



# Freehold Royalties Ltd.

August 2024

**UNIQUELY NORTH AMERICAN**

[FREEHOLDROYALTIES.COM](https://www.freeholdroyalties.com) | TSX FRU

**FREEHOLD**  
ROYALTIES

# Corporate Overview

A Uniquely North American energy royalty company

## Corporate Snapshot

Market Capitalization (\$billion)	\$2.1
Shares Outstanding (million)	150.7
Net Debt (\$million)	\$199
Net Debt to Funds From Operations (x)	0.8x
Dividend per share (annual)	\$1.08
Dividend Yield (%)	7.7%
2024E Production Range (mboe/d)	14.7-15.7

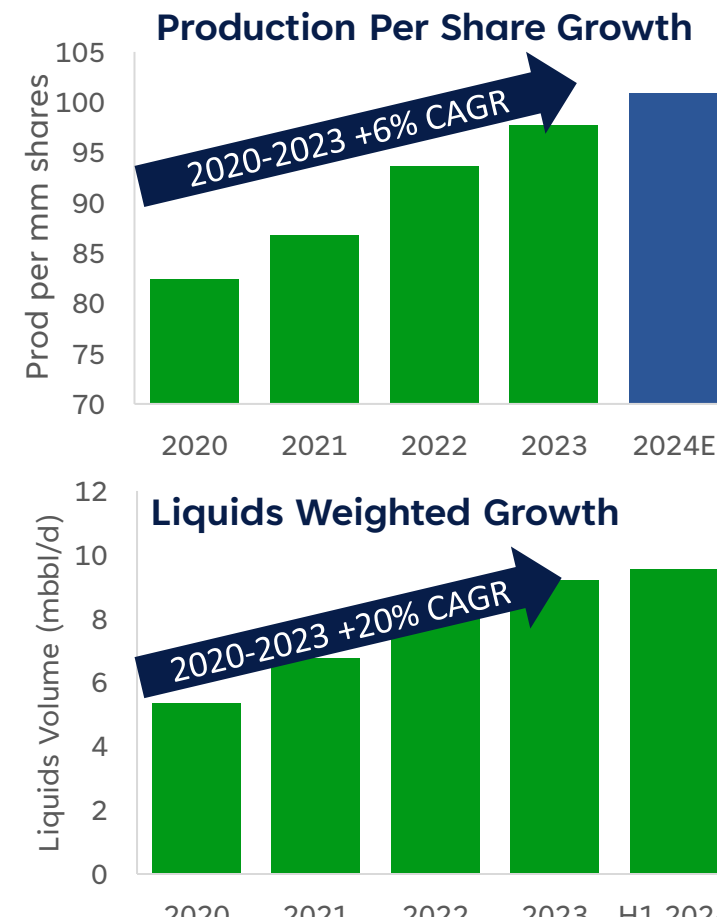
Freehold has built a diverse North American portfolio with robust cash generation ability at low breakeven commodity prices

Dividend yield based on \$14.00 share price and \$0.09/share monthly dividend rate  
2024E production per mm shares is based on 150.7 million shares outstanding and the midpoint of 2024E production range

## Uniquely North American



## Growth & Leverage to Oil



# Why Own Freehold

A Uniquely North American energy royalty company

Freehold is a low-risk way to participate in oil and gas development across North America

## Dividend Focused

Coverage down to ~US\$50/bbl WTI

Target a dividend payout ratio of ~60%

Have always paid a dividend in 28-year history

## Quality Assets

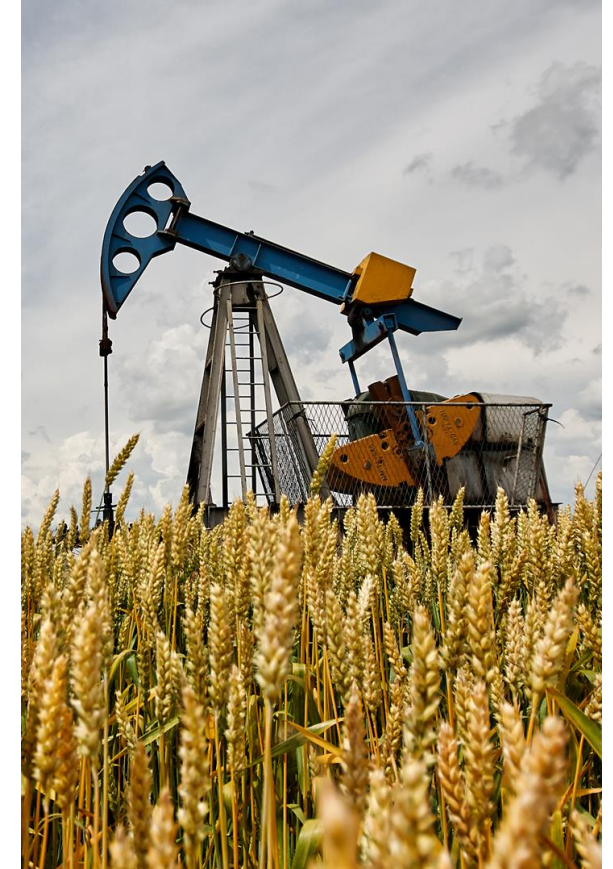
Ownership in the top basins in North America

360 industry payors, 8 states, 5 provinces

## Liquids Weighted

~93% of revenue weighted to oil and NGL's

~45% premium on US volumes over Canada



# The Royalty Advantage

## Minerals and Royalties Represent a Simple Asset Class



### High Margin Model

Operating Margin of 84% in H1 2024 with no operating or capital cost requirements to run the business



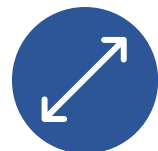
### Return of Capital

Consistent, sustainable dividend with >\$35/share or \$2.2 billion returned to shareholders since IPO



### Balance Sheet Strength

Capacity to fund future growth through credit facility



### Optionality & Scalability

Diversified across 6.2 million gross acres in Canada & 1.1 million gross drilling acres in US



### Portfolio Growth

Adding exposure to high netback, high return core areas across North America



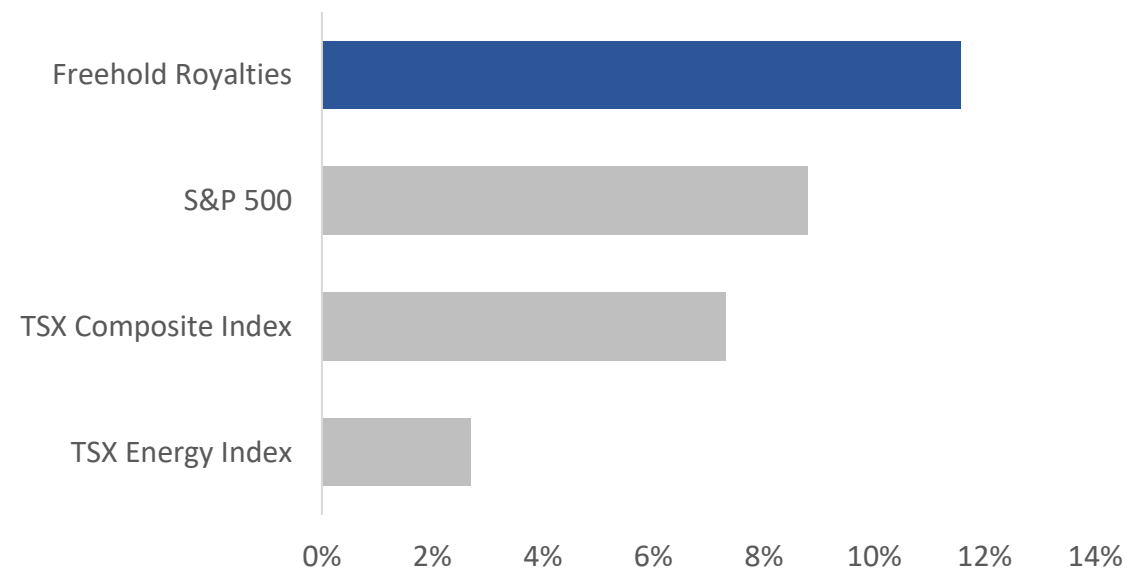
### Diversified Portfolio

~360 industry payors across eight states & five provinces with no payor representing >15% of revenue

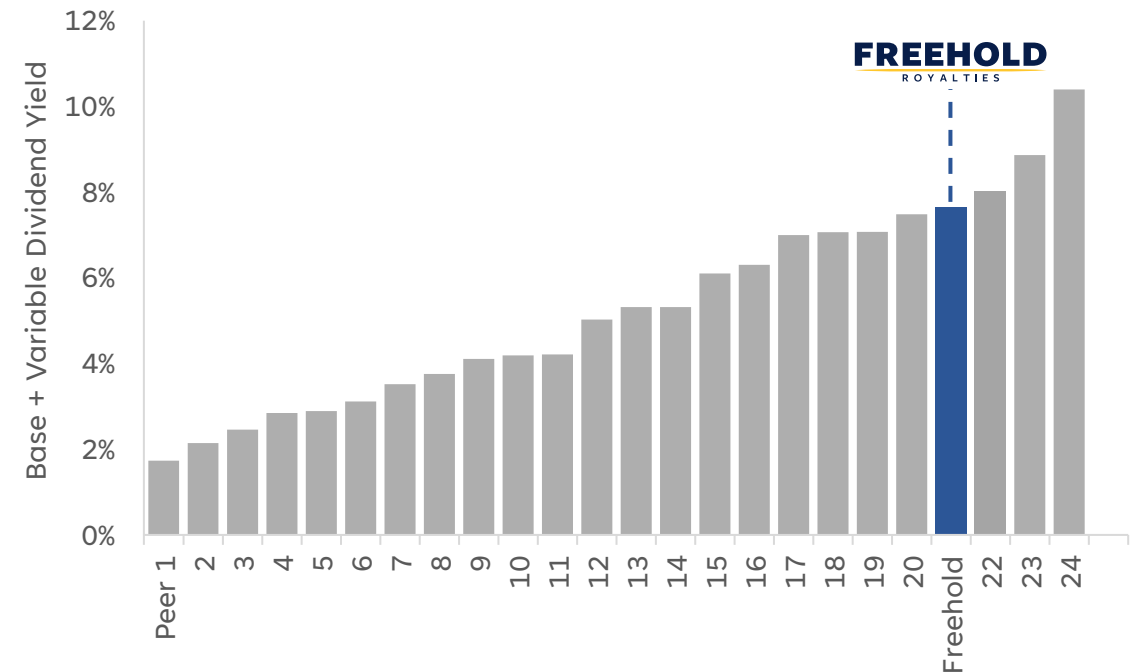
# High Margin Royalty Business

Delivers returns through all commodity cycles

## Freehold Returns Since IPO (CAGR)



## Significant & Sustainable Dividend Yield



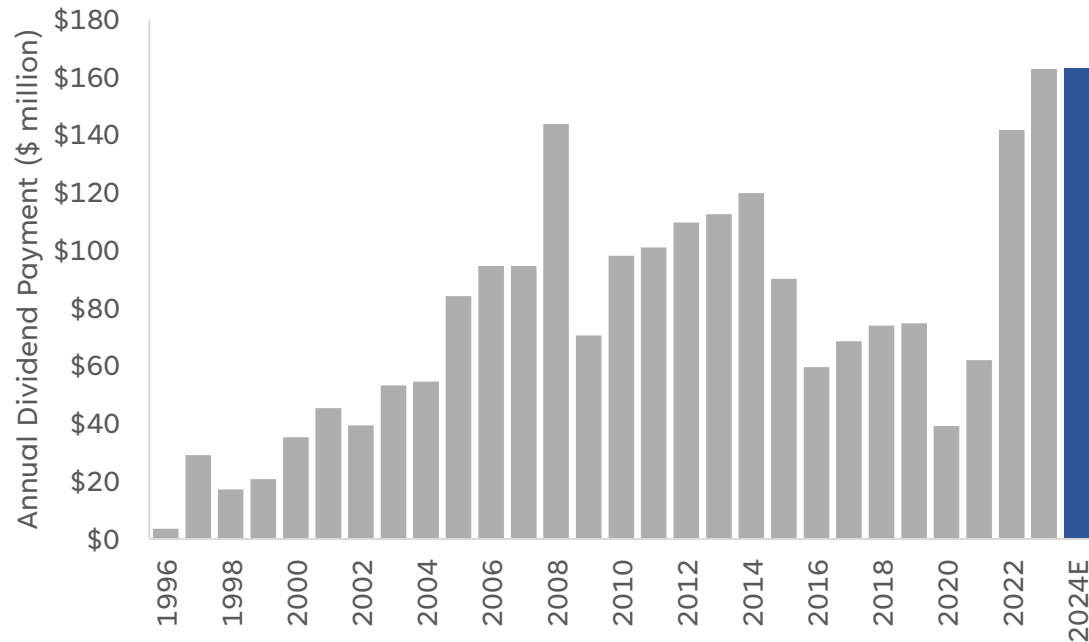
- **12% average annual total return** since its Initial Public Offering in 1996
- A **\$10** investment at its IPO would be worth **>\$180** today including reinvested dividends

Source | Factset, total returns=absolute share price return plus reinvested dividends; CAGR = Compound Annual Growth Rate

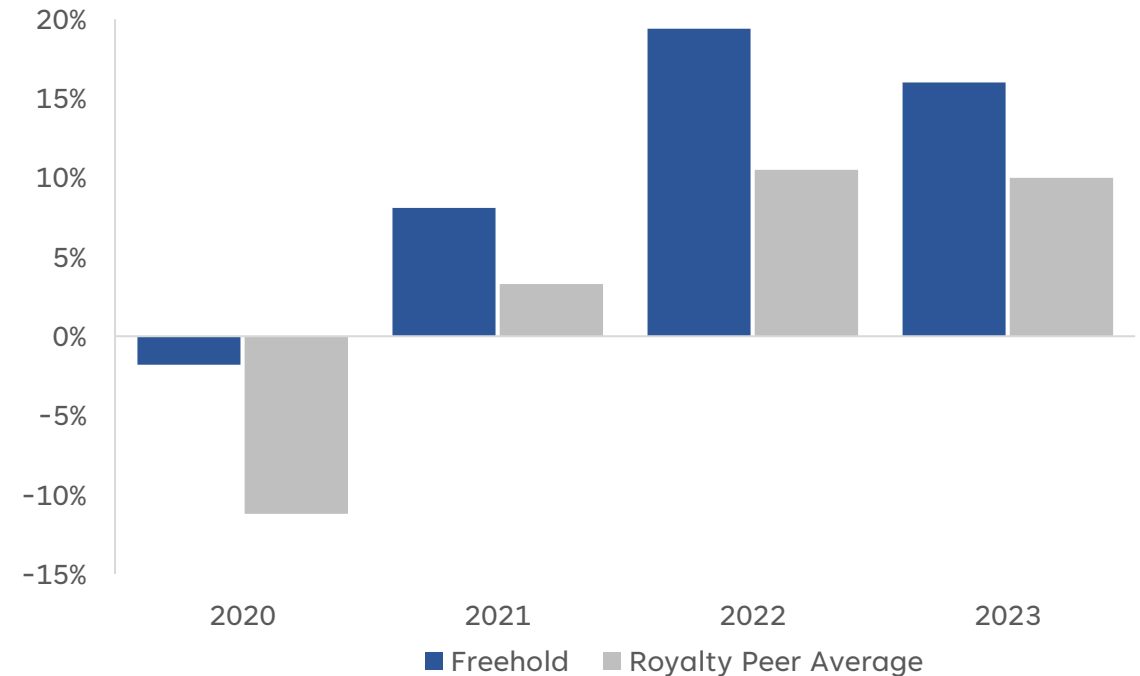
Source | Peters & Co, July 2024; 2024E estimates of universe of Canadian E&Ps and Royalty Companies that pay a dividend / variable dividend

# Sustainable, Consistent Income Provider

## 28 Year Dividend History



## Return on Capital Employed (ROCE)



**Freehold has ALWAYS paid a dividend**

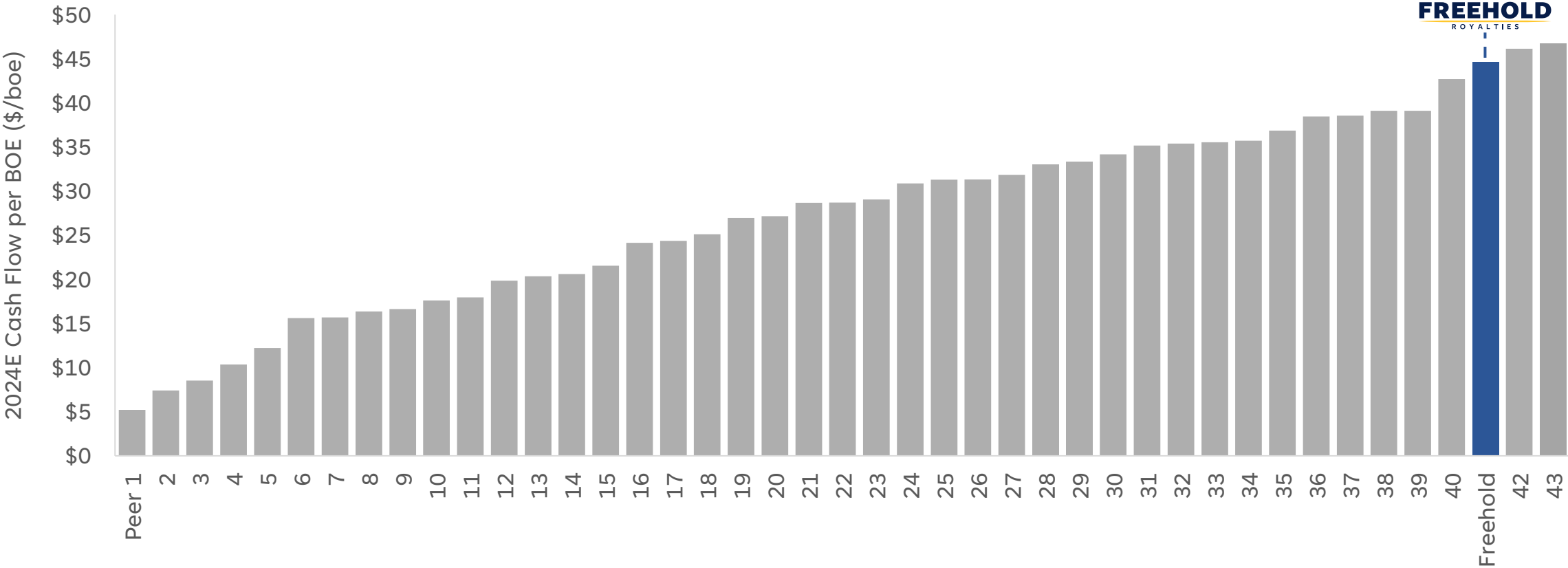
**Returned \$35/share or ~\$2.2 billion in dividends over its history, from an initial \$10/share IPO**

Return on Capital Employed calculated as earnings before taxes divided by total shareholders' equity plus long term debt; see "Non-GAAP Financial Measures and Ratios and Other Financial Measures" in Advisories

Royalty peer average includes PrairieSky Royalties, Topaz Energy, Black Stone Minerals, Kimbell Royalty Partners, Viper Energy Partners

# Leverage to Oil Price

## High Margin Oil Weighted Portfolio & Exposure to Premium Priced US Assets



**No capital costs, abandonment costs or operating costs** as a royalty owner

Freehold’s North American portfolio is made up of **64% liquids (by volume) and 93% (by revenue)**, with exposure to premium priced US barrels

Source | Peters & Co, July 2024; WTI US\$79.41; NYMEX US\$2.38; AECO C\$1.50; FX 0.735; Includes all Canadian E&P and royalty companies covered by Peters & Co. This is not a financial measure used by Freehold in its own reporting and as such Freehold cannot confirm how such measure has been calculated by Peters & Co

# Diversified North American Portfolio

## COMMODITY

### PRODUCTION VOLUMES

**36%**  
NATURAL  
GAS

**~7%**  
REVENUE



**64%**  
Oil & NGLs

**~93%**  
REVENUE

Diversified land base provides **free option value** on continued technological advancement, new discoveries, and increasing development of emerging benches in the U.S.

## SUPERIOR PRODUCT PRICING (H1-2024)

US Realized Price

**+45% Premium**

\$71.65/boe

Cdn Realized Price

\$49.31/boe

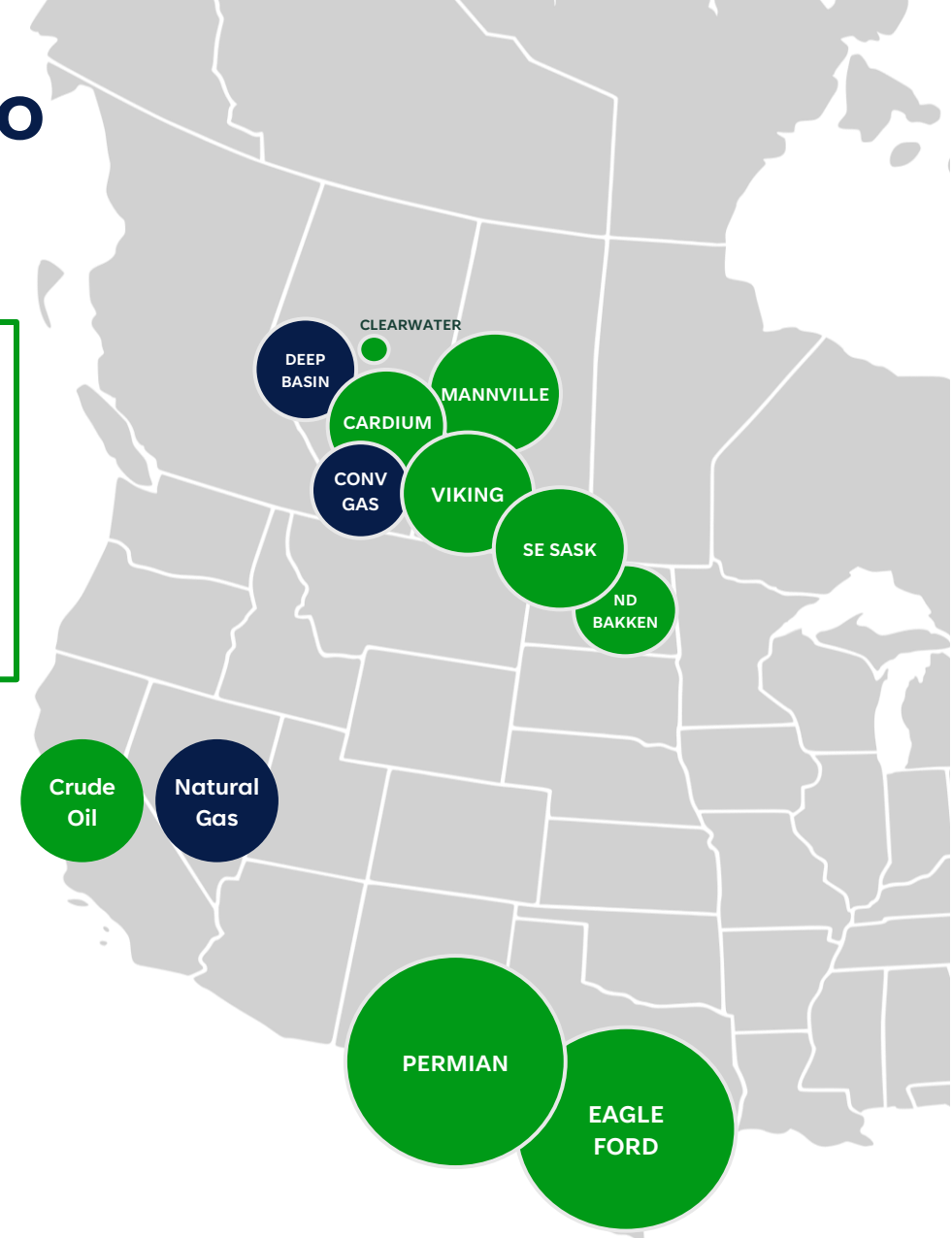
US Oil Assets

**+22% Premium**

\$106.94/bbl

Cdn Oil Assets

\$88.04/bbl



Note | Circles represent share of revenue



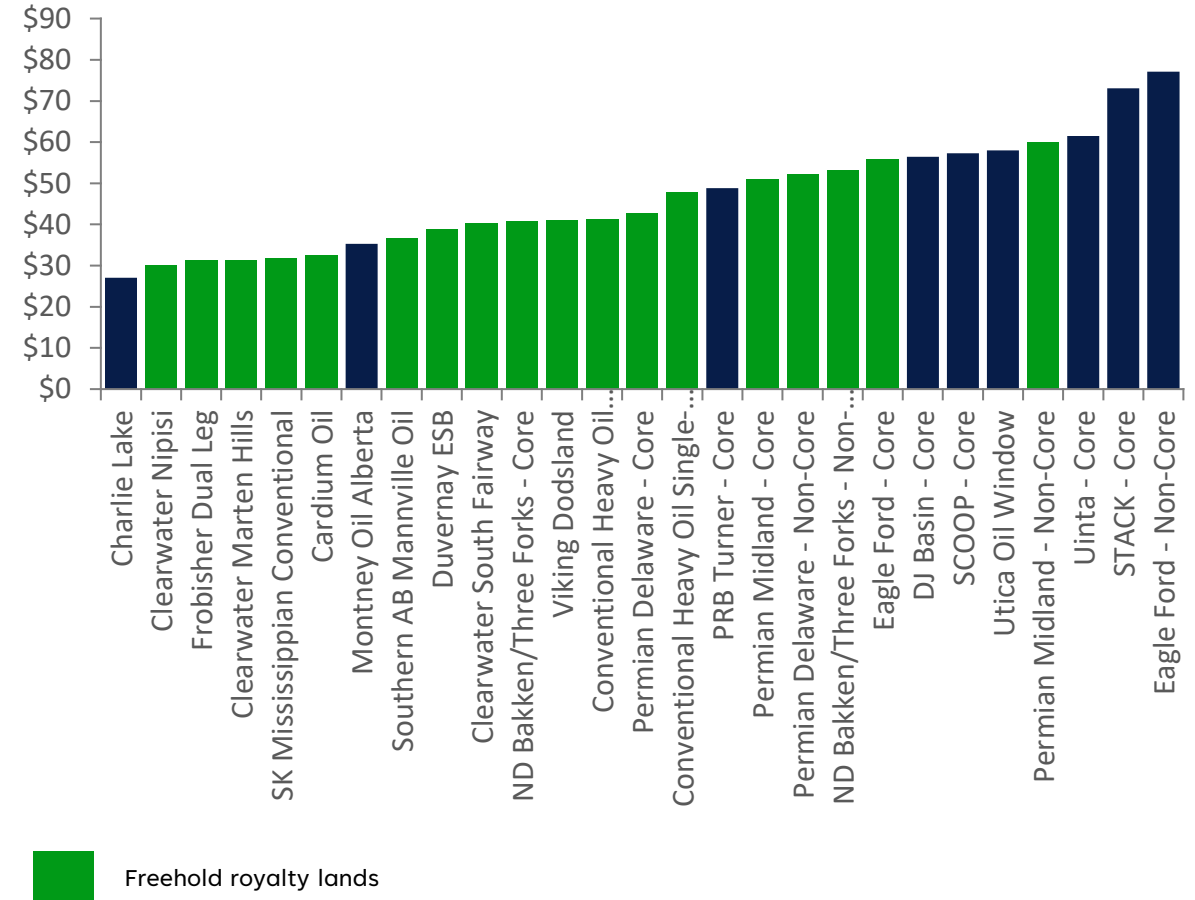
# High Quality Revenue Stream

## Oil Weighted Focus

- Approximately 93% of Freehold’s H1 2024 revenue derived from oil and NGLs
- Eagle Ford and Permian represent ~43% of Q2 2024 total revenue
  - Capital is driven by a strong group of well capitalized producers within low breakeven plays
- Viking and SE Saskatchewan are top revenue generators areas within Canadian portfolio
- Key growth areas include Permian and Mannville heavy oil, SE Saskatchewan and Clearwater

## High Quality Portfolio

WTI Breakeven (US\$/bbl)



# Aligned With Top Operators in North America

## Canada



Top 10-payors average market cap **>\$20 bn**

## United States



Top 10 payors represent **~50% of 12-month** trailing revenue

Top 30 payors comprised of **19 Canadian payors** and **11 US**



# Where We're Going

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# US Assets

Strong Economics, Growth

36% Production

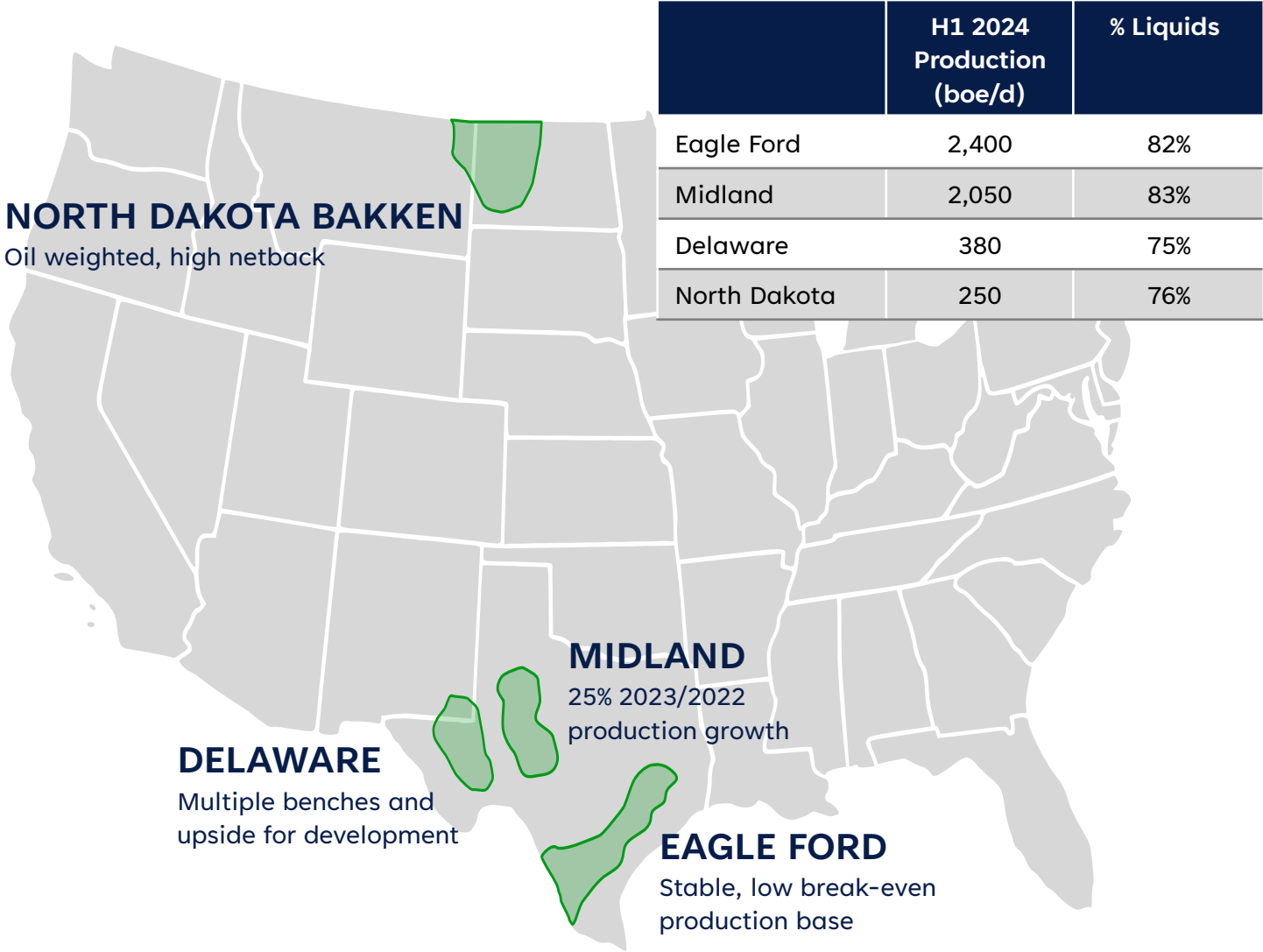
45% Revenue

Higher Realized Pricing

Attractive Growth Profile

Oil Weighted

Well Capitalized Payors

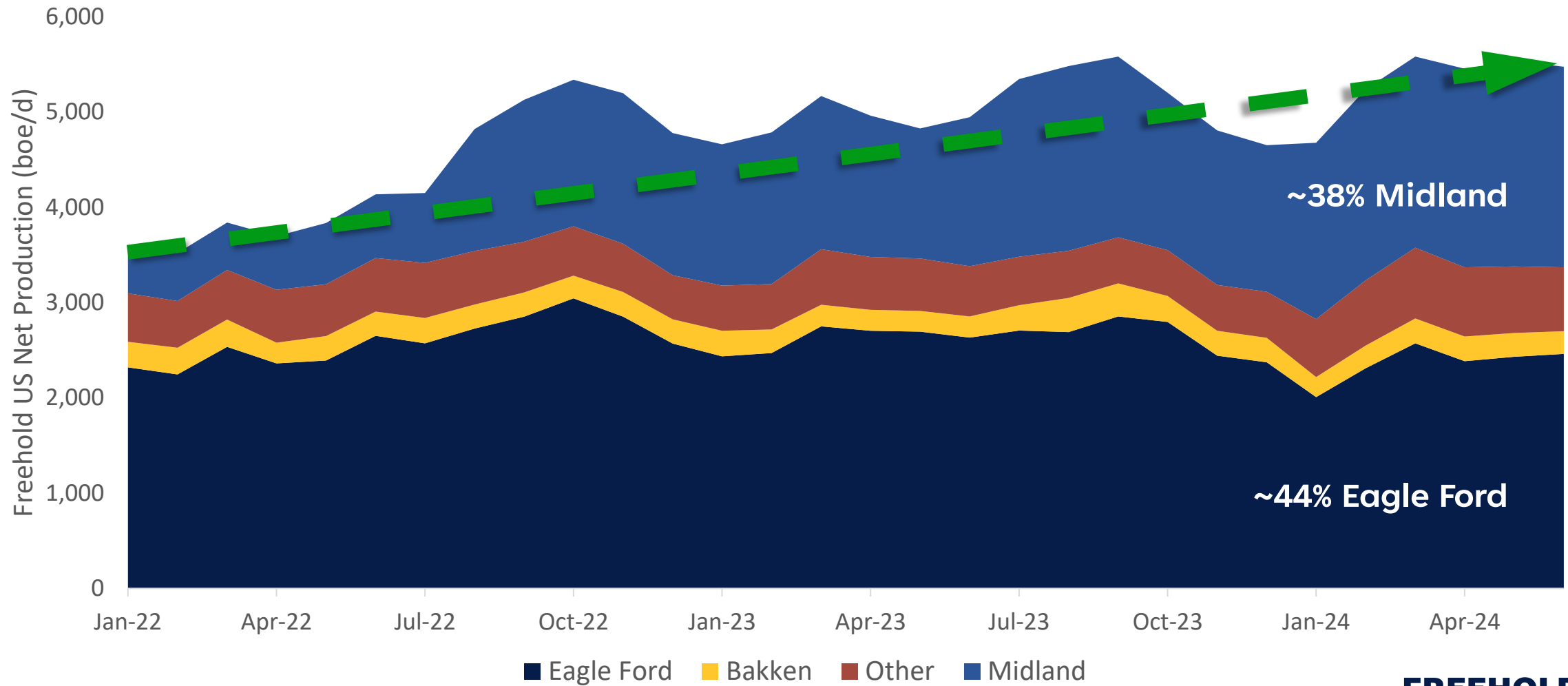


Source | Company Reports

# US Portfolio

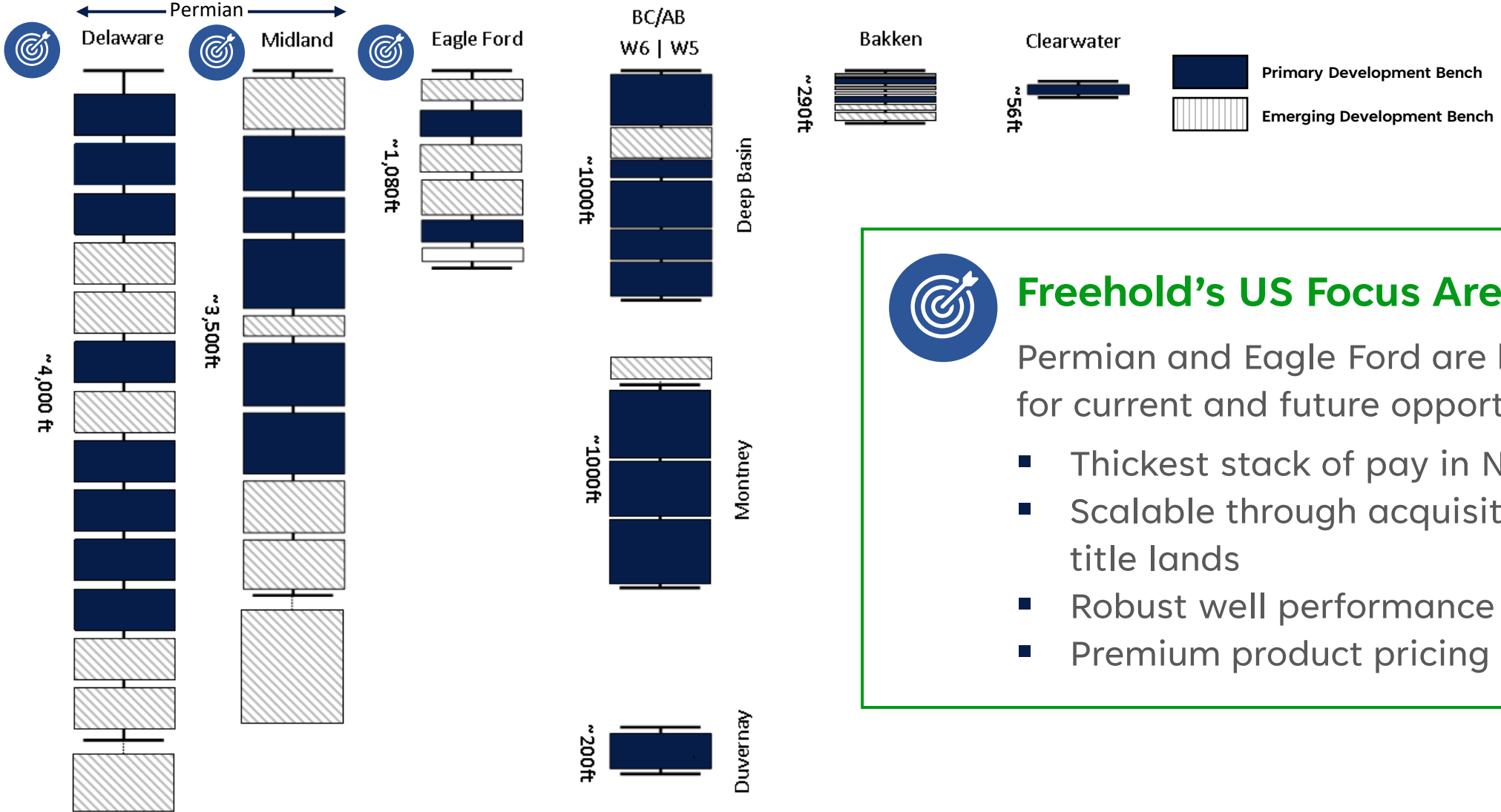


**Rapidly growing Midland** adding high netback production under leading Permian operators (Exxon is now Freehold's #3 payor with ~35% of Freehold's Midland development inventory)



# US Resource Advantage

Permian dominates in terms of thickness, potential, & production



**Freehold's US Focus Areas**

Permian and Eagle Ford are key focus areas for current and future opportunities

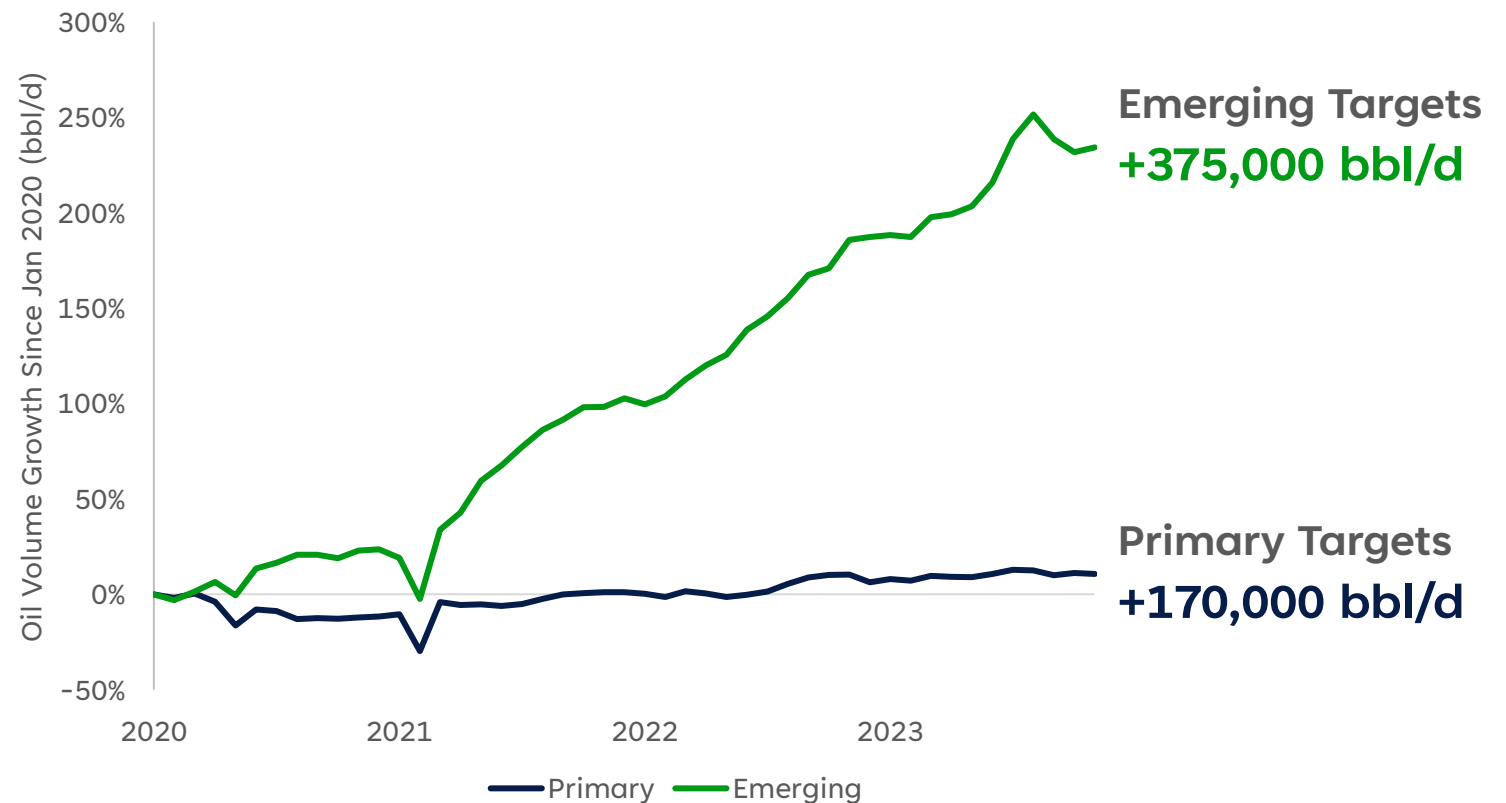
- Thickest stack of pay in North America
- Scalable through acquisition of mineral title lands
- Robust well performance and economics
- Premium product pricing

# US Resource Advantage – Free “In the Money” Options

## Technical Advancements Improving Productivity and Upside

- Permian operators have been moving towards developing the entire resource stack (both primary and emerging targets), substantially increasing ultimate recovery from the basin
- This development is **free upside for Freehold on our existing land position – no incremental capital from Freehold**

Emerging Targets in Midland Growing at Impressive Rate



# US Asset Performance – Exceeding Expectations

US investments forecast payout in 2026...and again in 2032...and again...

## Cumulative Revenue C\$ million

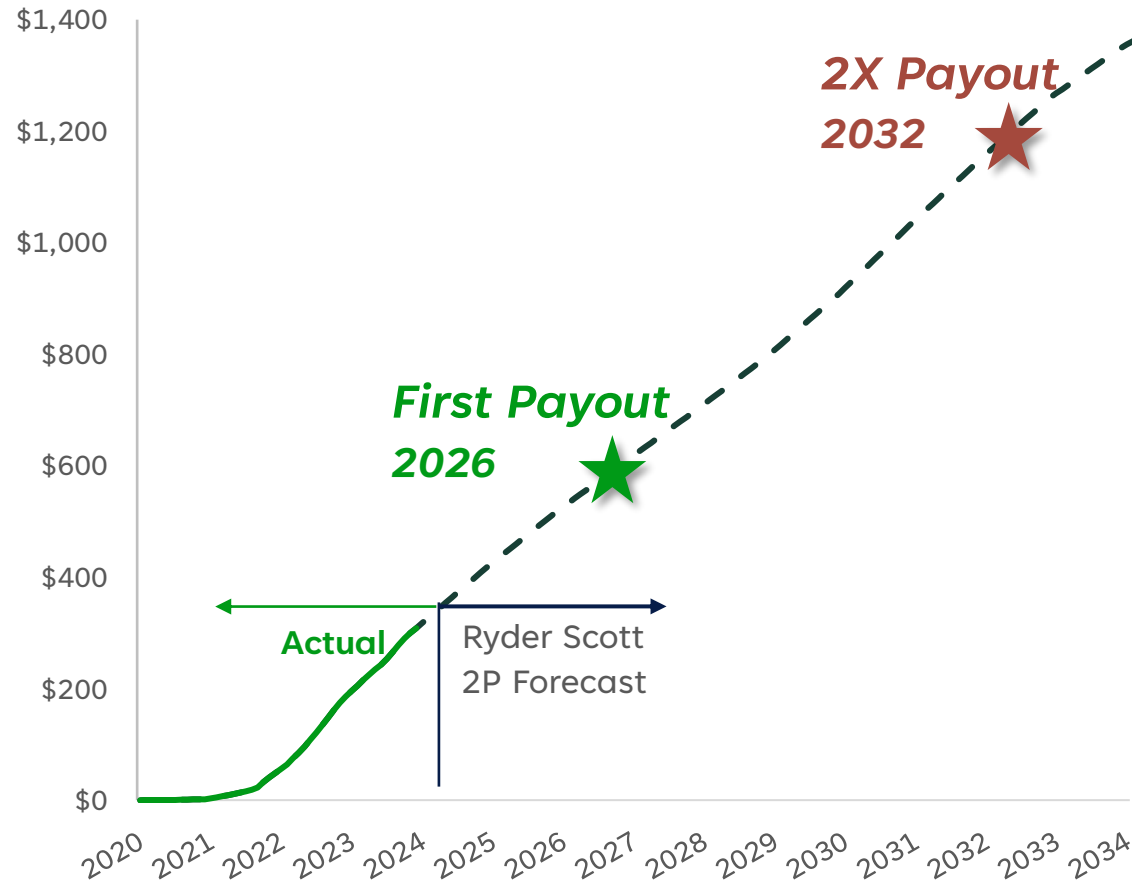


Chart includes all US acquisitions excluding January 2024 acquisitions

- **\$565 million of investment**  
Into US assets to YE-2023
- **Financial performance exceeding expectations**  
First major US acquisition (Jan-2021; \$74 million) paid out in Q2-2024
- **Recoverable reserves exceeding expectations**  
Emerging reservoir benches not valued at time of acquisition



# Canadian Assets

## Stable Production Base

64% Production

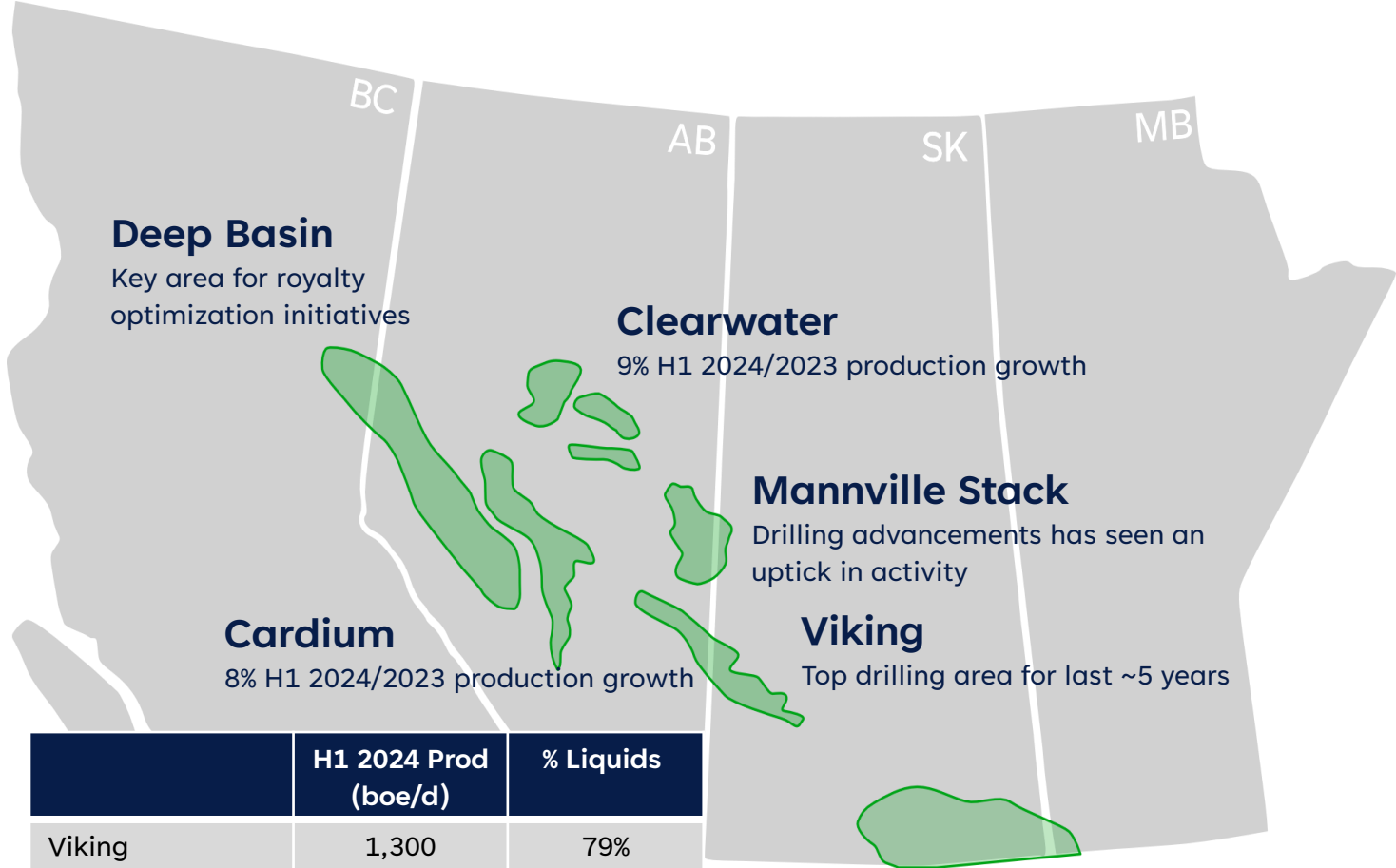
55% Revenue

Diversified, Quality Payors

Low Decline Production Base

Commodity Balance

Long History of Returns



	H1 2024 Prod (boe/d)	% Liquids
Viking	1,300	79%
SE Sask	1,100	93%
Cardium	1,100	47%
Mannville Stack	800	90%
Deep Basin	1,800	23%
Clearwater	450	94%
<b>Total CAD</b>	<b>9,608</b>	<b>56%</b>

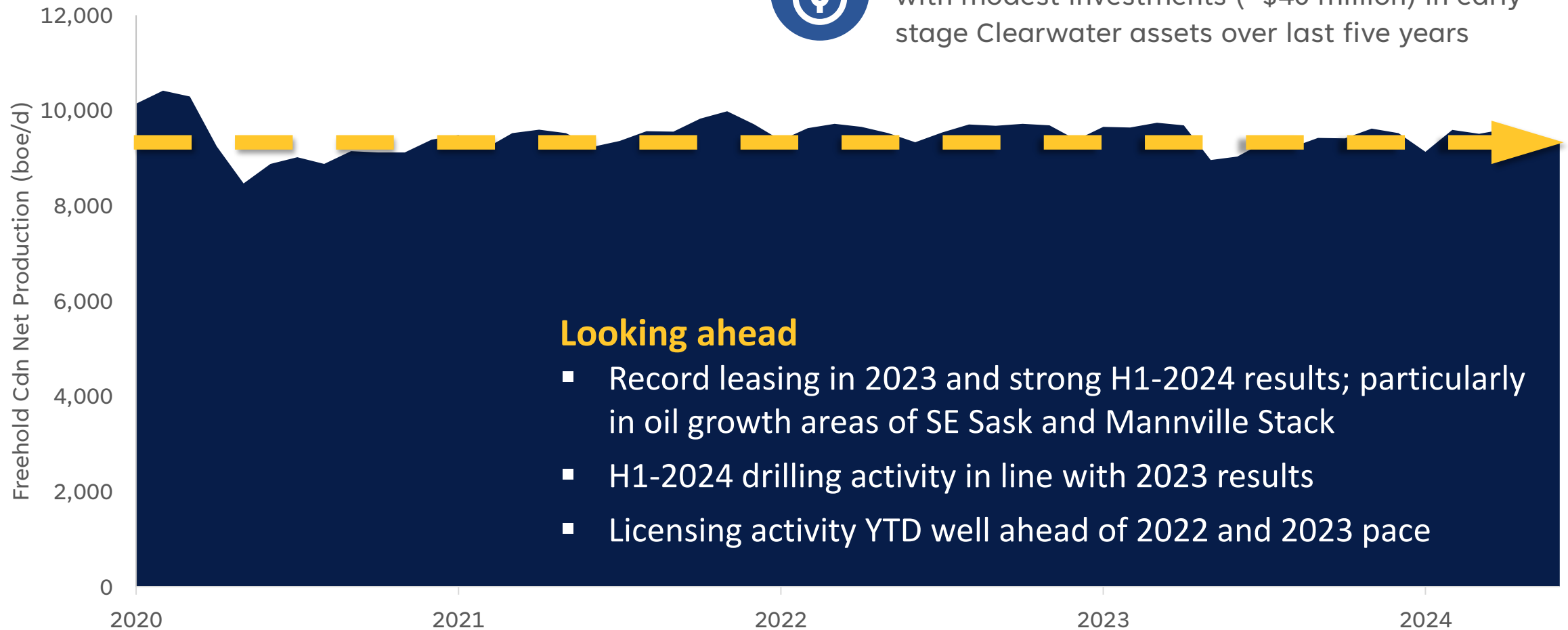
**SE Saskatchewan**  
Key focus area of Freehold's leasing efforts

Source | Company Reports

# Canadian Portfolio



**Stable, low PDP decline production base** with modest investments (~\$40 million) in early-stage Clearwater assets over last five years



## Looking ahead

- Record leasing in 2023 and strong H1-2024 results; particularly in oil growth areas of SE Sask and Mannville Stack
- H1-2024 drilling activity in line with 2023 results
- Licensing activity YTD well ahead of 2022 and 2023 pace

# Canadian Leasing Activity

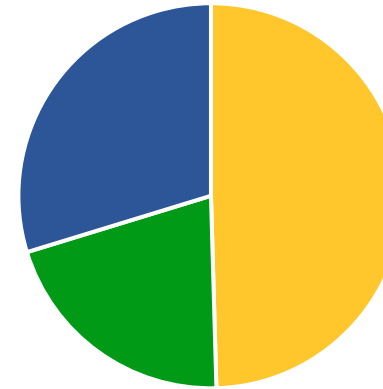
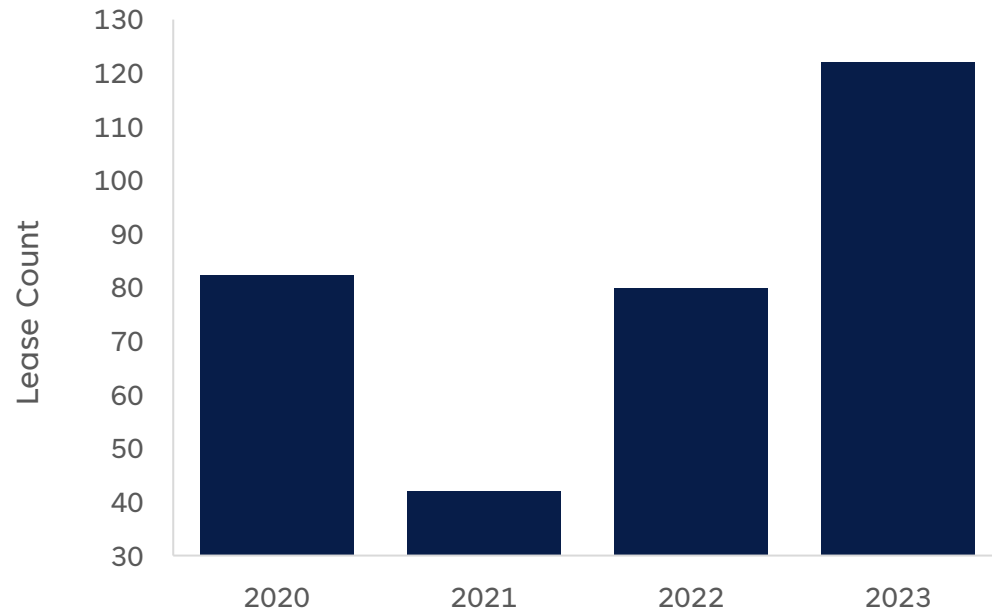


## Organic growth through leasing

Drilling associated with leasing activity in 2023 is expected to serve as a growth driver in 2024; ~20% of 2023 leases have already been drilled

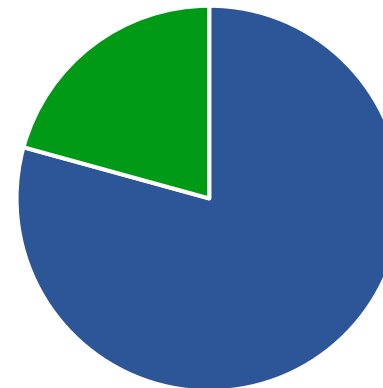
## Record Leasing Activity

**122 Leases in 2023 | 35 leases in H1 2024**



■ SE Sask ■ Other ■ Mannville Heavy Oil

Resurgence of operator activity in SE Saskatchewan along with advancements in multi-lateral drilling technology drove leasing

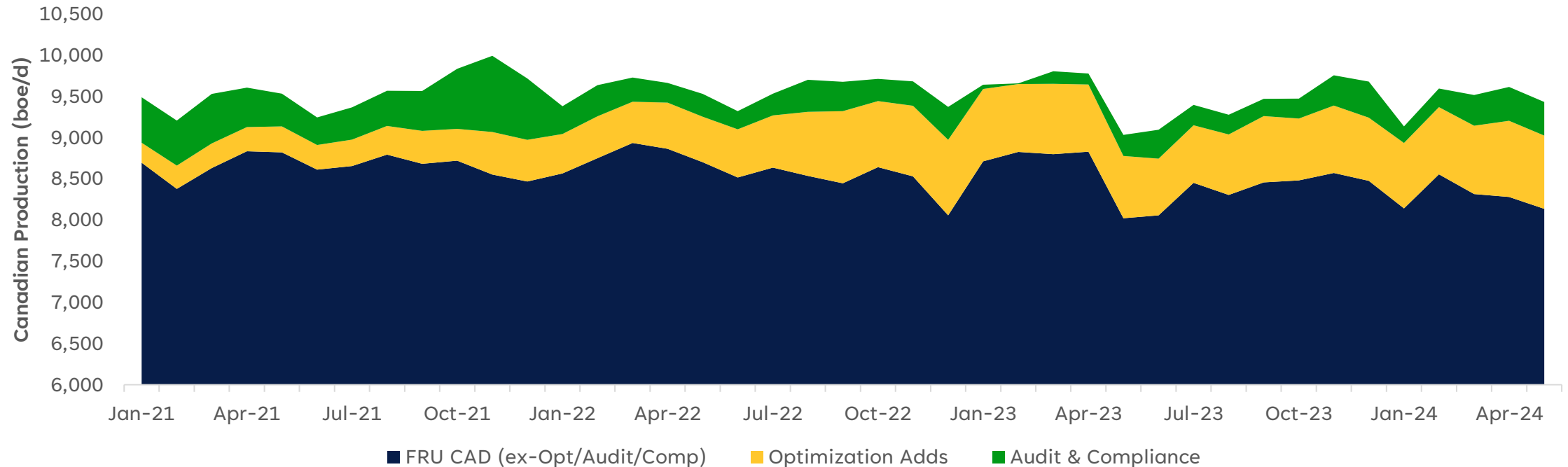


■ Privates ■ Other

Leasing on our lands through 2023 has been dominated by private operators and junior publics which we expect to pursue growth

# Canadian Asset Optimization and Audit/Compliance

## Enhancing a Quality Portfolio



- Capitalize on our extensive land base with royalty optimization
- Maximize Freehold’s royalty interests through a comprehensive audit and compliance program
- Optimization efforts contribute meaningful production adds
- Leverage relationships with third-party operators to ensure we are maximizing value of our land

# Why Freehold?

## A Low-Risk Investment Vehicle Mirroring North American Development



### North American Asset Base

	Canada	US
Gross Acres (millions)	~6.2	~1.1
Production (%)	64%	36%
P+P Reserves (Mmboe)	25.8	28.7



### Oil Weighted

Oil & Liquids % of Geography	Canada	US
Revenue	92%	98%
Production	56%	79%
P+P Reserves (%)	58%	74%



### Proven Business Model

- Free cash flow business
- Hedge against inflation
- High margins / low overhead
- No exposure to oil & gas costs (i.e. operating, capital, abandonment)

# Supplemental Slides



# Second Quarter Results

		Q2-2024	Q1-2024	Q2-2023
WTI crude oil	US\$/bbl	\$80.57	\$76.96	\$73.78
Production	boe/d	15,221	14,714	14,667
Funds from operations	C\$mm	\$60	\$54	\$53
Quarter end net debt	C\$mm	\$199	\$211	\$131
Netback	C\$/per boe	\$49.44	\$46.62	\$46.07
Dividend payout ratio	%	68%	75%	77%
Gross Wells Drilled	Canada/US	65 / 209	132 / 168	55 / 104

## 15,221 boe/d Q2-2024 production average

- Volumes up ~3% from Q1 2024 and ~4% year over year
- U.S. production averaged 5,600 boe/d, +9% over Q1 2024
- Canadian volumes were flat versus Q1-2024 at 9,621 boe/d with spring break-up seasonal impacts offsetting Q1 2024 cold weather impacts

## 274 gross (3.1 net) wells drilled

- 65 gross locations in Canada
- 209 gross locations in U.S.
- **Majority of the focus centred on oil weighted targets in the Permian, Eagle Ford, Viking, SE Saskatchewan and Clearwater**

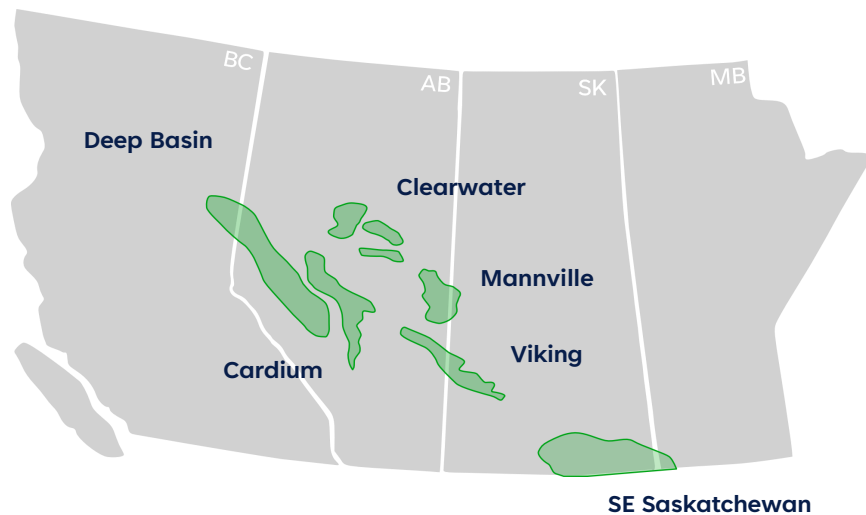
## Q2-2024 dividend payout ratio of 68%

- Dividend grown by >500% over last **3** years, with current share price **implying a 7.7% yield**
- Dividend remains sustainable at oil and natural gas prices materially below current commodity price levels

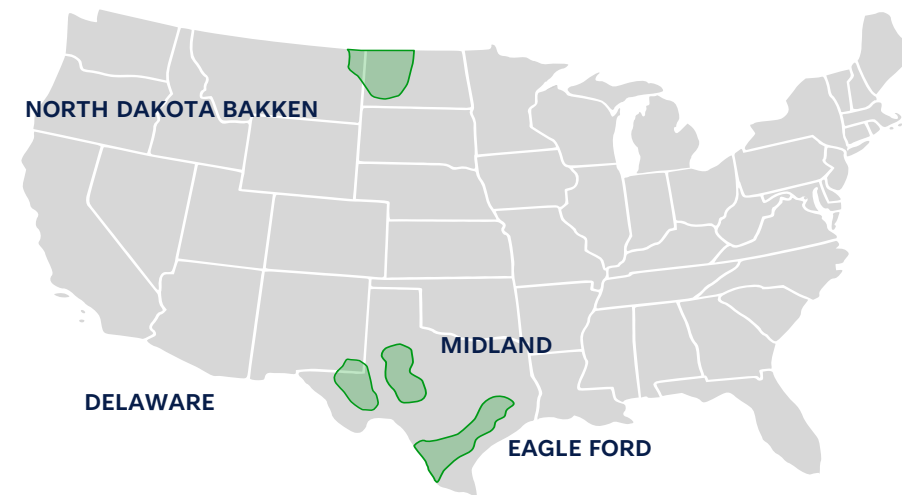
## Net debt to funds from operations of 0.8x

- Q2-2024 net debt of \$199 million
- Decrease of \$12mm over Q1 2024 offset with ~\$8mm of acquisitions in the quarter
- Cash costs increase largely reflects long-term incentive plan payout in the quarter and higher interest rates charges

# H1 2024 Royalty Drilling



CANADA	TOP CANADIAN PLAYS	
	GROSS WELLS	NET WELLS
Viking	45	3.5
SE Saskatchewan	38	1.6
Cardium	34	0.4
Clearwater	21	0.7
Mannville Heavy	17	0.7
<b>TOTAL CANADA</b>	<b>197</b>	<b>8.0</b>



UNITED STATES	TOP US PLAYS	
	GROSS WELLS	NET WELLS
Midland	253	0.5
Eagle Ford	100	1.0
Delaware	17	0.1
<b>TOTAL US</b>	<b>377</b>	<b>1.53</b>



# US vs. Canadian Land

## Canadian Royalty Lands

- 89% is Crown (Federal or Provincial) and **11% is mineral title** (owned by individuals and companies)
  - Alberta 81% is crown, 19% private (mineral title)
- In Western Canada approximately 80% of the mineral rights are owned by the Crown
- The government holds significant control over the majority of mineral resources in Canada

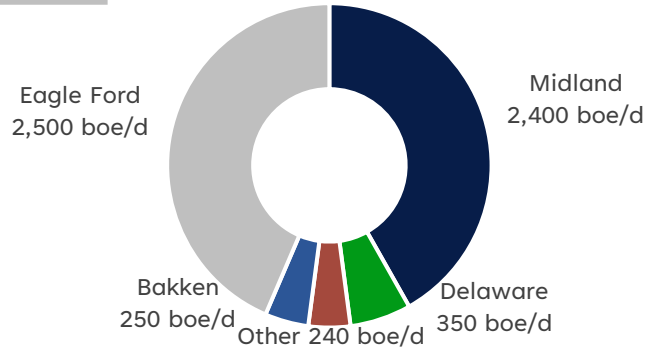
## US Royalty Lands

- 30-40% is public (Federal or State), while approximately 60-70% of mineral ownership in the US is private
  - Texas 2% is public, **98% private**
- In Texas, the percentage of mineral ownership is the opposite of Canada
- **The vast majority of mineral rights in the US are privately owned**, with individuals, corporations and trusts holding the rights to develop mineral resources

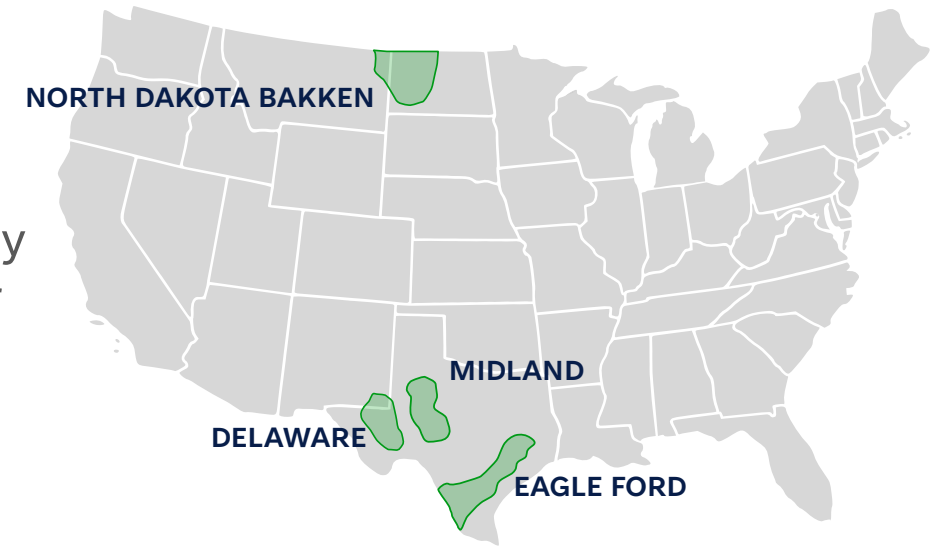


# US Inventory Breakdown

## US PRODUCTION SPLIT<sup>3</sup>



Freehold has built up a quality US portfolio over the last four years, **concentrated in the most productive US basins**



	Midland	Delaware	Eagle Ford	Bakken	Other	Total
Gross Undeveloped Locations	6,383	884	1,743	160	786	9,956
Net Undeveloped Locations	18.0	3.8	18.9	1.4	5.8	47.9
2023 Wells Spud (Gross/Net) <sup>1</sup>	234 / 0.9	48 / 0.1	160 / 1.5	33 / 0.1	52 / 0.1	527 / 2.6
Implied Development Years <sup>2</sup>	27	18	11	5	30	19
Top Operators (Net)						

1. Assumes FRU owned current assets for all of 2023

3. 2023 Actual production plus pro forma impact of January 2024 transactions

2. Gross development locations divided by 2023 gross spuds Implied

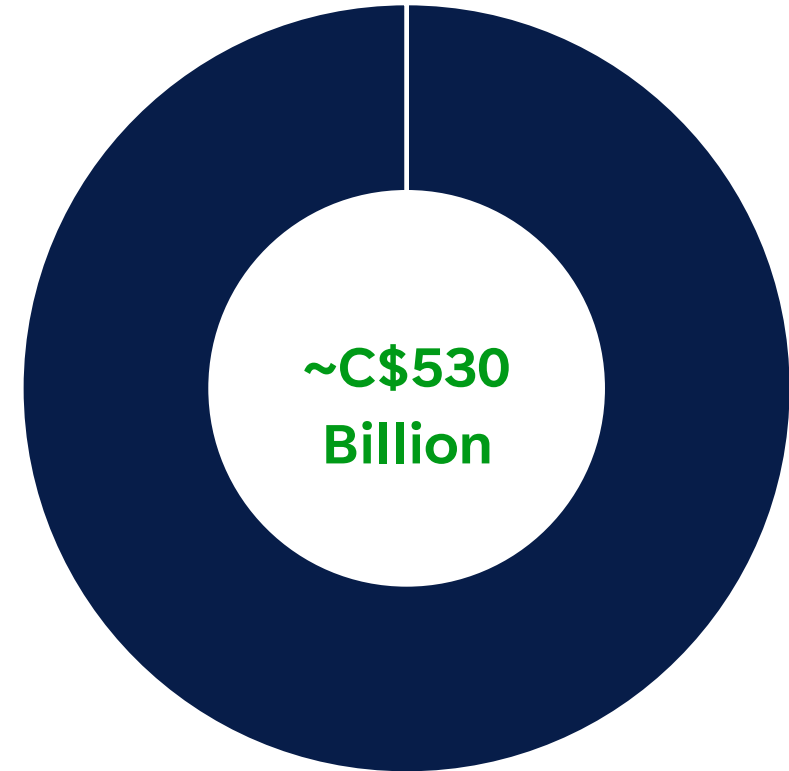
Development Years is an oil and gas metric that does not have a standardized meaning. See "Disclosure of Crude Oil and Natural Gas Information" in Advisories.

# Size of the Prize

## >\$500 Billion Opportunity Set

- ~\$530 billion mineral title opportunity set in the Permian basin in Texas with a very active market
- Fragmented and private mineral title ownership structure in the US creates a significant market of mineral opportunities for Freehold to continue to grow our portfolio
  - ~98% of total Mineral Title available in Texas is privately held
- Deep inventory of available mineral title results in accretive transaction multiples (**5-8x cash flow**) vs Canadian opportunities (**>8x cash flow**)
- Size of packages range from <\$1mm to **>\$500mm**, allowing for flexibility as to how Freehold's portfolio is built-out

### Total Mineral Title Market Size in the Permian<sup>1</sup>



# 2024E Guidance

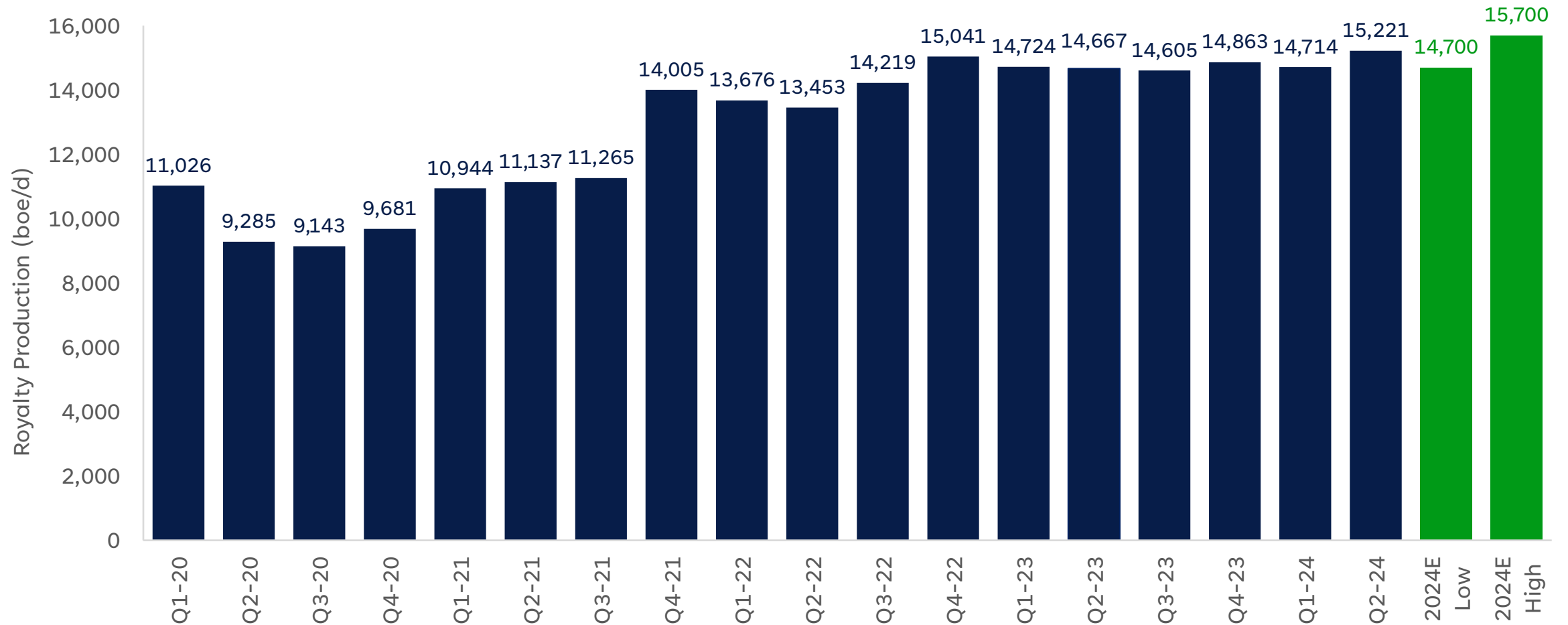
2024E ANNUAL AVERAGE		
Average production	boe/d	14,700-15,700
West Texas Intermediate crude oil	US\$/bbl	\$75.00
AECO natural gas	Cdn\$/mcf	\$2.00
NYMEX natural gas	US\$/mmbtu	\$2.50
Exchange rate	US\$/Cdn\$	0.74



# Corporate History

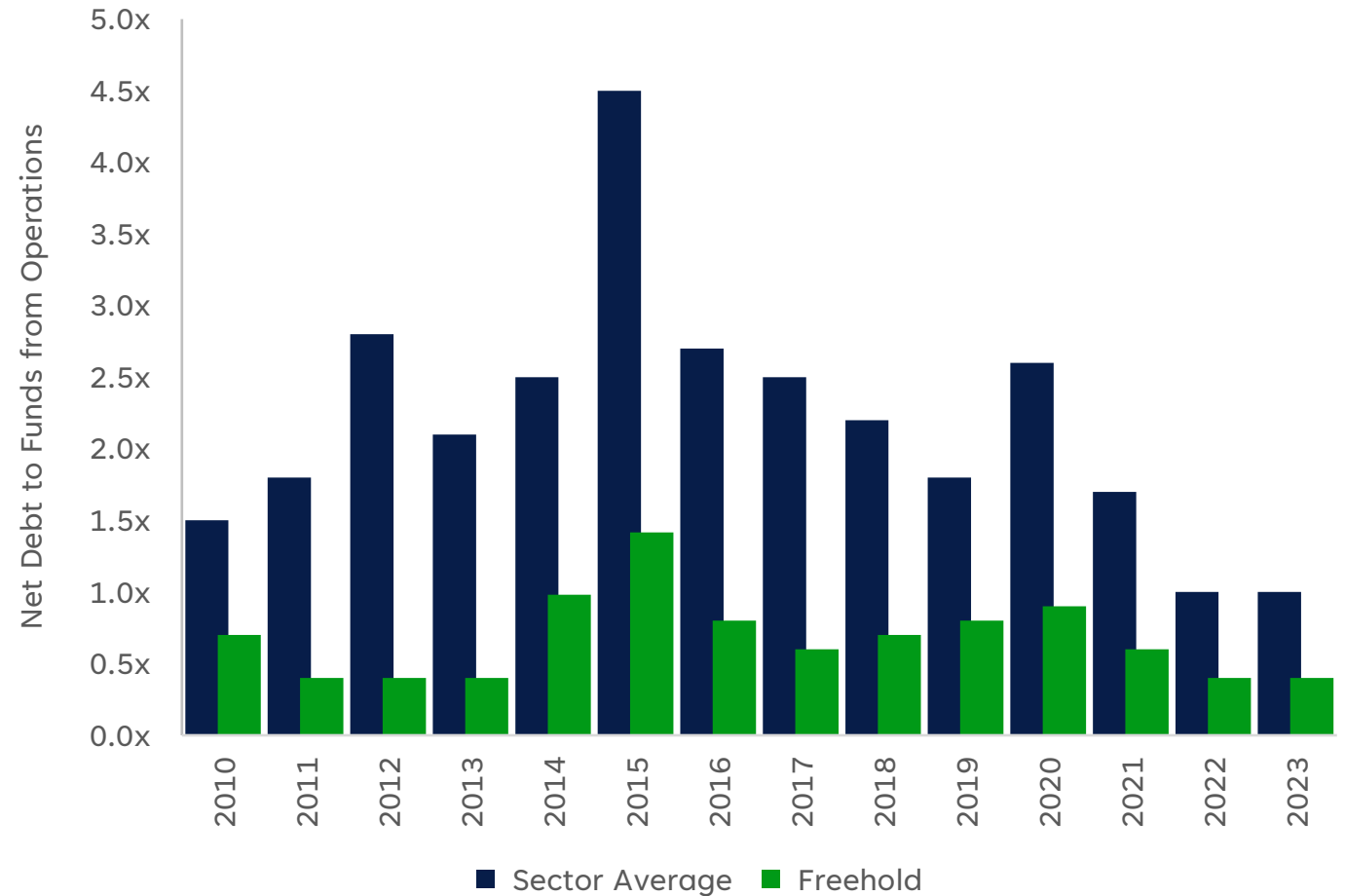
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# Royalty Production History



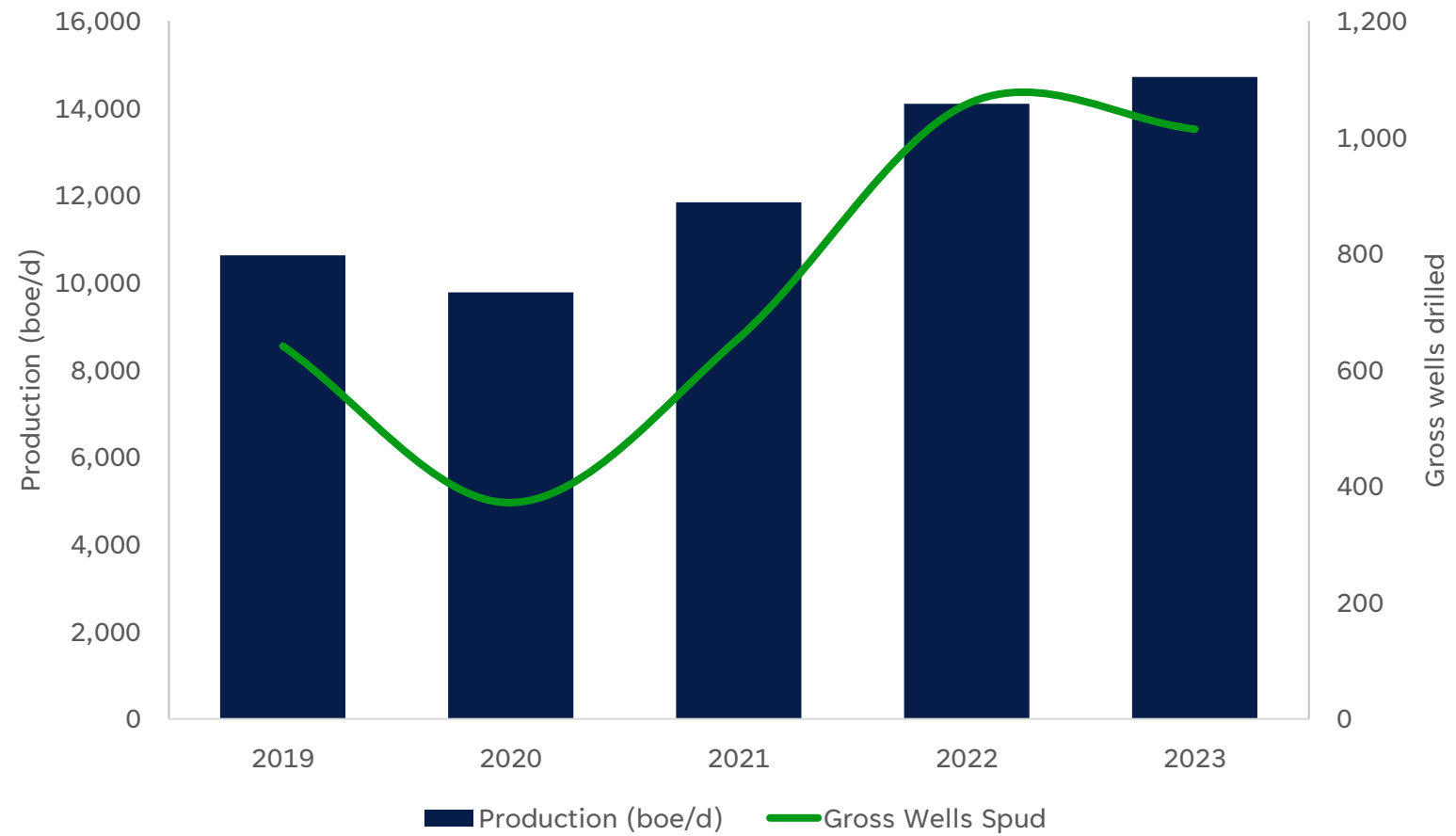
# Strong Balance Sheet

- Freehold exited Q2-2024 with **net debt to trailing funds from operations of 0.8x**
- At current commodity price levels and dividend level, **Freehold has capacity to pay down debt or pursue acquisitions** with free funds over and above current dividend levels
- Freehold has a **revolving 3-year facility at \$285 million and a \$15 million operating facility**
  - Credit agreement includes a permitted **increase** in the committed facility to **\$435 million** subject to lenders' consent



# Benefitting From Strength of Operators

- We have seen **strong upward momentum** in activity on Freehold's royalty land along with the broader Western Canadian Sedimentary portfolio
- Participate in approximately **2.5% of all Lower 48 Spending**
- Approximately **\$8 billion in industry capital spent** on Freehold lands in 2023
- Approximately **6% of all spending in Western Canada** has occurred on Freehold lands over the past five years
- **>30 rigs running** on Freehold's Canadian and US royalty assets





# 2023 Reserves Overview

**PDP** reserve volumes up ~**2%** (absolute and per share)

- Increased from 25.8 MMboe to 26.3 MMboe

**Proven** reserve volumes up ~**5%** (absolute and per share)

- Increased from 28.9 MMboe to 30.3 MMboe

**Proven + Probable** reserve volumes ~**flat** (absolute and per share)

- 54.5 MMboe

**Before tax P+P NPV10** down ~**3%** and **After tax** down ~**4%**

- Canada up ~6% driven by higher WCS heavy and light oil pricing
- US down ~12% driven by lower WTI pricing

**Reserve Replacement** ~115% PDP / ~128% Proven / ~99% P+P

**RLI** – PDP 6.5 years (6.2 years YE22) and P+P 11.0 years (11.1 years YE22)

Reserves	PDP	Proven	Proven + Probable
Oil (MMboe)	11.9	14.7	27.8
Gas (MMboe)	10.9	11.6	18.3
NGL (MMboe)	3.6	3.9	8.4
<b>Total (MMboe)</b>	<b>26.3</b>	<b>30.3</b>	<b>54.5</b>

Value (\$million)	PDP	Proven	Proven + Probable
BTaxNPV <sup>10</sup>	\$906	\$1,098	\$1,769
ATaxNPV <sup>10</sup>	\$800	\$946	\$1,454

Reserves Life Index	PDP	Proven	Proven + Probable
RLI (years)	6.5	6.6	11.0

Volumes	PDP	Proven	Proven + Probable
Oil	45%	49%	51%
Gas	41%	38%	34%
NGL	14%	13%	15%

# Advisories

## Forward-Looking Statements

This presentation offers our assessment of Freehold's future plans and operations as at July 31, 2024 and contains forward-looking information or statements (collectively, "forward-looking statements" or "forward-looking information") within the meaning of applicable securities legislation. All statements, other than statements of historical fact included in this presentation, which address activities, events or developments that Freehold expects or anticipates to occur in the future, are forward-looking statements. Forward-looking statements often contain terms such as may, will, should, anticipate, expect, continue, estimate, believe, project, forecast, plan, intend, target, outlook, focus, could and similar words suggesting future outcomes or statements regarding an outlook

More particularly, this presentation contains, without limitation, forward-looking statements pertaining to the following: Freehold's business plan; dividend yield, annualized dividend and operating forecasts; estimated 2024 production ranges and estimated 2024 production per millions of shares; estimated 2024 annual dividend payment and ongoing future dividend payout ratios; expected ability to maintain current dividend levels; estimated 2024 cash flow per boe; expectations with respect to growth opportunities resulting from the fragmented and private mineral title ownership structure in the US; expectations with respect to growth trends for emerging targets in the Midland; forecasted revenue recovery on US investments and the timeline associated therewith; expectations with respect to growth from the Company's leasing portfolio in 2024 and that drilling associated with leasing activity in 2023 and H1 2024 will serve as a key growth driver in 2024; expectations that Freehold's dividend remains sustainable at oil and natural gas prices materially below current commodity price levels; Freehold's 2024 guidance; payor quality and liquids weighting, providing meaningful uplift to Freehold's average realized price; expectations regarding growth in production; expectations regarding operating margins; expectations regarding Freehold's capacity to fund future growth; expectations regarding future free fund flows; estimates regarding oil pricing; expectations regarding growth in the Midlands and in leasing opportunities elsewhere; our beliefs relating to leasing activity with private and public junior companies, and their continued growth; our expectation that our portfolio enables us to provide consistent and sustainable returns to our shareholders while retaining optionality to fund future growth initiatives; our expectations that gains in commodity prices and the relative strength of Freehold's royalty payors will drive activity on North American royalty lands through the remainder of the year; expectations with respect to drilling activity in Canada and the U.S. for the remainder of the year; that our dividend will remain sustainable at oil and natural gas prices materially below current commodity price levels; our expectation that we will maximize Freehold's royalty interests through a comprehensive audit and compliance program; anticipated 2024 production and the estimated commodity weighting of such production; expectations as to focus areas in Canada and the United States; and similar statements.

This forward-looking information is provided to allow readers to better understand our business and prospects and may not be suitable for other purposes. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond our control, including: volatility in market prices for crude oil, NGLs and natural gas; our belief that payors developing Freehold's assets provide enhanced sustainability to future returns for our investors; the impacts of the Israeli-Hamas and Russian-Ukraine conflicts and associated sanctions on the global economy and commodity prices; geopolitical instability; political instability; inflationary pressures; future capital expenditure by Freehold; future capital expenditure levels by other royalty payor; future production levels; future exchange rates; future tax rates; future legislation; the cost of developing and expanding our assets; the impacts of inflation and supply chain shortages on the operations of our industry partners and royalty payors; our ability and the ability of our industry partners and royalty payors to obtain equipment in a timely manner to carry out development activities; our ability to market our product successfully to current and new customers; our expectation for the consumption of crude oil, NGLs and natural gas; our expectation for industry drilling levels on our royalty lands; the impact of competition; our ability to obtain financing on acceptable terms; our ability to add production and reserves through our development and acquisitions activities; lack of pipeline capacity; currency fluctuations; changes in income tax laws or changes in tax laws, regulations, royalties, or incentive programs relating to the oil and gas industry; reliance on royalty payors to drill and produce on our lands and their ability to pay their obligations; uncertainties or imprecision associated with estimating oil and gas reserves; stock market volatility; our ability to access sufficient capital from internal and external sources; a significant or prolonged downturn in general economic conditions or industry activity; incorrect assessments of the value of acquisitions; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; geological, technical, drilling, and processing problems; unanticipated litigation; and environmental risks and liabilities inherent in oil and gas operations. Risks are described in more detail in Freehold's annual information form for the year ended December 31, 2023 which is available under Freehold's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Key operating assumptions with respect to the forward-looking statements contained in this presentation are provided throughout this presentation. In addition, with respect to forward-looking statements contained in this presentation, we have made assumptions regarding, among other things, future commodity prices, future capital expenditure levels, future production levels, future exchange rates, future tax rates, future legislation, the cost of developing and producing our assets, our ability and the ability of our lessees to obtain equipment in a timely manner to carry out development activities, our ability to market our oil and gas successfully to current and new customers, our expectation for the consumption of crude oil and natural gas, our expectation for industry drilling levels, assumptions as to expected performance of current and future wells drilled by our royalty payors, our ability to obtain financing on acceptable terms, shut-in production, production additions from our audit function and our ability to add production and reserves through development and acquisition activities. You are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits we will derive from them. The forward-looking information contained herein is expressly qualified by this cautionary statement. To the extent any guidance or forward-looking statements herein constitute a future-oriented financial information and financial outlook information (collectively "FOFI"), they are included herein to provide readers with an understanding of management's plans and assumptions for budgeting purposes and readers are cautioned that the information may not be appropriate for other purposes. Any FOFI included in this presentation is subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. FOFI contained in this presentation was made as of the date of this presentation and was provided for the purpose of providing further information about the Company's future business operations. Our policy for updating forward-looking statements and FOFI is to update our key operating assumptions quarterly and, except as required by law, we do not undertake to update any other forward-looking statements or FOFI. You are further cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates may change, having either a positive or negative effect on net income, as further information becomes available and as the economic environment changes.

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## Third-Party Information

Certain market, third party and industry data contained in this presentation is based upon information from government or other industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Company has not conducted its own independent verification of such information. No representation or warranty of any kind, express or implied, is made by the Company as to the accuracy or completeness of the information contained in this document, and nothing contained in this report is, or shall be relied upon as, a promise or re-report by the Company.

## Disclosure of Crude Oil and Natural Gas Information

This presentation contains metrics commonly used in the crude oil and natural gas industry. These metrics do not have standardized meanings and may not be comparable to similar metrics disclosed by other issuers. See "Non-GAAP Financial Measures and Ratios and Other Financial Measures" in this presentation and the definitions of Reserve Life Index (or RLI), Reserves Replacement and Implied Development Years below. Management uses these metrics for its own performance measurements and to provide shareholders with measures to compare Freehold's performance over time; however, such measures are not reliable indicators of Freehold's future performance and future performance may not compare to the performance in previous periods. Reserve Life Index is calculated by taking net reserves from the report dated January 29, 2024 prepared by Trimble Engineering Associates Ltd., evaluating our Canadian oil, natural gas, natural gas liquids, and sulphur reserves as at December 31, 2023 (the "Trimble Report") and the report dated January 25, 2024 prepared by RSC Group, Inc., evaluating our U.S. oil, natural gas and natural gas liquids reserves as at December 31, 2023 (the "Ryder Scott Report") and dividing them by the aggregate projected 2024 production as estimated in the Trimble Report and Ryder Scott Report, as applicable. Reserves Replacement is calculated by dividing the reserves additions for the year (either proved or proved plus probable) by the production for such year. Implied Development Years is calculating by dividing the estimated gross undeveloped drilling locations divided by the gross number of wells drilled in 2023.

This presentation contains estimates of the net present value ("NPV") of the Company's future net revenue from reserves associated with Freehold's assets. Such amounts do not represent the fair market value of such reserves. The recovery and reserve estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. The NPV of the assets' base production is a snapshot in time and is based on the reserves evaluated using applicable pricing assumptions from the Trimble Report and the Ryder Scott Report. The NPV has been calculated using a discount rate of 10% on both a before-tax and after-tax basis. It should not be assumed that the undiscounted or discounted NPV of future net revenue attributable to the assets represents the fair market value of those assets. The estimates for reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties due to the effects of aggregation. The recovery and reserve estimates of crude oil, natural gas liquids and natural gas reserves are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates relied upon for NPV calculations, herein. For additional information related to the evaluation of Freehold's reserves and associated NPV as at December 31, 2023 as presented in the Trimble Report and the Ryder Scott Report see Freehold's annual information form for the year ended December 31, 2023 which is available under Freehold's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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## Production

Except as otherwise indicated, all production disclosed herein is considered net production for the purposes of National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, which includes Freehold's working interest (operating and non-operating) share after deduction of royalty obligations, plus our royalty interests. Since Freehold has minimal working interest production, net production is substantially equivalent to Freehold's royalty interest production. In Q2 2024, Freehold's net production of 15,221 boe/d consisted of 43% of light and medium oil, 9% of heavy oil, 12% of natural gas liquids and 36% of natural gas. In Q1 2024, Freehold's net production of 14,714 boe/d consisted of 42% of light and medium oil, 8% of heavy oil, 13% of natural gas liquids and 37% of natural gas. In Q2 2023, Freehold's net production of 14,667 boe/d consisted of 41% of light and medium oil, 8% of heavy oil, 13% of natural gas liquids and 38% of natural gas. Freehold's forecast 2024 production is expected to consist of 8% heavy oil, 42% light and medium oil, 13% NGLs and 37% natural gas.

Canada	H1 2024 Prod (boe/d)	% Light, Medium & Heavy Oil	% NGLs	% Natural Gas
Viking	1,300	73%	6%	21%
SE Sask	1,100	88%	5%	7%
Cardium	1,100	31%	16%	52%
Mannville Stack	800	89%	1%	10%
Deep Basin	1,800	8%	15%	77%
Clearwater	450	94%	-	6%
<b>Total CAD</b>	<b>9,608</b>	<b>46%</b>	<b>10%</b>	<b>44%</b>

U.S.	H1 2024 Prod (boe/d)	% Light and Medium Oil	% NGLs	% Natural Gas
Eagle Ford	2,400	63%	19%	18%
Midland	2,050	66%	17%	17%
Delaware	380	56%	19%	25%
North Dakota	250	61%	15%	24%
<b>Total U.S.</b>	<b>5,360</b>	<b>61%</b>	<b>18%</b>	<b>21%</b>

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## Drilling Locations

This Presentation discloses anticipated future drilling or development locations associated with Freehold assets. Certain locations have been identified as booked locations as proved and/or probable reserves have been attributed to such locations in the Trimble Report or Ryder Scott Report. The remaining locations are currently considered unbooked locations. Unbooked locations are generated by internal estimates of Freehold management based on prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Unbooked locations have been identified by management as an estimation of the multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, historic drilling, production, commodity price assumptions and reserves information. There is no certainty that all unbooked drilling locations will be drilled and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. Freehold has no control on whether any wells will be actually drilled in respect of such unbooked locations. The drilling locations on which wells are actually drilled will ultimately depend upon the capital allocation decisions of royalty payors who have working interests in respect of such drilling locations and a number of other factors including, without limitation, availability of capital, regulatory approvals, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

## Conversion of Natural Gas to Barrels of Oil Equivalent (BOE)

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil ("boe"). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 barrel). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures, it does not accurately reflect individual product values and might be misleading, particularly if used insolation. As well, given the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.

## Non-GAAP Financial Measures and Ratios and Other Financial Measures

Within this presentation, references are made to terms commonly used as key performance indicators in the oil and gas industry. We believe that netback, dividend payout ratio, cash costs and return on capital employed are useful supplemental measures for management and investors to analyze operating performance, financial leverage, and liquidity, and we use these terms to facilitate the understanding and comparability of our results of operations and financial position. However, these terms do not have any standardized meanings prescribed by generally accepted accounting principles ("GAAP") and therefore may not be comparable with the calculations of similar measures for other entities.

Netback, which is calculated on a boe basis as average realized price less production and ad valorem taxes, operating expenses, general and administrative expenses and cash-based interest charges and share-based payouts, represents the per boe cash flow amount allowing the Company to benchmark how changes in commodity pricing, net of production and ad valorem taxes, and our cash-based cost structure compare against prior periods.

Dividend payout ratios are often used for dividend paying companies in the oil and gas industry to identify dividend levels in relation to funds from operations that are also used to finance debt repayments and/or acquisition opportunities. Dividend payout ratio is calculated as dividends paid as a percentage of funds from operations.

Cash costs, which is also calculated on a boe basis, is comprised of recurring cash based costs, excluding taxes, reported on the statements of operations. For Freehold, cash costs are identified as operating expense, general and administrative expense and cash-based interest and financing charges and share-based pay outs. Cash costs allow Freehold to benchmark how changes in its manageable cash-based cost structure compare against prior periods.

Return on Capital Employed ("ROCE") is a non-GAAP ratio and is calculated as earnings before taxes divided by total shareholders' equity plus long-term debt. ROCE is a useful measure, and management uses this metric as it demonstrates the return that the Company achieves on the capital it employs in its business.

For further information related to these non-GAAP terms, including details of how these measures are calculated, see our most recent management's discussion and analysis, which is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and is incorporated herein.

This presentation also contains the capital management measures of net debt, capitalization and net debt to trailing funds from operations as defined in Note 13 to the March 31, 2024, unaudited condensed consolidated financial statements.

## Initial Production Rates and Type Curves

Any references in this presentation to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Freehold. Freehold has presented certain type curves and expected production rates (including IP 365) for certain areas where Freehold has an interest. The type curves and expected production rates presented are based on historical production in the area. Such type curves and expected production rates are useful in understanding management's assumptions of well performance in making investment decisions; however, such type curves and expected production rates are not necessarily determinative of the production rates and performance of existing and future wells and such type curves do not necessarily reflect the type curves used by our independent qualified reserves evaluators in estimating our reserves volumes.

# INVESTOR PRESENTATION

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