

NEWS RELEASE

TSX: FRU

Freehold Royalties Announces First Quarter Results

CALGARY, ALBERTA, (GLOBE NEWSWIRE – May 6, 2024) – Freehold Royalties Ltd. (Freehold or the Company) (TSX:FRU) announces first quarter results for the period ended March 31, 2024.

President's Message

- \$74 million in revenue;
- \$54 million in funds from operations (\$0.36/share)⁽¹⁾;
- \$41 million in dividends paid (\$0.27/share);
- 14,714 boe/d total production (63% oil and NGL and 37% natural gas);
 - 9,593 boe/d in Canada (56% oil and NGL and 44% natural gas);
 - 5,121 boe/d in the U.S. (78% oil and NGL and 22% natural gas); and
- \$54.81/boe average realized price (\$69.19/boe in the U.S. and \$47.13/boe in Canada).

Our North American portfolio continues to attract drilling activity with 300 gross (6.4 net) wells drilled on our royalty lands in Q1-2024, a 15% increase over the previous quarter. Leasing of our mineral title lands continues to be active with 20 new leases signed this quarter in Canada, continuing the momentum from the record 122 leases signed in 2023.

With our oil weighted portfolio, and the premium pricing received on our U.S. assets (\$69.19/boe in the U.S. compared to \$47.13/boe in Canada), we achieved top tier realized pricing of \$54.81/boe. Weaker natural gas pricing and wider Canadian light oil differentials resulted in 5% lower realized pricing than the previous quarter.

Production for the quarter of 14,714 boe/d was impacted by severe weather-related events in Canada and in the Eagle Ford and Bakken basins in the U.S.

Canadian production of 9,593 boe/d was relatively unchanged from Q4-2023 despite the outages associated with the extreme cold snap in January, as robust production additions from new drills contributed meaningful volumes in the quarter.

In the U.S., Midland production was up 18% quarter-over-quarter and Delaware was up 59%, due in part to the previously announced acquisitions that contributed approximately 400 boe/d in the quarter, in-line with expectations. These production additions offset the volumes lost to severe weather in January.

Our portfolio showed a strong recovery from these unplanned outages with the second half of the quarter above 15,000 boe/d. We reiterate our full year guidance of 14,700 – 15,700 boe/d.

Following the closing of the Permian acquisitions in January, Freehold exited the quarter with net debt of \$211 million or 0.9x trailing funds from operations. Our high margin, oil weighted portfolio enables us to provide consistent and sustainable returns to our shareholders while retaining optionality to fund future growth initiatives.

David M. Spyker, President and Chief Executive Officer

Operating and Financial Highlights

| FINANCIAL (\$ millions, except as noted) | Q1-2024 | Q4-2023 | Q1-2023 |
|---|-----------------|----------------|----------------|
| West Texas Intermediate (US\$/bbl) | 76.96 | 78.32 | 76.13 |
| AECO 7A Monthly Index (Cdn\$/Mcf) | 2.07 | 2.70 | 4.34 |
| Royalty and other revenue | 74.3 | 80.1 | 76.6 |
| Funds from operations ⁽³⁾ | 54.4 | 62.8 | 58.6 |
| Funds from operations per share, basic & diluted (\$) ⁽¹⁾⁽³⁾ | 0.36 | 0.42 | 0.39 |
| Dividends paid per share (\$) ⁽²⁾ | 0.27 | 0.27 | 0.27 |
| Dividend payout ratio (%) ⁽³⁾ | 75% | 65% | 69% |
| Long-term debt | 223.6 | 123.0 | 159.1 |
| Net debt ^{(5) (6)} | 210.5 | 100.9 | 122.3 |
| Net debt to trailing funds from operations (times) ⁽⁵⁾ | 0.9x | 0.4x | 0.4x |
| OPERATING | | | |
| Total production (boe/d) ⁽⁴⁾ | 14,714 | 14,863 | 14,724 |
| Canadian production (boe/d) ⁽⁴⁾ | 9,593 | 9,659 | 9,822 |
| U.S. production (boe/d) ⁽⁴⁾ | 5,121 | 5,204 | 4,902 |
| Oil and NGL (%) | 63% | 63% | 62% |
| Petroleum and natural gas realized price (\$/boe) ⁽⁴⁾ | 54.81 | 57.94 | 56.99 |
| Cash costs (\$/boe) ⁽³⁾⁽⁴⁾ | 7.19 | 4.73 | 5.82 |
| Netback (\$/boe) ^{(3) (4)} | 46.62 | 52.59 | 50.79 |
| ROYALTY INTEREST DRILLING (gross / net) | | | |
| Canada | 132/ 5.9 | 120/ 3.8 | 175/ 6.9 |
| U.S. | 168/ 0.5 | 142/ 0.7 | 174/ 0.8 |

(1) Weighted average number of shares outstanding during the period, basic

(2) Based on the number of shares issued and outstanding at each record date

(3) See Non-GAAP and Other Financial Measures

(4) See Conversion of Natural Gas to Barrels of Oil Equivalent (boe)

(5) Net debt and net debt to trailing funds from operations are capital management measures

(6) The Q1-2023 and Q4-2023 balances have been restated due to the retrospective adoption of IAS 1 (see note 2 of March 31, 2024, unaudited condensed consolidated financial statements)

Dividend Announcement

The Board of Directors of Freehold has declared a monthly dividend of \$0.09 per share to be paid on June 17, 2024, to shareholders of record on May 31, 2024. The dividend is designated as an eligible dividend for Canadian income tax purposes.

First Quarter Highlights

- Royalty and other revenue totalled \$74.3 million, down 7% versus the previous quarter reflecting 23% lower natural gas prices and 8% lower Edmonton Light sweet crude pricing as differentials widened in Q1-2024.
- Freehold's corporate realized price was \$54.81/boe. Freehold continues to benefit from leverage to crude oil and NGL (90% of first quarter revenue) and North American exposure with more favourable U.S. realized pricing of \$69.19/boe, 47% higher than the realized price in Canada (\$47.13/boe) for Q1-2024.

- Recorded a netback⁽¹⁾ of \$46.62/boe during the period, down 11% versus the previous quarter reflecting higher interest costs from incremental borrowings for the U.S. acquisitions, along with share based compensation pay-outs to non-management directors and the payout of our short-term incentive program to employees which occurs in the first quarter.
- Funds from operations totalled \$54.4 million (\$0.36/share)⁽¹⁾.
- Dividends declared for Q1-2024 totaled \$40.7 million (\$0.27 per share). Freehold's dividend payout ratio⁽¹⁾ for Q1-2024 was 75%, reflecting lower natural gas and Canadian light oil prices and slightly higher cash costs. Freehold's dividend remains sustainable at oil and natural gas prices materially below current commodity price levels.
- Average production of 14,714 boe/d in Q1-2024 was relatively unchanged versus the previous quarter with oil and NGL production representing 63% of total corporate production.
- Freehold closed two transactions acquiring high quality Permian mineral title and royalty assets located in the Midland and Delaware basins in Texas and New Mexico for \$116.2 million, after customary adjustments. Production associated with these acquisitions is forecast to average 600 boe/d in 2024, increasing Freehold's Permian production by 30% and the Company's U.S. production by 12%.
- Net debt⁽¹⁾⁽²⁾ of \$210.5 million at the end of Q1-2024 increased by \$109.6 million from the previous quarter and reflected 0.9 times trailing funds from operations during the period. The increase versus the previous quarter reflected acquisitions completed during the period.

(1) See Non-GAAP and Other Financial Measures

(2) The December 31, 2023 net debt balance has been restated due to the retrospective adoption of IAS 1 (see note 2 of March 31, 2024 unaudited condensed consolidated financial statements)

Drilling and Leasing Activity

In total, 300 gross wells were drilled on Freehold's royalty lands in Q1-2024, a 15% increase over the previous quarter. The increase quarter-over-quarter reflects strength in crude oil prices and the high-quality location of Freehold's acreage in the most active basins across North America.

On a gross measure, 99% of prospects drilled during the quarter targeted oil. Approximately 44% of wells drilled in the quarter were in Canada (80% on Freehold's gross overriding lands and 20% targeted mineral title prospects); and 56% targeted Freehold's U.S. royalty acreage (67% drilled on mineral title lands).

| | Q1-2024 | | Q4-2023 | | Q1-2023 | |
|----------------------|------------|--------------------|---------|--------------------|---------|--------------------|
| | Gross | Net ⁽¹⁾ | Gross | Net ⁽¹⁾ | Gross | Net ⁽¹⁾ |
| Canada | 132 | 5.9 | 120 | 3.8 | 175 | 6.9 |
| United States | 168 | 0.5 | 142 | 0.7 | 174 | 0.9 |
| Total | 300 | 6.4 | 262 | 4.5 | 349 | 7.7 |

(1) Equivalent net wells are aggregate of the numbers obtained by multiplying each gross well by our royalty interest percentage

Canada

During Q1-2024, 132 gross wells were drilled on Freehold's Canadian lands, a 10% increase over the previous quarter and a 55% increase on a net basis. Top focus areas were oil weighted plays in the Viking, Cardium, Clearwater and Mississippian. Additionally, there was an increase in heavy oil drilling in the Mannville stack in both Alberta and Saskatchewan, the result of recent leasing activity.

During Q1-2024, Freehold entered into 20 new leases with 12 counterparties. The majority of this new leasing focus was in southeast Saskatchewan and the Mannville stack. Approximately 75% of 2024 leasing activity has been associated with private and public junior companies.

U.S.

During Q1-2024, 168 gross wells were drilled on Freehold’s U.S. royalty lands, an 18% increase over the previous quarter. Approximately 73% of total drilling occurred in the Permian and 27% in the Eagle Ford. Development of Freehold’s U.S. lands was led by a diverse group of investment grade public companies and growth oriented public and private operators.

Board of Director Changes at the Annual Meeting of Shareholders

Peter Harrison will not be standing for re-election and will retire from Freehold’s Board of Directors (the Freehold Board). Mr. Harrison is a founder of Freehold and has been a Freehold Board member since its Initial Public Offering in 1996 and has been instrumental in the growth and success of the Company. We thank Peter for his years of service and contribution to Freehold.

Kimberly Lynch Proctor will be standing for election to the Freehold Board. Ms. Lynch Proctor is an independent businesswoman and an experienced tax lawyer, accountant and executive with over 25 years of industry experience.

Mathieu Roy will also be standing for election to the Freehold Board. Mr. Roy is currently Managing Director, Real Assets at CN Investment Division. He has over 20 years of experience in capital markets including 16 years at CN Investment Division.

Sylvia Barnes will not be standing for re-election to the Freehold Board. We thank Sylvia for the many contributions she has made to the Company.

Annual Meeting of Shareholders

Freehold’s annual meeting of Shareholders will be conducted in person and via live audio webcast <https://pres.isilive.ca/event/Freehold-Royalties> at 3:00 PM (MT) on Tuesday May 7, 2024 at the Calgary Petroleum Club.

Further details are available on our website at <https://freeholdroyalties.com/investors/events-and-presentations/>.

Conference Call Details

A webcast to discuss financial and operational results for the period ended March 31, 2024, will be held for the investment community on Tuesday May 7, 2024, beginning at 7:00 AM MT (9:00 AM ET).

A live audio webcast will be accessible through the link below and on Freehold’s website under “Events & Presentations” on Freehold’s website at www.freeholdroyalties.com.

To participate in the conference call, you are asked to register at the link provided below.

Live Audio Webcast URL: <https://edge.media-server.com/mmc/p/ex8isuky>

A dial-in option is also available and can be accessed by dialing 1-800-952-5114 (toll-free in North America) participant passcode is 4155008#.

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Select Quarterly Information

| | 2024 | | 2023 | | 2022 | | | |
|--|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Financial (\$millions, except as noted) | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Royalty and other revenue | 74.3 | 80.1 | 84.2 | 73.7 | 76.6 | 98.5 | 98.4 | 108.5 |
| Net Income (loss) | 34.0 | 34.3 | 42.3 | 24.3 | 31.1 | 40.7 | 63.2 | 66.9 |
| Per share, basic (\$) ⁽¹⁾ | 0.23 | 0.23 | 0.28 | 0.16 | 0.21 | 0.27 | 0.42 | 0.44 |
| Cash flows from operations | 52.5 | 70.7 | 53.7 | 49.9 | 42.6 | 82.7 | 99.9 | 75.4 |
| Funds from operations | 54.4 | 62.8 | 65.3 | 53.0 | 58.6 | 80.0 | 80.8 | 83.8 |
| Per share, basic (\$) ⁽¹⁾⁽³⁾ | 0.36 | 0.42 | 0.43 | 0.35 | 0.39 | 0.53 | 0.54 | 0.56 |
| Acquisitions & related expenditures | 121.5 | 2.1 | 1.2 | 3.2 | 4.3 | 7.2 | 161.7 | 20.7 |
| Dividends paid | 40.7 | 40.7 | 40.7 | 40.7 | 40.7 | 40.7 | 37.7 | 36.2 |
| Per share (\$) ⁽²⁾ | 0.27 | 0.27 | 0.27 | 0.27 | 0.27 | 0.27 | 0.25 | 0.24 |
| Dividends declared | 40.7 | 40.7 | 40.7 | 40.7 | 40.7 | 40.7 | 39.2 | 36.2 |
| Per share (\$) ⁽²⁾ | 0.27 | 0.27 | 0.27 | 0.27 | 0.27 | 0.27 | 0.26 | 0.24 |
| Dividend payout ratio (%) ⁽³⁾ | 75% | 65% | 62% | 77% | 69% | 51% | 47% | 43% |
| Long-term debt | 223.6 | 123.0 | 141.2 | 152.0 | 159.1 | 156.6 | 196.9 | 86.0 |
| Net debt ⁽⁵⁾ | 210.5 | 100.9 | 113.4 | 136.9 | 122.3 | 135.5 | 166.4 | 39.7 |
| Shares outstanding, period end (000s) | 150.7 | 150.7 | 150.7 | 150.7 | 150.7 | 150.7 | 150.7 | 150.6 |
| Average shares outstanding (000s) ⁽¹⁾ | 150.7 | 150.7 | 150.7 | 150.7 | 150.7 | 150.7 | 150.6 | 150.6 |
| Operating | | | | | | | | |
| Light and medium oil (bbl/d) | 6,094 | 6,308 | 6,325 | 6,093 | 6,102 | 6,418 | 5,935 | 5,378 |
| Heavy oil (bbl/d) | 1,300 | 1,182 | 1,127 | 1,167 | 1,253 | 1,218 | 1,190 | 1,239 |
| NGL (bbl/d) | 1,884 | 1,878 | 1,678 | 1,845 | 1,788 | 1,781 | 1,708 | 1,613 |
| Total liquids (bbl/d) | 9,278 | 9,368 | 9,130 | 9,105 | 9,143 | 9,417 | 8,833 | 8,230 |
| Natural gas (Mcf/d) | 32,617 | 32,968 | 32,851 | 33,372 | 33,486 | 33,744 | 32,319 | 31,336 |
| Total production (boe/d) ⁽⁴⁾ | 14,714 | 14,863 | 14,605 | 14,667 | 14,724 | 15,041 | 14,219 | 13,453 |
| Oil and NGL (%) | 63% | 63% | 63% | 62% | 62% | 63% | 62% | 61% |
| Petroleum & natural gas realized price (\$/boe) ⁽⁴⁾ | 54.81 | 57.94 | 61.55 | 54.05 | 56.99 | 69.76 | 74.31 | 87.55 |
| Cash costs (\$/boe) ⁽³⁾⁽⁴⁾ | 7.19 | 4.73 | 5.10 | 7.19 | 5.82 | 5.17 | 3.62 | 8.38 |
| Netback (\$/boe) ⁽³⁾⁽⁴⁾ | 46.62 | 52.59 | 55.63 | 46.07 | 50.79 | 63.92 | 69.77 | 78.80 |
| Benchmark Prices | | | | | | | | |
| West Texas Intermediate crude oil (US\$/bbl) | 76.96 | 78.32 | 82.26 | 73.78 | 76.13 | 82.64 | 91.56 | 108.41 |
| Exchange rate (Cdn\$/US\$) | 1.35 | 1.36 | 1.34 | 1.34 | 1.35 | 1.35 | 1.30 | 1.28 |
| Edmonton Light Sweet crude oil (Cdn\$/bbl) | 92.14 | 99.69 | 107.89 | 94.97 | 99.03 | 109.83 | 116.85 | 137.79 |
| Western Canadian Select crude oil (Cdn\$/bbl) | 77.77 | 76.96 | 93.05 | 78.76 | 69.31 | 77.08 | 93.49 | 122.09 |
| Nymex natural gas (US\$/Mcf) | 2.33 | 2.96 | 2.64 | 2.17 | 3.30 | 6.03 | 8.20 | 7.17 |
| AECO 7A Monthly Index (Cdn\$/Mcf) | 2.07 | 2.70 | 2.42 | 2.40 | 4.34 | 5.58 | 5.50 | 6.27 |

(1) Weighted average number of shares outstanding during the period, basic

(2) Based on the number of shares issued and outstanding at each record date

(3) See Non-GAAP and Other Financial Measures

(4) See Conversion of Natural Gas to Barrels of Oil Equivalent (boe)

(5) The previously reported balances have been restated due to the retrospective adoption of IAS 1 (see note 2 of March 31, 2024 unaudited condensed consolidated financial statements)

Forward-Looking Statements

This news release offers our assessment of Freehold's future plans and operations as of May 6, 2024, and contains forward-looking statements that we believe allow readers to better understand our business and prospects. These forward-looking statements include our expectations for the following:

- 2024 production guidance;
- expectations with respect to 2024 production from the U.S. assets acquired in January 2024;
- that our dividend will remain sustainable at oil and natural gas prices materially below current commodity price levels;
- expectations with respect to directors standing for election at the Annual General Meeting; and
- other similar statements.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our control, including general economic conditions, inflation and supply chain issues, the impacts of conflicts in the middle-east and eastern Europe on commodity prices and the world economy, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, royalties, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, the failure to complete acquisitions on the timing and terms expected, the failure to satisfy conditions of closing for any acquisitions, the lack of availability of qualified personnel or management, stock market volatility, our inability to come to agreement with third parties on prospective opportunities and the results of any such agreement and our ability to access sufficient capital from internal and external sources. Risks are described in more detail in our Annual Information Form for the year-ended December 31, 2023, available at www.sedarplus.ca.

With respect to forward-looking statements contained in this news release, 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, the quality of our counterparties and the plans thereof, 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, the performance of current wells and future wells drilled by our royalty payors, our expectation for the consumption of crude oil and natural gas, our expectation for industry drilling levels, our ability to obtain financing on acceptable terms, shut-in production, production additions from our audit function, our ability to execute on prospective opportunities and our ability to add production and reserves through development and acquisition activities. Additional operating assumptions with respect to the forward-looking statements referred to above are detailed in the body of this news release.

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 statements. Our actual results, performance, or achievement could differ materially from those expressed in, or implied by, these forward-looking statements. 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 in this document is expressly qualified by this cautionary statement. To the extent any guidance or forward-looking statements herein constitute a financial outlook, 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. Our policy for updating forward-looking statements 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.

You are further cautioned that the preparation of financial statements in accordance with International Financial Reporting Standards (IFRS), which are the Canadian generally accepted accounting principles (GAAP) for publicly accountable enterprises, 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.

To the extent any guidance or forward-looking statements herein constitutes a financial outlook, 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. You are further cautioned that the preparation of financial statements in accordance with 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.

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 bbl). 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 at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that 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 and Other Financial Measures

Within this news release, references are made to terms commonly used as key performance indicators in the oil and gas industry. We believe that **net revenue, netback, dividend payout ratio, funds from operations per share and cash costs** are useful non-GAAP financial measures and ratios 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. However, these terms do not have any standardized meanings prescribed by GAAP and therefore may not be comparable with the calculations of similar measures for other entities. This news release also contains the capital management measures net debt and net debt to trailing funds from operations, as defined in note 13 to the March 31, 2024, unaudited condensed consolidated financial statements.

Net revenue, which is calculated as revenues less ad valorem and production taxes (as incurred in the U.S. at the state level, largely Texas, which do not charge corporate income taxes but do assess flat tax rates on commodity revenues in addition to property tax assessments) details the net amount Freehold receives from its royalty payors, largely after state withholdings.

The **netback**, which is also calculated on a boe basis, as average realized price less production and ad valorem taxes, operating expenses, general and administrative expense, cash-based management fees, cash-based interest charges and share-based payouts, represents the per boe netback amount which allows us to benchmark how changes in commodity pricing, net of production and ad valorem taxes, and our cash-based cost structure compare against prior periods.

Cash costs, which is calculated on a boe basis, is comprised by the 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, cash-based interest charges, cash-based management fees and share-based

compensation payouts. Cash costs allow Freehold to benchmark how changes in its manageable cash-based cost structure compare against prior periods.

The following table presents the computation of **Net Revenue**, **Cash costs** and the **Netback**:

| \$/boe | Q1-2024 | Q4-2023 | Q1-2023 |
|---|----------------|----------------|----------------|
| Royalty and other revenue | 55.47 | 58.57 | 57.79 |
| Production and ad valorem taxes | (1.66) | (1.25) | (1.18) |
| Net revenue | \$53.81 | \$57.32 | \$56.61 |
| Less: | | | |
| General and administrative expense | (3.57) | (2.90) | (3.91) |
| Operating expense | (0.15) | (0.18) | (0.14) |
| Interest and financing cash expense | (2.79) | (1.65) | (1.77) |
| Management fee-cash settled | (0.06) | - | - |
| Cash payout on share-based compensation | (0.61) | - | - |
| Cash costs | (7.19) | (4.73) | (5.82) |
| Netback | \$46.62 | \$52.59 | 50.79 |

(nm) not meaningful

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 a supplementary measure and is calculated as dividends paid as a percentage of funds from operations.

| (\$000s, except as noted) | Q1-2024 | Q4-2023 | Q1-2023 |
|----------------------------------|-----------------|----------------|----------------|
| Dividends paid | \$40,686 | \$40,686 | \$40,680 |
| Funds from operations | \$54,362 | \$62,804 | \$58,569 |
| Dividend payout ratio (%) | 75% | 65% | 69% |

Funds from operations per share, which is calculated as funds from operations divided by the weighted average shares outstanding during the period, provides direction if changes in commodity prices, cash costs, and/or acquisitions were accretive on a per share basis. Funds from operations per share is a supplementary measure.