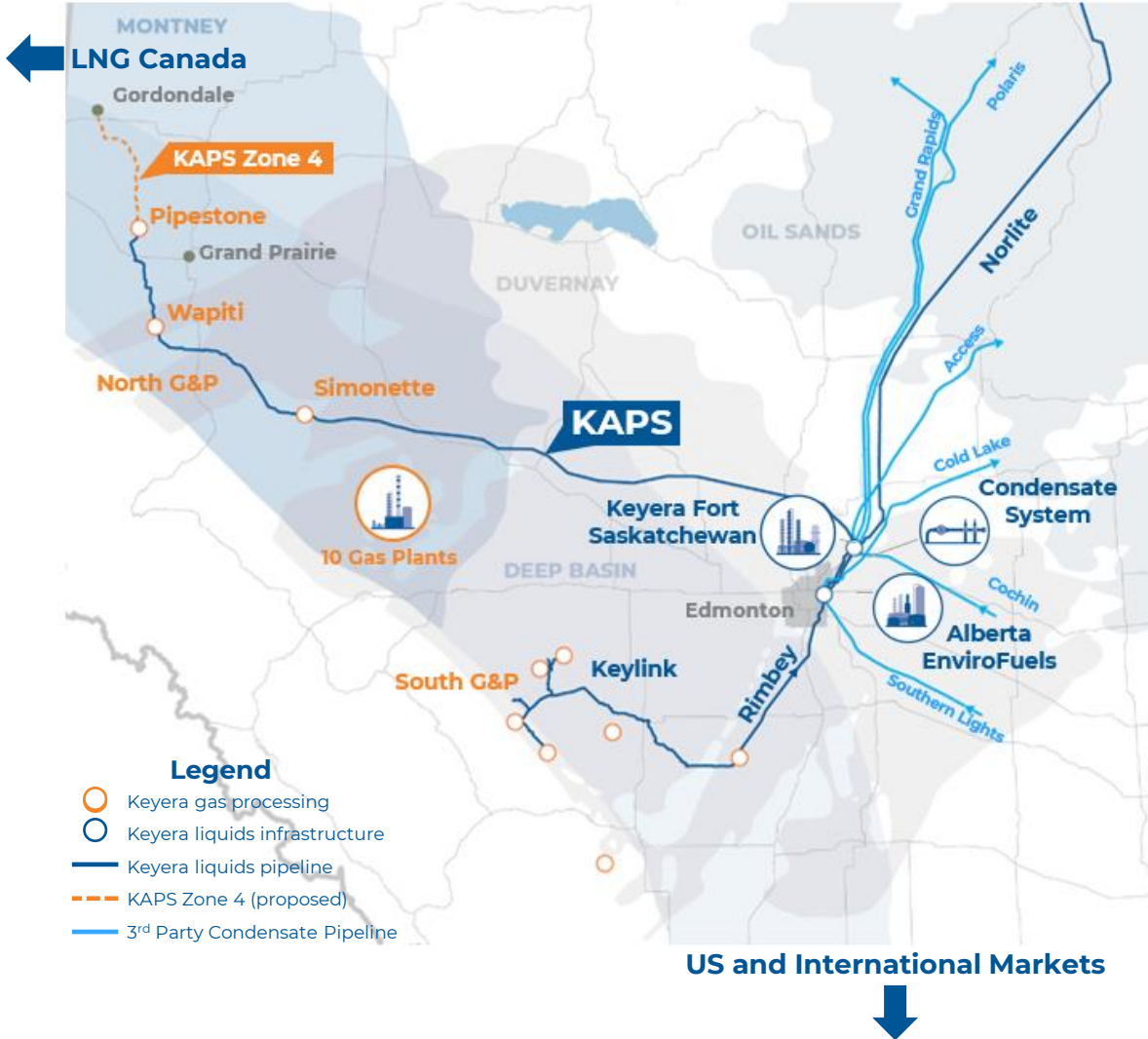
- Utilizes Keyera's infrastructure to access highest value markets
- Demonstrated effective risk management program

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

# Delivering Energy Infrastructure Solutions

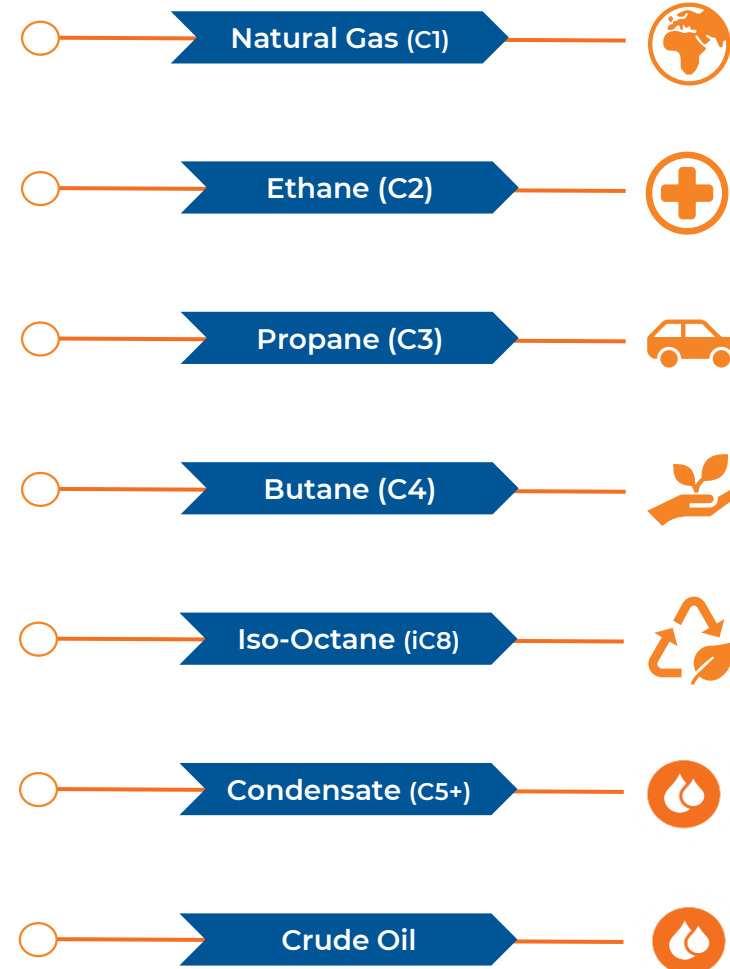
Focused on Maximizing Customer Netbacks

## Energy Infrastructure



+

## Marketing



## Demand Drivers

LOW-EMISSIONS ENERGY SOURCE  
ENERGY SECURITY

MEDICAL GRADE PLASTIC,  
STERILE PACKAGING

LIGHT WEIGHTING AUTOMOTIVE,  
FOOD PACKAGING, HEATING

LOWER INTENSITY SOLVENTS, OIL  
SANDS ESG TARGETS

ENVIRONMENTAL STANDARDS,  
CLEAN BURNING ENGINES

OIL SANDS DILUENT

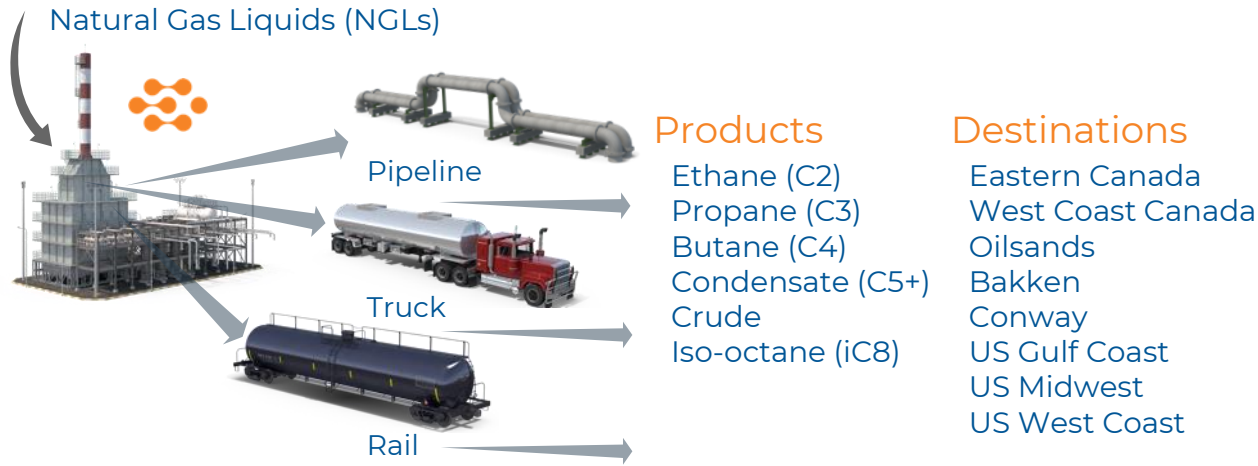
GROWTH IN WORLD ENERGY  
DEMAND, ENERGY SECURITY

# Marketing: A Unique Competitive Advantage

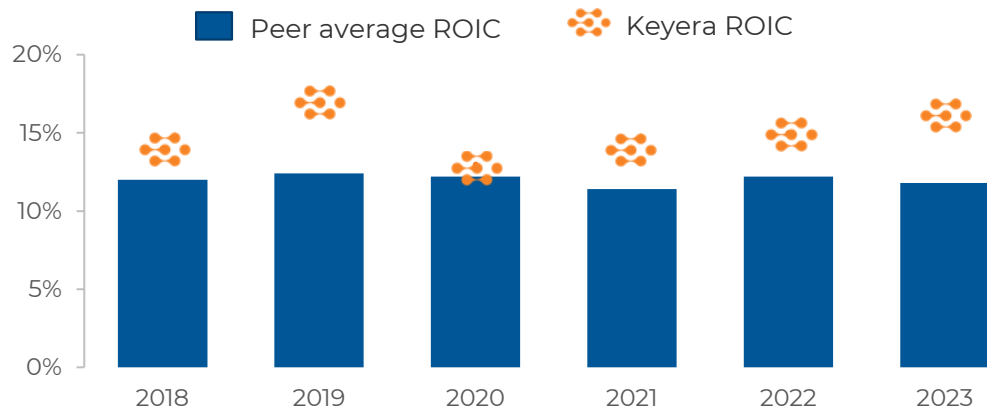
Physical business and natural extension of integrated value chain that enhances returns

## Marketing is a Physical Business

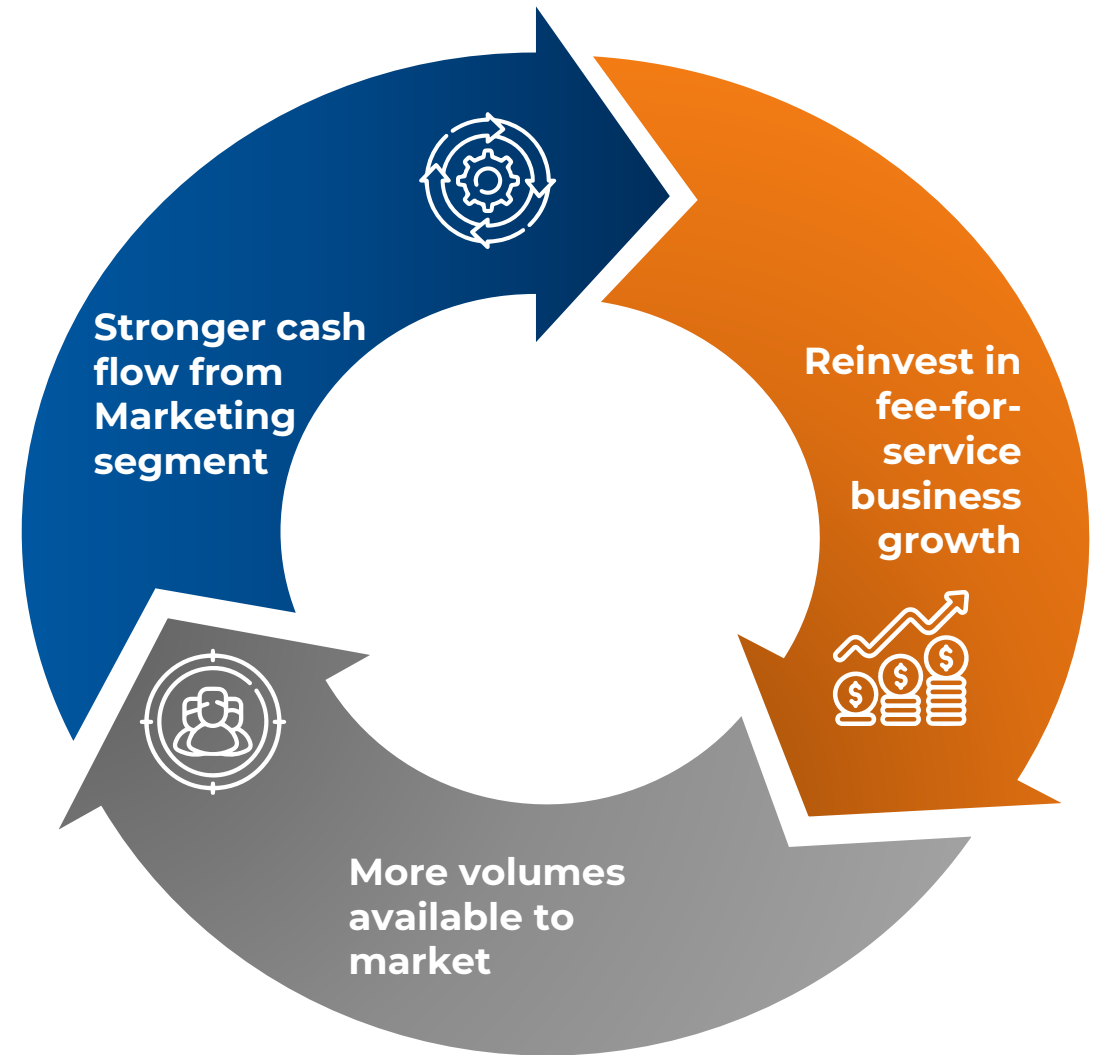
### Products



## Consistently Delivering Above Peer Average ROIC<sup>1</sup>



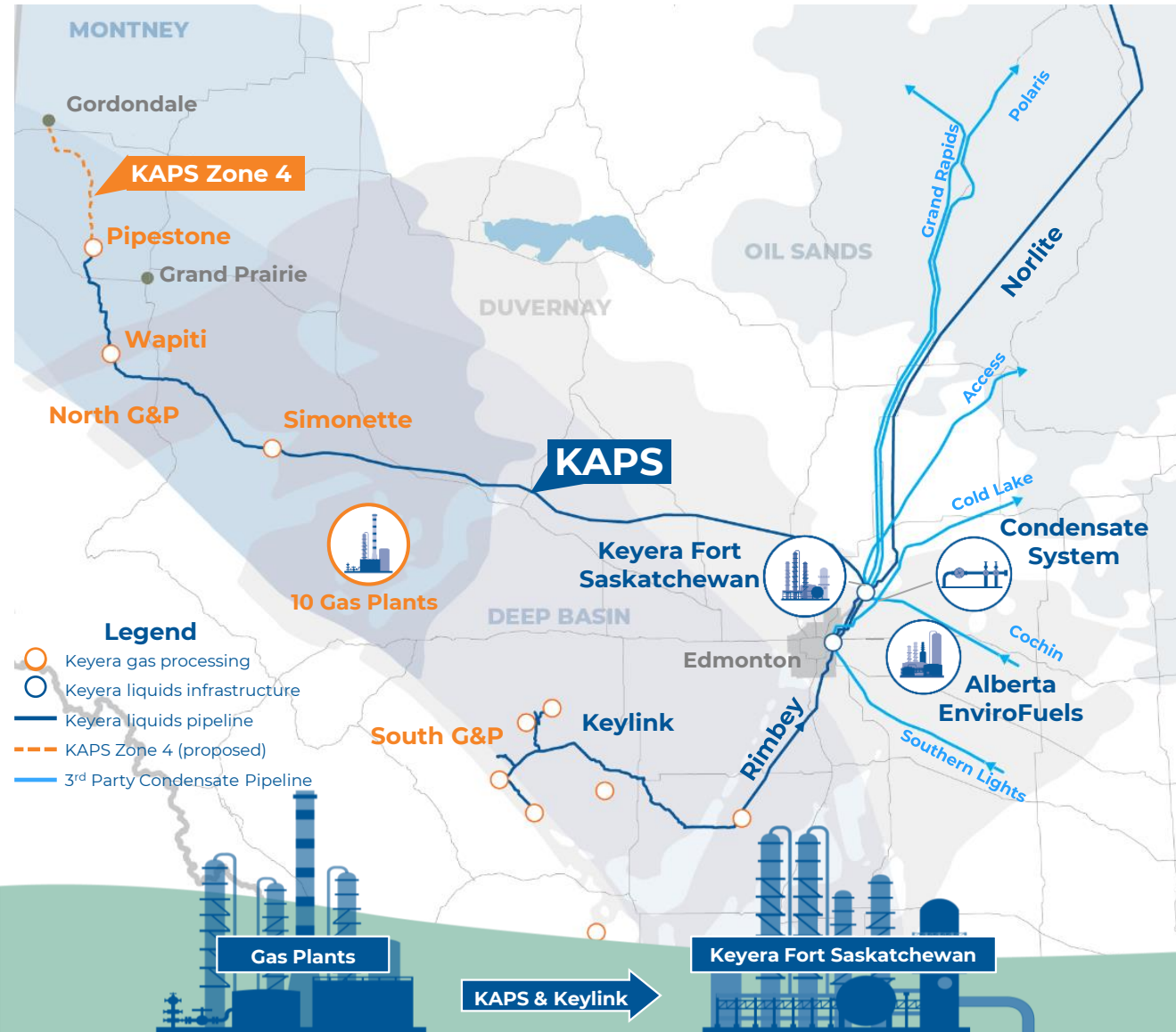
Source: Scotiabank





# KAPS: A Game Changer for Keyera

## Ending Decades Long Monopoly



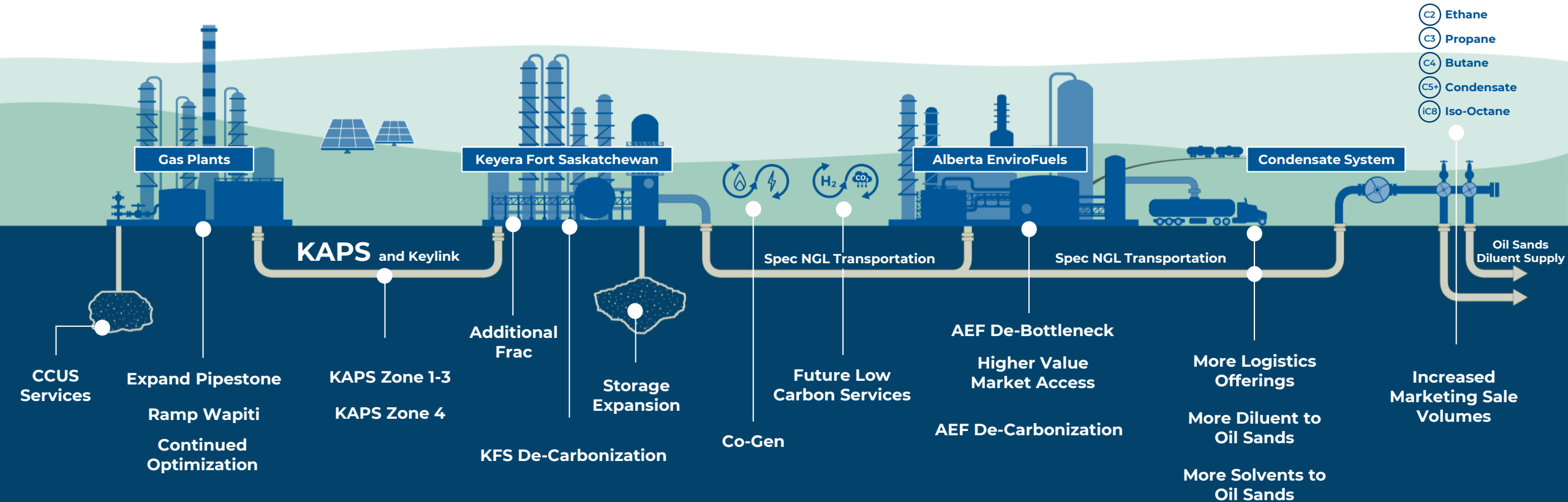
### Significantly Improves Our Competitiveness

- ✓ Fully Integrates our value chain
- ✓ Allows to better compete for volumes and earn full-value chain returns
- ✓ Offer customers a much-needed competitive alternative on a newer pipe
- ✓ Positions Keyera for additional future growth opportunities such as Zone-4, frac debottlenecks and expansion



# Growth Across Our Integrated Value Chain

Projects Paced to be Internally Funded



## Drivers Of Additional Margin Growth and Returns

# Playing A Role In The Energy Transition

## Transitioning to A Low-Carbon Economy

### Carbon Capture & Storage

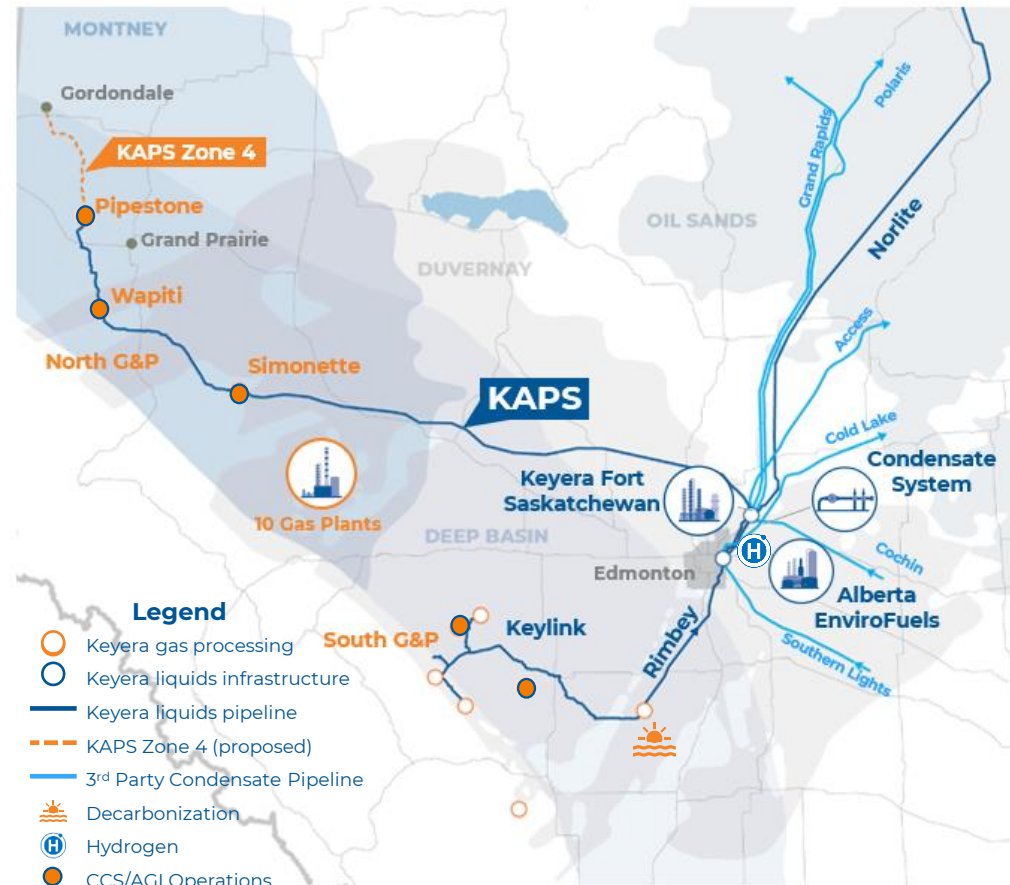
- Acid gas injection at six of our existing locations<sup>1</sup>
- Potential to provide CCS services for customer

### Emissions Reduction

- Emissions on intensity and absolute basis lowered by 13.5% and 6% from 2019 to 2022
- Actively exploring co-generation opportunities to further lower our overall emissions

### Decarbonizing

- 10% of current commercial power supplied by solar via power purchase agreement (PPA)
- Signed new carbon-free solution PPA to start in 2025. Combined, these PPAs will account for 40% of Keyera's commercial power needs



### Clean Fuels

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

### Hydrogen

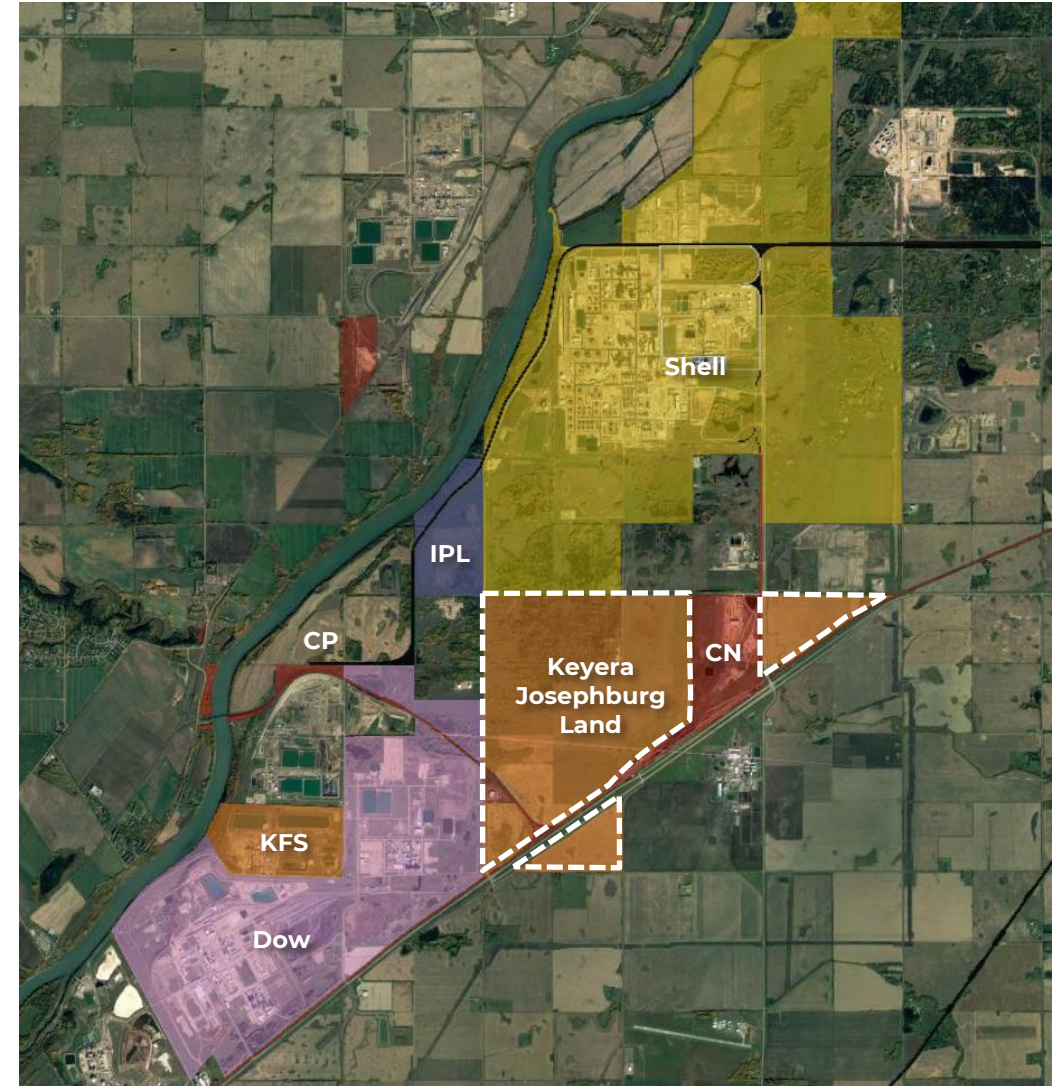
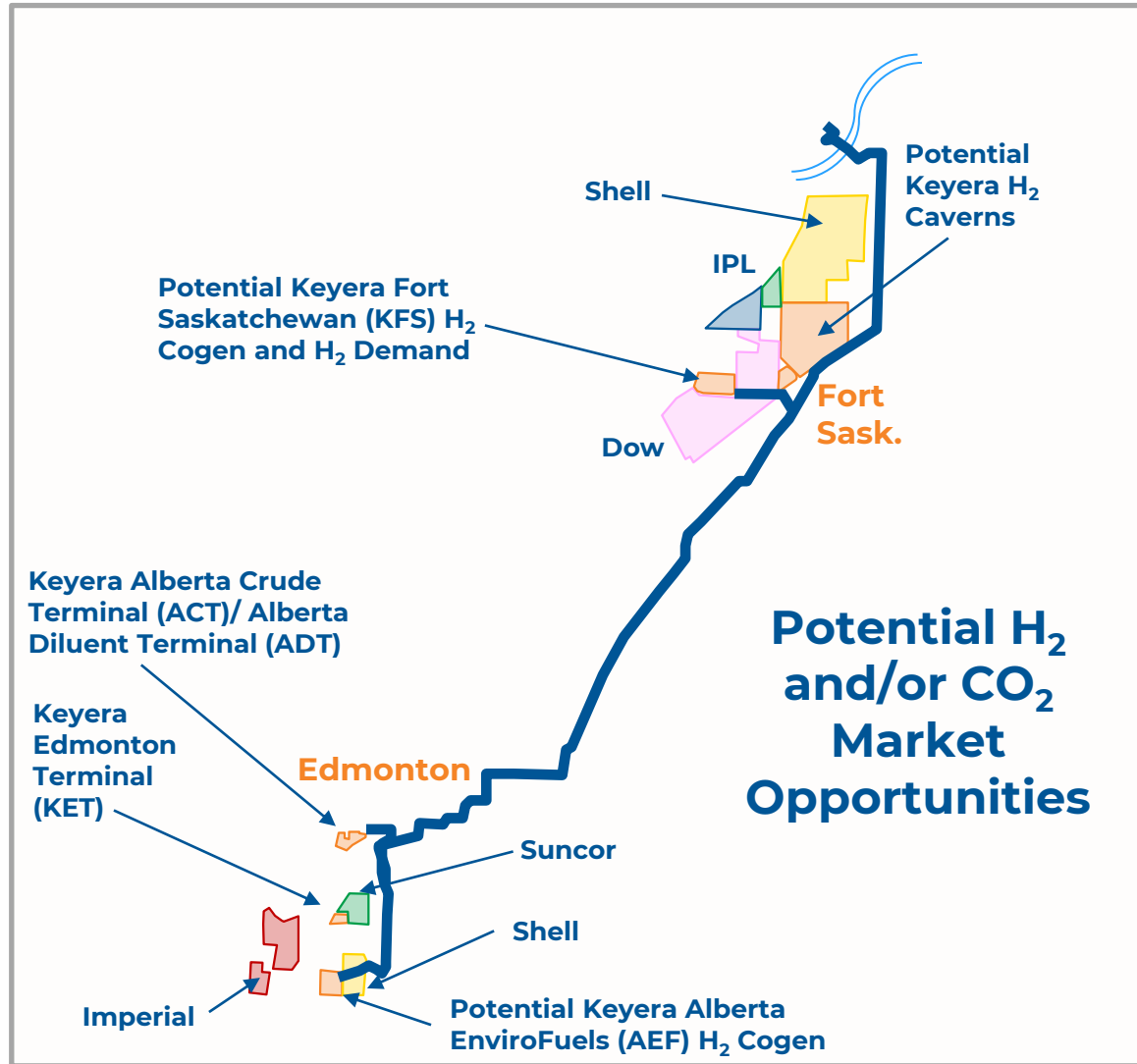
- Potential H<sub>2</sub> development opportunities on undeveloped Josephburg land (1,290 acres)
- Existing H<sub>2</sub> production
- Existing H<sub>2</sub> pipeline
- Options for H<sub>2</sub> cavern storage

### Solvents

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

# Building A Strong Energy Transition Business

Unique Ability to Evolve Existing Asset Base through Energy Transition



# 2024 Guidance

2024 Guidance		
Growth Capital Expenditures:		\$80-\$100 MM
Maintenance Capital Expenditures:		\$90-\$110 MM
Marketing Realized Margin <sup>1</sup>		\$430-\$470 MM
Cash Taxes:		\$85-\$95 MM

2024 Planned Turnarounds and Outages		
Alberta EnviroFuels outage (complete)	6 weeks	Q2 2024
Keyera Fort Saskatchewan Fractionation Unit 1 outage	5 days	Q2 2024
Keyera Fort Saskatchewan Fractionation Unit 2 outage	7 days	Q2 2024
Keyera Fort Saskatchewan Fractionation Unit 1 outage	7 days	Q3 2024
Strachan Gas Plant turnaround	2 weeks	Q3 2024
Wapiti Gas Plant turnaround	3 weeks	Q3 2024

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## STRONG FOCUS ON TOTAL SHAREHOLDER RETURN



# Notes

## Slide 4

All information as of December 31, 2023, unless otherwise stated. <sup>1</sup> Emissions data is equity-based <sup>2</sup> Net debt to adjusted EBITDA calculation for covenant test purposes excludes 100% of the company's subordinated hybrid notes. <sup>3</sup> Is not a standard measure under GAAP or is an Other Financial Measure. See slides titled "Non-GAAP and Other Financial Measures" and "Forward-Looking Information" for additional information. <sup>4</sup> Refer to slides 7 and 8 for further detail. <sup>5</sup> Refer to slide 7 for further detail. <sup>6</sup> Refer to slide 6 for further detail.

## Slide 5

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

## Slide 6

<sup>1</sup> Keyera calculates distributable cash flow per share after cash taxes and maintenance capital expenditures. 8% CAGR for distributable cash flow per share is from 2008 to 2023. <sup>2</sup> Is not a standard measure under GAAP or is an Other Financial Measure. See slides titled "Non-GAAP and Other Financial Measures" and "Forward-Looking Information" for additional information. <sup>3</sup> Net debt to adjusted EBITDA calculation for covenant test purposes excludes 100% of the company's subordinated hybrid notes.

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## Slide 8

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## Slide 9

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## Slide 10

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## Slide 11

Based on 2023 revenues. Counterparty credit ratings on February 5, 2024. Investment Grade includes counterparties who have Split-rating which denoted counterparty that has with an investment grade rating by one rating agency and a non-investment grade rating by the other rating agency. Counterparties with less than 50% investment grade ratings are considered non-investment grade. Parent's credit rating used when parental guarantees exist. Investment Grade excludes secured counterparties who have prepay terms or a posted letter of credit. <sup>1</sup> Is not a standard measure under GAAP or is an Other Financial Measure. See slides titled "Non-GAAP and Other Financial Measures" and "Forward-Looking Information" for additional information.

## Slide 14

<sup>1</sup> Is not a standard measure under GAAP or is an Other Financial Measure. See slides titled "Non-GAAP and Other Financial Measures" and "Forward-Looking Information" for additional information. ROIC has been prepared by Scotiabank and therefore, has not been calculated in the same manner as the ROIC calculation prepared and disclosed by Keyera in the MD&A for the year ended December 31, 2023.

## Slide 17

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

## Slide 19

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