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NEWS RELEASE

TSX: FRU

Freehold Royalties Announces Upsize to Previously Announced Equity Financing

CALGARY, ALBERTA, (GLOBE NEWSWIRE – December 10, 2024) – Freehold Royalties Ltd. (Freehold or the Company) (TSX:FRU) is pleased to announce that, as a result of excess demand, it has agreed with the syndicate of underwriters co-led by RBC Capital Markets, CIBC Capital Markets and TD Securities Inc. (the Underwriters) to increase the size of its previously announced bought-deal equity financing (the Equity Financing) from \$125.1 million to \$150 million.

The Underwriters have agreed to purchase for resale to the public, on a bought-deal basis, a total of 11.5 million common shares (Common Shares) of Freehold at a price of \$13.00 per Common Share for gross proceeds of approximately \$150.0 million. The Underwriters will have an option to purchase up to an additional 15% of the upsized Common Shares issued under the Equity Financing at a price of \$13.00 per Common Share to cover over-allotments and for market stabilization purposes exercisable in whole or in part at any time until 30 days after closing.

As previously announced, Freehold has entered into a definitive agreement with a private seller to acquire mineral title and royalty interests in the core of the Midland Basin in Texas (the Acquisition and the Acquired Assets) for approximately \$216 million, net of estimates for exchange rate and customary closing adjustments. As part of the Acquisition, Freehold has the option to acquire up to an additional \$65 million of interest in the Acquired Assets, on the same terms and conditions. With the additional proceeds from the upsize of the Equity Financing, Freehold will acquire \$~22 million of additional interest in the Acquired Assets (an increase of 10%, for a total of \$238 million), subject to the closing conditions of the Acquisition. As a result of the upsize, Freehold estimates 2025E production from the Acquired Assets to be 1,375 – 1,475 boe/d (approximately 61% light oil, 20% natural gas liquids and 19% natural gas) representing approximately \$34 million in 2025E net royalty revenue (net of production and ad valorem taxes) based on US\$70/bbl WTI, with limited tax burden in the near term.

It is anticipated that Freehold will fund the Acquisition with net proceeds of the Equity Financing and Freehold's existing credit facilities. Closing of the Equity Financing is not conditional on the closing of the Acquisition. In the event that the Acquisition does not close, the net proceeds from the Equity Financing will be used to fund general corporate purposes including repayment of amounts outstanding under the Company's credit facilities.

Completion of the Equity Financing is subject to customary closing conditions, including the receipt of all necessary regulatory approvals, including the approval of the Toronto Stock Exchange. Closing of the Equity Financing is expected to occur on December 13, 2024.

The Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the U.S. Securities Act) or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account of benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. No securities regulatory authority has either approved or disapproved of the contents of this news release. This news release

shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.

Freehold is uniquely positioned as a leading North American energy royalty company with approximately 6.1 million gross acres in Canada and approximately 1.1 million gross drilling acres in the United States. Freehold's common shares trade on the Toronto Stock Exchange in Canada under the symbol FRU.

For further information contact

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Forward-Looking Statements

This news release offers our assessment of Freehold's future plans and operations as at December 10, 2024 and contains forward-looking information including, without limitation, forward-looking information with regards to the expected terms of the Equity Financing; the anticipated purchase price for the acquisition; and the expected use of proceeds from the Equity Financing; the expected timing of closing the Equity Financing; Freehold's estimates for 2025 production for the Acquired Assets and net royalty revenue (net of production and ad valorem taxes) for 2025; the anticipated tax burden associated in the near future; the expected attributes and benefits to be derived by Freehold pursuant to the Acquisition; and the future performance of the Acquired Assets following the completion of the Acquisition.

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 the demand for oil and natural gas, general economic conditions, industry conditions, the impact of the Russia-Ukraine war and the Israel-Hamas-Hezbollah conflict on the global economy and commodity prices, 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 lack of availability of qualified personnel or management, stock market volatility, our ability to access sufficient capital from internal and external sources. The closing of the Acquisition, Equity Financing could be delayed if Freehold or the other parties are not able to obtain the necessary regulatory and stock exchange approvals on the timelines anticipated. The Acquisition and Equity Financing may not be completed if these approvals are not obtained or some other condition to the closing of the Acquisition is not satisfied. Accordingly, there is a risk that the Acquisition, Equity Financing will not be completed within the anticipated time or at all. In addition, the Equity Financing is not conditional on the closing of the Acquisition and as such the proceeds from the Equity Financing may be used for purposes other than the payment of the purchase price pursuant to the Acquisition. 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.

With respect to forward looking information contained in this press release including relating to the 2025 forecast production and 2025 royalty revenue from the Acquired Assets, we have made assumptions regarding, among other things; future oil and natural gas prices (for the purposes of the estimates in this press release we have assumed a West Texas Intermediate price of US\$70/barrel of oil and a NYMEX natural gas price of US\$3.30/MMbtu); future exchange rates (for the purposes of the estimates in this press release we have assumed an exchange rate of US\$1.00 for every CDN\$1.40); that drilled uncompleted wells will be completed in the short term and brought on production; that wells that have been permitted will be drilled and completed within a customary timeframe; expectations as to additional wells to be permitted, drilled, completed and brought on production in 2024 and 2025 based on Freehold's review of the geology and economics of the plays associated with the Acquired Assets; expected production performance of wells to be drilled and/or brought on production in 2024 and 2025; the ability

of our royalty payors to obtain equipment in a timely manner to carry out development activities; the ability and willingness of royalty payors to fund development activities relating to the Acquired Assets; and such other assumptions as are identified herein. 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 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 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.

Currency

All references in this press release to dollar amounts are to Canadian dollars unless otherwise indicated.