

Strategic Midland Basin Acquisition

December 2024

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Disclaimer and Cautionary Statement

A prospectus supplement containing important information relating to the common shares (the "**Common Shares**") of Freehold Royalties Ltd. ("**Freehold**") described in this document has not yet been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec. A copy of the prospectus supplement and the short form base shelf prospectus dated November 13, 2023 (collectively, the "**Prospectus**") is required to be sent and/or made available to investors in accordance with the procedures provided in National Instrument 44-102 – *Shelf Procedures*.

This document does not provide full disclosure of all the material facts relating to the Common Shares offered. Investors should read the Prospectus and any amendments thereto, for disclosure of those facts, especially risk factors relating to Common Shares offered, before making an investment decision. The information contained in this presentation does not purport to contain all information that prospective investors may require. Prospective investors are encouraged to conduct their own analysis and reviews of Freehold and of the information contained in this presentation. Without limitation, prospective investors should read the entire Prospectus, once the prospectus supplement is filed, and consider the advice of their financial, legal, accounting, tax and other advisors and such other factors they consider appropriate in investigating and analyzing Freehold. An investor should rely only on the information contained in the Prospectus and is not entitled to rely on parts of the information contained in, or incorporated by reference into, the Prospectus to the exclusion of others. Freehold has not, and the underwriters have not, authorized anyone to provide investors with additional or different information. If anyone provides an investor with additional or different or inconsistent information the investor should not rely on it.

United States Advisory

This presentation does not represent an offer of the Common Shares for sale in the United States. The Common Shares may not be offered or sold in the United States absent registration or an available exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and applicable U.S. state securities laws. Freehold will not make any public offering of the securities in the United States. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

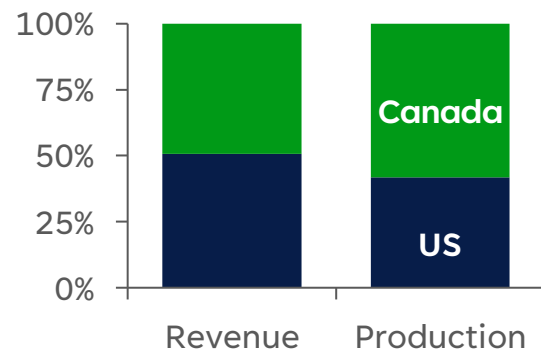
Freehold's Value Proposition

North American Portfolio Overview

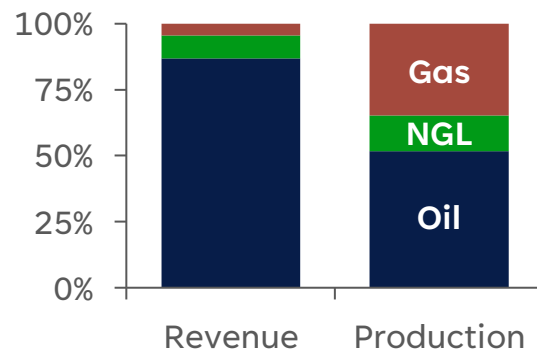
- Exposure to major conventional oil and shale basins with >360 royalty counterparties
- ~6.1 million gross acres in Canada, and ~1.2 million gross drilling acres in the United States
- 7.9% dividend yield¹ supported to ~US\$50/bbl WTI with decades of inventory to sustain and grow cash flow and the dividend



Geographic breakdown



Product breakdown



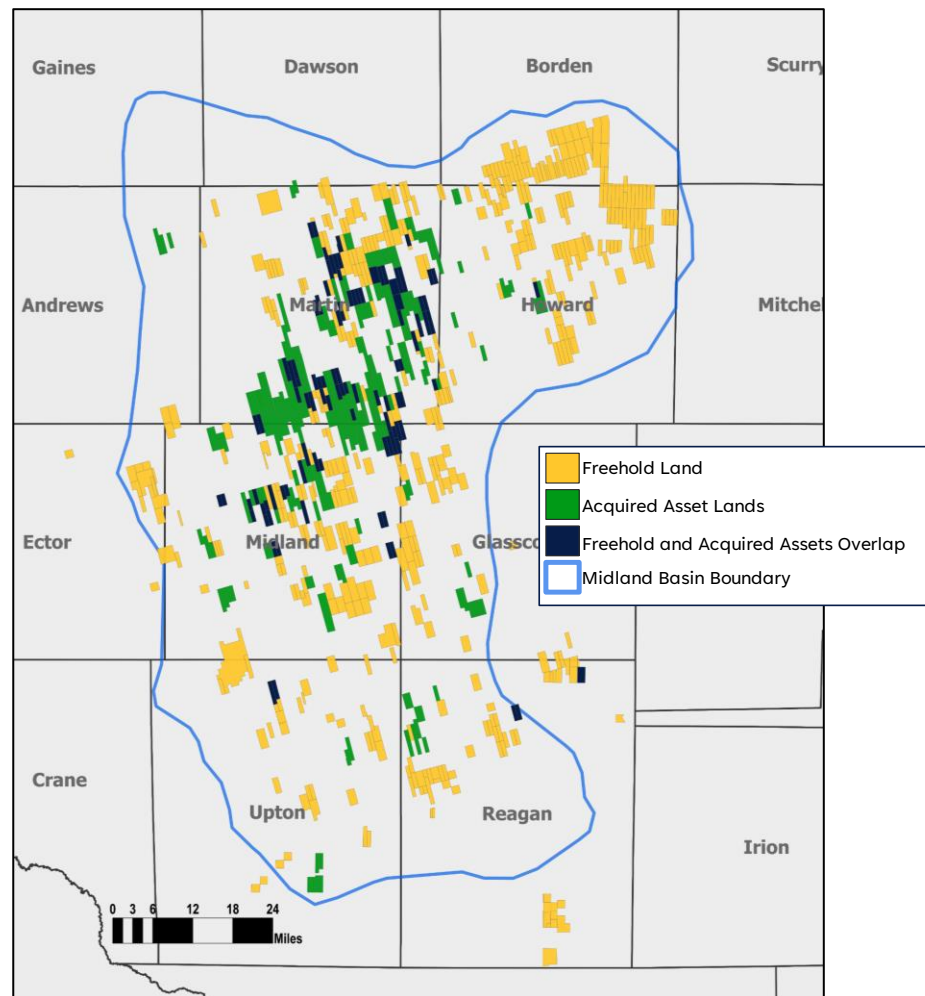
Source | Company Reports

Note | ¹ Based on current monthly dividend of \$0.09 per share and FRU closing share price of \$13.64 on December 6, 2024

\$259 million Acquisition in the Core of the Midland Basin

Strategic Midland Basin Acquisition

Acquired Assets Map



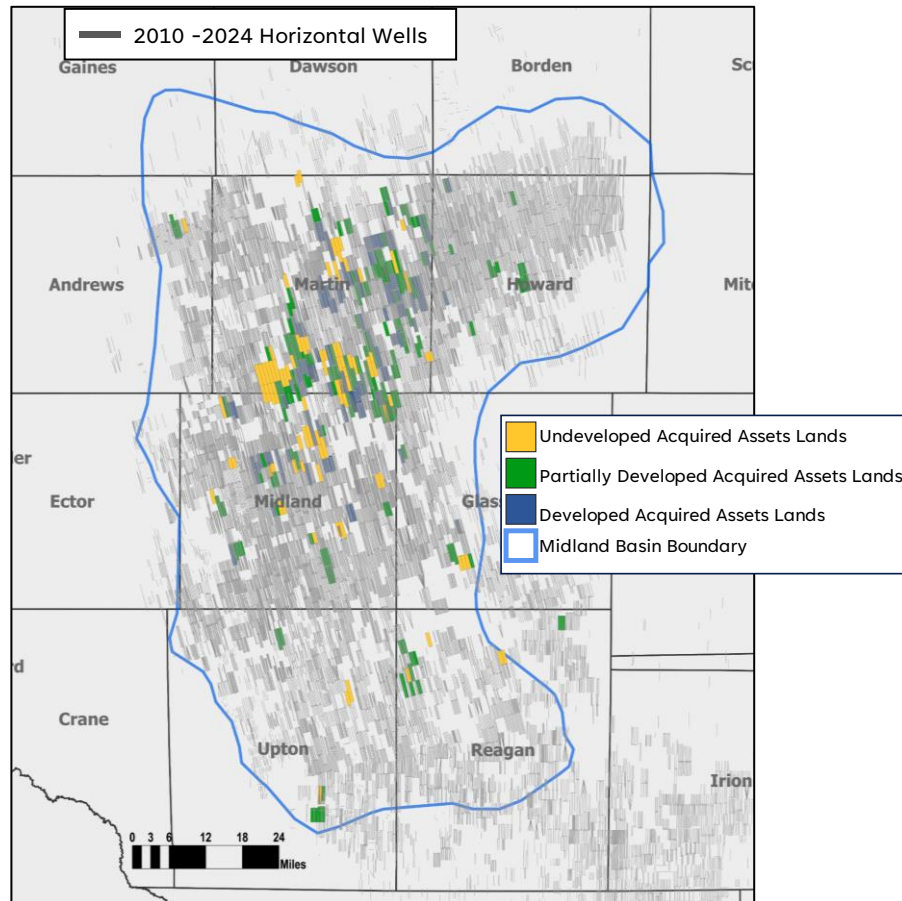
Acquisition Highlights

- ~244,000 gross drilling acres; increasing Freehold's Midland Basin acreage by ~35%
- ~85% of acreage concentrated in core Midland Basin (Martin & Midland counties)
- 2025E: 1,500 – 1,600 boe/d; ~\$37mm of net royalty revenue¹ based on US\$70/bbl WTI
- Oil weighting of 61% vs 51% on Freehold's current corporate production base (2024 YTD)
- 22% higher realized pricing (~\$69/boe vs ~\$56/boe 2024 YTD from Freehold's current corporate asset base)
- Enhances Freehold's alignment with investment grade operators with ~95% of production under ExxonMobil and Diamondback
- Freehold estimates that the Acquisition provides immediate and increasing future accretion on funds flow per share, free cash flow per share and total production and oil production per share
- On Dec 13, Freehold increased its interest in the acquisition - acquiring an additional ~\$43 million interest (total of ~\$259 million)

Positioning Portfolio into Undeveloped Lands Strengthens Future Growth Position

Strategic Midland Basin Acquisition

~25% of the Acquisition is Undeveloped



Note | Undeveloped Acquired Assets Land represents areas where there has been no horizontal well development to date on a drill spacing unit (DSU); Partially Developed means under half of the expected total prospective development inventory on the DSU has been developed with horizontal wells; Developed means over half of the expected total prospective development inventory on the DSU has been developed with horizontal wells

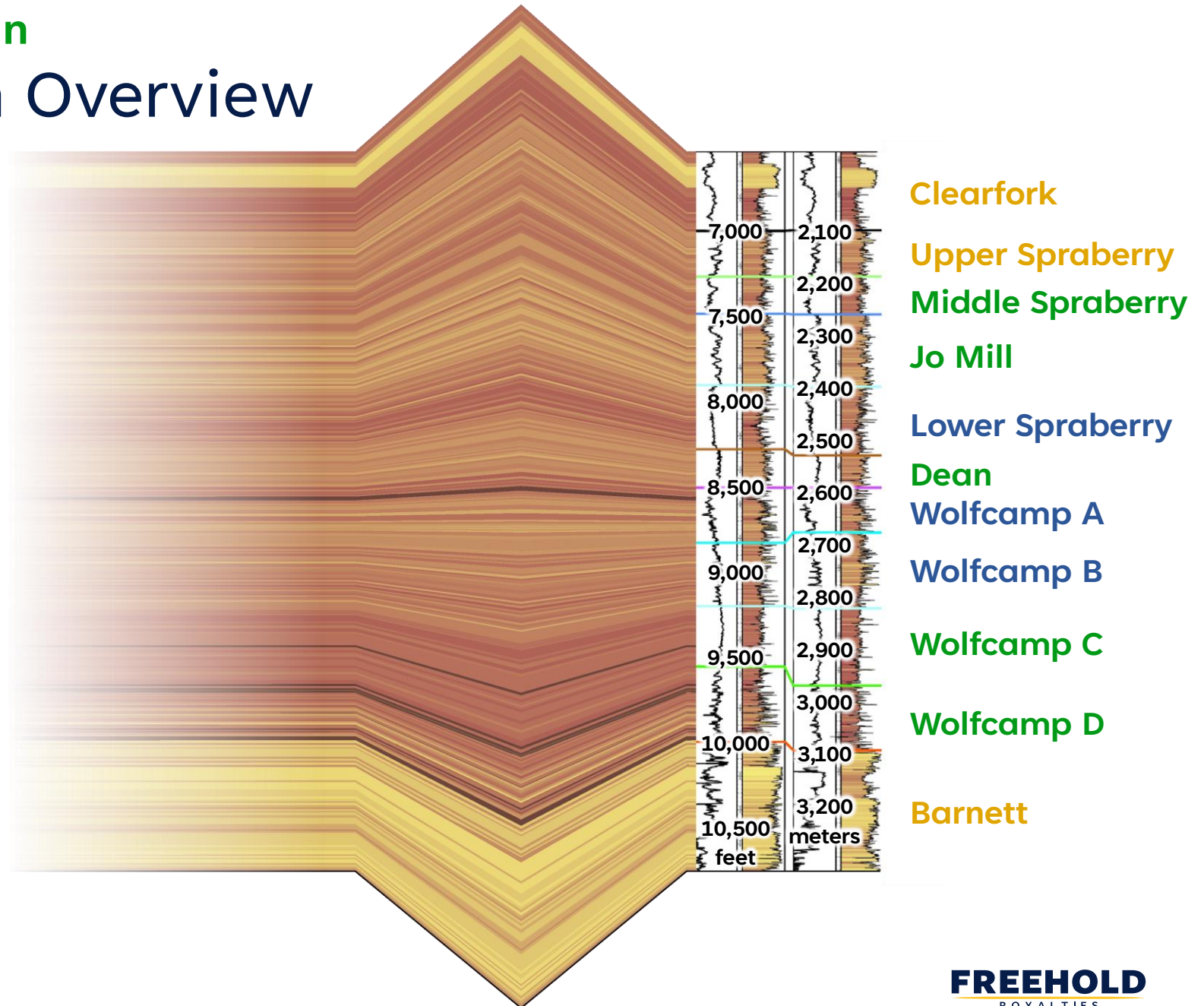
- Significant “white space” DSUs with more than 25% of the Acquired Assets acreage characterized as undeveloped with no prior horizontal drilling activity
 - These lands are positioned to benefit from “cube development”¹ that operators in the Midland Basin are prioritizing to maximize productivity and reserve recovery
- Pro forma, Freehold is **positioned to capture 1-in-every-3** wells spud in the Midland Basin (increase from 1-in-every-6)
- ExxonMobil: ~50% of Freehold’s Midland Basin pro forma production and an interest in >1/3 of Exxon’s operated acreage in core Martin and Midland counties (increase from ~10% prior to the Acquisition)
- Diamondback (FANG): ~11% of Freehold’s Midland Basin pro forma production
 - Strong alignment with Viper Energy's (FANG's royalty subsidiary) land position, having ~75% overlap on FANG-operated inventory; Freehold to benefit should FANG prioritize Viper-held royalty lands

Note | ¹ cube development defined as 3 or more benches drilled from a single pad within 1 year from first spud

Why We Love the Midland Basin

Midland Basin Bench Overview

- Significant running room in the **1st Generation** and **2nd Generation** benches
- **Emerging** benches are being tested with results that are on par with benches being actively developed today
- Acquired Assets expands our undeveloped footprint while simultaneously keeping the pro forma Midland acreage at a similar % of development across all the benches



Balanced North American Portfolio; Oil Weighted; Best-in-Class Operators

Pro forma Freehold

Key Metrics Including the Acquired Assets

Production	 58%	 42%
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Revenue	 49%	 51%
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Oil Production	 52% of total	Accretive to oil prod'n per share
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% Production from Midland basin	~24% (increase from ~13%) in this resource rich, light oil basin
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Realized Price	3% increase to corporate realized price
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Pro forma Leverage (net debt to trailing 12 month funds from operations)	1.1x
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Source | Company reports; Q1 – Q3 2024 actuals

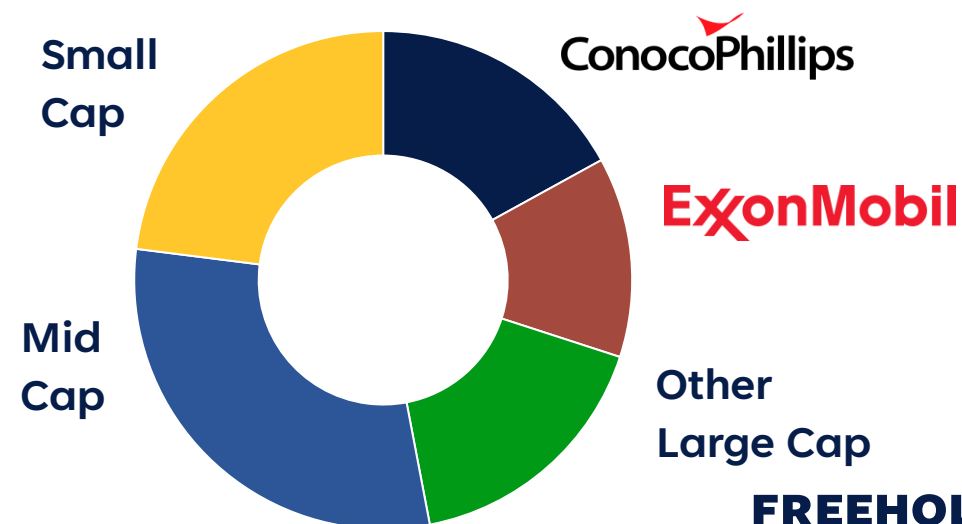
Freehold's Top 3 Areas (boe/d)

 Midland	3,600	} 49% of Total 69% Oil Weighted
 Eagle Ford	2,400	
 Heavy Oil ¹	1,300	

~34 MMcf/d of corporate gas exposure

¹Includes Mannville Heavy Oil and Clearwater

Freehold's Royalty Payors ²



²Based on Freehold's Top 50 Payors (~90% of total revenue)

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Advisory Relating to Forward-Looking Information

This presentation offers an assessment of Freehold's future plans and operations as at December 13, 2024 and contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. 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, but not always, contain terms such as may, will, should, anticipate, expect, is expected, continue, estimate, believe, project, forecast, budgets, scheduled, estimates, predicts, intends, aims, believes, plan, intend, target, outlook, focus, could, grow, to sustain, future 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: terms and conditions of the proposed acquisition of royalty assets (the "**Acquired Assets**") in the United States (the "**Acquisition**"); the expected timing for closing of Acquisition; the number of potential drilling locations associated with the Acquired Assets; the expected attributes and benefits to be derived by Freehold pursuant to the Acquisition; expectations that Freehold has a 7.8% dividend yield supported to ~US\$50/bbl WTI with decades of inventory to sustain and grow cash flow and the dividend; expectations that the Acquired Assets will result in 2025E 1,500 – 1,600 boe/d and ~\$37mm of net royalty revenue based on US\$70/bbl WTI; expectations that the Acquisition will result in 22% higher realized pricing (\$69/boe vs \$56/boe 2024 YTD from Freehold's current corporate asset base); expectations the Acquisition enhances Freehold's alignment with investment grade operators with ~95% of production and ~75% of the prospective development inventory under ExxonMobil and Diamondback; expectations that the Acquisition provides immediate and increasing future accretion on funds flow per share, free cash flow per share and total production and oil production per share; expectations that the Acquired Asset lands are positioned to benefit from "cube development"; expectations that operators in the Midland Basin are prioritizing to maximize productivity and reserve recovery; expectations regarding realized price; and expectations that the Acquired Assets have an oil weighting of 61% vs 51% on Freehold's current corporate production base (2024 YTD).

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Freehold to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements because of many factors, the most significant of which include, without limitation: volatility in market prices for crude oil, NGL and natural gas; the impacts of the ongoing Israeli-Hamas-Hezbollah and potentially the broader Middle-East region, and Russia-Ukraine wars and any associated sanctions as well as OPEC+ curtailments on the global economy and commodity prices; geopolitical instability; political instability; the impacts of inflation and supply chain shortages on the operations of our industry partners and royalty payors, as well as on demand and commodity prices; inflationary pressures; our ability to continue paying dividends; future capital expenditure levels; future production levels; future exchange rates; future tax rates; future legislation; the cost of developing and expanding our assets; 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; that our quality counterparts provide a certainty of development into Freehold's royalty portfolio; our ability to obtain financing on acceptable terms; our ability to add production and reserves through our development and acquisitions activities; pipeline capacity constraints; currency fluctuations; our and our counsel's interpretation of tax laws, regulations, royalties, or incentive programs relative to the interpretation and enforcement thereof by governmental authorities; 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 and 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; environmental risks and liabilities inherent in oil and gas operations; risks related to the operators of the properties in which Freehold holds a royalty interest, including changes in the ownership and control of such operators; influence of macroeconomic developments; business opportunities that become available to, or are pursued by Freehold; reduced access to debt and equity capital; title, permit or license disputes related to interests on any of the properties in which Freehold holds a royalty interest; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which Freehold holds a royalty interest; actual hydrocarbon content may differ from the reserves and resources contained in evaluation reports; rate and timing of production differences from resource estimates and other evaluation reports; and other factors discussed in our Q3-2024 Management's Discussion and Analysis for the third quarter of 2024 and our Annual Information Form ("**AIF**") for the year ended December 31, 2023 each of which is available under Freehold's profile on SEDAR+ at www.sedarplus.ca.

The statements contained in this presentation are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which Freehold holds a royalty interest by the owners or operators of such properties in a manner consistent with good oilfield practices and all applicable regulations; the availability of capital to such operators to further develop such properties; the accuracy of public statements and disclosures made by the operators on the royalty lands; no material adverse change in the market prices of the commodities that underlie the asset portfolio; no material changes to existing tax treatment; no adverse development in respect of any significant property in which Freehold holds a royalty interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; the accuracy of assumptions and information used in Freehold's internal assessments of its royalty lands and the prospectivity thereof, including with respect to acquired assets; the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended; 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, the interpretation and implementation of tax legislation, 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, our expectations regarding completion of drilled wells, 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. However, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and investors are cautioned that forward looking statements are not guarantees of future performance.

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Freehold cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. 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.

Risks are described in more detail in Freehold's AIF which is available under Freehold's profile on SEDAR+ at www.sedarplus.ca. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement and speak only as of the date of this presentation. 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.

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 at the wellhead 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 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.

Production

All production disclosed herein is considered net production for the purposes of National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI-51-101"), 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 2025 net production from the Acquired Assets is expected to consist of approximately 61% of light oil, 20% of natural gas liquids and 19% of natural gas. In 2025 Freehold's net production from its U.S. assets is expected to consist of approximately 59% of light oil, 19% of natural gas liquids and 22% of natural gas. In the second half of 2024 Freehold's aggregate net production is expected to consist of approximately 9% heavy oil, 42% light and medium oil, 13% natural gas liquids and 36% of natural gas. In 2025 Freehold's aggregate net production is expected to consist of approximately 8% heavy oil, 45% light and medium oil, 14% natural gas liquids and 33% natural gas.

Advisory Related to Analogous Information

Certain information in this presentation may constitute "analogous information" as defined in NI 51-101 with respect to the certain drilling results, number of wells drilled, or offset well production from other producers with operations that are in geographical proximity to or believed to be on-trend with Freehold's interests in certain geographical areas in which it operates, and related recovery factors have been presented in this presentation for certain areas or formations that Freehold has royalty interests and such estimates of volumes and recovery factors. Such information has been based on publicly available information and Freehold has not independently verified the information. Such estimates have not been prepared in accordance with NI 51-101 or the COGE Handbook and Freehold cannot confirm that such estimates have been prepared by a qualified reserves evaluator. In some instances Freehold utilized documents including Canadian Discovery Digest and other sources of publicly available information. Management of Freehold believes the information is relevant to help demonstrate the basis for Freehold's belief in the value and future potential of the royalty lands relating to such areas or formations and to show some of the underlying assumptions for Freehold's business plans and strategies; however, such "analogous information" is not intended to represent an estimate of the quantity, value or recovery factors associated with Freehold's royalty lands in such areas or formations. There is no certainty that the results of the analogous information or inferred thereby will be achieved by Freehold and such information should not be construed as an estimate of future production levels, reserves or the actual characteristics and quality of Freehold's assets.