2022
Third Quarter Report

2022 Third Quarter Report

For the period ended September 30, 2022

"Keyera continues to deliver on its strategy. This quarter we did so by progressing KAPS towards startup, while continuing to fill available capacity at our existing assets. Our strong quarterly performance was led by record Gathering & Processing margins" said Dean Setoguchi, President and CEO, "Our integrated assets are well positioned to benefit from the basin's ongoing volume growth."

Highlights

- **Strong Quarterly Results** – Net earnings were $123 million or $0.56 per share (Q3 2021 – $70 million or $0.32 per share), adjusted earnings before interest, taxes, depreciation, and amortization ("adjusted EBITDA"[1]) was $247 million (Q3 2021 – $214 million) and distributable cash flow[1] ("DCF") was $162 million or $0.73 per share (Q3 2021 – $149 million or $0.68 per share).
- **KAPS 90% Complete** – As of the end of October, KAPS is 90% complete with $850 million (net to Keyera) spent to date. Project costs are expected to increase by $100 million, net to Keyera, with the details discussed below. The project is anticipated to be operational at the end of the first quarter of 2023 and will increase take-or-pay cash flows.
- **Filling Available Capacity** – The Gathering and Processing ("G&P") segment delivered record realized margin[1,3] of $89 million (Q3 2021 – $76 million) with volumes increasing by 9% year-over-year. Record throughput at the Wapiti gas plant, and higher volumes at Pipestone and across the Southern region assets contributed to this result. With further capacity available at its gas plants, the company expects continued volume growth through 2022 and into 2023.
- **Marketing Guidance Reaffirmed** – The company continues to anticipate record Marketing realized margin[1] of between $380-$410 million for 2022. This result includes a successful six-week planned turnaround at the Alberta EnviroFuels facility ("AEF"), completed in the fourth quarter.
- **Strong Financial Position** – As of the end of September, all outstanding debt obligations were at fixed interest rates with no material debt refinancing until 2025. Net debt to adjusted EBITDA[2], currently at 2.4 times, is below the bottom end of the target range of 2.5 to 3.0 times. The company expects to exit 2022 within the target range.
- **Managing Long-Term Risk** – In the third quarter the company published its latest ESG Report, detailing progress towards its ESG commitments that includes achieving a 12% reduction in emissions intensity since 2019 and tracking well towards its 25% by 2025 target.

KAPS Project Update

- As of the end of October, the project is 90% complete with $850 million (net to Keyera) spent to date. The project is anticipated to be operational at the end of the first quarter of 2023 and the latest cost estimate is $1.0 billion net to Keyera, up from the previous estimate of $900 million.
- This cost increase is attributable to lost productivity and higher costs primarily due to weather. Both the required labor and the access matting needed to preserve go-forward productivity were affected by cost inflation.
- The remaining $150 million, net to Keyera, carries a contingency of about 25% to address remaining project risk, including weather. This can be segmented as:
    - $100 million related to construction activities which are scheduled to be complete by the end of 2022; and
    - $50 million related to commissioning, startup, right-of-way cleanup and close out activities to be mostly completed in 2023.

Pipestone Relicensing

- In the third quarter, the company added 20 MMcf/d of capacity at its Pipestone gas plant by relicensing the facility to 220 MMcf/d. The additional capacity was available at the end of the third quarter.
- The company continues to progress opportunities to further expand capacity.

2022 Guidance Update

- Realized margin[1] for the Marketing segment of between $380 million and $410 million remains unchanged.
- Growth capital spending is now expected to be between $770 million and $800 million, above the previous range of $680 million to $720 million, excluding capitalized interest. The increase is primarily driven by the increased cost for the KAPS project.
- Maintenance capital guidance range of $100 million to $120 million remains unchanged.
- Cash tax guidance range of $55 million to $65 million remains unchanged.

2023 Guidance

As outlined at the March 2022 Investor Day, following the completion of major growth capital related to the KAPS project, the plan for 2023 focuses on balancing more modest growth spending with increasing balance sheet strength and returning cash to shareholders.

- Growth capital expenditures are expected to range between $140 million and $180 million excluding capitalized interest. This includes approximately $50 million related to the completion of the KAPS project and $45 million to $55 million related to a Pipestone expansion project that is progressing but is currently unsanctioned.
- Maintenance capital expenditures are expected to range between $75 million and $85 million and includes approximately $40 million related to turnarounds at the Rimbey and Pipestone gas plants. Substantially all of the costs related to the maintenance turnaround at the Pipestone gas plant will be recovered in 2023.
- Cash tax expense is expected to range between $10 million and $25 million.
- 2023 planned turnarounds and outages:

Asset	Duration	Timing
Wapiti Gas Plant outage	10 days	Q2 2023
Rimbey Gas Plant turnaround	3 weeks	Q2 2023
Keyera Fort Saskatchewan Fractionation Unit 2 outage	1 week	Q2 2023
Keyera Fort Saskatchewan Fractionation Unit 1 turnaround	2 weeks	Q3 2023
Pipestone Gas Plant turnaround	2 weeks	Q3 2023

[1] Keyera uses certain non-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 and return on invested capital. Since these measures are not standard measures under GAAP, they may not be comparable to similar measures reported by other entities. 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 realized margin guidance for the Marketing segment, refer to the section titled “Segmented Results of Operations: Marketing” of Management’s Discussion and Analysis.

[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] Realized margin is not a standard measure under GAAP and excludes the effect of $43 million in non-cash gains from commodity-related risk management contracts. See the section of this news release titled “Non-GAAP and Other Financial Measures”.

Summary of Key Measures *(Thousands of Canadian dollars, except where noted)*	Three months ended September 30, **2022**	2021	Nine months ended September 30, **2022**	2021
Net earnings	**123,389**	69,800	**410,189**	234,220
Per share ($/share) – basic	**0.56**	0.32	**1.86**	1.06
Cash flow from operating activities	**135,104**	106,376	**790,919**	486,876
Funds from operations[1]	**218,135**	168,762	**661,998**	531,173
Distributable cash flow[1]	**162,340**	149,252	**549,351**	461,943
Per share ($/share)[1]	**0.73**	0.68	**2.49**	2.09
Dividends declared	**106,091**	106,091	**318,273**	318,273
Per share ($/share)	**0.48**	0.48	**1.44**	1.44
Payout ratio %[1]	**65%**	71%	**58%**	69%
Adjusted EBITDA[2]	**246,849**	213,578	**819,983**	662,109
Gathering and Processing				
Gross processing throughput[3] (MMcf/d)	**1,604**	1,471	**1,549**	1,441
Net processing throughput[3] (MMcf/d)	**1,378**	1,246	**1,330**	1,219
Liquids Infrastructure				
Gross processing throughput[4] (Mbbl/d)	**167**	110	**178**	136
Net processing throughput[4] (Mbbl/d)	**79**	69	**83**	77
AEF iso-octane production volumes (Mbbl/d)	**11**	14	**13**	14
Marketing				
Inventory value	**379,102**	334,857	**379,102**	334,857
Sales volumes (Bbl/d)	**158,800**	149,500	**172,600**	156,000
Acquisitions	**—**	—	**—**	11,165
Growth capital expenditures	**193,879**	136,290	**619,903**	264,467
Maintenance capital expenditures	**34,374**	8,060	**68,516**	33,882
Total capital expenditures	**228,253**	144,350	**688,419**	309,514
Weighted average number of shares outstanding – basic and diluted	**221,023**	221,023	**221,023**	221,023

	As at September 30, **2022**	2021
Long-term debt[5]	**3,628,360**	3,288,697
Credit facility	**30,000**	70,000
Working capital surplus[6]	**(48,665)**	(147,058)
Net debt	**3,609,695**	3,211,639
Common shares outstanding – end of period	**221,023**	221,023

Notes:

1 Funds from operations, distributable cash flow, distributable cash flow per share and payout ratio are not standard measures under Generally Accepted Accounting Principles ("GAAP") and therefore, may not be comparable to similar measures reported by other entities. For additional details regarding the composition of these measures, how management utilizes them, and for a reconciliation of funds from operations and distributable cash flow to the most directly comparable GAAP measure, cash flow from operating activities, refer to the section of this news release titled "Non-GAAP and Other Financial Measures".

2 Adjusted EBITDA is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. For additional details regarding the composition of this measure, how management utilizes it, and for a reconciliation of adjusted EBITDA to the most directly comparable GAAP measure, net earnings, refer to the section of this news release titled "Non-GAAP and Other Financial Measures".

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.

6 Working capital is defined as current assets less current liabilities.

CEO's Message to Shareholders

Keyera delivered strong results, hitting key operational milestones, and delivering strong margins in the third quarter. We are well positioned to continue earning strong returns for shareholders by executing our strategy and supplying the energy the world needs. And we're positioning ourselves to participate profitably, in the energy transition.

Solid operational performance contributed to strong financial results. At Wapiti, volumes increased by 35 percent from last quarter to a record average throughput of 184 MMcf/d. This led to the Gathering & Processing segment delivering its best-ever quarterly realized margin. At Alberta EnviroFuels, we completed a successful six-week planned turnaround.

KAPS is now 90 percent complete and is anticipated to be operational at the end of the first quarter of 2023. Today, we provided a detailed cost update and outlined our path to completion. We've had a range of challenges, largely related to weather, which introduced additional costs. Looking ahead, we're focused on completing the project on time and adding new customer contracts. With KAPS in service, Keyera can provide Montney producers a complete, and much-needed, competitive alternative for gas processing and liquids transportation, fractionation, storage, distribution and marketing. Our fully integrated value chain allows us to better compete for volumes and provides more opportunity to earn returns at each step of the way.

KAPS provides a platform for future growth opportunities. These opportunities include a potential fractionation expansion in Fort Saskatchewan, and KAPS Zone 4, which would extend our reach to the BC border to collect volumes from northeast BC Montney producers. We will remain financially disciplined in making any final investment decisions and will ensure these projects meet our return criteria and have strong contractual underpinnings.

Longer-term, Keyera is positioned to play a meaningful role in the energy transition. We continue to reduce our emissions and have already achieved nearly half of our 2025 emissions intensity reduction target of 25 percent. In August, we announced that we are working with Canadian National Railway to evaluate a clean energy terminal as part of our collaborative Low Carbon Hub strategy in the Alberta Industrial Heartland. In another example of progress towards decarbonization, we have recently been awarded pore space for a potential sequestration hub north of Grande Prairie.

We continue to execute our strategy and deliver on the commitments we made at our Investor Day in March. These include:

- Managing long-term business risk by demonstrating ESG leadership;
- Filling available capacity and improving reliability to improve returns and increase the competitiveness of our business;
- Growing our stable contracted cash flows through KAPS;
- Maintaining a strong balance sheet; and lastly
- Providing a differentiated platform for future growth by enhancing and extending our value chain.

Looking further ahead, energy security, energy demand growth and energy transition are all catalysts for long-term natural gas and natural gas liquids demand, supporting a strong future for Keyera and our basin.

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

Dean Setoguchi
President and Chief Executive Officer
Keyera Corp.

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") was prepared as of November 9, 2022 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 unaudited condensed interim consolidated financial statements ("accompanying financial statements") of Keyera Corp. for the three and nine months ended September 30, 2022 and the notes thereto as well as the audited consolidated financial statements of Keyera for the year ended December 31, 2021, and the related MD&A. The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") also referred to as GAAP, and are stated in Canadian dollars. Additional information related to Keyera, including its Annual Information Form, is available on SEDAR at www.sedar.com or on Keyera's website at www.keyera.com.

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

Keyera's Business

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

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

2. **Liquids Infrastructure** – Keyera owns and operates a network of facilities for the gathering, processing, storage and transportation of the by-products of natural gas processing, including NGLs in mix form and specification NGLs such as ethane, propane, butane and condensate. In addition, this segment includes Keyera's iso-octane facilities at Alberta EnviroFuels ("AEF"), its liquids blending facilities, its 50% interest in the crude oil storage facility at the Base Line Terminal, and its 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 delivered strong financial results in the third quarter of 2022 with solid contribution from all three operating segments. Net earnings of $123 million and realized margin of $274 million were 77% and 18% higher than the same period in the prior year, respectively.

The Gathering and Processing segment posted record financial results for a second consecutive quarter as new production volumes and less maintenance-related downtime resulted in record gross processing throughput at the Wapiti gas plant. Volumes in the South Region were also strong as the Strachan gas plant continued to process incremental volumes from multiple customers. As producer activity levels are expected to remain high through the remainder of the year, Keyera is well-positioned to grow operating margin in both the North and South regions by delivering competitive, full-service solutions.

To accommodate continued volume growth in the North region, Keyera added 20 million cubic feet per day ("MMcf/d") of capacity to the Pipestone gas plant in the third quarter by relicensing the existing facility to 220 MMcf/d. Keyera continues to progress opportunities to further expand the capacity of the gas plant.

The Marketing segment continued to deliver very strong financial results in the third quarter through the application of its disciplined risk management program and effective utilization of Keyera's infrastructure assets which allowed the business to capture and protect margins, particularly in relation to iso-octane. The cash flow generated from the Marketing business enhances Keyera's overall return on invested capital as it can utilize its infrastructure assets to deliver product to the highest value markets. The cash flow from this segment is also used to help fund additional infrastructure investments, including the KAPS pipeline, and helps accelerate the strengthening of Keyera's balance sheet.

The Liquids Infrastructure segment generated solid financial results as Keyera's fractionation units in the Fort Saskatchewan area were fully utilized. The AEF facility commenced its planned maintenance turnaround in September and successfully completed the maintenance activities over a six-week period. The facility resumed operations in mid-October.

Significant progress continues to be made on the KAPS project which is 90% complete as of the end of October. The latest cost estimate is approximately $1 billion (previous estimate of $900 million), net to Keyera. The increase in cost is mainly due to weather related productivity losses, as well as inflationary pressure for labour and items such as matting used to access excessively wet construction sites.

Keyera expects the following for 2022:

- realized margin for the Marketing segment to be between **$380 million and $410 million**;
- a cash tax expense of between **$55 million and $65 million**;
- growth capital expenditures to range between **$770 million and $800 million** (previously between $680 million and $720 million), excluding capitalized interest. The increase is primarily due to the increased cost of the KAPS project; and
- maintenance capital expenditures to range between **$100 million and $120 million**, with approximately $60 million of the costs related to the AEF maintenance turnaround. Refer to the section of the MD&A titled, "Segmented Results of Operations: Liquids Infrastructure" for more details related to this major turnaround.

Keyera expects the following for 2023:

- growth capital expenditures to range between **$140 million and $180 million** excluding capitalized interest. This includes approximately $50 million related to the completion of the KAPS project and $45 million to $55 million related to an expansion at the Pipestone gas plant that is progressing but is currently unsanctioned;
- maintenance capital expenditures to range between **$75 million and $85 million**, which includes approximately $40 million related to the scheduled maintenance turnarounds at the Rimbey and Pipestone gas plants. Substantially all of the costs related to the maintenance turnaround at the Pipestone gas plant will be recovered in 2023; and
- a cash tax expense of between **$10 million and $25 million**.

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

CONSOLIDATED FINANCIAL RESULTS

The following table highlights some of the key consolidated financial results for the three and nine months ended September 30, 2022 and 2021:

(Thousands of Canadian dollars, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Net earnings	**123,389**	69,800	**410,189**	234,220
Net earnings per share (basic)	**0.56**	0.32	**1.86**	1.06
Operating margin	**316,784**	231,292	**947,972**	701,225
Realized margin[1]	**274,088**	233,041	**905,856**	738,003
Adjusted EBITDA[2]	**246,849**	213,578	**819,983**	662,109
Cash flow from operating activities	**135,104**	106,376	**790,919**	486,876
Funds from operations[3]	**218,135**	168,762	**661,998**	531,173
Distributable cash flow[3]	**162,340**	149,252	**549,351**	461,943
Distributable cash flow per share[3] (basic)	**0.73**	0.68	**2.49**	2.09
Dividends declared	**106,091**	106,091	**318,273**	318,273
Dividends declared per share	**0.48**	0.48	**1.44**	1.44
Payout ratio[4]	**65%**	71%	**58%**	69%

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/losses on commodity-related contracts, net foreign currency gains/losses on U.S. debt and other, impairment expenses and any other non-cash items such as gains/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.

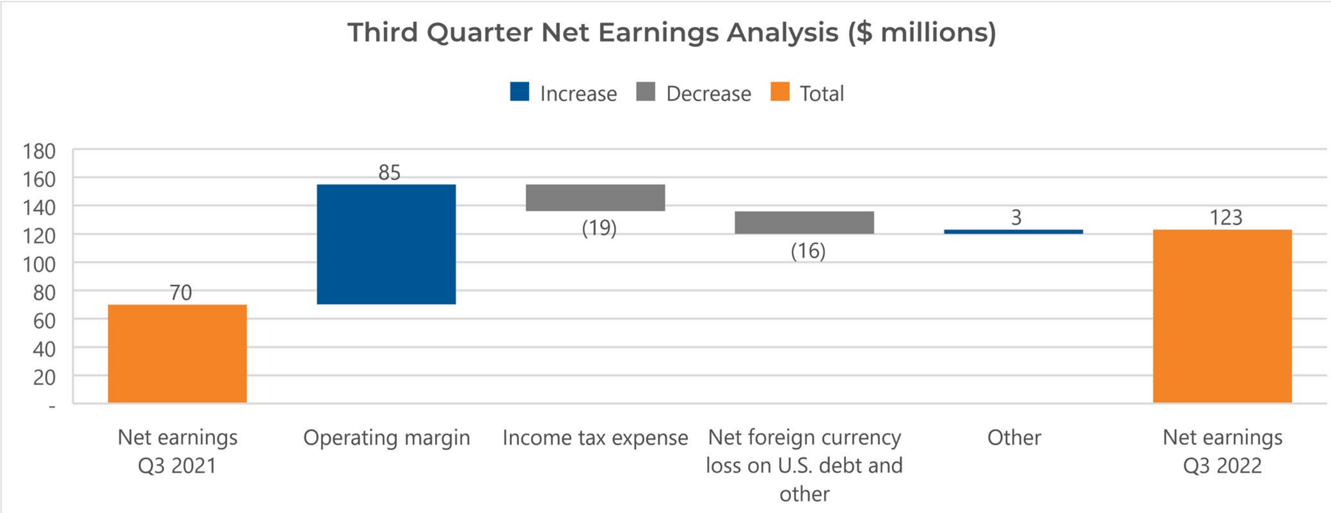
3 Funds from operations is defined as cash flow from operating activities adjusted for changes in non-cash working capital. Distributable cash flow is defined as cash flow from operating activities adjusted for changes in non-cash working capital, inventory write-downs, maintenance capital expenditures 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

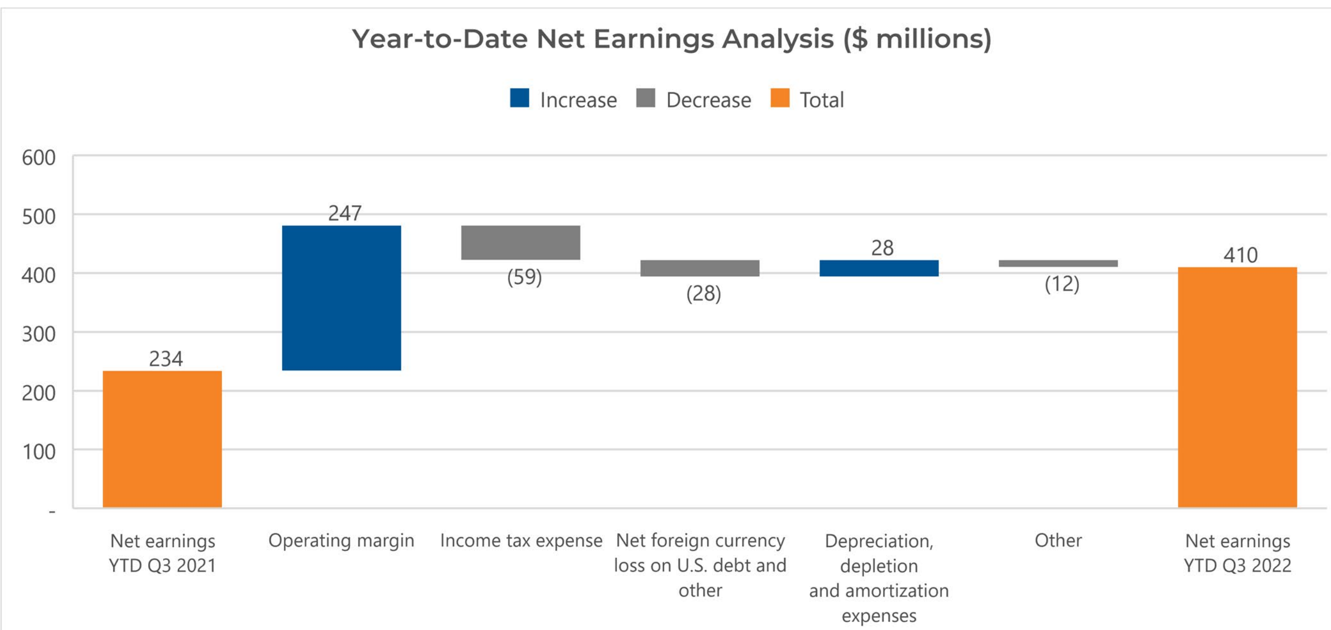
Third Quarter Results

For the three months ended September 30, 2022, net earnings were $123 million, $54 million higher than the same period in the prior year due to the factors shown in the table below:



Year-To-Date Results

On a year-to-date basis, net earnings were $410 million, $176 million higher than the same period in 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

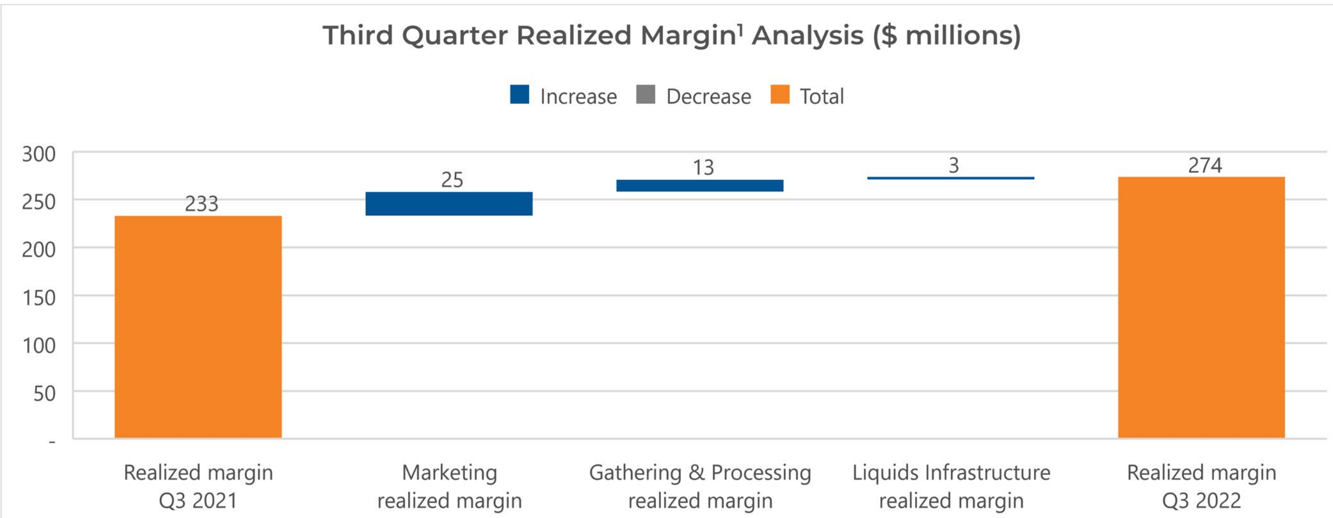
Third Quarter Results

For the three months ended September 30, 2022, operating margin was $317 million, $85 million higher than the same period in the prior year primarily due to: i) $41 million in higher realized margin as described in more detail below; and ii) the inclusion of an unrealized non-cash gain of $41 million associated with risk management contracts from the Marketing segment, compared to an unrealized non-cash loss of $3 million in 2021.

In the third quarter of 2022, realized margin[1] (excludes the effect of unrealized gains and losses from commodity-related risk management contracts) was $274 million, $41 million higher than the same period in the prior year primarily due to the following factors:

- $25 million in higher realized margin from the Marketing segment that was attributable to: i) $19 million in higher iso-octane margins resulting from stronger motor gasoline pricing and iso-octane premiums; and ii) increased liquids blending contribution from strong condensate demand; and

- $13 million in higher realized margin from the Gathering and Processing segment that was mainly due to increased processing throughput at the Wapiti, Pipestone and Strachan gas plants.

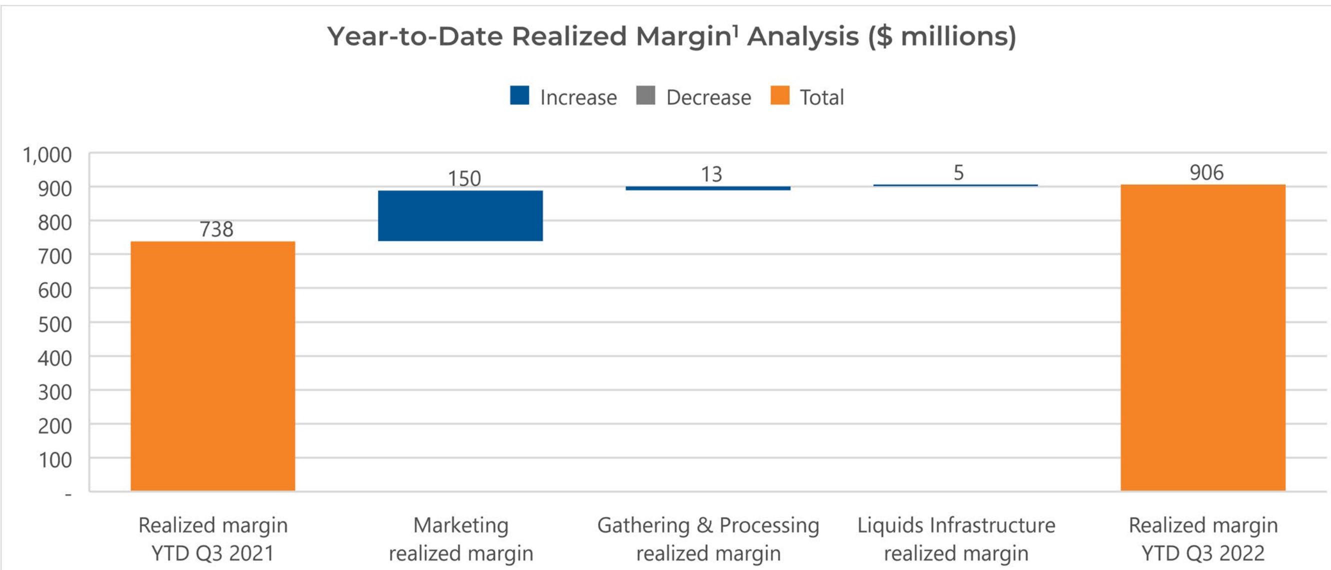


1 Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled "Non-GAAP and Other Financial Measures". For a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin,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

Year-To-Date Results

For the first nine months of 2022, operating margin was $948 million, $247 million higher than the prior year due to: i) $168 million in higher realized margin as described in more detail below; and ii) the inclusion of an unrealized non-cash gain of $38 million associated with risk management contracts from the Marketing segment, compared to an unrealized non-cash loss of $37 million in 2021.

Realized margin[1] for the first nine months of 2022 was $906 million, $168 million higher than the same period in the prior year. This was primarily due to $150 million in higher realized margin from the Marketing segment that was attributable to: i) $107 million in increased iso-octane margins resulting from historically high motor gasoline pricing and iso-octane premiums; ii) increased liquids blending contribution from higher sales volumes and pricing that was influenced by strong condensate demand; and iii) higher propane contribution as realized hedging losses on inventory were incurred in 2021.



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

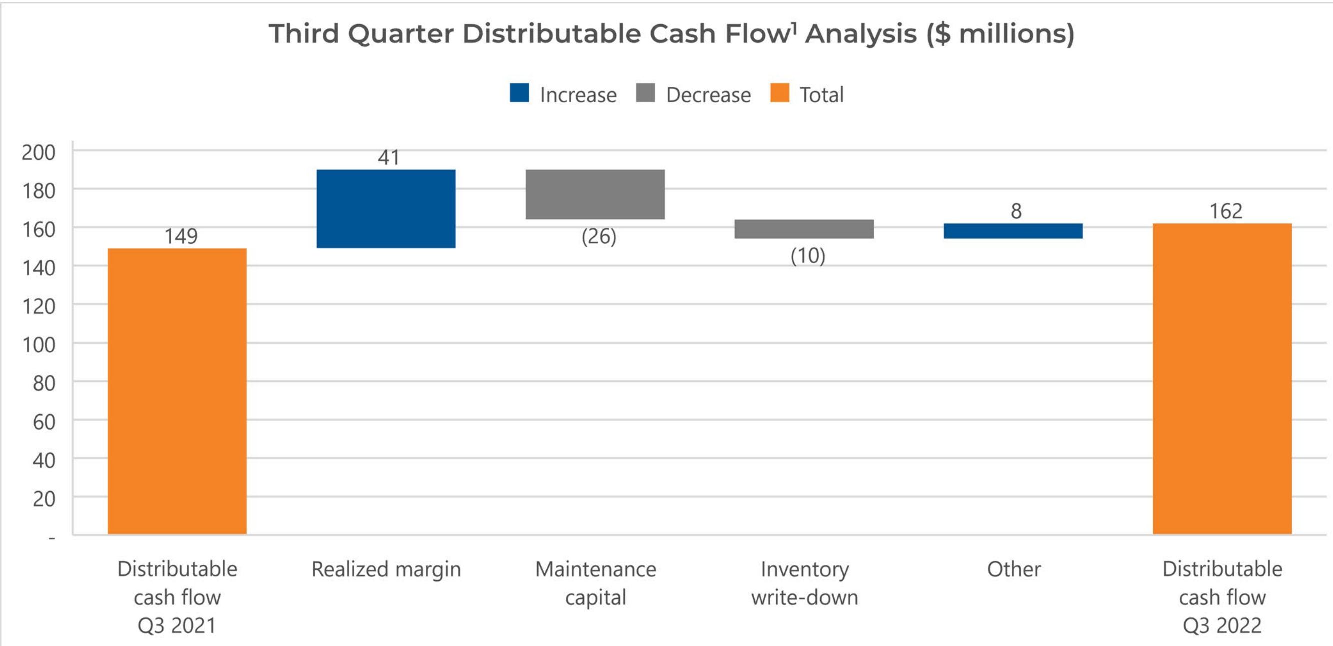
1 Realized margin is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled "Non-GAAP and Other Financial Measures". For a reconciliation of realized margin to the most directly comparable GAAP measure, operating margin,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

Cash Flow Metrics

Third Quarter Results

Cash flow from operating activities for the third quarter of 2022 was $135 million, $29 million higher than the same period in the prior year primarily due to a decrease in the cash required to fund inventory and higher realized margin that was mainly attributable to the Marketing segment.

Distributable cash flow[1] for the three months ended September 30, 2022, was $162 million, $13 million higher than the same period in 2021 due to factors shown in the table below:

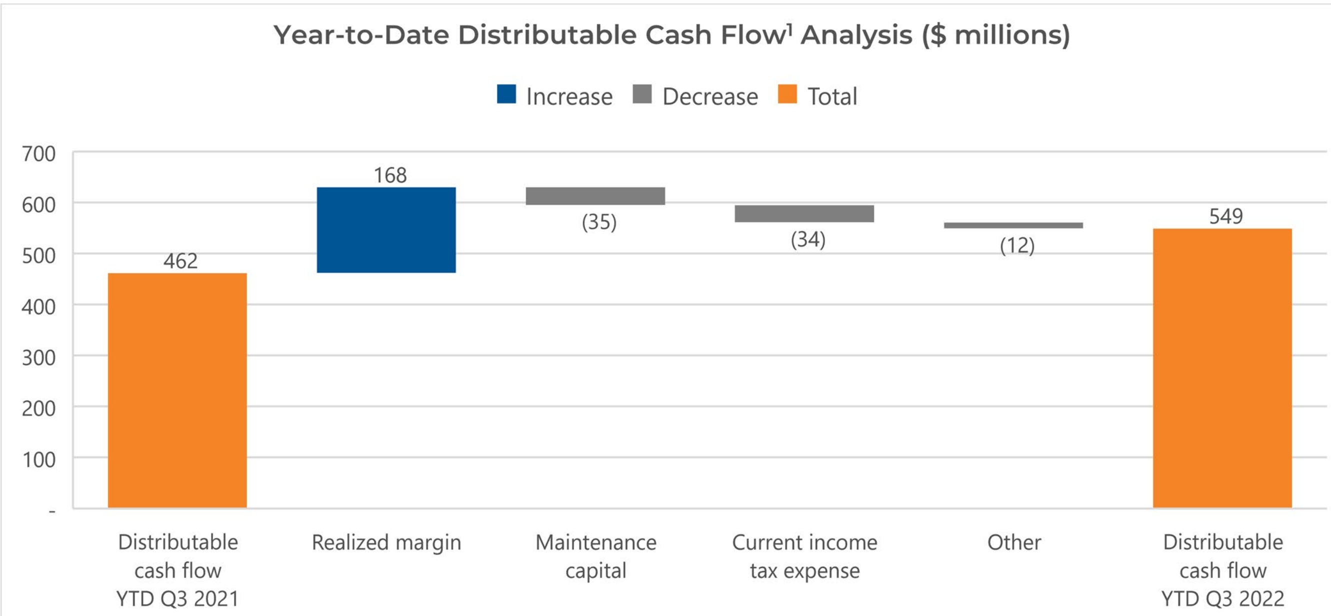


1 Distributable cash flow is not a standard measure under GAAP and therefore, may not be comparable to similar measures reported by other entities. See the section titled “Non-GAAP and Other Financial Measures”. For a reconciliation of distributable cash flow to the most directly comparable GAAP measure,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

Year-To-Date Results

On a year-to-date basis, cash flow from operating activities was $791 million, $304 million higher than the same period in the prior year primarily due to higher realized margin that was mainly attributable to the Marketing segment and higher cash generated from changes in operating working capital. These increases were partly offset by higher current income tax expense.

Distributable cash flow[1] for the nine months ended September 30, 2022, was $549 million, $87 million higher than the same period in 2021 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 three and nine months ended September 30, 2022 and 2021 are reported in note 15, 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 at www.sedar.com.

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 and Realized Margin *(Thousands of Canadian dollars)*	**Three months ended September 30, 2022**	2021	**Nine months ended September 30, 2022**	2021
Revenue	**1,718,059**	1,196,318	**5,285,069**	3,247,474
Operating expenses	**(1,401,275)**	(965,026)	**(4,337,097)**	(2,546,249)
Operating margin	**316,784**	231,292	**947,972**	701,225
Unrealized (gain) loss on risk management contracts	**(42,696)**	1,749	**(42,116)**	36,778
Realized margin	**274,088**	233,041	**905,856**	738,003

Gathering and Processing

Keyera currently has interests in 12 active gas plants[1], all of which are located in Alberta. Keyera operates 9 of the 12 active gas plants and has the option to become the operator of the Pipestone gas plant on January 1, 2026, approximately five years after the commencement of its operations. 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 formation. All of Keyera's other Gathering and Processing plants, with the exception of the non-operated Edson gas plant, are generally referred to as its "Southern" or "South" gas plants.

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

Operating and Realized Margin and Throughput Information *(Thousands of Canadian dollars, except for processing throughput information)*	**Three months ended September 30,**		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
Revenue[2]	**186,302**	146,010	**519,558**	436,564
Operating expenses[2]	**(96,674)**	(69,474)	**(264,675)**	(195,208)
Operating margin	**89,628**	76,536	**254,883**	241,356
Unrealized (gain) loss on risk management contracts	**(562)**	(300)	**(948)**	38
Realized margin[3]	**89,066**	76,236	**253,935**	241,394
Gross processing throughput[4] – (MMcf/d)	**1,604**	1,471	**1,549**	1,441
Net processing throughput[4,5] – (MMcf/d)	**1,378**	1,246	**1,330**	1,219

1 Excludes gas plants where Keyera has suspended operations.
2 Includes inter-segment transactions.
3 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".
4 Includes gas volumes and the conversion of liquids volumes handled through the processing facilities to a gas volume equivalent.
5 Net processing throughput refers to Keyera's share of raw gas processed at its processing facilities.

Third Quarter Operating Margin and Revenue

Operating Margin	↑ $13 million vs Q3 2021	Increase was primarily due to: • $11 million in higher operating margin from increased processing throughput at the Wapiti, Pipestone and Strachan gas plants. The increased throughput was the result of incremental volumes from new wells and improved utilization levels at the Wapiti gas plant as the facility experienced a 10-day outage during the same period in 2021; and • higher contribution from higher ethane sales volumes at the Rimbey gas plant as the petrochemical company that purchases ethane under a long-term arrangement underwent a maintenance outage in the third quarter of 2021.
Revenue	↑ $40 million vs Q3 2021	• Increase in revenue was primarily due to the same factors that contributed to higher operating margin in the third quarter of 2022.

Third Quarter Year-to-Date Operating Margin and Revenue

Operating Margin	↑ $14 million vs Q3 YTD 2021	• Increase was primarily due to $24 million in higher operating margin from higher processing throughput at the Pipestone, Brazeau River and Strachan gas plants. • The above factors were partly offset by lower operating margin from the Wapiti and Simonette gas plants due to maintenance outages during the first half of 2022 as well as lower operating margin from the Cynthia gas plant due to higher electrical costs.
Revenue	↑ $83 million vs Q3 YTD 2021	• Increase in revenue was primarily due to the same factors that contributed to higher operating margin as well as higher ethane sales revenues. Ethane sales are generally based on index pricing and can significantly influence revenues; however the effect on operating margin is minimal as ethane purchases from producers are also based on index pricing and are included in operating expenses.

Gathering and Processing Activity

The Gathering and Processing segment achieved its second consecutive quarter of record financial results as incremental production volumes attributable to strong producer activity levels contributed to higher gross processing throughput at many of Keyera's gas plants.

In the North region, the Wapiti gas plant set a quarterly processing throughput record as the facility benefited from new production volumes from the condensate-rich Montney area and less maintenance-related downtime. At the Pipestone gas plant, gross processing throughput levels continued to be strong while the Simonette gas plant returned to more typical processing volumes after the completion of its maintenance turnaround in the prior quarter. As a result of these factors, overall gross processing throughput in the North region for the third quarter increased by 14% relative to the same period in 2021.

To accommodate continued volume growth in the North region, Keyera added 20 million cubic feet per day ("MMcf/d") of capacity to the Pipestone gas plant in the third quarter by relicensing the existing facility to 220 MMcf/d. Keyera continues to progress opportunities to further expand the capacity of the gas plant.

In the South region, gross processing throughput increased 9% over the same period in the prior year as the Strachan gas plant continued to capture new production volumes from multiple customers. As producer activity levels are expected to remain high for the remainder of 2022, Keyera is well-positioned to grow operating margin at its South region gas plants by delivering competitive, full-service solutions.

In the third quarter, a planned maintenance turnaround was successfully completed at the Nordegg gas plant. The combined cost of the Nordegg and Simonette maintenance turnaround completed in the second quarter of 2022, is estimated to be approximately $25 million. For 2023, maintenance turnarounds are scheduled to occur at the Pipestone and Rimbey gas plants. The preliminary cost estimate for both turnarounds is approximately $40 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. Maintenance turnaround costs are generally flowed through to customers over a period of four to six years. 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.

In October 2022, the Pipestone gas plant was taken offline for approximately 8 days to complete mechanical maintenance on the facility's gas turbine along with other minor maintenance activities. The cost of the maintenance activities will be recovered through the facility's operating fees. The impact to operating margin in the fourth quarter from the outage is estimated to be less than $5 million. The facility is now operating at full capacity.

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 crude oil pipelines;
- underground NGL storage caverns;
- above ground storage tanks;
- NGL fractionation and de-ethanization facilities;
- pipeline, rail and truck terminals;
- liquids blending facilities; and
- the AEF facility.

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

Most of Keyera's Liquids Infrastructure assets are located in, or connected to, the Edmonton/Fort Saskatchewan area of Alberta, one of four key NGL hubs in North America. A significant portion of the NGL production from Alberta raw gas processing plants is delivered into the Edmonton/Fort Saskatchewan area via multiple NGL gathering systems 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 Enbridge's Southern Lights pipeline and CRW pool, Fort Saskatchewan area fractionators, and Pembina's Cochin pipeline and Canadian Diluent Hub; and ii) all major condensate delivery points, including Inter Pipeline's Polaris and Cold Lake pipelines, the Norlite pipeline, Enbridge's CRW pool, and Wolf Midstream's 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 and realized margin for the Liquids Infrastructure segment were:

Operating and Realized Margin *(Thousands of Canadian dollars)*	**Three months ended September 30, 2022**	2021	**Nine months ended September 30, 2022**	2021
Revenue[1]	**153,403**	145,518	**468,561**	431,449
Operating expenses[1]	**(50,410)**	(46,633)	**(161,224)**	(132,167)
Operating margin	**102,993**	98,885	**307,337**	299,282
Unrealized gain on risk management contracts	**(1,579)**	(545)	**(3,178)**	(266)
Realized margin[2]	**101,414**	98,340	**304,159**	299,016

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".

Third Quarter Operating Margin and Revenue

Operating Margin	↑ $4 million vs Q3 2021	• Increase was primarily due to higher fractionation revenues at a non-operated fractionation facility in which Keyera owns a minority working interest as the facility completed a maintenance outage during the same period in the prior year.
Revenue	↑ $8 million vs Q3 2021	• Increase was mainly due to the same factor that contributed to higher operating margin as described above.

Third Quarter Year-to-Date Operating Margin and Revenue

Operating Margin	↑ $8 million vs Q3 YTD 2021	• Increase was primarily due to the same factor that contributed to higher operating margin in the third quarter as described above, as well as higher revenues from Keyera's Fort Saskatchewan fractionation units. Keyera's fractionation units operated at lower utilization levels in 2021 due to the completion of maintenance activities in the second quarter. Higher fractionation revenues in 2022 were partly offset by higher electricity costs.
Revenue	↑ $37 million vs Q3 YTD 2021	• Increase was mainly due to the same factors that contributed to higher operating margin as described above as well as higher operating revenues from the AEF facility and Norlite pipeline resulting from the recovery of increased operating expenses in the period.

Liquids Infrastructure Activity

The Liquids Infrastructure segment posted strong financial results in the third quarter of 2022 as the business continued to meet the needs of its customers through its diverse service offerings.

The two fractionation units at Keyera's Fort Saskatchewan complex were fully utilized in the third quarter. Fractionation capacity in Alberta continues to be in high demand as strong commodity prices have resulted in increased drilling activity. As a result, Keyera expects its fractionation units to be fully utilized for the remainder of 2022 and into 2023.

Condensate demand from oil sands producers is generally lower during the summer months as warmer seasonal temperatures can reduce the volume of condensate required for blending into bitumen. Despite this, volumes delivered through Keyera's condensate system remained strong in the third quarter of 2022 and were 5% higher than the same period in the prior year. The higher condensate volumes do not have a significant financial impact to Keyera due to long-term, take-or-pay arrangements in place 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 September, Keyera took the AEF facility offline for its scheduled maintenance turnaround which was successfully completed over a six-week period. The facility resumed operations in mid-October. The maintenance turnaround was completed on budget at a total cost of approximately $60 million, including the replacement of the facility's catalyst. Keyera's investment in the maintenance turnaround at AEF is to ensure the facility runs efficiently and reliably for the long-term.

Keyera continues to focus on enhancing its infrastructure to meet the needs of its customers. The table below is a status update of major projects in the Liquids Infrastructure segment:

Liquids Infrastructure – Capital Projects Status Update

Facility/Area	Project Description	Project Status Update
KAPS 50/50 joint venture with Energy Transfer Canada ULC	**KAPS NGL and Condensate Pipeline System** Development of a 12-inch and 16-inch NGL and condensate pipeline system that will transport Montney and Duvernay production in northwestern Alberta to Keyera's fractionation assets and condensate system in Fort Saskatchewan. Along its route, KAPS will be connected to Keyera's Pipestone, Wapiti and Simonette gas plants and several third-party gas plants.	All major construction activities including mainline pipe construction, lateral pipeline construction and the installation of surface facilities continue to progress. KAPS is anticipated to be operational at the end of the first quarter of 2023. *Estimated total cost to complete:* • gross cost is estimated to be approximately $2 billion • Keyera's net share of costs is estimated to be approximately $1 billion The increase in estimated costs is mainly attributable to: i) weather related productivity losses; and ii) inflationary pressures on labour and for items such as matting used to access excessively wet construction sites. *Total net costs to September 30, 2022:* • $143 million and $456 million for the three and nine months ended September 30, 2022 • $784 million since inception
South Cheecham 50/50 joint venture with Enbridge	**Sulphur Facilities** Development of sulphur handling, forming, and storage facilities at the South Cheecham rail and truck terminal.	Commissioning activities are currently in-progress. The facilities are expected to be operational by the end of 2022. *Estimated total cost to complete:* • gross cost is approximately $245 million • Keyera's net share of costs is approximately $123 million *Total net costs to September 30, 2022:* • $11 million and $44 million for the three and nine months ended September 30, 2022 • $109 million since inception

Estimated costs and completion times for the projects currently under development that are discussed above assume that construction proceeds as planned, that actual costs are in line with estimates and, where required, that regulatory approvals and any other third-party approvals or consents are received on a timely basis. Regulatory approvals for KAPS and the South Cheecham Sulphur Facilities have been received. A portion of the costs incurred for completed and ongoing projects is based on estimates. Final costs may differ when actual invoices are received or contracts are settled. Costs for the projects described above exclude carrying charges (i.e., capitalized interest). The section of this MD&A titled, "Forward-Looking Statements", provides more information on factors that could affect the development of these projects.

Marketing

The Marketing segment is focused on the purchase and sale of products associated with Keyera's 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 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 at www.sedar.com.

Keyera's primary markets for iso-octane are in the Gulf Coast, Midwestern United States, and Western Canada. Demand for iso-octane 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.

For the years 2023 to 2025, Keyera expects its Marketing business to contribute on average, a "base realized margin" of between $250 million and $280 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 near 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 at www.sedar.com.

Operating and realized margin for the Marketing segment were:

Operating and Realized Margin *(Thousands of Canadian dollars, except for sales volume information)*	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Revenue[1]	**1,476,268**	1,000,686	**4,616,309**	2,655,788
Operating expenses[1]	**(1,352,033)**	(944,391)	**(4,229,629)**	(2,493,836)
Operating margin	**124,235**	56,295	**386,680**	161,952
Unrealized (gain) loss on risk management contracts	**(40,555)**	2,594	**(37,990)**	37,006
Realized margin[2]	**83,680**	58,889	**348,690**	198,958
Sales volumes (Bbl/d)	**158,800**	149,500	**172,600**	156,000

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)*	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Physical sales	**1,417,162**	1,065,028	**4,753,663**	2,869,264
Realized cash gain (loss) on financial contracts[1]	**18,551**	(61,748)	**(175,344)**	(176,470)
Unrealized gain due to reversal of financial contracts existing at end of prior period	**38,081**	56,681	**31,521**	22,024
Unrealized gain (loss) due to fair value of financial contracts existing at end of current period	**6,171**	(59,458)	**6,171**	(59,458)
Unrealized (loss) gain from fixed price physical contracts[2]	**(3,697)**	183	**298**	428
Total unrealized gain (loss) on risk management contracts	**40,555**	(2,594)	**37,990**	(37,006)
Total gain (loss) on risk management contracts	**59,106**	(64,342)	**(137,354)**	(213,476)
Total Marketing revenue	**1,476,268**	1,000,686	**4,616,309**	2,655,788

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 GAAP definition of a derivative instrument.

Third Quarter Operating & Realized Margin and Revenue

Operating Margin	↑ $68 million vs Q3 2021	• Increase was due to $41 million in unrealized non-cash gains from risk management contracts in Q3 2022 versus a non-cash loss of $3 million in Q3 2021; and • $25 million in higher realized margin as described in more detail below.
Realized Margin[1]	↑ $25 million vs Q3 2021	Increase was primarily due to the following factors: • $19 million of higher iso-octane margins resulting from higher product premiums and strong motor gasoline pricing; and • higher liquids blending contribution due to strong condensate demand.
Revenue	↑ $476 million vs Q3 2021	• Increase was primarily due to significantly higher average sales prices for all products resulting from high commodity prices in 2022.

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".

Third Quarter Year-to-Date Operating & Realized Margin and Revenue

Operating Margin	↑ $225 million vs Q3 YTD 2021	• Increase was due to $38 million in unrealized non-cash gains from risk management contracts in 2022 versus a non-cash loss of $37 million in 2021; and • $150 million in higher realized margin as described in more detail below.
Realized Margin[1]	↑ $150 million vs Q3 YTD 2021	Increase was primarily due to the following factors: • $107 million of higher iso-octane margins resulting from significantly stronger product premiums and motor gasoline pricing; • higher liquids blending contribution from increased sales volumes and pricing due to strong condensate demand; and • higher propane contribution as realized hedging losses on inventory were incurred in 2021.
Revenue	↑ $2 billion vs Q3 YTD 2021	• Increase was primarily due to significantly higher average sales prices for all products resulting from high commodity prices in 2022.

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 recorded strong financial results in the third quarter of 2022 due to the application of its disciplined risk management program and effective utilization of Keyera's infrastructure assets which allowed the business to capture and protect margins, particularly in relation to iso-octane.

Iso-octane premiums and motor gasoline pricing reached record highs in the second quarter of 2022 that continued into July. As a result of high prices, North American driving demand declined rapidly, reducing both motor gasoline pricing and product premiums in August. However, by September both motor gasoline pricing and iso-octane premiums rebounded to historical highs for that month. The market fundamentals driving this rebound in pricing were: i) a reduction in high octane components being imported from European refineries into the U.S.; and ii) increased motor gasoline exports to Latin America.

During this period of pricing volatility, the Marketing segment applied its disciplined risk management program to protect margins. In addition, the business effectively utilized Keyera's infrastructure, including its storage and transportation capabilities, to meet the needs of its customers and manage Keyera's iso-octane inventory. These factors enabled the business to capture margins and prevent customer disruptions through continued iso-octane deliveries, despite the scheduled maintenance outage at the AEF facility which began in September. The maintenance outage at AEF was successfully completed over a six-week period and the facility resumed operations in mid-October.

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, 2022, the price for butane as a percentage of crude oil was consistent with the historical average of the previous 10 years.

Propane margins remained at seasonally lower levels in the third quarter of 2022, and Keyera continued its normal build of propane inventory that will be sold during the winter months. Propane exports to Europe and Asia are expected to remain strong through the fourth quarter of 2022 and are anticipated to result in stronger pricing through the winter months. Inter Pipeline's Heartland Petrochemical Complex, which commenced its initial phase of operations in July 2022, is also expected to influence propane pricing in 2023. 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.

Condensate contribution continued to be strong in the third quarter as sales volumes and pricing were higher than the same period in the prior year. Margins from Keyera's liquids blending business also continued to be robust through the third quarter of 2022.

With the outstanding financial results from the first nine months of the year, Keyera expects its Marketing business to contribute realized margin of between $380 million and $410 million in 2022. The guidance also includes the estimated financial impact from the planned six-week outage at the AEF facility, financial hedges currently in place and assumes that commodity prices continue to remain strong for the remainder of the year.

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 Reformulated Blendstock for Oxygen Blending ("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 quarter ended September 30, 2022, the total unrealized gain on risk management contracts was $41 million. Further details are provided in the "Composition of Marketing Revenue" table above.

The fair value of outstanding fixed price physical and financial risk management contracts as at September 30, 2022 resulted in an unrealized (non-cash) gain of $6 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 September 30, 2022, and the sensitivity to earnings resulting from changes in commodity prices, can be found in note 11, Financial Instruments and Risk Management, of the accompanying financial statements.

CORPORATE AND OTHER

Non-Operating Expenses and Other *(Thousands of Canadian dollars)*	**Three months ended September 30,**		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
General and administrative[1]	**(19,528)**	(18,280)	**(60,650)**	(58,177)
Finance costs	**(40,892)**	(43,442)	**(124,267)**	(125,559)
Depreciation, depletion and amortization expenses	**(68,645)**	(68,667)	**(172,634)**	(201,121)
Net foreign currency (loss) gain on U.S. debt and other	**(17,048)**	(823)	**(26,316)**	2,152
Long-term incentive plan expense	**(7,496)**	(2,442)	**(24,758)**	(27,757)
Impairment expense	**—**	(8,187)	**—**	(17,681)
(Loss) gain on disposal of property, plant and equipment	**—**	—	**(477)**	20,797
Other	**(215)**	1,259	**(465)**	10,040
Income tax expense	**(39,571)**	(20,910)	**(128,216)**	(69,699)

Note:
1 Net of overhead recoveries on operated facilities.

General and Administrative Expenses

General and administrative ("G&A") expenses for the three and nine months ended September 30, 2022 were $20 million and $61 million, $1 million and $2 million higher than the three and nine months ended September 30, 2021.

Finance Costs

Finance costs for the three and nine months ended September 30, 2022 were $41 million and $124 million, $3 million and $1 million lower than the same periods of 2021 primarily due to higher interest capitalized on qualifying projects that is a reduction to finance costs.

Depreciation, Depletion and Amortization Expenses

Depreciation, depletion and amortization ("DD&A") expenses for the three months ended September 30, 2022 were $69 million, virtually unchanged from the prior year. DD&A expenses for the nine months ended September 30, 2022 were $173 million, $28 million lower than the nine months ended September 30, 2021 primarily due to a larger reduction in Keyera's decommissioning asset base during the first half of 2022 when compared to the reduction in the prior year.

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

The net foreign currency gain (loss) associated with the U.S. debt and other was:

Net Foreign Currency Gain (Loss) on U.S. Debt and Other *(Thousands of Canadian dollars)*	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Translation of long-term debt and interest payable	**(27,853)**	(11,574)	**(35,209)**	360
Change in fair value of cross-currency swaps – principal and interest	**18,013**	13,679	**16,693**	1,055
Gain on cross-currency swaps – interest[1]	**—**	—	**924**	385
Foreign exchange re-measurement of lease liabilities and other	**(7,208)**	(2,928)	**(8,724)**	352
Net foreign currency (loss) gain on U.S. debt and other	**(17,048)**	(823)	**(26,316)**	2,152

Note:

1 Foreign currency gains resulted from the exchange of currencies related to the settlement of 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 11, Financial Instruments and Risk Management, of the accompanying financial statements.

Long-Term Incentive Plan Expense

For the three months ended September 30, 2022, the Long-Term Incentive Plan ("LTIP") expense was $7 million, $5 million higher than the same period in 2021 primarily due to an increase in the estimated payout multipliers associated with certain outstanding LTIP grants when compared to the same period of 2021.

For the nine months ended September 30, 2022, the LTIP expense was $25 million, $3 million lower than the same period of the prior year primarily due to lower growth in share price on a year-to-date basis 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.

During the three and nine months ended September 30, 2022, Keyera did not record any impairment expenses or reversals of previously recorded impairment expenses.

During the third and second quarters of 2021, Keyera recorded impairment expenses of $8 million and $9 million, respectively. These impairment charges were related to the Hull terminal in the United States Cash-Generating Unit ("CGU") and Keyera's working interest in the Alberta Crude Terminal.

Disposal of Property, Plant and Equipment

In January 2022, Keyera completed the sale of the Hull terminal and Hull terminal pipeline system, including all hydrocarbon inventory owned by Keyera in relation to the asset. The transaction included net proceeds of $51 million (US$40 million), $40 million (US$31 million) related to the terminal and pipeline system and $11 million (US$9 million) related to the closing value of the inventory, resulting in the recognition of a loss of less than $1 million. The transaction included a nominal assumed decommissioning liability.

During the second quarter of 2021, Keyera recorded a gain of $21 million, primarily related to the disposition of Keyera's ownership interest in the Bonnie Glen Pipeline.

Other

The Canada Emergency Wage Subsidy ("CEWS") program was passed by the Government of Canada in April 2020 as part of its COVID-19 Economic Response Plan. No income has been recorded from the program during the three and nine months ended September 30, 2022 as Keyera's last claim was submitted in 2021. Comparatively, Keyera recorded $1 million and $10 million of income from the program for the same periods of the prior year. Keyera will not be submitting any further claims under the CEWS program.

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 (i.e., accounting income or expenses that will never be taxed or deductible for income tax purposes).

Current Income Taxes

A current income tax recovery of $3 million was recorded for the three months ended September 30, 2022, compared to a recovery of $1 million for the same period in 2021. On a year-to-date basis, current income tax expense was $49 million compared to an expense of $15 million for the prior period. Current taxes in 2022 are higher due to higher earnings and lower tax pool deductions.

For 2022, it is estimated that current income tax expense will be between $55 million and $65 million. For 2023, it is estimated that current income tax expense will range between $10 million and $25 million. The current income tax estimates assume that Keyera's business performs as planned and its capital projects are completed as expected.

Deferred Income Taxes

A deferred income tax expense of $42 million and $79 million was recorded for the three and nine months ended September 30, 2022, $20 million and $25 million higher than the same periods of the prior year.

Keyera estimates its total tax pools at September 30, 2022 were approximately $3.6 billion.

CRITICAL ACCOUNTING ESTIMATES

In preparing Keyera's accompanying financial statements in accordance with GAAP, management is required to make estimates and assumptions that are not readily apparent from other sources, and are subject to change based on revised circumstances and the availability of new information. Actual results may differ from the estimates, which could materially affect the company's consolidated financial statements. 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 methodologies and assumptions used in developing these estimates have not significantly changed since December 31, 2021. A description of the accounting estimates and the methodologies and assumptions underlying the estimates are described in the 2021 annual MD&A and note 4 of the audited consolidated financial statements for the year ended December 31, 2021, which are available at www.sedar.com.

LIQUIDITY AND CAPITAL RESOURCES

The following is a comparison of cash inflows (outflows) from operating, investing and financing activities for the three months ended September 30, 2022 and 2021:

Cash inflows (outflows) *(Thousands of Canadian dollars)*	Three months ended September 30, 2022	2021	Increase (decrease)	Explanation
Operating	**135,104**	106,376	28,728	Cash generated from operating activities was higher in the third quarter of 2022 primarily as a result of: i) a decrease in the cash required to fund inventory, and ii) $41 million of higher realized margin from all operating segments, with the majority of this increase occurring in the Marketing segment. These increases were partly offset by a higher net cash requirement to fund operating working capital associated with accounts receivable and accounts payable, which are merely timing differences associated with the collection and settlement of these balances.
Investing	**(216,207)**	(105,912)	(110,295)	Capital investment in the third quarter of 2022 was higher than the prior year as a result of increased construction activities associated with the KAPS pipeline project. In addition, construction activities related to the South Cheecham sulphur facilities continued during the third quarter of 2022. These projects are described in more detail in the "Segmented Results of Operations" section of this MD&A.
Financing	**(87,394)**	(47,012)	(40,382)	During the third quarter of 2022, borrowings and repayments under Keyera's Credit Facility were $160 million and $130 million, respectively. Comparatively in 2021, borrowings and repayments were $120 million and $50 million, respectively.

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

The following is a comparison of cash inflows (outflows) from operating, investing and financing activities for the nine months ended September 30, 2022 and 2021:

Cash inflows (outflows) *(Thousands of Canadian dollars)*	Nine months ended September 30, **2022**	2021	Increase (decrease)	Explanation
Operating	**790,919**	486,876	304,043	Cash generated from operating activities was higher in 2022 primarily as a result of: i) $168 million of higher realized margin from all operating segments, with the majority of this increase occurring in the Marketing segment, and ii) an increase in cash generated from changes in operating working capital, including lower cash required to fund inventory and operating working capital associated with accounts receivable and accounts payable. These increases were partly offset by higher current income tax expense.
Investing	**(600,842)**	(236,502)	(364,340)	Capital investment in the first nine months ended September 30, 2022 was focused on the same projects discussed for the three months ended September 30, 2022. These projects are described in more detail in the "Segmented Results of Operations" section of this MD&A.
Financing	**(153,439)**	(214,990)	61,551	In March 2022, Keyera issued $400 million of senior unsecured medium-term notes, allowing for a full repayment of its outstanding Credit Facility, which totaled $230 million, net of borrowings. Comparatively, Keyera issued $350 million of subordinated notes in March of 2021, allowing for a full repayment of its outstanding Credit Facility, which totaled $280 million, net of borrowings.

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

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

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

A working capital surplus (current assets less current liabilities) of $49 million existed at September 30, 2022. This is compared to a surplus of $186 million at December 31, 2021. 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 $30 million was drawn as at September 30, 2022. 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 medium-term notes[1]	"BBB-"	'"BBB'" with a "stable" trend
Issuer rating on subordinated hybrid notes[2]	"BB"	"BB (high)"

Notes:
1 Medium-term notes issued in June 2018.
2 Subordinated hybrid notes issued in June 2019.

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 September 30, 2022:

As at September 30, 2022 *(Thousands of Canadian dollars)*	Total	2022	2023	2024	2025	2026	After 2026
Credit facilities	30,000	—	—	—	—	30,000	—
Total credit facilities	**30,000**	**—**	**—**	**—**	**—**	**30,000**	**—**
Canadian dollar denominated debt:							
Senior unsecured notes	1,132,000	60,000	30,000	17,000	120,000	230,000	675,000
Senior unsecured medium-term notes	1,200,000	—	—	—	—	—	1,200,000
Subordinated hybrid notes	950,000	—	—	—	—	—	950,000
	3,282,000	**60,000**	**30,000**	**17,000**	**120,000**	**230,000**	**2,825,000**
U.S. dollar denominated debt:							
Senior unsecured U.S. dollar denominated notes	456,194	—	—	175,354	191,793	—	89,047
Total debt	**3,738,194**	**60,000**	**30,000**	**192,354**	**311,793**	**230,000**	**2,914,047**
Less: current portion of long-term debt	(90,000)	(60,000)	(30,000)	—	—	—	—
Total long-term debt	**3,648,194**	**—**	**—**	**192,354**	**311,793**	**230,000**	**2,914,047**

Credit Facilities

Keyera's Credit Facility is with a syndicate of seven 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 September 30, 2022, $30 million was drawn under this facility (December 31, 2021 – $230 million).

In December 2021, the Credit Facility was amended to extend the term from December 6, 2024 to December 6, 2026. 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. These facilities bear interest based on the lenders' rates for Canadian prime commercial loans, U.S. base rate loans, LIBOR loans or bankers' acceptances.

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 March 28, 2022, Keyera issued $400 million of senior unsecured medium-term notes in the Canadian public debt market. The notes bear interest at 5.022% per annum which is payable semi-annually and mature on March 28, 2032. A portion of the proceeds from the note offering were used to repay indebtedness under Keyera's Credit Facility, to fund capital projects, including Keyera's ownership in KAPS, and for other general corporate purposes. The remainder will be used to repay debt maturing during the fourth quarter of 2022.

On March 10, 2021, Keyera issued $350 million of fixed-to-fixed rate subordinated notes due March 10, 2081 in the Canadian public debt market. The interest rate of 5.95% is payable in equal semi-annual payments for the period from March 10, 2021 to, but not including, March 10, 2031. Commencing on March 10, 2031 until maturity, on each interest reset date (March 10, 2031 and every five years thereafter whereby any of the notes are outstanding), the interest rate will reset to a fixed rate per annum as follows:

Interest Reset Periods	**Interest Rate**
March 10, 2031 to, but not including, March 10, 2051	5-Year Government of Canada Yield plus 4.655%
March 10, 2051 to, but not including, March 10, 2081	5-Year Government of Canada Yield plus 5.405%

The notes are subject to optional redemption by Keyera, whereby on or after December 10, 2030, Keyera may redeem the notes in whole at any time, or in part from time to time, and dependent upon certain conditions

As at September 30, 2022, Keyera had $3,282 million and US$333 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 $0.98 and $1.03 per U.S. dollar for the principal payments and $1.22 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 September 30, 2022, Keyera was in compliance with all covenants under its Credit Facility and outstanding notes. Keyera’s Net Debt to Adjusted EBITDA ratio at September 30, 2022 was 2.4x for covenant test purposes (December 31, 2021 – 2.4x). 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.sedar.com.

Capital Expenditures and Acquisitions

The following table is a breakdown of capital expenditures and acquisitions for the three and nine months ended September 30, 2022 and 2021:

Capital Expenditures and Acquisitions *(Thousands of Canadian dollars)*	**Three months ended September 30,**		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
Acquisitions	**—**	—	**—**	11,165
Growth capital expenditures	**193,879**	136,290	**619,903**	264,467
Maintenance capital expenditures	**34,374**	8,060	**68,516**	33,882
Total capital expenditures	**228,253**	144,350	**688,419**	309,514

Growth capital expenditures for the three and nine months ended September 30, 2022 amounted to $194 million and $620 million, respectively. Refer to the section of this MD&A, "Segmented Results of Operations", for information related to the various growth capital projects in the Liquids Infrastructure segment, including estimated costs to complete, costs incurred in 2022 and since inception of the project, and estimated completion timeframes.

Keyera has comprehensive inspection, monitoring and maintenance programs in place. The objectives of these programs are to keep Keyera's facilities in good working order and to maintain their ability to operate reliably for many years. In addition to the maintenance capital expenditures, Keyera incurred maintenance and repair expenses of $20 million and $51 million for the three and nine months ended September 30, 2022, compared to $12 million and $33 million for the same periods in the prior year.

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. Deducted from the determination of distributable cash flow are maintenance capital expenditures, lease expenditures, including the periodic costs related to prepaid leases, and inventory write-downs.

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 and Distributable Cash Flow *(Thousands of Canadian dollars)*	**Three months ended September 30, 2022**	2021	**Nine months ended September 30, 2022**	2021
Cash flow from operating activities	**135,104**	106,376	**790,919**	486,876
Add (deduct):				
Changes in non-cash working capital	**83,031**	62,386	**(128,921)**	44,297
Funds from operations	**218,135**	168,762	**661,998**	531,173
Maintenance capital	**(34,374)**	(8,060)	**(68,516)**	(33,882)
Leases	**(11,230)**	(10,819)	**(32,691)**	(33,455)
Prepaid lease asset	**(596)**	(631)	**(1,845)**	(1,893)
Inventory write-down	**(9,595)**	—	**(9,595)**	—
Distributable cash flow	**162,340**	149,252	**549,351**	461,943
Dividends declared to shareholders	**106,091**	106,091	**318,273**	318,273
Payout ratio	**65%**	71%	**58%**	69%

Distributable cash flow for the three months ended September 30, 2022 was $162 million, $13 million higher than the same period in 2021, which was primarily due to $41 million of higher realized margin from all operating segments, partly offset by an increase of $26 million in maintenance capital expenditures.

On a year-to-date basis, distributable cash flow was $549 million, $87 million higher than the same period in 2021, which was primarily due to $168 million of higher realized margin from all operating segments, partly offset by an increase in maintenance capital expenditures and current income tax expense of $35 million and $34 million, respectively.

Dividend Policy

Keyera currently pays a dividend of $0.16 per share per month, or $1.92 per share annually. One of Keyera's priorities is to maintain the current monthly 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, monthly 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 at www.sedar.com.

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/losses on commodity-related contracts, net foreign currency gains/losses on U.S. debt and other, impairment expenses and any other non-cash items such as gains/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)*	**Three months ended September 30,**		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
Net earnings	**123,389**	69,800	**410,189**	234,220
Add:				
Finance costs	**40,892**	43,442	**124,267**	125,559
Depreciation, depletion and amortization expenses	**68,645**	68,667	**172,634**	201,121
Income tax expense	**39,571**	20,910	**128,216**	69,699
EBITDA	**272,497**	202,819	**835,306**	630,599
Unrealized (gain) loss on commodity-related contracts	**(42,696)**	1,749	**(42,116)**	36,778
Net foreign currency loss (gain) on U.S. debt and other	**17,048**	823	**26,316**	(2,152)
Impairment expense	**—**	8,187	**—**	17,681
Loss (gain) on disposal of property, plant and equipment	**—**	—	**477**	(20,797)
Adjusted EBITDA	**246,849**	213,578	**819,983**	662,109

CONTRACTUAL OBLIGATIONS

Keyera has assumed various contractual obligations in the normal course of its operations. There were no material changes in contractual obligations since December 31, 2021.

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, 2021 annual audited financial statements.

RISK FACTORS

For a detailed discussion of the risks and trends that could affect the financial performance of Keyera and the steps that Keyera takes to mitigate these risks, see the December 31, 2021 MD&A and Keyera's Annual Information Form, which are available on SEDAR at www.sedar.com.

ENVIRONMENTAL REGULATION AND CLIMATE CHANGE

Keyera is subject to a range of 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, 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 is subject to provincial and federal environmental legislation and regulations. Among other things, the environmental regulatory regime provides for restrictions and prohibitions on 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 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 the imposition of fines, the issuance of clean-up orders or the shutting down of facilities and pipelines.

Greenhouse gases, mainly carbon dioxide and methane, are components of the raw natural gas processed and handled at Keyera's facilities. Operations at Keyera's facilities, including the combustion of fossil fuels in engines, turbines, heaters and boilers, release carbon dioxide, methane and other minor greenhouse gases. As such, Keyera is subject to various greenhouse gas reporting and reduction programs. 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.

Keyera is closely monitoring the ongoing development and implementation of the regulatory framework through which the federal and provincial governments are implementing their climate change and emissions reduction policies.

Keyera's year-over-year compliance costs are increasing as a result of the changes in emissions regulation and are expected to continue to increase. Overall, the increased costs are not expected to be material to Keyera in the near term; however, Keyera is looking at opportunities to reduce its costs and enhance the management of its emissions profile. For a detailed discussion of environmental regulations that affect Keyera, political and legislative developments as they relate to climate change and the risks associated therewith, see Keyera's Annual Information Form which is available at www.sedar.com.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected financial information for Keyera:

	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Revenue[1]								
Gathering and Processing	**186,302**	179,382	153,874	159,648	146,010	146,910	143,644	139,826
Liquids Infrastructure	**153,403**	156,543	158,615	159,843	145,518	138,194	147,737	148,487
Marketing	**1,476,268**	1,653,814	1,486,227	1,525,769	1,000,686	833,485	821,617	513,581
Other	**11**	(7)	32	138	(27)	34	(397)	2,892
Operating margin (loss)								
Gathering and Processing	**89,628**	88,686	76,569	81,775	76,536	85,837	78,983	76,965
Liquids Infrastructure	**102,993**	99,472	104,872	110,089	98,885	96,012	104,385	98,330
Marketing	**124,235**	170,196	92,249	152,188	56,295	52,427	53,230	(12,039)
Other	**(72)**	(92)	(764)	23	(424)	(318)	(623)	2,257
Operating margin	**316,784**	358,262	272,926	344,075	231,292	233,958	235,975	165,513
Realized margin (loss)[2]								
Gathering and Processing	**89,066**	88,182	76,687	81,349	76,236	85,931	79,227	76,965
Liquids Infrastructure	**101,414**	97,825	104,920	110,171	98,340	95,865	104,811	97,609
Marketing	**83,680**	161,985	103,025	123,988	58,889	79,034	61,035	11,153
Other	**(72)**	(92)	(764)	23	(424)	(318)	(623)	1,785
Realized margin[2]	**274,088**	347,900	283,868	315,531	233,041	260,512	244,450	187,512
Net earnings (loss)	**123,389**	173,006	113,794	89,986	69,800	78,595	85,825	(74,777)
Net earnings (loss) per share ($/share)								
Basic	**0.56**	0.78	0.51	0.41	0.32	0.36	0.39	(0.34)
Diluted	**0.56**	0.78	0.51	0.41	0.32	0.36	0.39	(0.34)
Weighted average number of shares (basic)	**221,023**	221,023	221,023	221,023	221,023	221,023	221,023	221,023
Weighted average number of shares (diluted)	**221,023**	221,023	221,023	221,023	221,023	221,023	221,023	221,023
Dividends declared to shareholders	**106,091**	106,091	106,091	106,091	106,091	106,091	106,091	106,091

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:

- incremental margin from new investments including the 17th underground storage cavern in Fort Saskatchewan and the Pipestone gas plant;
- declining volumes and fees for certain gas plants and infrastructure in the Gathering and Processing segment that led to asset impairments;
- growth in demand for diluent handling services in the Liquids Infrastructure segment backed by long-term, take-or-pay contracts with credit worthy counterparties;
- improved energy demand and stronger commodity prices in 2021 and 2022 that resulted in record quarterly operating margin for the Gathering and Processing and Liquids Infrastructure segments and strong contribution from the Marketing segment; 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 three months ended September 30, 2022.

ADOPTION OF NEW STANDARDS

There were no new IFRS standards adopted by Keyera during the three and nine months ended September 30, 2022.

FUTURE ACCOUNTING PRONOUNCEMENTS

There were no significant new accounting standards or interpretations issued during the three and nine months ended September 30, 2022.

CONTROL ENVIRONMENT

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer are satisfied that, as of September 30, 2022, Keyera's disclosure controls and procedures are designed to provide reasonable assurance that material information relating to Keyera and its consolidated subsidiaries has been brought to their attention 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.

Internal Controls Over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer are satisfied that Keyera's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

No changes were made for the period beginning January 1, 2022 and ending September 30, 2022 that have materially affected, or are reasonably likely to materially affect Keyera's internal controls over financial reporting.

COMMON SHARES

The total common shares outstanding at September 30, 2022 was 221,022,873.

NON-GAAP AND OTHER FINANCIAL MEASURES

This discussion and analysis refers 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, EBITDA, adjusted EBITDA, realized margin, adjusted cash flow from operating activities, return on invested capital, annual return on capital for the growth capital program excluding KAPS, and annual return on capital for the KAPS project are not standard measures under GAAP and, therefore, 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.

Measure	Definition	Utilization
Funds from Operations	Cash flow from operating activities adjusted for changes in non-cash working capital.	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 **Distributable Cash Flow per Share**	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.	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	Dividends declared to shareholders divided by distributable cash flow.	Payout ratio is used to assess the sustainability of the company's dividend payment program.
EBITDA **Adjusted EBITDA**	Earnings before finance costs, taxes, depreciation, and amortization. EBITDA before costs associated with non-cash items, including unrealized gains/losses on commodity-related contracts, net foreign currency gains/losses on U.S. debt and other, impairment expenses and any other non-cash items such as gains/losses on the disposal of property, plant and equipment.	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".

Measure	Definition	Utilization
Realized margin	Operating margin excluding unrealized gains and losses on commodity-related risk management contracts.	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".
Adjusted Cash Flow from Operating Activities	Cash flow provided by 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 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	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.	Return on invested capital is used to reflect the profitability of Keyera's in-service capital assets. This measure replaces the annual return on invested capital metric (defined as realized margin divided by weighted average in-service growth capital including maintenance capital and shut-in facilities and excluding decommissioning assets, depreciation, impairments, and work-in-progress capital) disclosed previous to December 31, 2021. The new metric shown is preferred as it can be calculated from amounts presented in publicly disclosed materials and can be used by investors to compare Keyera with other infrastructure companies within the oil and gas industry.
Annual return on capital for the growth capital program excluding KAPS **Annual return on capital for the KAPS project**	Expected operating margin divided by the estimated capital cost for the Simonette projects, the Wapiti and Pipestone gas plants and associated gathering infrastructure, the Wildhorse Terminal, the South Cheecham sulphur handling project, and storage cavern capital projects. Expected operating margin divided by the estimated capital cost for the development of the KAPS project.	Annual return on capital for the growth capital program excluding KAPS and annual return on capital for the KAPS project are used to reflect the expected profitability and value-creating potential for: (i) certain growth projects that have been sanctioned and are currently under development, or have been completed, as of the date hereof, and (ii) for the KAPS project.

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", "project", "should", "plan", "intend", "believe", 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 expectation that between the years 2023 and 2025, its Marketing business will contribute on average, a "base realized margin" of between $250 million and $280 million annually and a 2022 contribution of between $380 million and $410 million;
- estimated costs and benefits associated with reductions in operating and G&A expenses and optimization of gas plants, estimated maintenance and turnaround costs and estimated decommissioning expenses;
- the expectation that demand for Keyera's liquid infrastructure service offerings will remain strong;
- future dividends and taxes;
- business strategy, anticipated growth and plans of management;
- budgets, including future growth capital, operating and other expenditures and projected costs;
- cost escalations, including inflationary pressures on operating costs, such as labour, materials, natural gas and other energy sources used in Keyera's operations and increased insurance deductibles or premiums;
- estimated utilization rates and throughputs;
- expected costs, in-service dates and schedules for KAPS and other capital projects (including projects under construction/development and proposed projects) and sources of funding for such projects;
- 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;
- expected outcomes with respect to legal proceedings and potential insurance recoveries;
- expectations regarding Keyera's ability to maintain its competitive position, raise capital and add to its assets through acquisitions or internal growth opportunities;
- expectations as to the financial impact of Keyera's compliance with future environmental and carbon tax regulation;
- the ongoing impact of the COVID-19 pandemic on Keyera and the economy generally;
- 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, 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, the COVID-19 pandemic and the duration and impact thereof, 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 near nameplate capacity. For all construction projects, estimated completion times and costs assume that construction proceeds as planned on schedule and on budget and that, where required, all regulatory approvals and other third-party approvals or consents are received on a timely basis. 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;
- 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;
- 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;
- relationships with external stakeholders, including Indigenous stakeholders;
- ongoing global supply chain constraints;
- 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;
- 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, including the ongoing COVID-19 pandemic and the unexpected impact related thereto;
- the effectiveness of Keyera's existing and planned ESG and risk management programs;
- the ability of Keyera to achieve specific targets that are part of its ESG initiatives, including those relating to emissions 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. Further, because there is interconnectivity between many of the risks Keyera faces, it is possible that different constellations of risk could materialize which could result in unanticipated outcomes or consequences.

Proposed construction and completion schedules and budgets for capital projects described herein are subject to many variables, including weather; availability and prices of materials; labour; customer project schedules and expected in-service dates; contractor productivity; contractor disputes; quality of cost estimating; decision processes and approvals by joint venture partners; changes in project scope at the time of project sanctioning; regulatory approvals, conditions or delays; 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 the descriptions contained herein. Further, some of the projects described are subject to securing sufficient producer/customer interest and may not proceed if sufficient commitments are not obtained.

Readers are cautioned that the foregoing list of important factors is not exhaustive and they should not unduly rely on the forward-looking information included in this MD&A. Further, readers are cautioned that the forward-looking information contained herein is made as of the date of this MD&A. Unless required by law, Keyera does not intend and does not assume any obligation to update any forward-looking information. All forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking information and management's assumptions and analysis thereof, is available in filings made by Keyera with Canadian provincial securities commissions available on SEDAR at www.sedar.com.

Investor Information

DIVIDENDS TO SHAREHOLDERS

Dividends declared to shareholders of Keyera were $0.48 per share in the third quarter of 2022.

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.

THIRD QUARTER 2022 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 third quarter of 2022 at 8:00 a.m. Mountain Time (10:00 a.m. Eastern Time) on Wednesday, November 9, 2022. Callers may participate by dialing 888-664-6392 or 416-764-8659. A recording of the call will be available for replay until 10:00 p.m. Mountain Time (12:00 a.m. Eastern Time) on November 23, 2022 by dialing 888-390-0541 or 416-764-8677 and entering pass code 603915.

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 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.

Keyera Corp.

Condensed Interim Consolidated Statements of Financial Position

(Thousands of Canadian dollars)
(Unaudited)

As at	Note	September 30, 2022	December 31, 2021
ASSETS			
Cash		**54,202**	15,940
Trade and other receivables		**577,179**	750,420
Derivative financial instruments	11	**106,097**	28,756
Inventory	3	**379,102**	280,736
Other assets		**31,450**	23,276
Total current assets		**1,148,030**	1,099,128
Derivative financial instruments	11	**122,284**	87,844
Property, plant and equipment	4	**7,009,112**	6,582,276
Right-of-use assets		**224,412**	226,757
Intangible assets		**62,445**	63,294
Goodwill		**40,814**	40,814
Deferred tax assets		**29,992**	30,193
Total assets		**8,637,089**	8,130,306
LIABILITIES AND EQUITY			
Trade and other payables, and provisions		**825,045**	710,770
Derivative financial instruments	11	**93,983**	56,380
Dividends payable		**35,364**	35,364
Current portion of long-term debt		**90,000**	60,000
Current portion of decommissioning liability		**25,039**	18,900
Current portion of lease liabilities		**29,934**	31,545
Total current liabilities		**1,099,365**	912,959
Derivative financial instruments	11	**17,271**	1,902
Credit facilities		**30,000**	230,000
Long-term debt	5	**3,628,360**	3,224,485
Decommissioning liability		**137,715**	249,588
Long-term lease liabilities		**166,324**	151,745
Other long-term liabilities	6	**6,239**	18,595
Deferred tax liabilities		**760,157**	683,398
Total liabilities		**5,845,431**	5,472,672
Equity			
Share capital	7	**3,150,104**	3,150,104
Accumulated deficit		**(387,719)**	(479,635)
Accumulated other comprehensive income (loss)		**29,273**	(12,835)
Total equity		**2,791,658**	2,657,634
Total liabilities and equity		**8,637,089**	8,130,306

See accompanying notes to the unaudited condensed interim consolidated financial statements.

These unaudited condensed interim consolidated financial statements were approved by the board of directors of Keyera Corp. on November 8, 2022.

Keyera Corp.

Condensed Interim Consolidated Statements of Net Earnings and Comprehensive Income

(Thousands of Canadian dollars, except share information)
(Unaudited)

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Revenue	15	**1,718,059**	1,196,318	**5,285,069**	3,247,474
Expenses	15	**(1,401,275)**	(965,026)	**(4,337,097)**	(2,546,249)
Operating margin		**316,784**	231,292	**947,972**	701,225
General and administrative expenses		**(19,528)**	(18,280)	**(60,650)**	(58,177)
Finance costs	13	**(40,892)**	(43,442)	**(124,267)**	(125,559)
Depreciation, depletion and amortization expenses		**(68,645)**	(68,667)	**(172,634)**	(201,121)
Net foreign currency (loss) gain on U.S. debt and other	12	**(17,048)**	(823)	**(26,316)**	2,152
Long-term incentive plan expense	9	**(7,496)**	(2,442)	**(24,758)**	(27,757)
Impairment expense	4	**—**	(8,187)	**—**	(17,681)
(Loss) gain on disposal of property, plant and equipment	4	**—**	—	**(477)**	20,797
Other	16	**(215)**	1,259	**(465)**	10,040
Earnings before income tax		**162,960**	90,710	**538,405**	303,919
Income tax expense	10	**(39,571)**	(20,910)	**(128,216)**	(69,699)
Net earnings		**123,389**	69,800	**410,189**	234,220
Other comprehensive income					
Foreign currency translation adjustment		**31,342**	13,951	**42,108**	1,002
Comprehensive income		**154,731**	83,751	**452,297**	235,222
Earnings per share					
Basic earnings per share	8	**0.56**	0.32	**1.86**	1.06
Diluted earnings per share	8	**0.56**	0.32	**1.86**	1.06

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Keyera Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Thousands of Canadian dollars)
(Unaudited)

	Note	Three months ended September 30, 2022	2021	Nine months ended September 30, 2022	2021
Cash provided by (used in):					
OPERATING ACTIVITIES					
Net earnings		**123,389**	69,800	**410,189**	234,220
Adjustments for items not affecting cash:					
Finance costs	13	**5,343**	5,558	**16,114**	17,040
Depreciation, depletion and amortization expenses		**68,645**	68,667	**172,634**	201,121
Unrealized (gain) loss on derivative financial instruments	11	**(60,709)**	(11,930)	**(58,809)**	35,723
Unrealized loss (gain) on foreign exchange		**32,108**	12,010	**38,396**	(790)
Inventory write-down	3	**9,595**	—	**9,595**	—
Deferred income tax expense	10	**42,259**	21,916	**79,229**	54,638
Impairment expense	4	**—**	8,187	**—**	17,681
Loss (gain) on disposal of property, plant and equipment	4	**—**	—	**477**	(20,797)
Decommissioning liability expenditures		**(2,495)**	(5,446)	**(5,827)**	(7,663)
Changes in non-cash working capital	14	**(83,031)**	(62,386)	**128,921**	(44,297)
Net cash provided by operating activities		**135,104**	106,376	**790,919**	486,876
INVESTING ACTIVITIES					
Acquisitions		**—**	—	**—**	(11,165)
Capital expenditures		**(228,253)**	(144,350)	**(688,419)**	(298,349)
Proceeds on disposal of property, plant and equipment	4	**—**	—	**39,815**	16,177
Prepaid lease asset		**—**	—	**3,360**	3,194
Changes in non-cash working capital	14	**12,046**	38,438	**44,402**	53,641
Net cash used in investing activities		**(216,207)**	(105,912)	**(600,842)**	(236,502)
FINANCING ACTIVITIES					
Borrowings under credit facility		**160,000**	120,000	**280,000**	180,000
Repayments under credit facility		**(130,000)**	(50,000)	**(480,000)**	(390,000)
Proceeds from issuance of long-term debt	5	**—**	—	**400,000**	350,000
Financing costs related to credit facility/long-term debt	5	**(73)**	(102)	**(2,475)**	(3,262)
Lease payments		**(11,230)**	(10,819)	**(32,691)**	(33,455)
Dividends paid to shareholders		**(106,091)**	(106,091)	**(318,273)**	(318,273)
Net cash used in financing activities		**(87,394)**	(47,012)	**(153,439)**	(214,990)
Effect of exchange rate fluctuations on foreign cash held		**1,410**	1,068	**1,624**	460
Net (decrease) increase in cash		**(167,087)**	(45,480)	**38,262**	35,844
Cash at the beginning of the period		**221,289**	84,225	**15,940**	2,901
Cash at the end of the period		**54,202**	38,745	**54,202**	38,745
Income taxes paid (received) in cash		**9,381**	(42,594)	**53,233**	(42,342)
Interest paid in cash		**30,929**	21,031	**117,709**	98,124

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Keyera Corp.

Condensed Interim Consolidated Statements of Changes in Equity

(Thousands of Canadian dollars)
(Unaudited)

	Share Capital (Note 7)	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total
Balance at December 31, 2020	**3,150,104**	**(379,477)**	**(9,419)**	**2,761,208**
Net earnings	—	234,220	—	234,220
Dividends declared to shareholders	—	(318,273)	—	(318,273)
Other comprehensive income	—	—	1,002	1,002
Balance at September 30, 2021	**3,150,104**	**(463,530)**	**(8,417)**	**2,678,157**

	Share Capital (Note 7)	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total
Balance at December 31, 2021	**3,150,104**	**(479,635)**	**(12,835)**	**2,657,634**
Net earnings	—	410,189	—	410,189
Dividends declared to shareholders	—	(318,273)	—	(318,273)
Other comprehensive income	—	—	42,108	42,108
Balance at September 30, 2022	**3,150,104**	**(387,719)**	**29,273**	**2,791,658**

See accompanying notes to the unaudited condensed interim consolidated financial statements.

Keyera Corp.
Notes to the Condensed Interim Consolidated Financial Statements
As at and for the three and nine months ended September 30, 2022 and 2021
(All amounts expressed in thousands of Canadian dollars, except as otherwise noted)
(Unaudited)

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 had been issued as at September 30, 2022.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements are in accordance with *IAS 34, Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied are in accordance with International Financial Reporting Standards ("IFRS") and are consistent with Keyera Corp.'s consolidated financial statements as at and for the year ended December 31, 2021.

These condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2022 and 2021 do not include all disclosures required for the preparation of annual consolidated financial statements and should be read in conjunction with Keyera Corp.'s consolidated financial statements as at and for the year ended December 31, 2021.

The condensed interim consolidated financial statements were authorized for issuance on November 8, 2022 by the board of directors.

Adoption of new accounting standards
For the three and nine months ended September 30, 2022, Keyera did not adopt any new IFRS standards.

Future accounting pronouncements

There were no significant new accounting standards or interpretations issued during the three and nine months ended September 30, 2022.

3. INVENTORY

The total carrying amount and classification of inventory was:

As at *(Thousands of Canadian dollars)*	**September 30, 2022**	December 31, 2021
NGLs and iso-octane	**357,524**	272,836
Other	**21,578**	7,900
Total inventory	**379,102**	280,736

As at September 30, 2022, $340,872 of inventory was carried at cost (December 31, 2021 – $280,736) and $38,230 was carried at net realizable value (December 31, 2021 – $nil). For the three and nine months ended September 30, 2022, a write down of $9,595 was recorded to adjust the carrying amount of inventory to net realizable value (three and nine months ended September 30, 2021 – $nil). The cost of inventory expensed for the three and nine months ended September 30, 2022 was $1,214,659 and $3,784,088 (three and nine months ended September 30, 2021 – $803,347 and $2,080,373).

4. PROPERTY, PLANT, AND EQUIPMENT

Disposal of property, plant and equipment

In January 2022, Keyera completed the sale of the Hull terminal and Hull terminal pipeline system, including all hydrocarbon inventory owned by Keyera in relation to the asset. The transaction included net proceeds of $50,806 (US$40,016), $39,815 (US$31,360) related to the terminal and pipeline system and $10,991 (US$8,656) related to the closing value of the inventory, resulting in the recognition of a loss of $477 during the first quarter of 2022. The transaction included a nominal assumed decommissioning liability.

During the first quarter of 2021, a gain of $1,639 was recorded on the disposition of Keyera's ownership interest in the Cynthia production wells.

During the second quarter of 2021, Keyera disposed of its 50 percent ownership interest in the Bonnie Glen Pipeline for cash proceeds of $16,177, resulting in a gain on disposal of $19,158. At the same time, Keyera also completed the acquisition of the remaining 50 percent ownership interest in the Alberta Crude Terminal ("ACT") for cash consideration of $11,165. This transaction was accounted for as an asset acquisition and included the assumption of a nominal associated decommissioning liability. In connection with the acquisition, Keyera recorded an impairment expense of $9,494 related to its original working interest in the ACT facility to reduce the carrying value to its recoverable amount.

Impairment expense

Through its impairment review, Keyera did not record any impairment expenses or reversals of previously recorded impairment expenses for the three or nine months ended September 30, 2022.

The following impairment expenses with a combined value of $17,681 were recognized during the nine months ended September 30, 2021. Recoverable amounts were determined using fair value less costs of disposal. These assets and the related impairment expenses are included in the Liquids Infrastructure operating segment.

(Thousands of Canadian dollars)	Period impairment was recorded	Impairment expense recognized
Alberta Crude Terminal[1]	Q2 2021	9,494
Hull terminal[2]	Q3 2021	8,187
Total impairment expense		**17,681**

Notes:
1 Included in the Liquids Infrastructure – Canada cash-generating unit.
2 Included in the United States cash-generating unit.

5. LONG-TERM DEBT

On March 28, 2022, Keyera closed a public note offering of $400,000, 10-year senior unsecured medium-term notes to investors in Canada. The notes bear interest at 5.022%, which is payable semi-annually, and mature on March 28, 2032.

The associated financing costs of $2,381 have been deferred and are amortized using the effective interest method over the remaining term of the debt.

On March 10, 2021, Keyera issued $350,000 of fixed-to-fixed rate subordinated notes due March 10, 2081 in the Canadian public debt market. The interest rate of 5.95% is payable in equal semi-annual payments for the period from March 10, 2021 to, but not including, March 10, 2031. Commencing on March 10, 2031 until maturity, on each interest reset date (March 10, 2031 and every five years thereafter whereby any of the notes are outstanding), the interest rate will reset to a fixed rate per annum as follows:

Interest Reset Periods	**Interest Rate**
March 10, 2031 to, but not including, March 10, 2051	5-Year Government of Canada Yield plus 4.655%
March 10, 2051 to, but not including, March 10, 2081	5-Year Government of Canada Yield plus 5.405%

On or after December 10, 2030, the notes are subject to optional redemption by Keyera without the consent of the holders, whereby Keyera may redeem the notes in whole at any time, or in part from time to time, and dependent upon certain conditions. The notes are also subject to an automatic conversion feature under certain bankruptcy or insolvency events. Upon an automatic conversion event, the notes will automatically be converted, without the consent of the note holders, into a newly issued series of Preferred Shares (2021-A Conversion Preference Shares), that will carry the right to receive cumulative preferential cash dividends at the same interest rate that would have accrued on the notes. The fair value of the automatic conversion feature was deemed to be nominal at inception.

The associated financing costs of approximately $3,262 have been deferred and are amortized using the effective interest method over the remaining term of the debt.

6. OTHER LONG-TERM LIABILITIES

As at *(Thousands of Canadian dollars)*	**September 30, 2022**	December 31, 2021
Long-term incentive plan	**6,239**	16,807
Other liabilities	**—**	1,788
Total other long-term liabilities	**6,239**	18,595

7. SHARE CAPITAL

As at *(Thousands of Canadian dollars, except number of common shares)*	**Number of Common Shares**	**Share Capital**
Balance at December 31, 2021	221,022,873	3,150,104
Balance at September 30, 2022	**221,022,873**	**3,150,104**

8. EARNINGS PER SHARE

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

	Three months ended September 30,		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
Earnings per share – basic and diluted *($/share)*	**0.56**	0.32	**1.86**	1.06
Net earnings – basic and diluted *(Thousands of Canadian dollars)*	**123,389**	69,800	**410,189**	234,220
Weighted average number of shares – basic and diluted *(Thousands)*	**221,023**	221,023	**221,023**	221,023

9. 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 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, the Performance Award and the Time Vested ("Restricted") Award.

The LTIP is accounted for using the liability method and 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 September 30, 2022 share price of Keyera, which was $28.44 per share (December 31, 2021 – $28.53 per share).

The compensation cost recorded for the LTIP was:

	Three months ended September 30,		**Nine months ended September 30,**	
(Thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Performance Awards	**5,993**	2,011	**20,339**	24,233
Restricted Awards	**1,503**	431	**4,419**	3,524
Total long-term incentive plan expense	**7,496**	2,442	**24,758**	27,757

Employee Stock Purchase Plan

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

Defined Contribution Pension Plan

For the three and nine months ended September 30, 2022, Keyera made pension contributions of $2,738 and $7,933 (three and nine months ended September 30, 2021 – $2,439 and $7,176) 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 three and nine months ended September 30, 2022, Keyera recorded $132 and $1,731 (three and nine months ended September 30, 2021 – $65 and $2,535) in general and administrative expenses related to the DSU plan.

The following table reconciles the number of DSUs outstanding:

	September 30, 2022	December 31, 2021
DSUs outstanding – beginning of the period	**207,330**	155,602
Granted	**44,767**	51,728
DSUs outstanding – end of the period	**252,097**	207,330

10. INCOME TAXES

The components of the income tax expense (recovery) were:

	Three months ended September 30,		**Nine months ended September 30,**	
(Thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Current	**(2,688)**	(1,006)	**48,987**	15,061
Deferred	**42,259**	21,916	**79,229**	54,638
Total income tax expense	**39,571**	20,910	**128,216**	69,699

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments include cash, trade and other receivables, derivative financial instruments, trade and other payables, dividends payable, 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 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 price curves, foreign currency curves and credit spreads. For fixed price forward contracts, fair value is derived from observable NGL market prices.

Financial instruments with fair value equal to carrying value

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

Fair value of fixed rate debt

The fair value of current and 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 total fair value of Keyera's unsecured senior notes, medium-term notes, and subordinated hybrid notes at September 30, 2022 was $3,477,900 (December 31, 2021 – $3,487,000) and this was determined by reference to inputs other than quoted market prices in active markets for identical liabilities under Level 2 of the fair value hierarchy.

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 September 30, 2022	Notional Volume[1]	Weighted Average Price	Fair Value Hierarchy Level	Net Fair Value (Thousands of Canadian dollars)	Carrying Value Asset	Carrying Value Liability
Marketing (NGLs and Iso-octane)						
Financial contracts:						
Seller of fixed price WTI[2] swaps (maturing by March 31, 2024)	3,569,034 Bbls	117.55/Bbl	Level 2	44,052	46,961	(2,909)
Buyer of fixed price WTI[2] swaps (maturing by December 31, 2023)	775,620 Bbls	120.55/Bbl	Level 2	(12,174)	—	(12,174)
Seller of fixed price NGL swaps (maturing by September 30, 2024)	5,376,000 Bbls	69.69/Bbl	Level 2	55,813	60,206	(4,393)
Buyer of fixed price NGL swaps (maturing by September 30, 2024)	3,848,000 Bbls	68.94/Bbl	Level 2	(46,162)	4,136	(50,298)
Seller of fixed price RBOB[3] basis spreads (iso-octane) (maturing by December 31, 2023)	2,615,000 Bbls	27.27/Bbl	Level 2	(2,247)	4,332	(6,579)
Physical contracts:						
Seller of fixed price NGL forward contracts (maturing by November 30, 2022)	75,000 Bbls	62.40/Bbl	Level 2	589	639	(50)
Buyer of fixed price NGL forward contracts (maturing by December 31, 2022)	90,000 Bbls	112.16/Bbl	Level 2	(397)	—	(397)
Currency:						
Seller of forward contracts (maturing by December 31, 2023)	US$238,100,000	1.31/USD	Level 2	(13,792)	86	(13,878)
Buyer of forward contracts (maturing by March 31, 2023)	US$11,440,000	1.26/USD	Level 2	1,219	1,219	—
Other foreign exchange contracts[4]			Level 2	(20,538)	—	(20,538)
Liquids Infrastructure						
Electricity:						
Buyer of fixed price swaps (maturing by December 31, 2023)	98,712 MWhs	79.89/MWh	Level 2	3,983	3,988	(5)
Gathering and Processing						
Electricity:						
Buyer of fixed price swaps (maturing by December 31, 2023)	36,696 MWhs	92.91/MWh	Level 2	1,725	1,758	(33)
Corporate and Other						
Long-term Debt:						
Buyer of cross-currency swaps (maturing June 19, 2024 – November 20, 2028)	US$387,915,150	0.98/USD - 1.22/USD	Level 2	105,056	105,056	—
				117,127	**228,381**	**(111,254)**

Notes:
1 All notional amounts represent actual volumes or actual prices and are not expressed in thousands.
2 West Texas Intermediate ("WTI") crude oil.
3 Reformulated Blendstock for Oxygen Blending ("RBOB").
4 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, 2021	Notional Volume[1]	Weighted Average Price	Fair Value Hierarchy Level	Net Fair Value	Carrying Value Asset	Carrying Value Liability
				(Thousands of Canadian dollars)		
Marketing (NGLs and Iso-octane)						
Financial contracts:						
Seller of fixed price WTI[2] swaps (maturing by December 31, 2022)	2,673,775 Bbls	85.35/Bbl	Level 2	(23,478)	295	(23,773)
Buyer of fixed price WTI[2] swaps (maturing by March 31, 2022)	85,250 Bbls	79.08/Bbl	Level 2	1,354	1,354	—
Seller of fixed price NGL swaps (maturing by December 31, 2023)	2,940,250 Bbls	62.42/Bbl	Level 2	(26,049)	763	(26,812)
Buyer of fixed price NGL swaps (maturing by December 31, 2023)	1,260,000 Bbls	45.51/Bbl	Level 2	17,848	19,301	(1,453)
Seller of fixed price RBOB[3] basis spreads (iso-octane) (maturing by March 31, 2023)	2,535,000 Bbls	24.12/Bbl	Level 2	(4,632)	1,218	(5,850)
Physical contracts:						
Seller of fixed price NGL forward contracts (maturing by January 31, 2022)	20,000 Bbls	55.02/Bbl	Level 2	(106)	—	(106)
Currency:						
Seller of forward contracts (maturing by June 30, 2022)	US$161,500,000	1.27/USD	Level 2	1,056	1,307	(251)
Other foreign exchange contracts[4]			Level 2	2,380	2,380	—
Liquids Infrastructure						
Electricity:						
Buyer of fixed price swaps (maturing by December 31, 2022)	43,800 MWhs	72.55/MWh	Level 2	805	813	(8)
Gathering and Processing						
Electricity:						
Buyer of fixed price swaps (maturing by December 31, 2022)	43,800 MWhs	73.20MWh	Level 2	777	806	(29)
Corporate and Other						
Long-term Debt:						
Buyer of cross-currency swaps (maturing June 19, 2024 – November 20, 2028)	US$395,530,500	0.98/USD - 1.22/USD	Level 2	88,363	88,363	—
				58,318	**116,600**	**(58,282)**

Notes:
1 All notional amounts represent actual volumes or actual prices and are not expressed in thousands.
2 West Texas Intermediate ("WTI") crude oil.
3 Reformulated Blendstock for Oxygen Blending ("RBOB").
4 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:

	Three months ended September 30,		Nine months ended September 30,	
(Thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Commodity-related risk management contracts:				
Marketing	**40,555**	(2,594)	**37,990**	(37,006)
Liquids infrastructure	**1,579**	545	**3,178**	266
Gathering and processing	**562**	300	**948**	(38)
Change in fair value of the cross-currency swaps on U.S. debt[1]	**18,013**	13,679	**16,693**	1,055
Total unrealized gain (loss)	**60,709**	11,930	**58,809**	(35,723)

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 LIBOR loans when drawn under Keyera's bank credit facility. To manage this 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 as well as short-term cross-currency swaps relating to the LIBOR loans drawn under the credit facility. These cross-currency contracts are accounted for as derivative instruments. Refer to note 12 for a summary of the foreign currency gains (losses) associated with the U.S. dollar denominated long-term debt.

Interest rate risk

The majority of Keyera's interest rate risk is attributed to its fixed and floating rate debt, which is used to finance capital investments and operations. Keyera's remaining financial instruments are not significantly exposed to interest rate risk. The floating rate debt creates exposure to interest rate cash flow risk, whereas the fixed rate debt creates exposure to interest rate price risk. As at September 30, 2022, fixed rate borrowings comprised 99% of total debt outstanding (December 31, 2021 – 93%). 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 September 30, 2022.

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 September 30, 2022, the total allowance was $4,241 (December 31, 2021 – $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.

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:

(Thousands of Canadian dollars)	**Impact on income before tax September 30, 2022 Increase**	**(Decrease)**	Impact on income before tax September 30, 2021 Increase	(Decrease)
Commodity price changes				
+ 10% in electricity price	**1,700**	**—**	1,031	—
- 10% in electricity price	**—**	**(1,700)**	—	(1,031)
+ 10% in NGL, crude oil and iso-octane prices	**—**	**(46,179)**	—	(57,519)
- 10% in NGL, crude oil and iso-octane prices	**46,179**	**—**	57,519	—
Foreign currency rate changes				
+ $0.01 in U.S./Canadian dollar exchange rate	**—**	**(3,091)**	—	(1,966)
- $0.01 in U.S./Canadian dollar exchange rate	**3,091**	**—**	1,966	—
Interest rate changes				
+ 1% in interest rate	**—**	**(300)**	—	(700)
- 1% in interest rate	**300**	**—**	700	—

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

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

(Thousands of Canadian dollars)	**Three months ended September 30, 2022**	2021	**Nine months ended September 30, 2022**	2021
Foreign currency gain (loss) resulting from:				
Translation of long-term debt and interest payable	**(27,853)**	(11,574)	**(35,209)**	360
Change in fair value of cross-currency swaps – principal and interest	**18,013**	13,679	**16,693**	1,055
Gain from cross-currency swaps – interest[1]	**—**	—	**924**	385
Foreign exchange re-measurement of lease liabilities and other	**(7,208)**	(2,928)	**(8,724)**	352
Total net foreign currency (loss) gain on U.S. debt and other	**(17,048)**	(823)	**(26,316)**	2,152

Note:

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

13. FINANCE COSTS

The components of finance costs were:

	Three months ended September 30,		Nine months ended September 30,	
(Thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Interest on bank indebtedness and credit facilities	**1,315**	1,241	**4,381**	4,535
Interest on long-term debt	**45,607**	40,372	**131,636**	117,052
Interest capitalized[1]	**(11,057)**	(3,754)	**(26,786)**	(13,020)
Interest on leases	**2,013**	1,923	**5,686**	6,086
Other interest (income) expense	**(316)**	25	**(1,078)**	(48)
Total interest expense – current and long-term debt, and leases	**37,562**	39,807	**113,839**	114,605
Unwinding of discount on decommissioning liabilities	**2,722**	3,067	**8,616**	9,195
Unwinding of discount on long-term debt	**562**	485	**1,601**	1,441
Other	**46**	83	**211**	318
Non-cash expenses in finance costs	**3,330**	3,635	**10,428**	10,954
Total finance costs	**40,892**	43,442	**124,267**	125,559

Note:

1 For the three and nine months ended September 30, 2022, borrowing (interest) costs were capitalized at a weighted average capitalization rate of 5.0% on funds borrowed (three and nine months ended September 30, 2021 – 5.0%).

14. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Three months ended September 30,		Nine months ended September 30,	
(Thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Inventory	**(50,688)**	(125,202)	**(98,550)**	(171,332)
Trade and other receivables	**50,519**	(239,764)	**180,387**	(316,444)
Other assets	**7,260**	9,383	**(8,640)**	(13,786)
Trade and other payables, and provisions	**(90,122)**	293,197	**55,724**	457,265
Changes in non-cash working capital from operating activities	**(83,031)**	(62,386)	**128,921**	(44,297)

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

	Three months ended September 30,		Nine months ended September 30,	
(Thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Trade and other payables, and provisions	**12,046**	38,438	**44,402**	53,641
Changes in non-cash working capital from investing activities	**12,046**	38,438	**44,402**	53,641

15. 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 primarily 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, 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 IFRS.

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 September 30, 2022 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	186,302	153,403	1,476,268	11	(97,925)	1,718,059
Segmented expenses	(96,674)	(50,410)	(1,352,033)	(83)	97,925	(1,401,275)
Operating margin (loss)	89,628	102,993	124,235	(72)	—	316,784
General and administrative expenses	—	—	—	(19,528)	—	(19,528)
Finance costs	—	—	—	(40,892)	—	(40,892)
Depreciation, depletion and amortization expenses	—	—	—	(68,645)	—	(68,645)
Net foreign currency loss on U.S. debt and other	—	—	—	(17,048)	—	(17,048)
Long-term incentive plan expense	—	—	—	(7,496)	—	(7,496)
Other	—	—	—	(215)	—	(215)
Earnings (loss) before income tax	**89,628**	**102,993**	**124,235**	**(153,896)**	**—**	**162,960**
Income tax expense	—	—	—	(39,571)	—	(39,571)
Net earnings (loss)	**89,628**	**102,993**	**124,235**	**(193,467)**	**—**	**123,389**

Three months ended September 30, 2021 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	146,010	145,518	1,000,686	(27)	(95,869)	1,196,318
Segmented expenses	(69,474)	(46,633)	(944,391)	(397)	95,869	(965,026)
Operating margin (loss)	76,536	98,885	56,295	(424)	—	231,292
General and administrative expenses	—	—	—	(18,280)	—	(18,280)
Finance costs	—	—	—	(43,442)	—	(43,442)
Depreciation, depletion and amortization expenses	—	—	—	(68,667)	—	(68,667)
Net foreign currency loss on U.S. debt and other	—	—	—	(823)	—	(823)
Long-term incentive plan expense	—	—	—	(2,442)	—	(2,442)
Impairment expense	—	(8,187)	—	—	—	(8,187)
Other	—	—	—	1,259	—	1,259
Earnings (loss) before income tax	**76,536**	**90,698**	**56,295**	**(132,819)**	**—**	**90,710**
Income tax expense	—	—	—	(20,910)	—	(20,910)
Net earnings (loss)	**76,536**	**90,698**	**56,295**	**(153,729)**	**—**	**69,800**

Nine months ended September 30, 2022 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	519,558	468,561	4,616,309	36	(319,395)	5,285,069
Segmented expenses	(264,675)	(161,224)	(4,229,629)	(964)	319,395	(4,337,097)
Operating margin (loss)	254,883	307,337	386,680	(928)	—	947,972
General and administrative expenses	—	—	—	(60,650)	—	(60,650)
Finance costs	—	—	—	(124,267)	—	(124,267)
Depreciation, depletion and amortization expenses	—	—	—	(172,634)	—	(172,634)
Net foreign currency loss on U.S. debt and other	—	—	—	(26,316)	—	(26,316)
Long-term incentive plan expense	—	—	—	(24,758)	—	(24,758)
Loss on disposal of property, plant and equipment	—	(477)	—	—	—	(477)
Other	—	—	—	(465)	—	(465)
Earnings (loss) before income tax	**254,883**	**306,860**	**386,680**	**(410,018)**	**—**	**538,405**
Income tax expense	—	—	—	(128,216)	—	(128,216)
Net earnings (loss)	**254,883**	**306,860**	**386,680**	**(538,234)**	**—**	**410,189**

Nine months ended September 30, 2021 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Inter-segment Eliminations	Total
Segmented revenue	436,564	431,449	2,655,788	(390)	(275,937)	3,247,474
Segmented expenses	(195,208)	(132,167)	(2,493,836)	(975)	275,937	(2,546,249)
Operating margin (loss)	241,356	299,282	161,952	(1,365)	—	701,225
General and administrative expenses	—	—	—	(58,177)	—	(58,177)
Finance costs	—	—	—	(125,559)	—	(125,559)
Depreciation, depletion and amortization expenses	—	—	—	(201,121)	—	(201,121)
Net foreign currency gain on U.S. debt and other	—	—	—	2,152	—	2,152
Long-term incentive plan expense	—	—	—	(27,757)	—	(27,757)
Impairment expense	—	(17,681)	—	—	—	(17,681)
Gain on disposal of property, plant and equipment	—	19,158	—	1,639	—	20,797
Other	—	—	—	10,040	—	10,040
Earnings (loss) before income tax	**241,356**	**300,759**	**161,952**	**(400,148)**	**—**	**303,919**
Income tax expense	—	—	—	(69,699)	—	(69,699)
Net earnings (loss)	**241,356**	**300,759**	**161,952**	**(469,847)**	**—**	**234,220**

Disaggregation of Revenue

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

Three months ended September 30, 2022 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Gas handling and processing services[1]	152,409	29,162	—	—	181,571
Fractionation and storage services	3,978	65,853	—	—	69,831
Transportation and terminalling services	—	58,388	—	—	58,388
Marketing of NGLs and iso-octane	—	—	1,476,268	—	1,476,268
Other[2]	29,915	—	—	11	29,926
Revenue before inter-segment eliminations	**186,302**	**153,403**	**1,476,268**	**11**	**1,815,984**
Inter-segment revenue eliminations	(7,468)	(85,446)	(5,011)	—	(97,925)
Revenue from external customers	**178,834**	**67,957**	**1,471,257**	**11**	**1,718,059**

Three months ended September 30, 2021 *(Thousands of Canadian dollars)*	Gathering & Processing	Liquids Infrastructure	Marketing	Corporate and Other	Total
Gas handling and processing services[1]	124,089	29,402	—	—	153,491
Fractionation and storage services	3,443	61,611	—	—	65,054
Transportation and terminalling services	—	54,505	—	—	54,505
Marketing of NGLs and iso-octane	—	—	1,000,686	—	1,000,686
Other[2]	18,478	—	—	(27)	18,451
Revenue before inter-segment eliminations	**146,010**	**145,518**	**1,000,686**	**(27)**	**1,292,187**
Inter-segment revenue eliminations	(7,318)	(82,686)	(5,839)	(26)	(95,869)
Revenue from external customers	**138,692**	**62,832**	**994,847**	**(53)**	**1,196,318**

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.

Nine months ended September 30, 2022 *(Thousands of Canadian dollars)*	**Gathering & Processing**	**Liquids Infrastructure**	**Marketing**	**Corporate and Other**	**Total**
Gas handling and processing services[1]	423,123	93,862	—	—	516,985
Fractionation and storage services	11,995	192,055	—	—	204,050
Transportation and terminalling services	—	182,644	—	—	182,644
Marketing of NGLs and iso-octane	—	—	4,616,309	—	4,616,309
Other[2]	84,440	—	—	36	84,476
Revenue before inter-segment eliminations	**519,558**	**468,561**	**4,616,309**	**36**	**5,604,464**
Inter-segment revenue eliminations	(25,726)	(268,691)	(24,959)	(19)	(319,395)
Revenue from external customers	**493,832**	**199,870**	**4,591,350**	**17**	**5,285,069**

Nine months ended September 30, 2021 *(Thousands of Canadian dollars)*	**Gathering & Processing**	**Liquids Infrastructure**	**Marketing**	**Corporate and Other**	**Total**
Gas handling and processing services[1]	368,498	86,044	—	—	454,542
Fractionation and storage services	8,987	179,369	—	—	188,356
Transportation and terminalling services	—	166,036	—	—	166,036
Marketing of NGLs and iso-octane	—	—	2,655,788	—	2,655,788
Other[2]	59,079	—	—	(390)	58,689
Revenue before inter-segment eliminations	**436,564**	**431,449**	**2,655,788**	**(390)**	**3,523,411**
Inter-segment revenue eliminations	(17,504)	(242,494)	(15,888)	(51)	(275,937)
Revenue from external customers	**419,060**	**188,955**	**2,639,900**	**(441)**	**3,247,474**

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.

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

	Three months ended September 30,		Nine months ended September 30,	
(Thousands of Canadian dollars)	**2022**	2021	**2022**	2021
Canada	**1,387,031**	909,115	**4,175,614**	2,575,064
U.S.	**331,028**	287,203	**1,109,455**	672,410
Total revenue	**1,718,059**	1,196,318	**5,285,069**	3,247,474

Non-current assets[1]

As at *(Thousands of Canadian dollars)*	**September 30, 2022**	December 31, 2021
Canada	**6,890,760**	6,435,668
U.S.	**446,023**	477,473
Total non-current assets	**7,336,783**	6,913,141

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

16. OTHER

The Canada Emergency Wage Subsidy ("CEWS") program was passed by the Government of Canada in April 2020 as part of its COVID-19 Economic Response Plan. Since Keyera's last claim submitted under the program was in 2021, no income was recorded from the program for the three and nine months ended September 30, 2022 (three and nine months ended September 30, 2021 – $1,259 and $10,040 of income was recorded). Keyera will not be submitting any further claims under the CEWS program.

17. SUBSEQUENT EVENTS

On October 12, 2022, Keyera declared a dividend of $0.16 per share, payable on November 15, 2022 to shareholders of record as of October 24, 2022.

On November 8, 2022, Keyera declared a dividend of $0.16 per share, payable on December 15, 2022 to shareholders of record as of November 22, 2022.

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)
Corporate Director
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
Denver, Colorado

Charlene Ripley (4)(6)
Executive Vice President
and General Counsel
SNC-Lavalin
Montreal, Quebec

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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Website: www.keyera.com

Officers

C. Dean Setoguchi
President and Chief Executive Officer

Eileen Marikar
Senior Vice President and Chief Financial Officer

Jamie Urquhart
Senior Vice President and Chief Commercial Officer

Jarrod Beztilny
Senior Vice President, Operations & Engineering

Nancy L. Brennan
Senior Vice President, Sustainability, External Affairs & General Counsel

Desiree Crawford
Senior Vice President, Safety, People & Technology

Stock Exchange Listing

The Toronto Stock Exchange
Trading Symbol KEY

Trading Summary for Q3 2022

TSX:KEY – Cdn $	
High	$33.37
Low	$27.90
Close September 30, 2022	$28.44
Volume	73,353,623
Average Daily Volume	1,164,343

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Chartered Professional Accountants
Calgary, Canada

Investor Relations
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