# Freehold Royalties

January 2025

## UNIQUELY NORTH AMERICAN

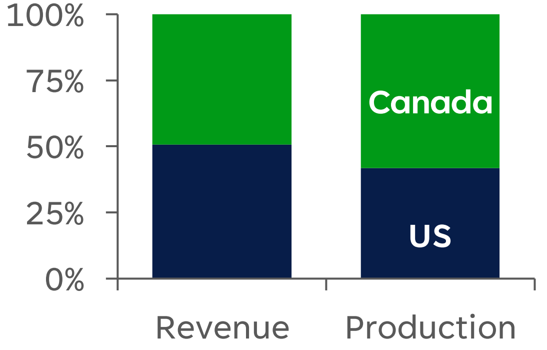
FREEHOLD ROYALTIES

## Freehold's Value Proposition

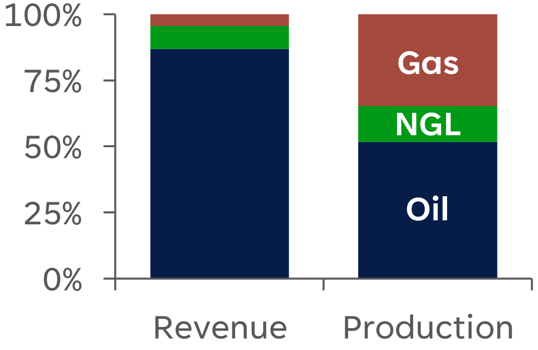
# North American Portfolio Overview

- 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
- 8.2% dividend yield[1] 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 $13.21 on January 6, 2025

A Uniquely North American Energy Royalty Company

# Why Own Freehold

**8% Dividend Yield**

**10,660 bbls/d Liquids[1]**
**94% of Revenue**

**Exposed to oil growth in both Canada and the US**

## Dividend Focused

Coverage down to ~US$50/bbl WTI

Target a dividend payout ratio of ~60%

## Liquids Weighted

20% liquids production CAGR since 2020

Free option on natural gas (34 MMcf/d)

## Poised for Oil Growth

Driven by Permian and Mannville Stack

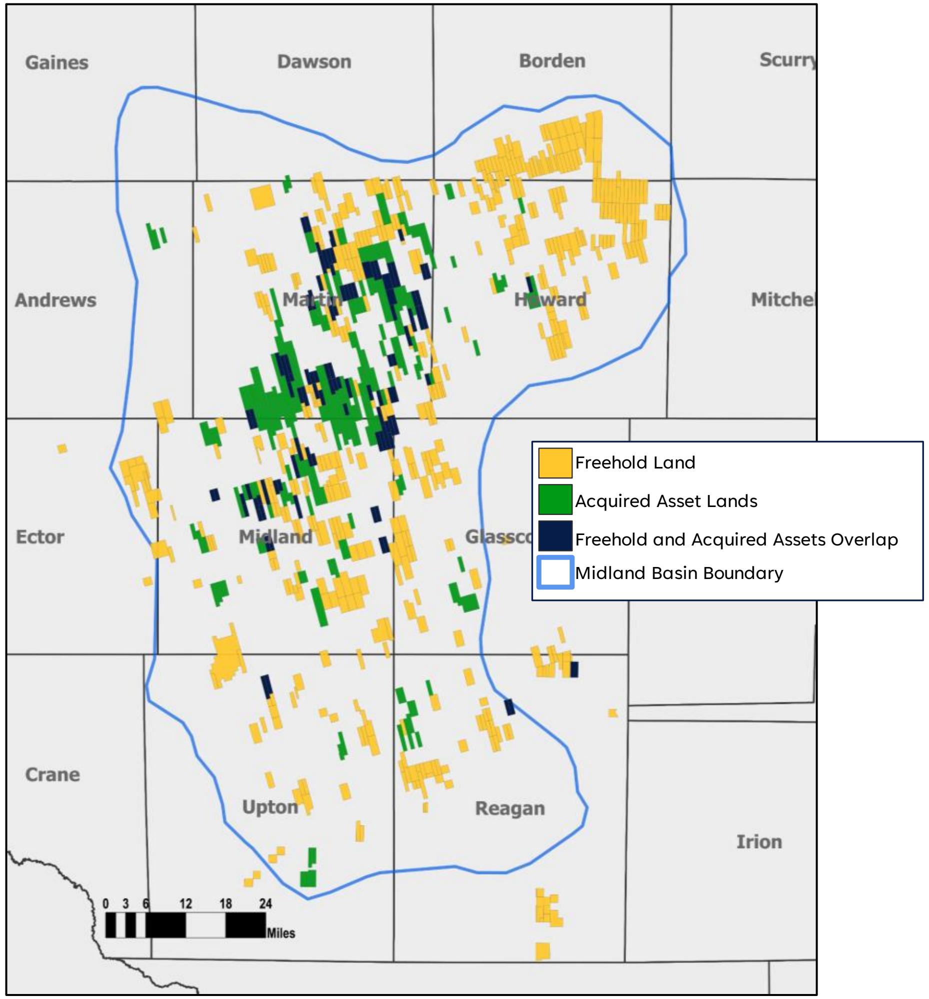
Top payors include ConocoPhillips, ExxonMobil

**Note |** 1. Volumes and revenue represent YTD 2024 results and are pro forma for December 2024 Midland Basin acquisition

## $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 revenue[1] 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 ~75% of production under ExxonMobil and ~20% under 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

**Note** | [1] Net of production and ad valorem tax

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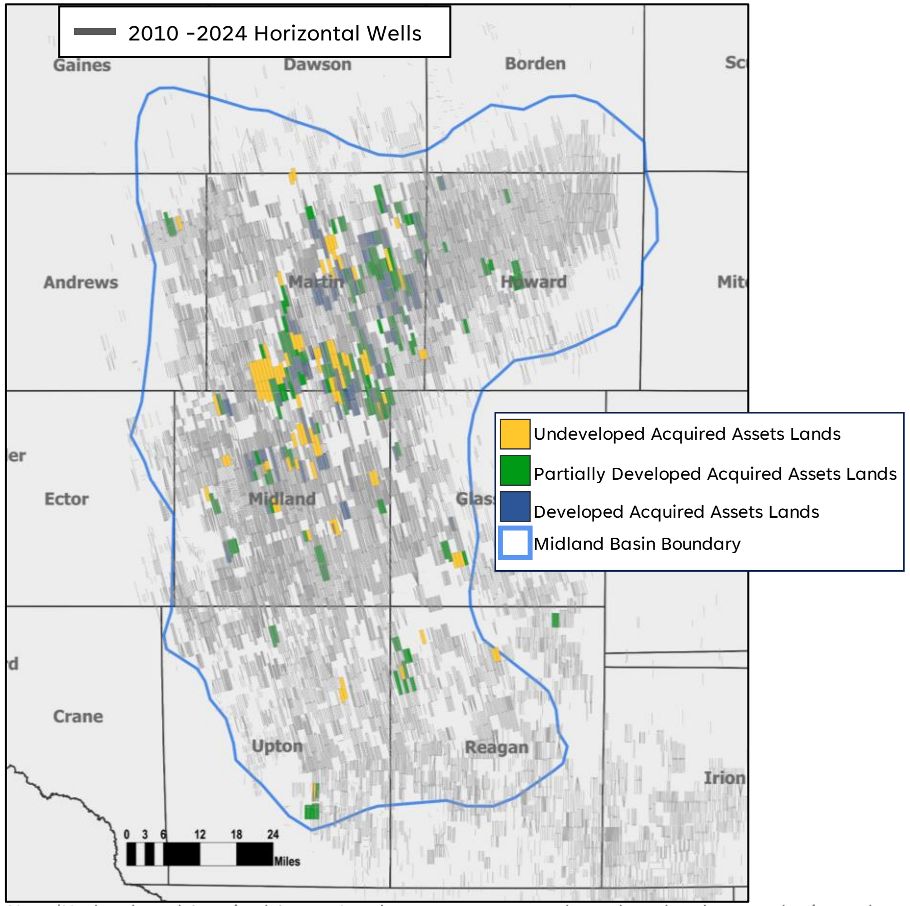
## Positioning Portfolio into Undeveloped Lands Strengthens Future Growth Position

# 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



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

# Pro forma Freehold

### Key metrics including the Dec 2024 acquisition

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

Source | Company reports; Q1 – Q3 2024 actuals

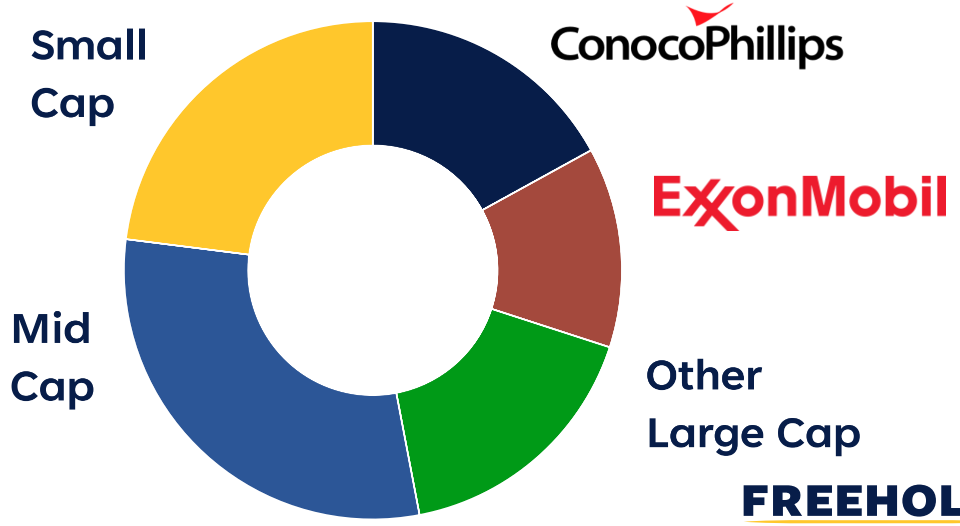
### Freehold's top 3 areas (boe/d)

| | | |
|---|---|---|
| Midland | 3,600 | 49% of Total<br>69% Oil Weighted |
| Eagle Ford | 2,400 | |
| Heavy Oil [1] | 1,300 | |

~34 MMcf/d of corporate gas exposure

[1] Includes Mannville Heavy Oil and Clearwater

### Freehold's Royalty Payors [2]




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

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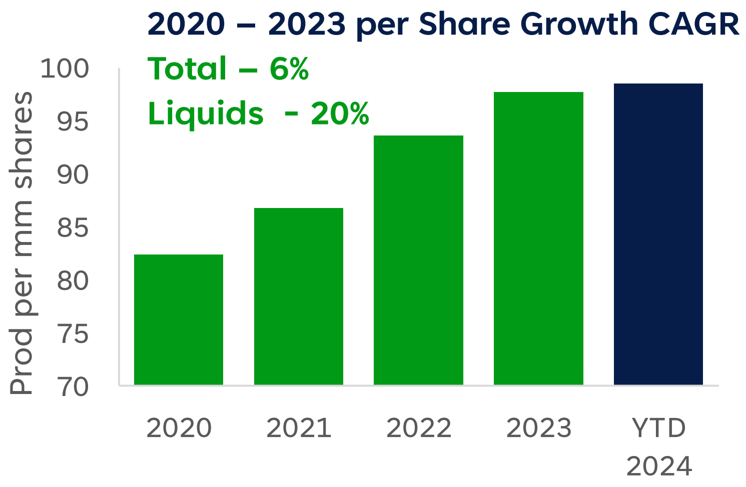
Freehold's Strategy

# Income Growth and Durable Returns, **the Results**

## Creating Value

### Production per million shares outstanding

(boe/d/mm shares)



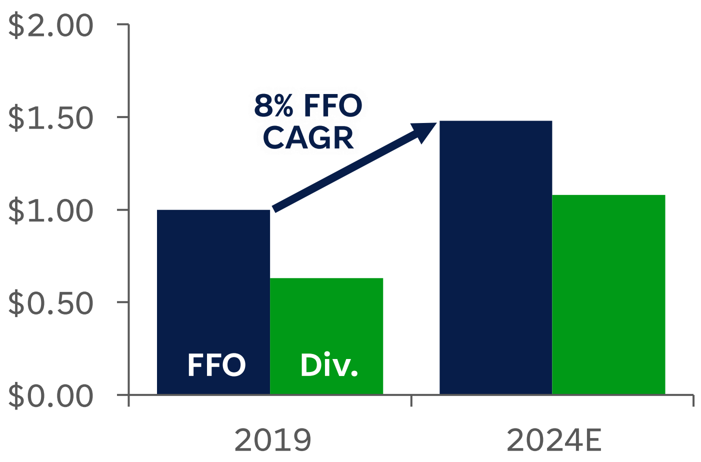

consistent production growth per share

leads to

## Enhancing Value

### Funds from operations, and dividends per share

($ per share)

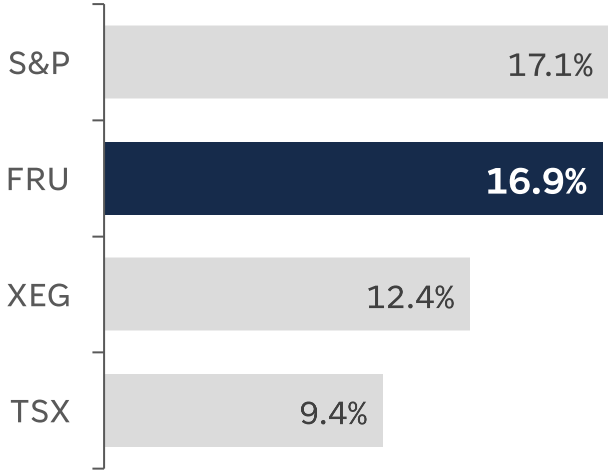



funds from operations and dividend growth for shareholders

leads to

## Delivering Value

### Last 5 years total shareholder return




outperformance of the energy index

 **Source** | Company Reports, FactSet

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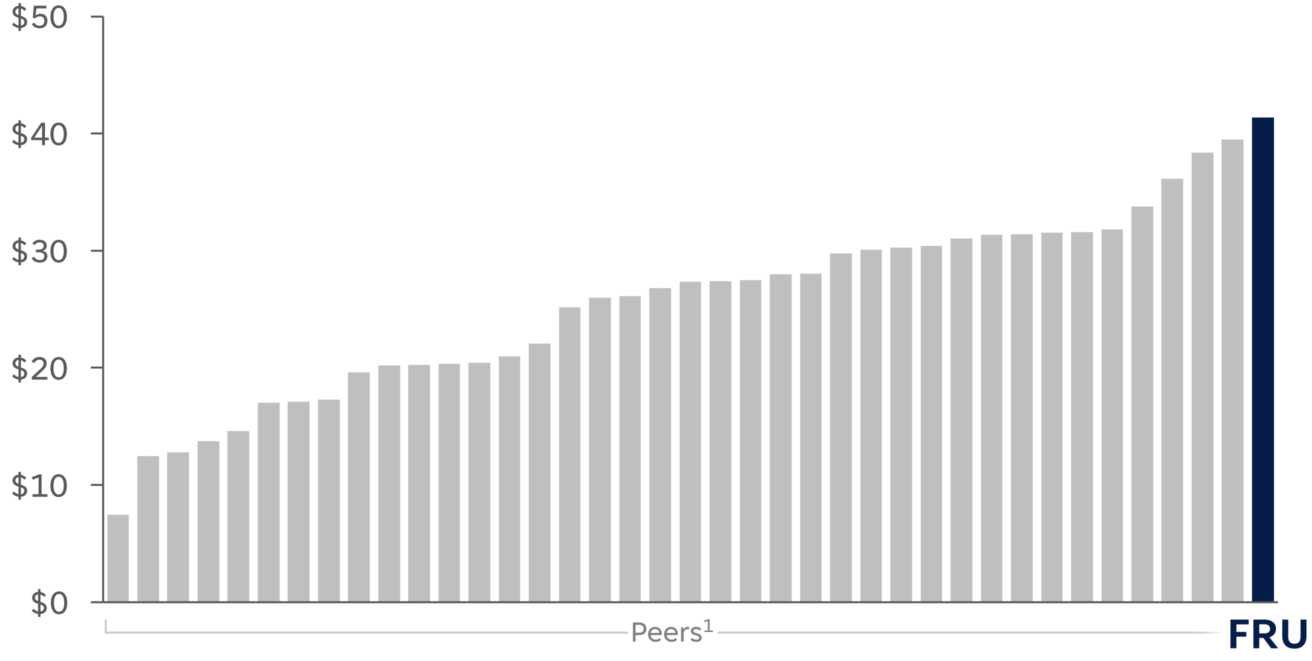
## Freehold's Value Proposition

# Resilient Cashflow Margins

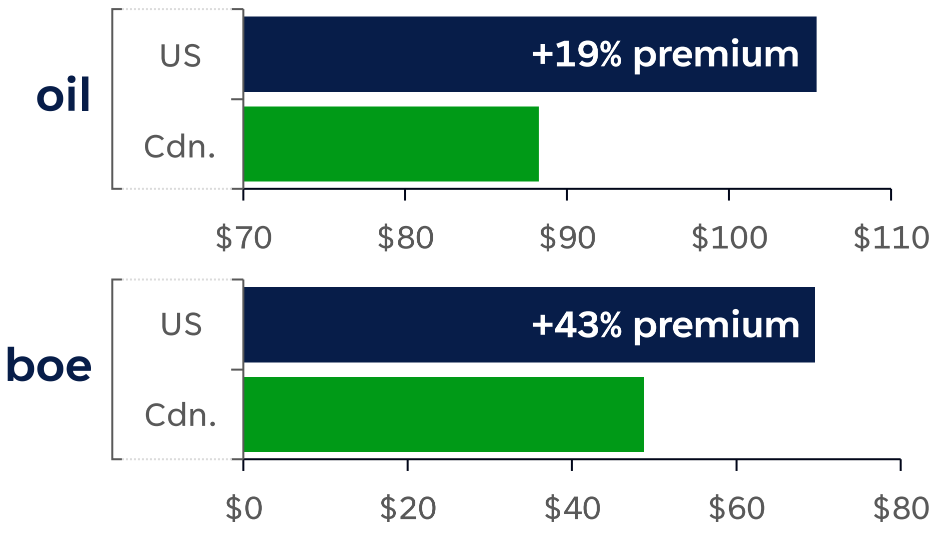
### 2025E cashflow per boe[1]

($/boe)




### Freehold realized pricing 2024 YTD

($/boe)




**Expanding into the US has delivered a 10% increase in liquids mix, with a 43% uplift in pricing due to light oil volumes, and Gulf Coast market access**

**Note** | [1]Assumes strip pricing as of November 18th, 2024; peers include Peters & Co.' Canadian coverage universe, excluding integrated producers; 2025 price assumptions include US$66.57/bbl WTI and US$3.14/mcf NYMEX

**Source** | Company Reports, Peters & Co. Limited



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## Portfolio of Oil-Weighted Areas Provide Growth and Optionality

# Decades of Inventory

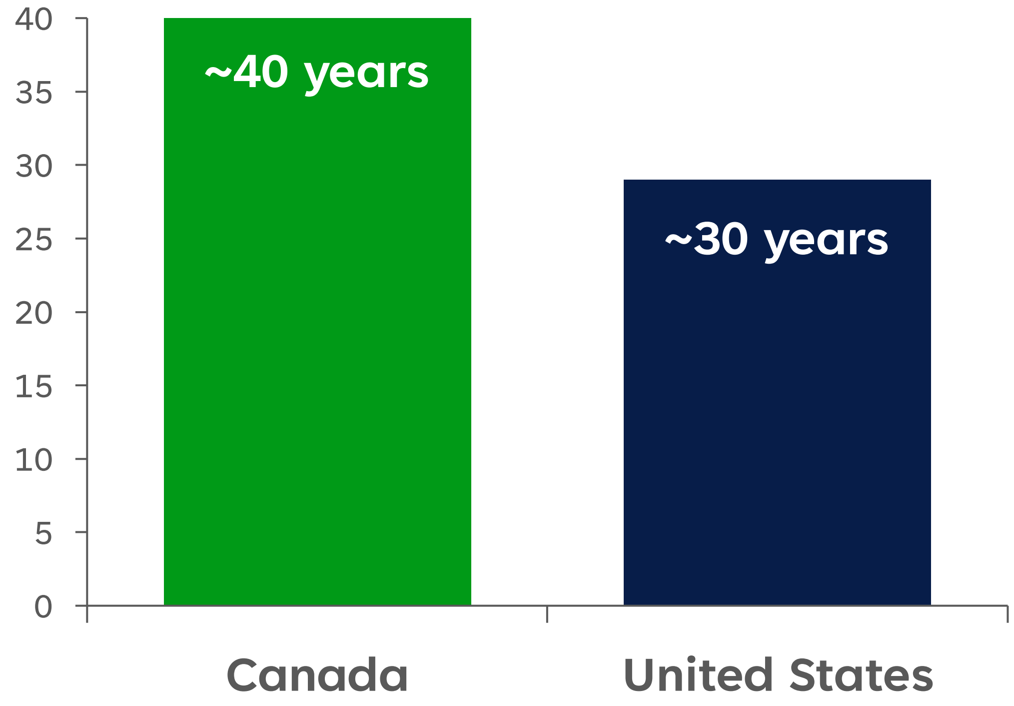
### Asset Book highlights

| | Canada | United States |
|---|---|---|
| Development locations | **~18,000** development locations | **~18,500*** development locations |
| Undiscounted value | **~$10.3 billion** undiscounted value | **~$5.3 billion*** undiscounted value |

****Does not include ~5,000 gross development locations (over 3,800 new) from December 2024 Midland Basin acquisition***

### Development inventory by region

(years)



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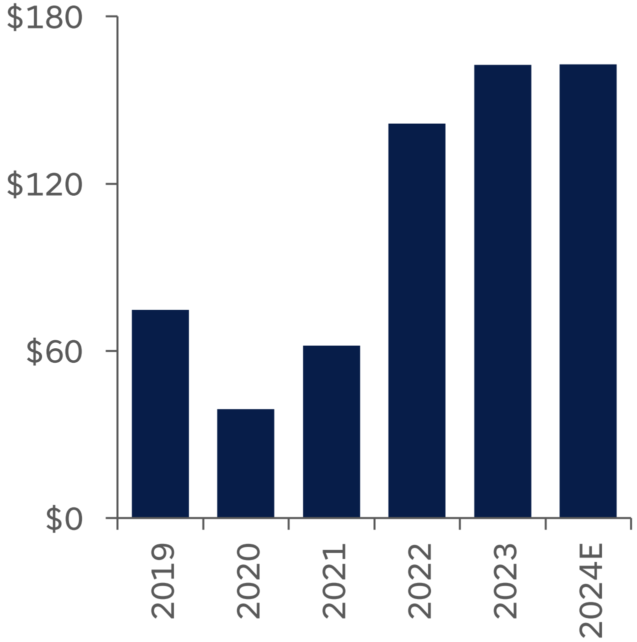
Finance and Dividend Strength

# Conservatively Balancing Dividends with Leverage

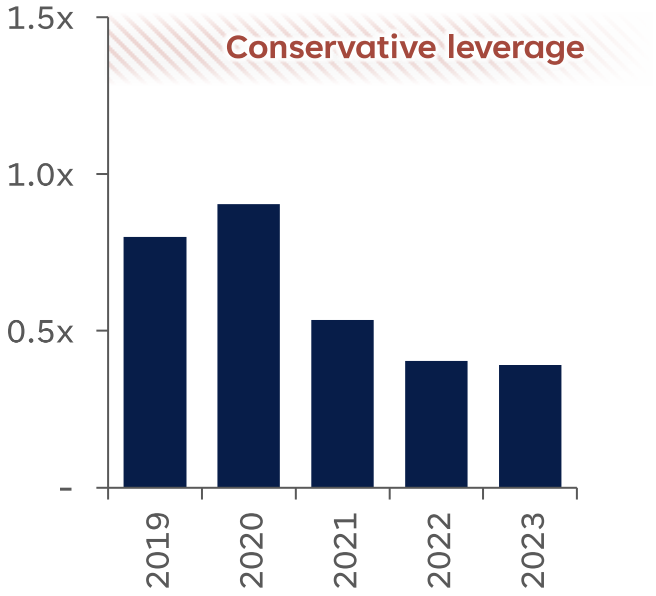
- **Low cost structure** provides robust funds from operations to support dividend
- Freehold continues to execute **accretive deals** to grow the business, and the bottom line
- Dividend payout ratio target of ~60% **ensures value is returned to shareholders**

## Annual dividends paid

($ millions)




## Net debt to last twelve months funds from operations



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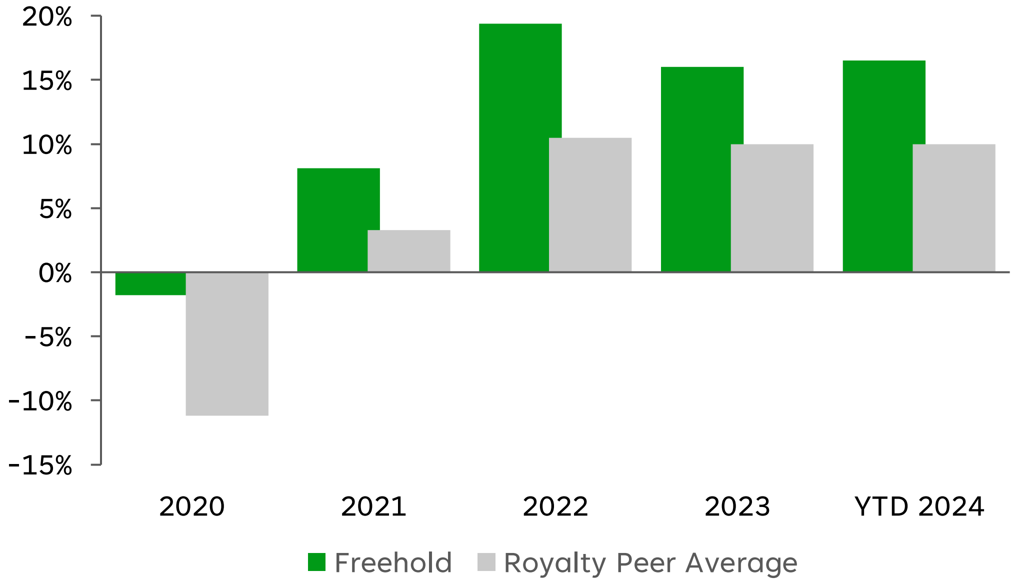
## Finance and Dividend Strength

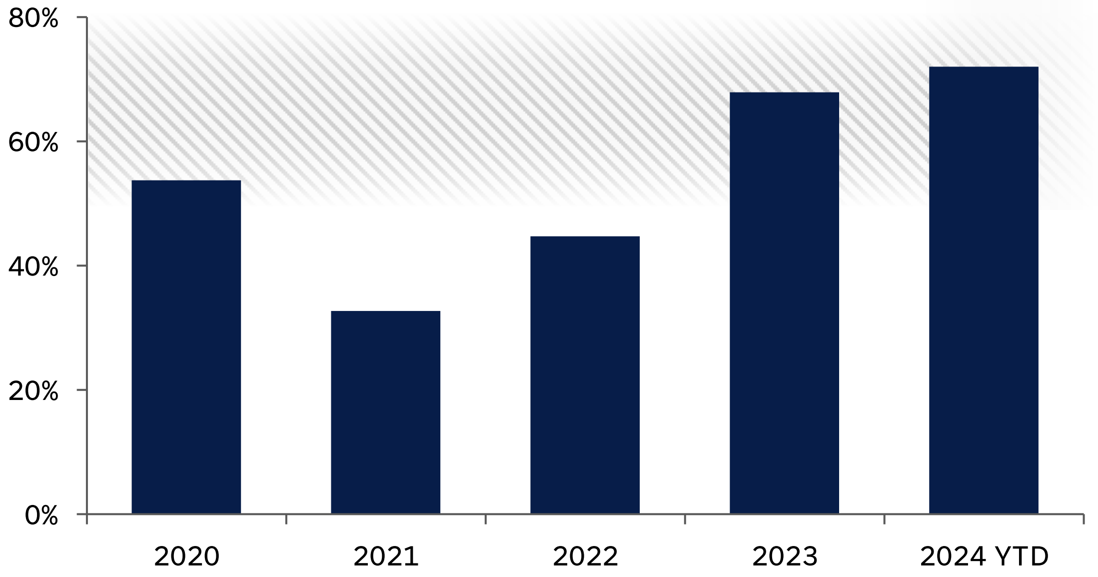
# Invested Capital and Dividends Drive Returns

### Return on capital employed[1]




### Dividend payout ratio

(dividends paid/funds from operations)




**Balanced return of capital policy provides a robust dividend yield, and cash flow for reinvestment, while capital invested into production growth generates sizable returns**

**Note** | [1]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 peers include PrairieSky Royalties, Topaz Energy, Black Stone Minerals, Kimbell Royalty Partners, Viper Energy Partners



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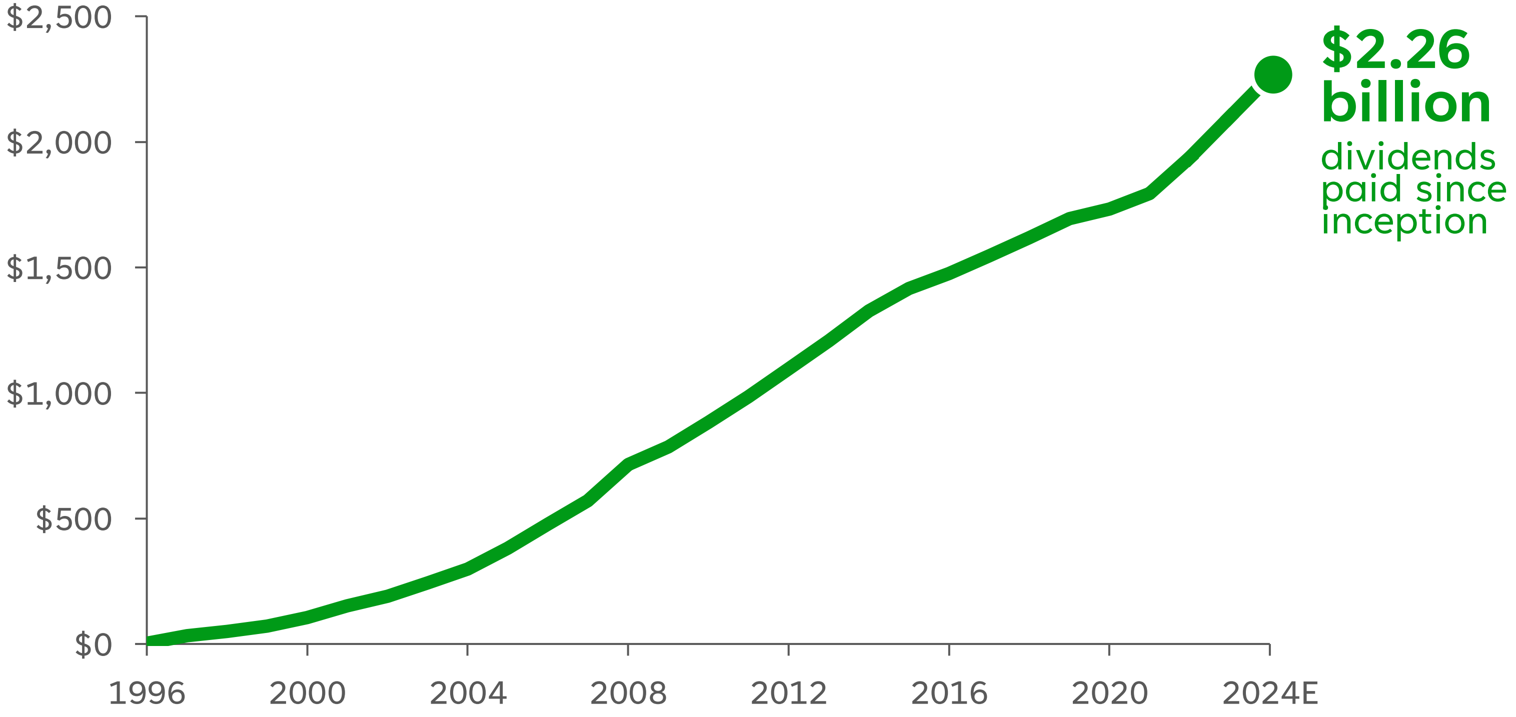
## Finance and Dividend Strength

# Returns Continue to Grow as Freehold Grows

- Freehold's dividend has been a **permanent feature through all commodity price cycles**
- Current monthly dividend of 9 cents per share **supported to ~US$50/bbl WTI**
- **Decades of inventory support the dividend**, and cashflow growth

**Cumulative dividends paid**

($ millions)




 **Source** | Company Reports

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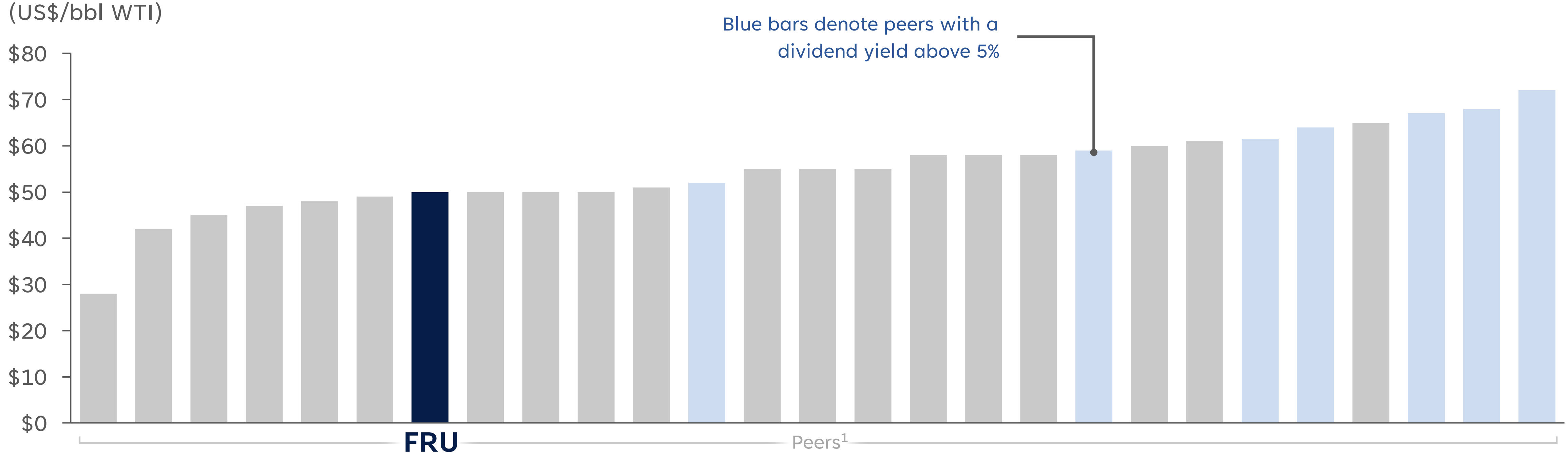
## Finance and Dividend Strength

# Dividend Resiliency

### 2025E WTI breakeven pricing[1]

(US$/bbl WTI)



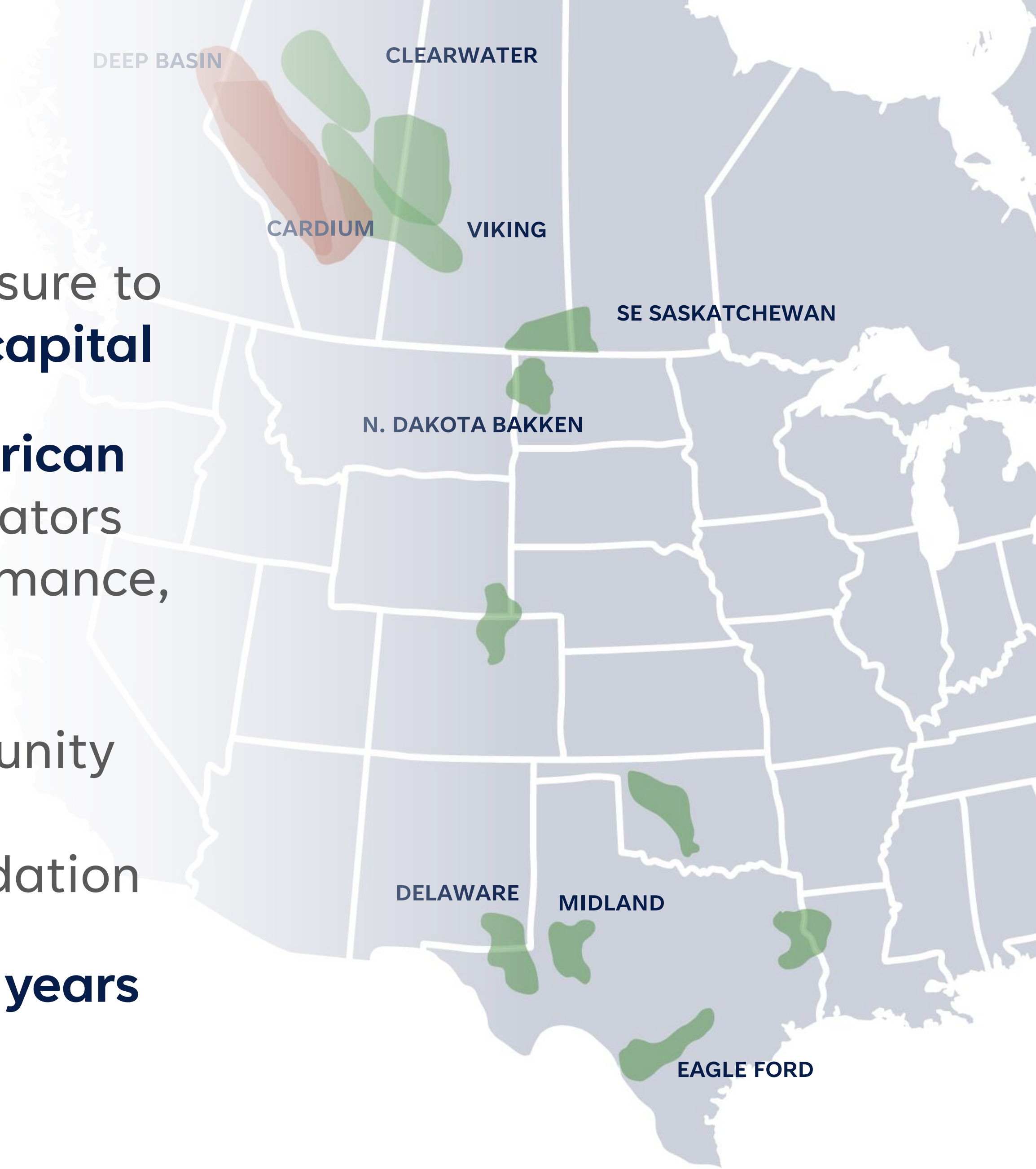

**Freehold's dividend is sustainable through commodity cycles**

**Note** | [1]Peers includes liquids weighted producers (>60% of current production is crude oil and liquids), based on unhedged cashflow; only WTI price has been adjusted, with all other commodities assuming strip pricing as of November 18th, 2024

**Source** | FactSet, Peters & Co. Limited

# The Freehold Story

- Royalty ownership provides significant exposure to high margin assets with **zero maintenance capital**
- Positioned at the **low-end of the North American upstream supply cost curve**, alongside operators focused on improving asset duration, performance, and maximizing resource recovery
- US positioning introduces significant opportunity set to **continue aligning with the best**, while materially benefitting from industry consolidation
- Attractive dividend backstopped by **over 30 years of prospective inventory locations**

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# US Portfolio

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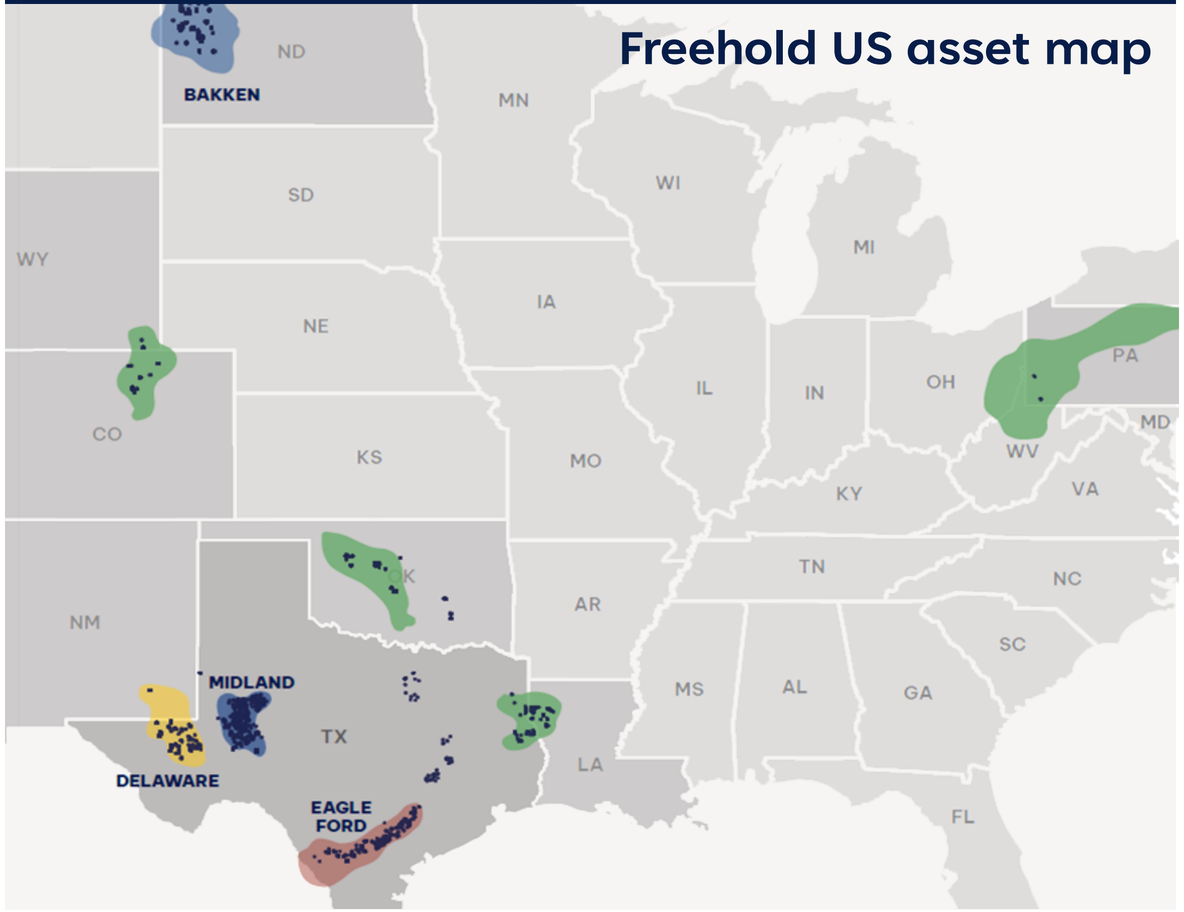
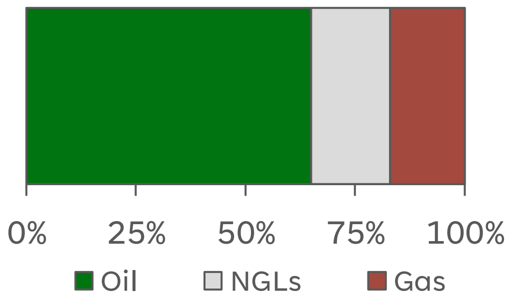
# Freehold's US Portfolio Overview

## Freehold US asset map



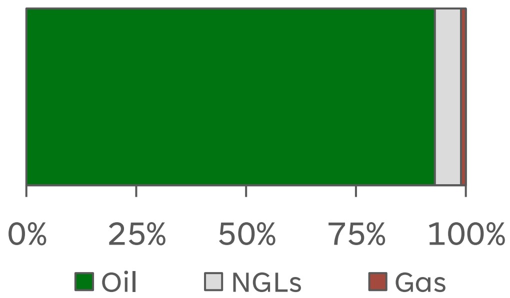

## Production summary
(YTD 2024)




## Basin summary
(boe/d)

| | |
|---|---|
| Midland | 3,600 |
| Eagle Ford | 2,400 |
| Delaware | 370 |
| Other | 600 |
| **Total** | **6,970** |

## Revenue summary
(YTD 2024)




## US M&A lookback

**$685 million deployed between 20 unique transactions has generated a 19% return on capital[1]**

**Note** | [1]Return on capital deployed includes trailing 12-month net revenue in US divided by total US acquisition cost of $685 mm (excluding Dec 2024 acquisition of $259 mm)

 **Source** | Company Reports

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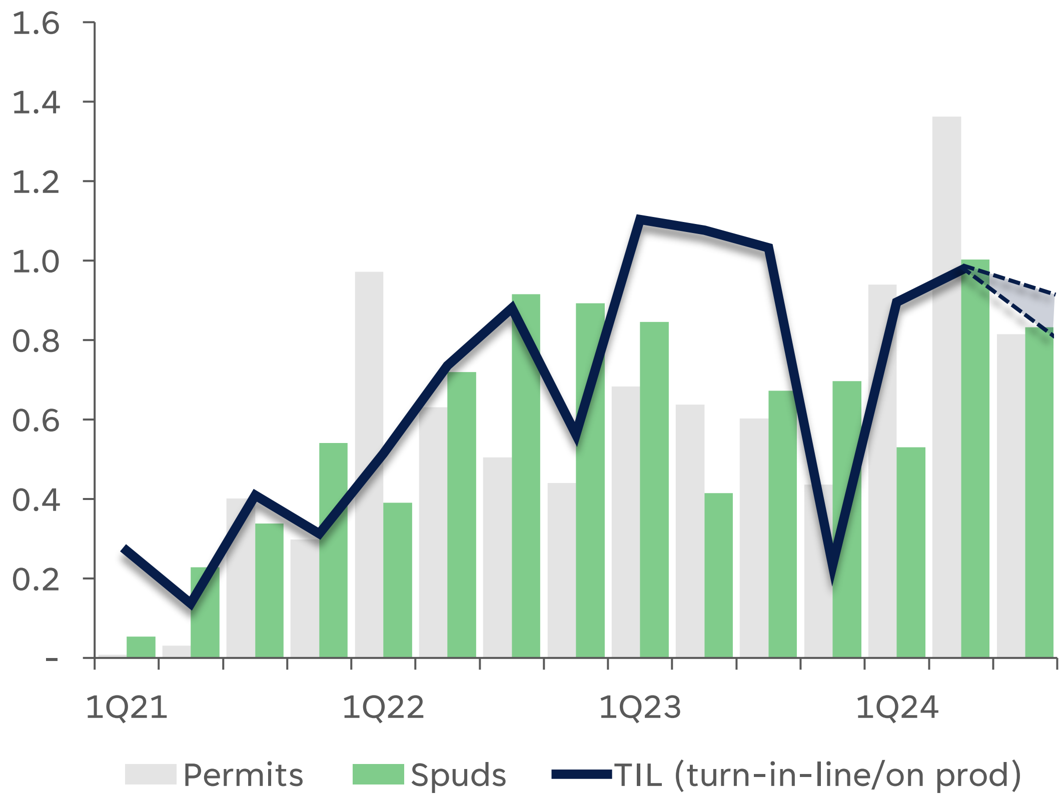
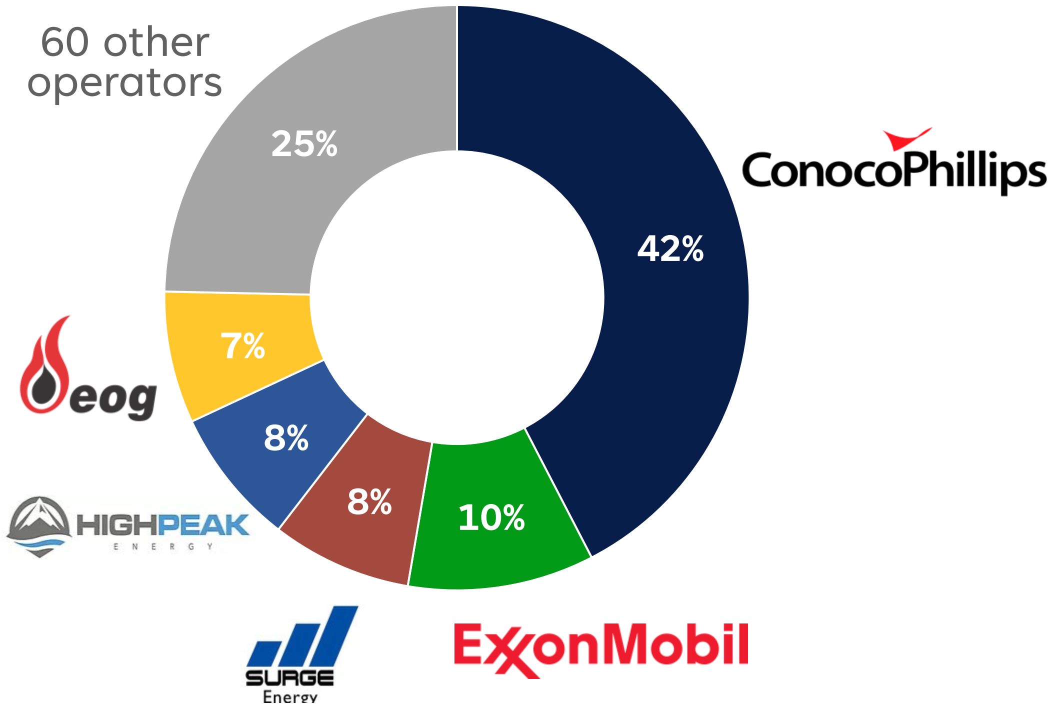
# Drilling Activity Led by Top Operators

## Net activity wells on Freehold's US lands




## Freehold's top US drillers (2023-2024 YTD)




 **Source** | Company Reports

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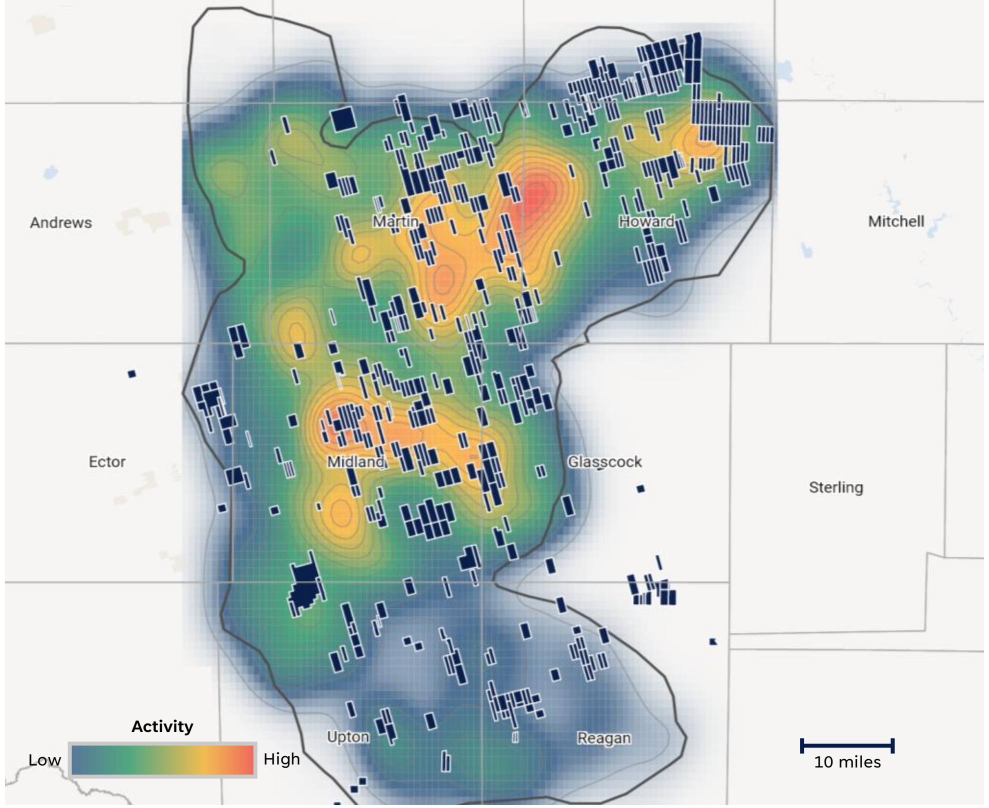
## Why Freehold Likes the US

# Positioned In Front of the Drill Bit

### Midland Basin activity heatmap[1]




- 60% of basin activity is concentrated in the Midland, Martin and Howard counties, where the majority of Freehold's acreage is positioned
- 2023 and 2024 YTD operator completions have been primarily focused on cube development[2] projects, limiting parent-child interactions and maximizing recoveries
- **~23% of Freehold's Midland Basin acreage is undeveloped**
- Freehold shares royalty lands with Viper Energy (Diamondback's drop-down royalty company) on 2/3rds of our Diamondback operated inventory; Freehold benefits should Diamondback prioritize development where Viper holds a royalty interest

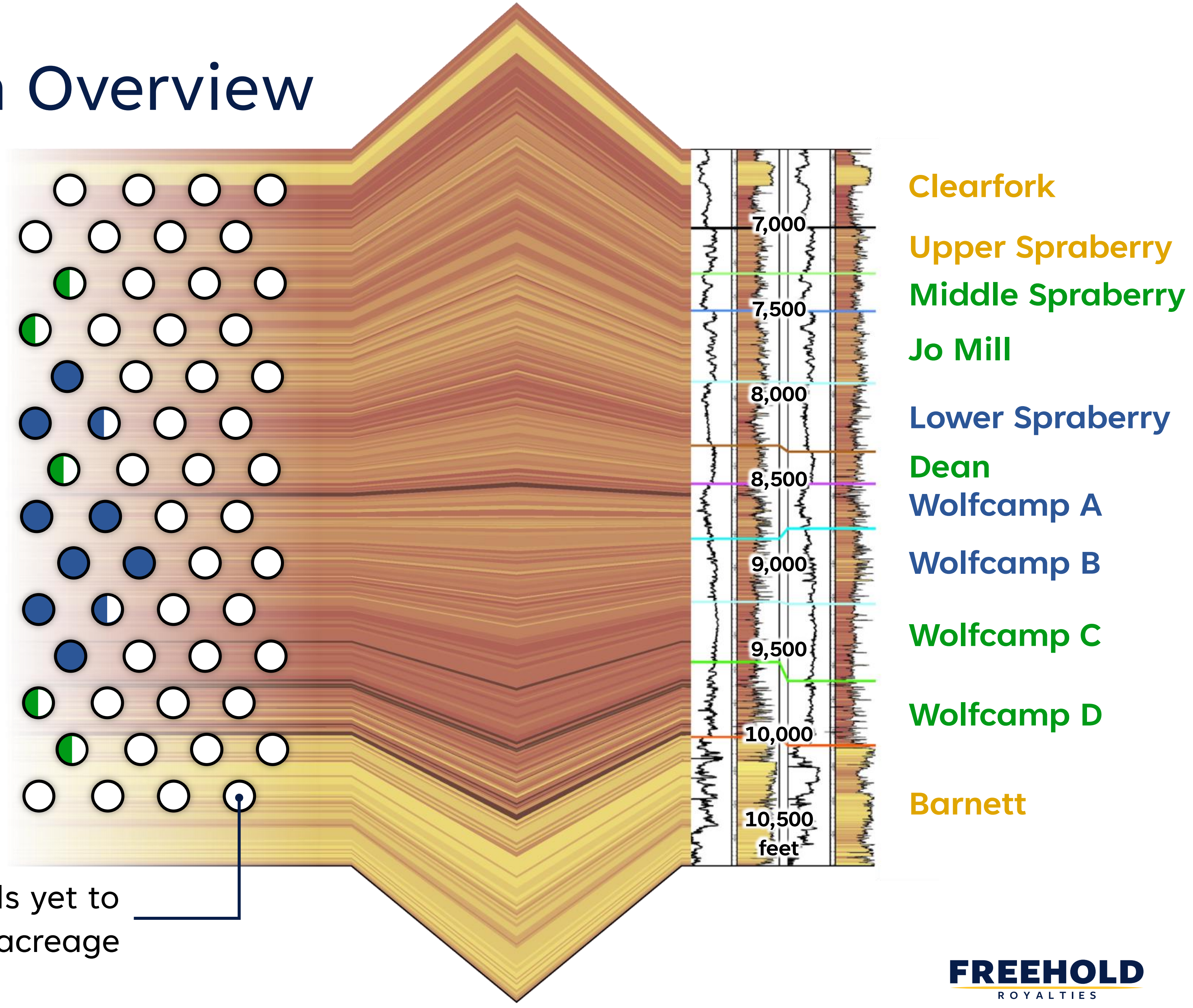
**Note** | [1]Heat map generated from spud activity between 2021-2024 YTD; [2]cube development defined as 3 or more benches drilled from a single pad within a 1-year period from first spud

**Source** | Enverus

## Resource Expansion

# Midland Basin Bench Overview

- Significant running room in the 1st Generation and 2nd Generation benches
- Emerging benches are being tested with results thar are on par with benches being actively developed today

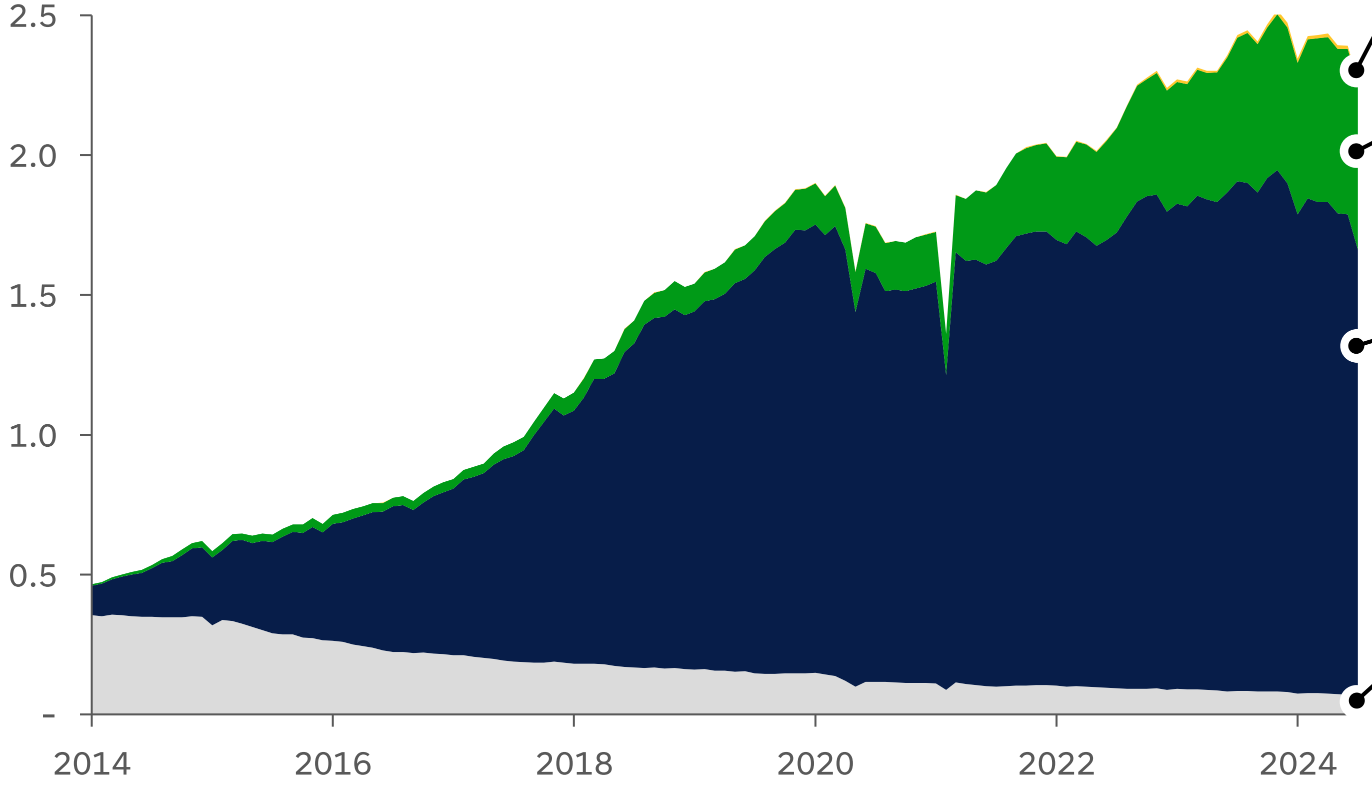


## Resource Expansion

# Midland Production Evolution

### Midland Basin oil production by bench generation

(mmbbl/d of oil)




**Emerging Benches**

~10,000 bbls/d from 380 wells

**Second Generation Benches**

~600,000 bbls/d from ~5,000 wells

**First Generation Benches**

~1,600,000 bbls/d from ~20,000 wells

**Vertical Development**

<80,000 bbsl/d of legacy production from ~43,000 wells

 **Source** | Enverus

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## Resource Expansion

# Concentrated Footprint in the Core of the Eagle Ford

- 20 years[1] of prospective development inventory
- Freehold's inventory locations are split evenly between the Lower Eagle Ford, and upper zones
- Freehold acreage mostly in core Karnes County

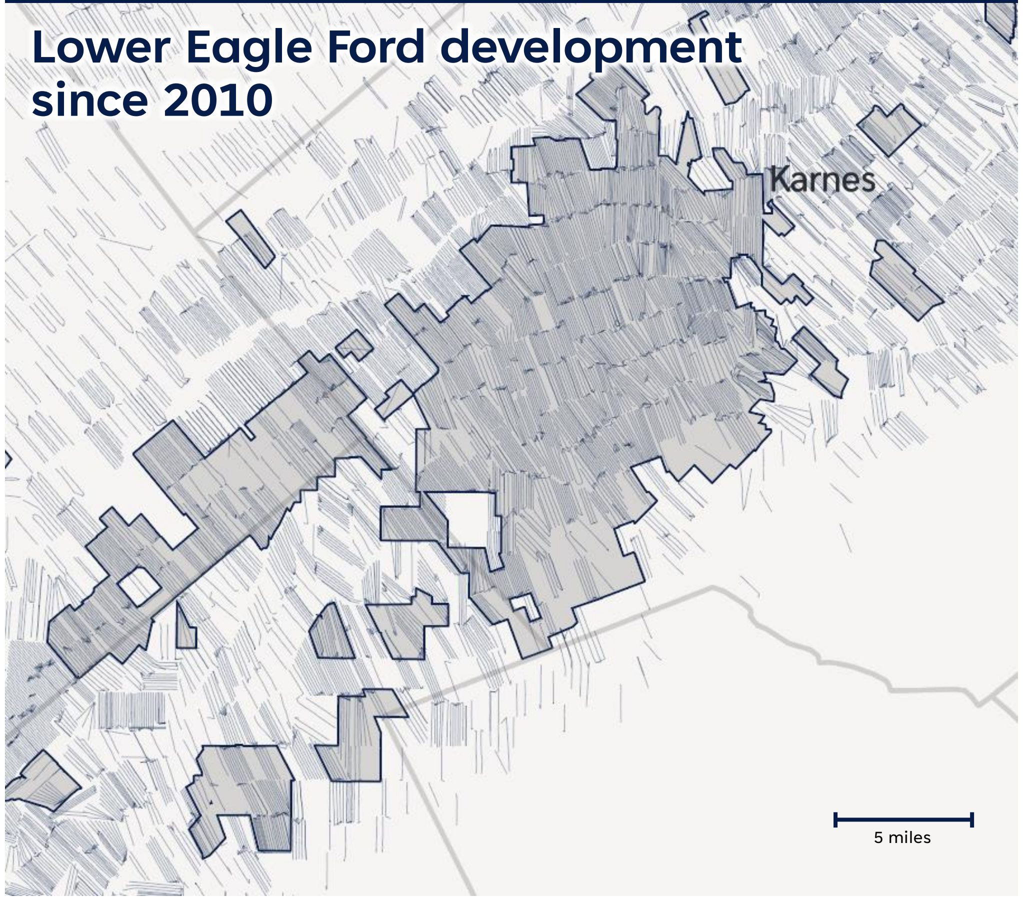
### Basin-wide horizontal wells drilled to date

| | |
|---|---|
| Austin Chalk | ~1,700 |
| Upper Eagle Ford | ~1,200 |
| Lower Eagle Ford | ~28,000 |

- Exposure to quality operators with proven basin capabilities

~65% ConocoPhillips

~13% eog resources




Note | [1]Years of drilling inventory based on 3-year average drilling activity on Freehold land and Freehold's estimated prospective development locations

Source | Enverus

# Canadian Portfolio

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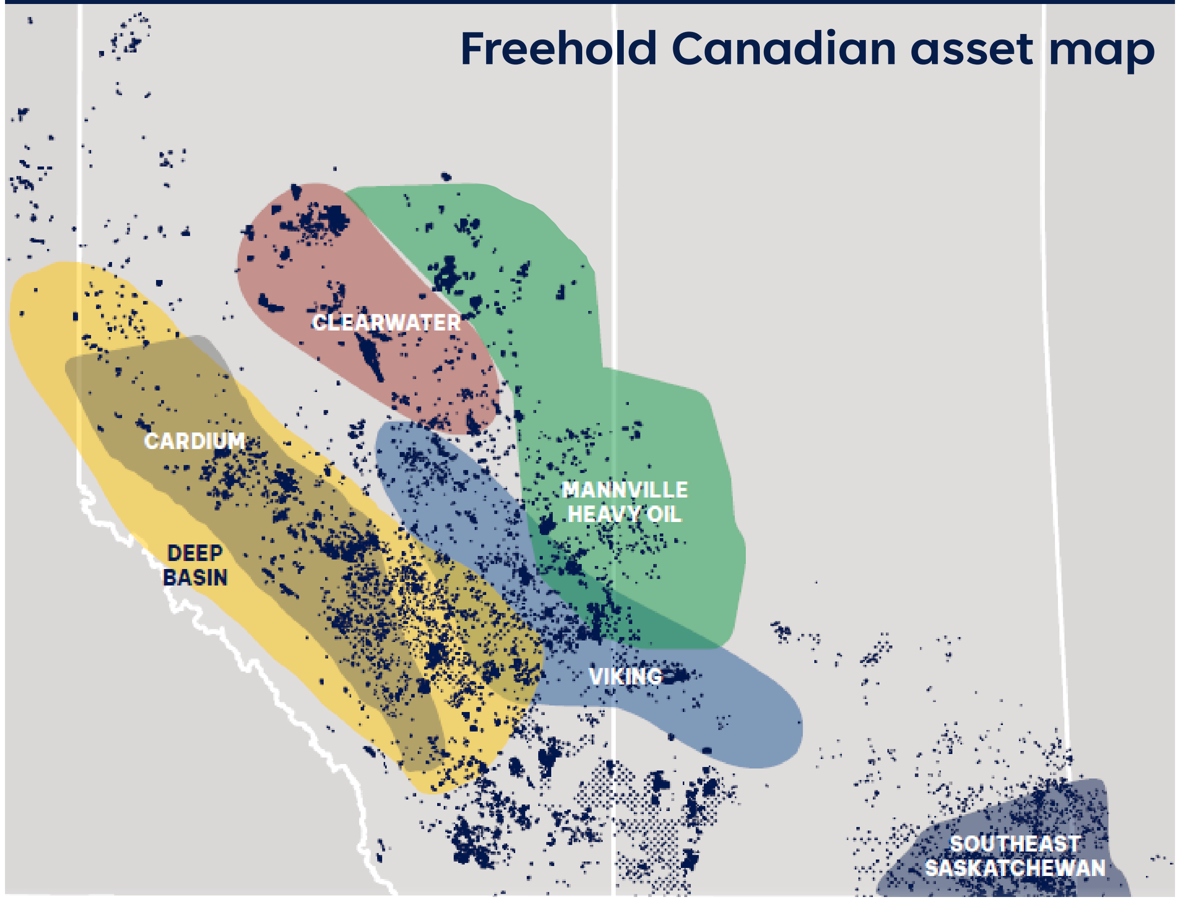
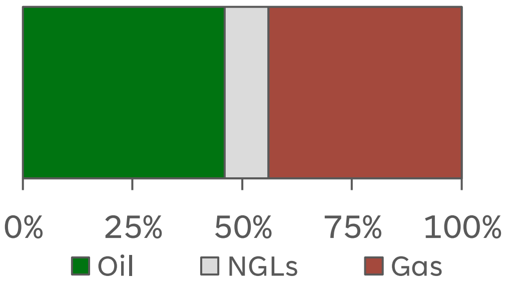
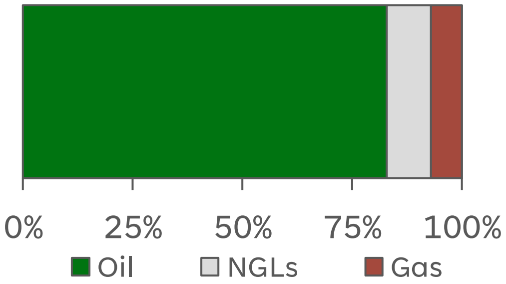
# Freehold's Canadian Portfolio Overview




## Production summary
(YTD 2024)




## Revenue summary
(YTD 2024)




## Basin summary
(boe/d)

| | |
|---|---|
| Viking | 1,300 |
| SE Sask. | 1,100 |
| Cardium | 1,100 |
| Mannville | 900 |
| Heavy Oil | 830 |
| Clearwater | 450 |
| Other | 3,800 |
| **Total** | **9,480** |

 **Source** | Company Reports

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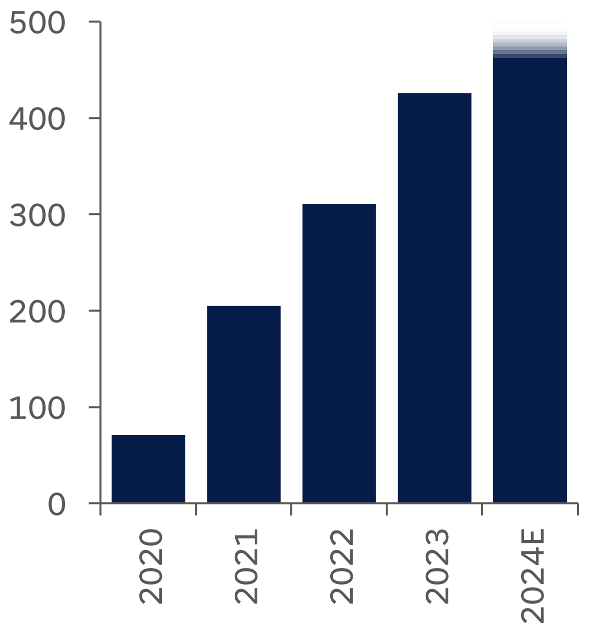
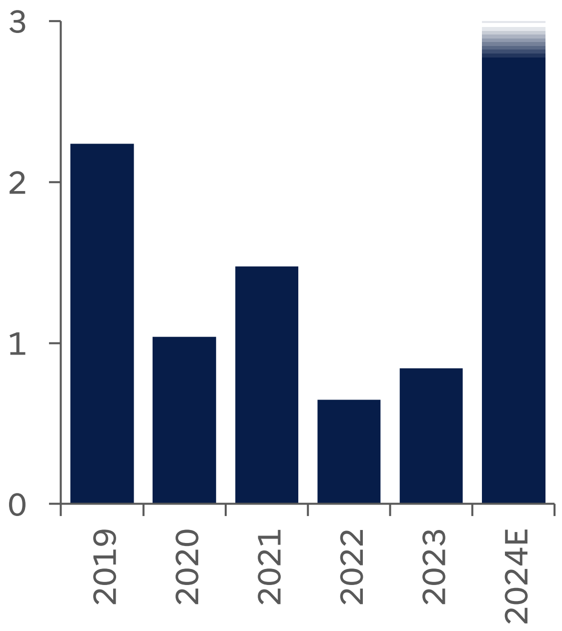
# Multilateral Adoption in Canada

- **New technology continues to unlock substantial resource** that may have been marginal under previous drilling techniques
- Exposure via the **Clearwater and Mannville heavy oil fairway** with ~0.8 million gross acres
- Multilaterals revitalizing **Southeast Saskatchewan light oil plays** where Freehold has 0.5 million gross acres (including 0.3 million mineral title acres)

**Clearwater net royalty production**
(boe/d)




**Mannville fairway net heavy oil wells spud**




 **Source** | Company Reports

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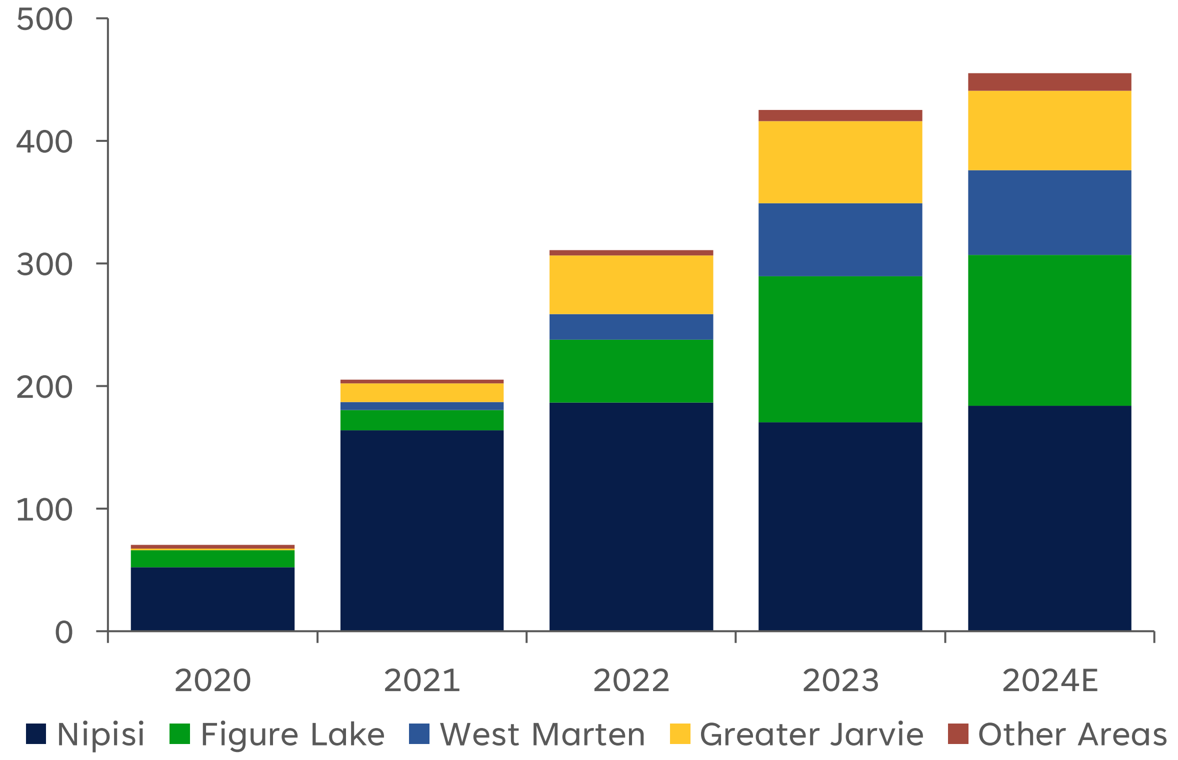
## Clearwater Developments

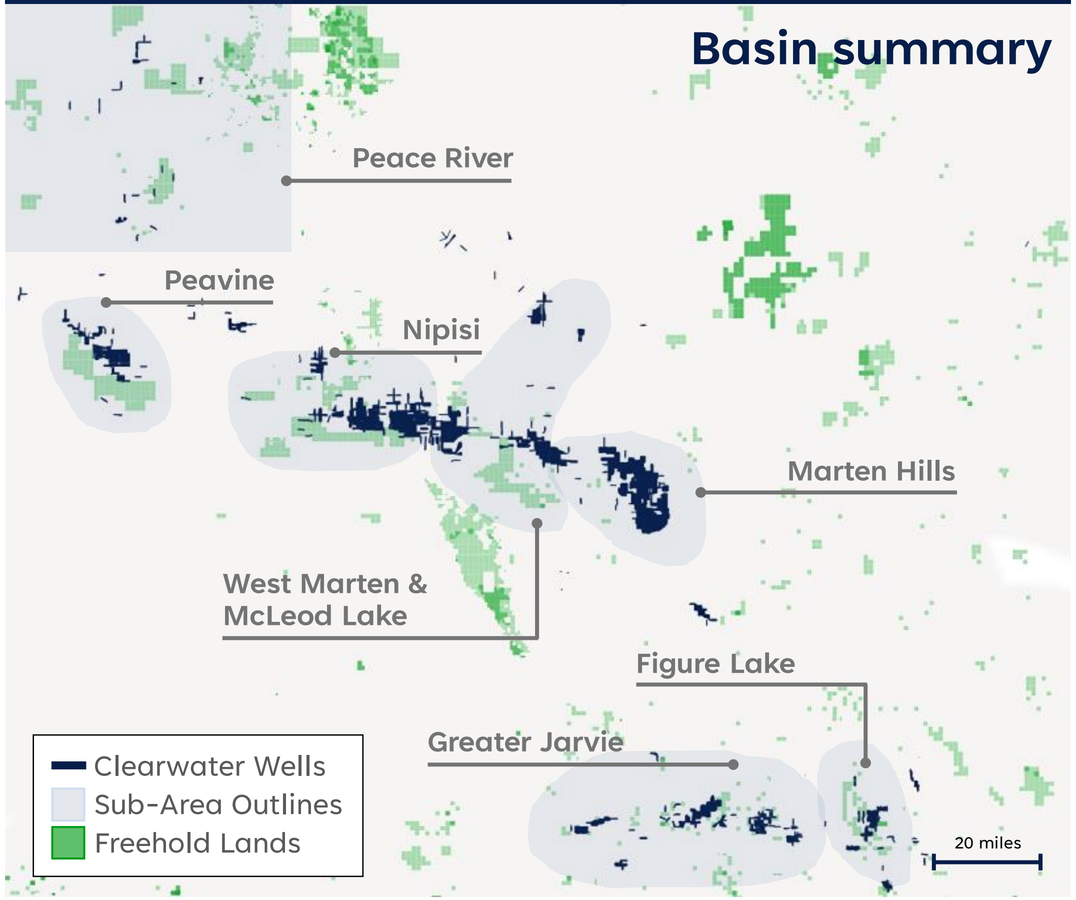
# Robust Position Across Multiple Exploration Plays

### Net Clearwater royalty production

(boe/d)




### Basin summary



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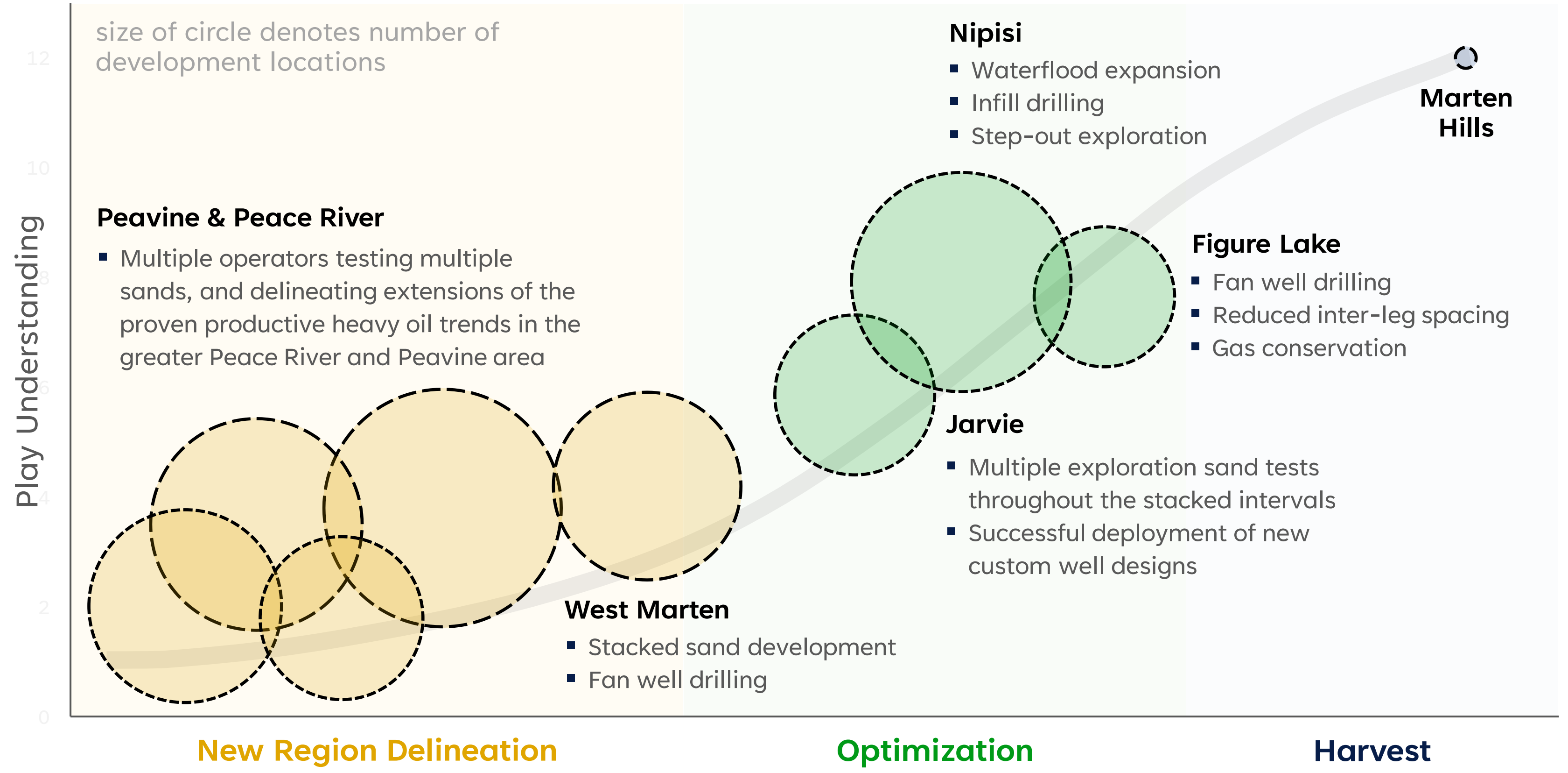
# Clearwater Developments

# Serious Exploration Potential

## Freehold Clearwater asset development stage




- Continuous evaluation of new pools within the greater fairway
- Large regions still untested, with operators continuing to explore
- **Freehold's Clearwater acreage is more than 80% undeveloped**



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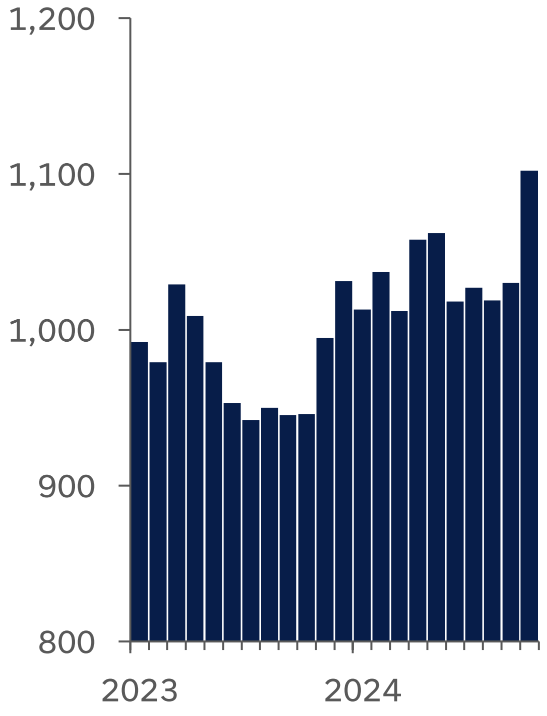
## Canadian Cashflow Machine

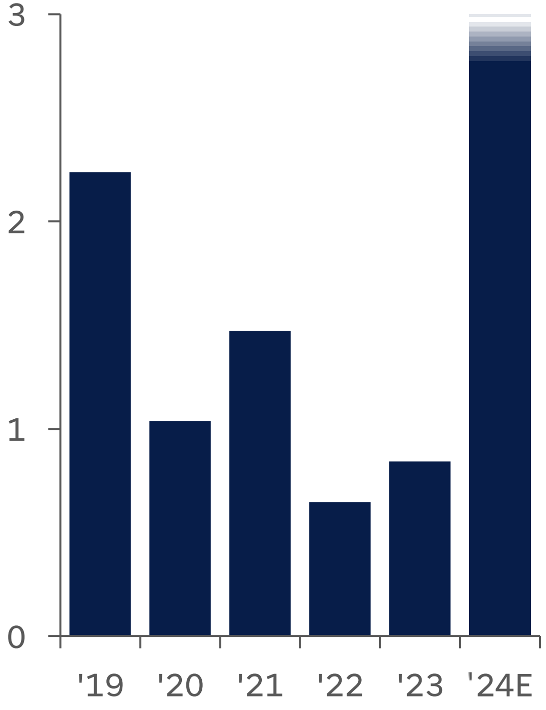
# The Mannville Cornerstone

### Mannville oil royalty volumes

(bbls/d)




### Mannville fairway net heavy oil wells spud




### Mannville ownership stats

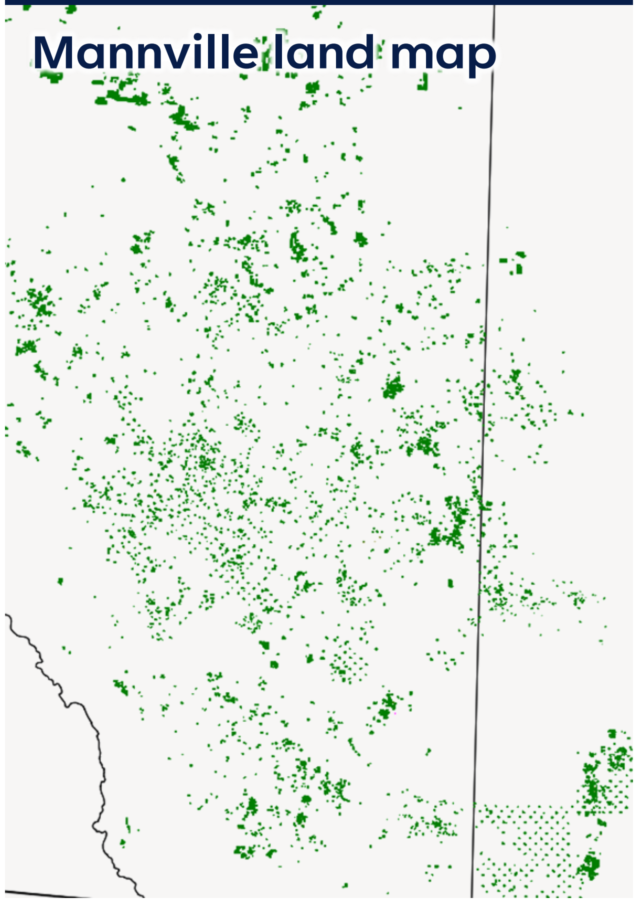
975,000 acres

1,825 heavy oil locations

3,575 other Mannville locations

Increasing licensing activity

### Mannville land map



 **Source** | Company Reports

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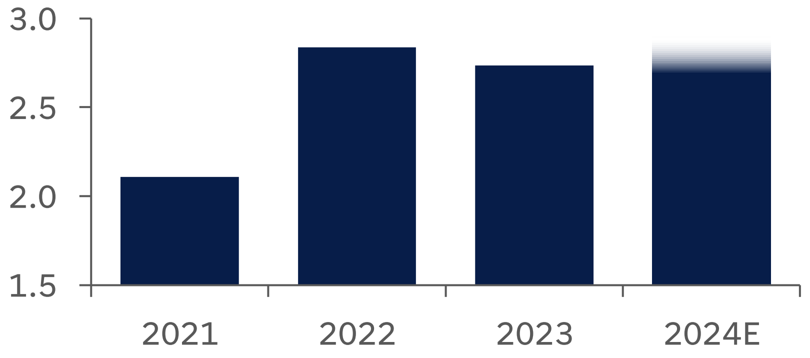
## Canadian Resource Expansion

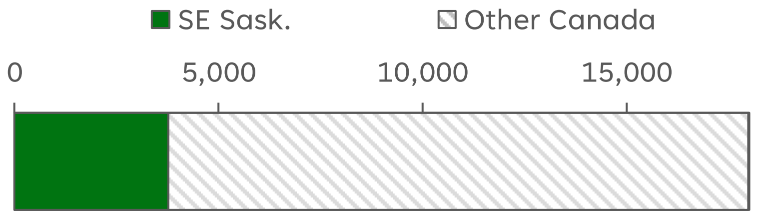
# Southeast Saskatchewan Resurgence

- **Dominant position with 525,000 gross acres** of royalty lands (including 300,000 gross acres of mineral title land)
- Operators have continued to realize improved economics by drilling multilateral wells in light oil plays, **accessing more of the reservoir**, and eliminating risks associated with fracturing into water zones
- ~60% of Freehold's 2024 spuds are multilaterals targeting the Midale and Frobisher, **these are higher value spuds compared to single legs**
- **21% of our prospective inventory is in this exciting light oil play area**

### SE Sask. net drilled wells




### Canadian inventory breakdown






FREEHOLD ROYALTIES

# Supplemental Slides

## Minerals and Royalties Represent a Simple Asset Class

# The Royalty Advantage

### High Margin Model

Operating Margin of 85% YTD 2024 with no operating or capital cost requirements to run the business

### Return of Capital

Consistent, sustainable dividend with >$35/share or ~$2.3 billion returned to shareholders since IPO

### Balance Sheet Strength

Capacity to fund future growth through credit facility

### Optionality & Scalability

Diversified across 6.1 million gross acres in Canada & 1.2 million gross drilling acres in US

### Portfolio Growth

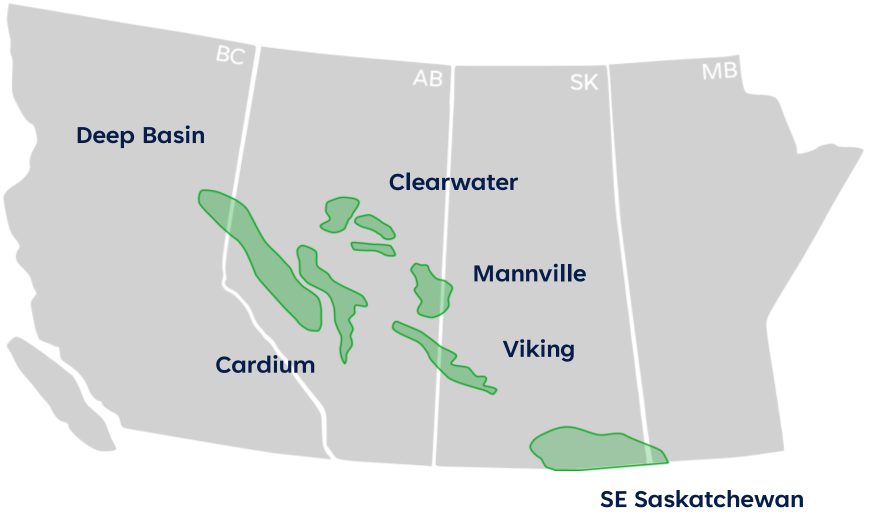
Adding exposure to high netback, high return core areas across North America

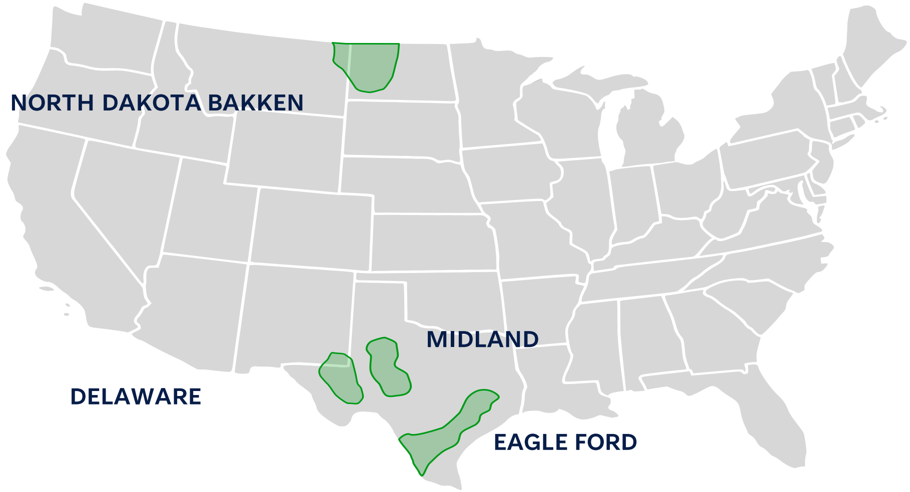
### Diversified Portfolio

~360 industry payors across eight states & five provinces with no payor representing >20% of revenue

**Source |** Company Reports; operating margin calculated as netback divided by petroleum and natural gas realized price

# Q1 – Q3 2024 Royalty Drilling




| CANADA | TOP CANADIAN PLAYS | |
|---|---|---|
| | GROSS WELLS | NET WELLS |
| Viking | 53 | 4.5 |
| Mannville Heavy | 59 | 3.5 |
| SE Saskatchewan | 52 | 2.5 |
| Clearwater | 42 | 1.4 |
| Cardium | 38 | 0.5 |
| **TOTAL CANADA** | **293** | **13.5** |

| UNITED STATES | TOP US PLAYS | |
|---|---|---|
| | GROSS WELLS | NET WELLS |
| Midland | 360 | 0.8 |
| Eagle Ford | 151 | 1.4 |
| Delaware | 39 | 0.1 |
| **TOTAL US** | **559** | **2.4** |

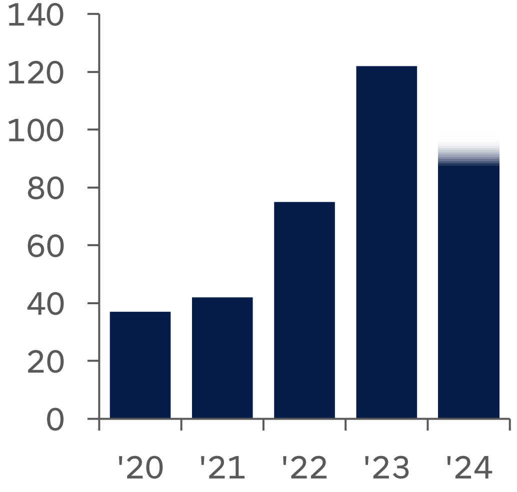
**Source** | Company Reports

FREEHOLD ROYALTIES

## Strong Leasing Activity in Canada

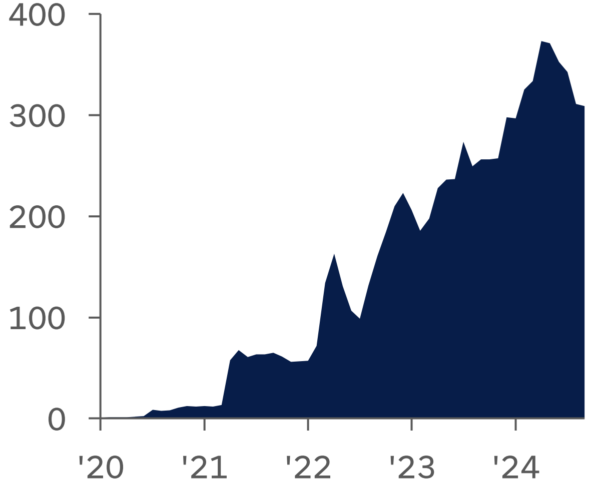
# Deep Knowledge of our Land Base Drives Value

### Number of leases issued per year

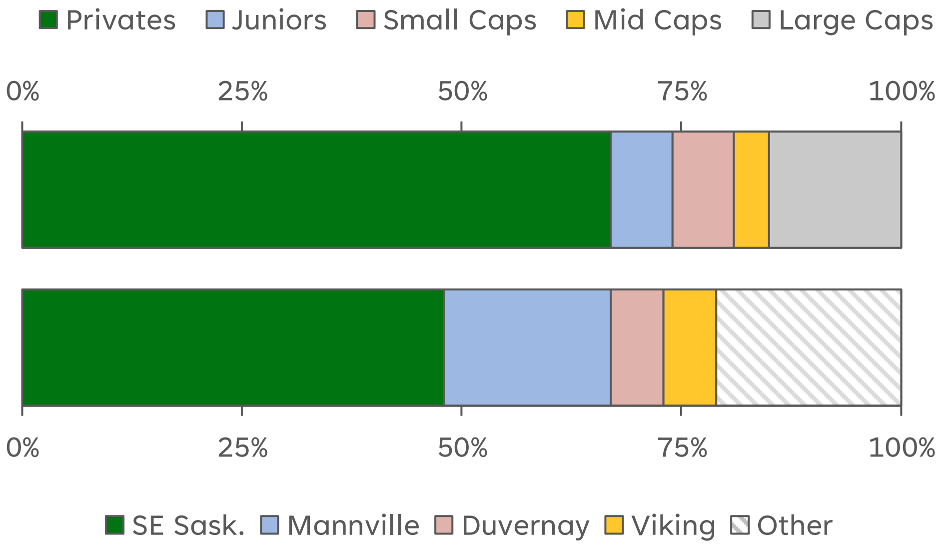



### Production from leasing activity since 2020

(boe/d)




### Leasing activity breakdown since 2020




 **Source** | Company Reports

## Portfolio Optimization in Canada

# Deep Knowledge of our Land Base Drives Value

- 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 over time
- Leverage relationships with third-party operators to ensure we are maximizing value of our land

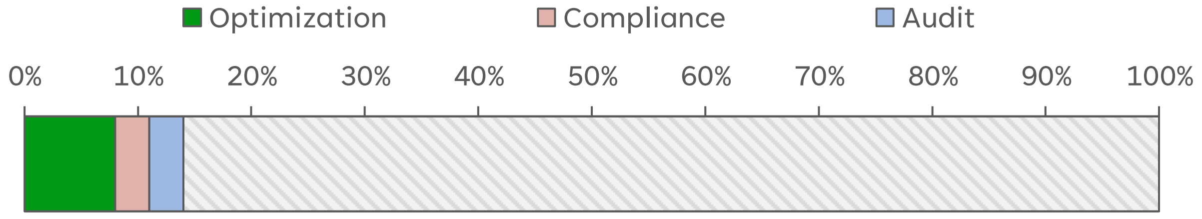
### Optimization, Audit & Compliance revenue since 2021

($ millions)

| | 2021 | 2022 | 2023 | 2024[1] | Total |
|---|---|---|---|---|---|
| **Optimization** | $1.2 | $10.8 | $7.9 | $5.0 | **$24.9** |
| **Audit & Compliance** | $7.1 | $10.7 | $7.2 | $5.8 | **$30.8** |

### 2024 YTD production by source

(boe/d)




**Note** | [1]2024 optimization, audit & compliance figures shown as YTD values

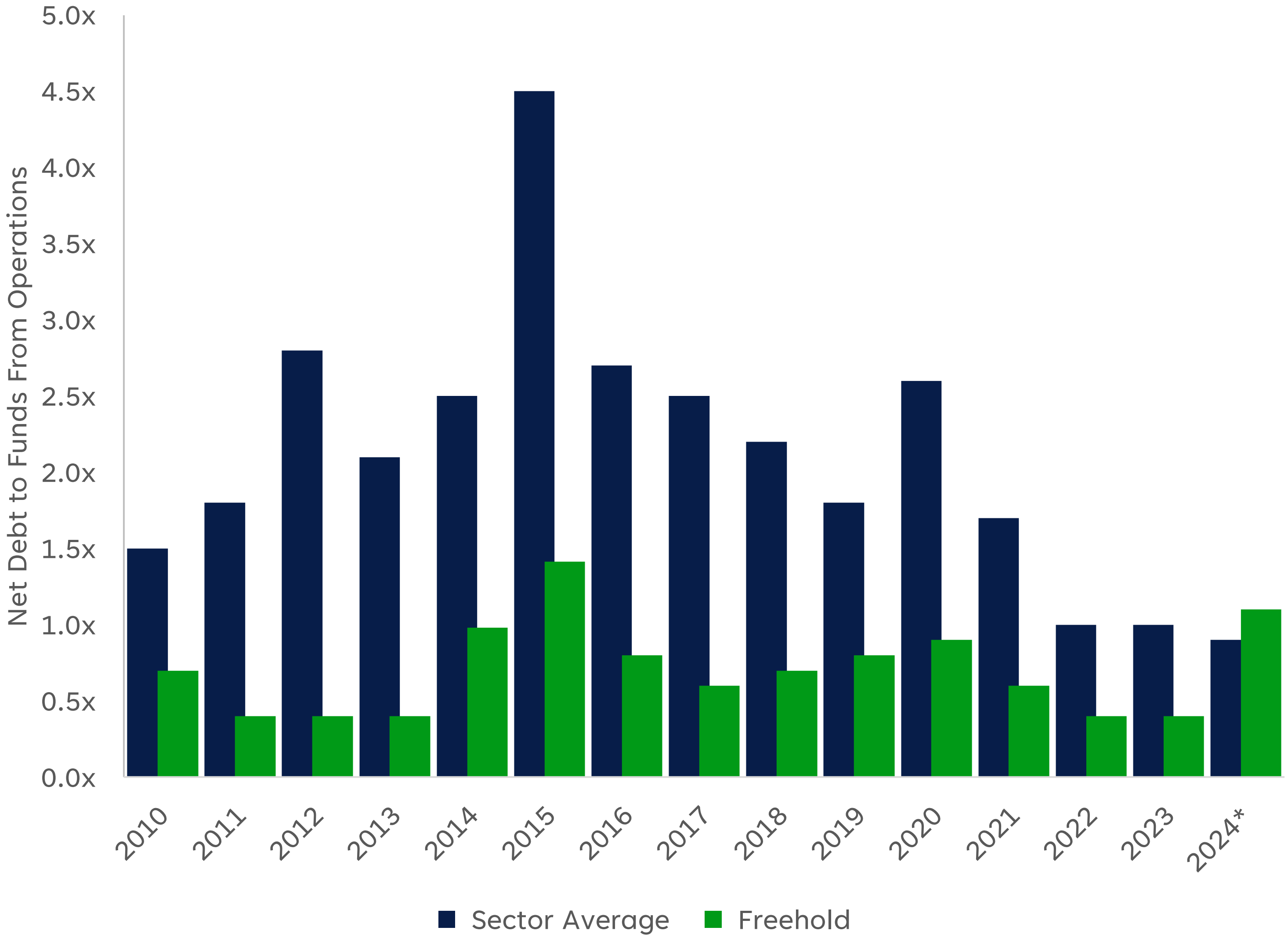
**Source** | Company Reports



FREEHOLD ROYALTIES

# Strong Balance Sheet

- Proforma December 2024 acquisition, Freehold's **net debt to trailing funds from operations is ~1.1x**
- At current commodity price levels and dividend level, **Freehold has capacity to pay down debt or pursue acquisitions** with free funds from operations over and above current dividend levels
- Freehold has a **revolving 3-year facility at $430 million and a $20 million operating facility**
  - Credit agreement includes a permitted **increase** in the revolving facility to **$480 million** subject to lenders' consent



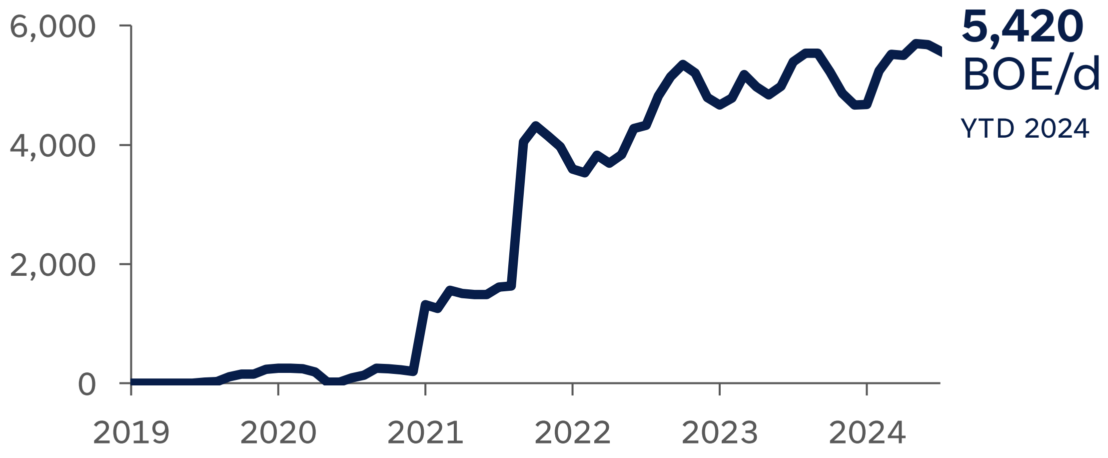

**Source** | FactSet, Company Reports
**YTD 2024, Proforma Dec 2024 Midland Basin acquisition*

FREEHOLD ROYALTIES

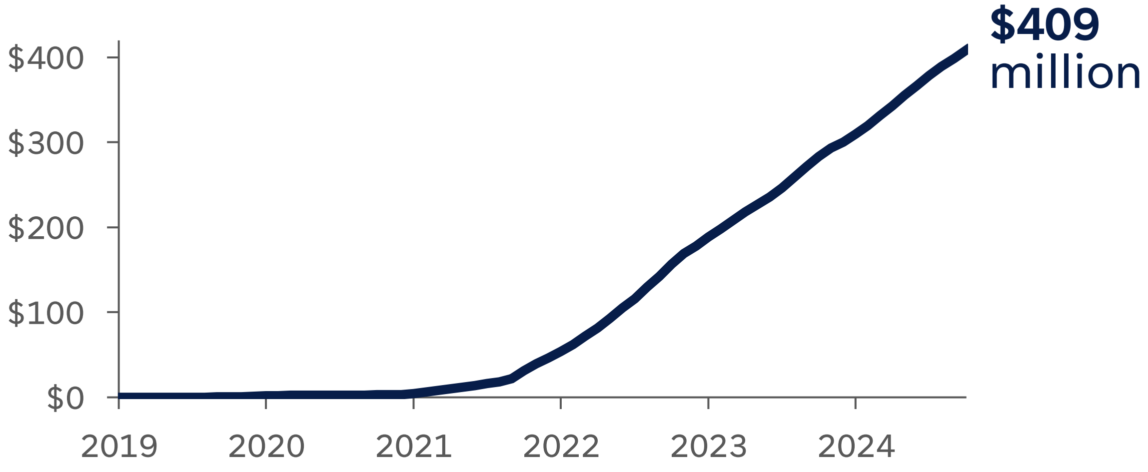
## Why Freehold Likes the US

# A&D Returns Substantially Above Cost of Capital

### Net US royalty production
(boe/d)




### Cumulative US royalty revenue
($ millions)




**Since 2020, Freehold has deployed $685 million to establish a US royalty position, which to date has generated over $400 million in cumulative revenue**

**We expect to achieve total payback on pre-2024 acquisitions in 2026**

 **Source** | Company Reports

# Advisories

## UNIQUELY NORTH AMERICAN

FREEHOLD ROYALTIES

# Advisories

**Non-GAAP Measures**

Within this presentation, references are made to terms commonly used as key performance indicators in the oil and gas industry. We believe that net revenue, cash costs, netback, dividend payout ratio, funds from operations per share and return on capital employed are useful non-GAAP financial 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 Freehold's results of operations and financial position. However, these terms do not have any standardized meanings prescribed by the Canadian generally accepted accounting principles ("GAAP") and therefore may not be comparable with the calculations of similar measures for other entities.

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. Please refer to the table under the heading Netback and Cash Costs within our Management Discussion and Analysis for the interim periods ended September 30, 2024 ("Q3-2024 MD&A"), which is available under Freehold's profile on SEDAR+ at www.sedarplus.ca, for a quantitative calculation of net revenue as of September 30, 2024.

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 royalty expense, operating expense, general and administrative expense, cash-based interest expense, 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. Please refer to the table under the heading Netback and Cash Costs within our Q3-2024 MD&A for a quantitative calculation of cash costs as of September 30, 2024.

Netback, which is calculated on a boe basis, as average realized price less production and ad valorem taxes, operating expenses, G&A expense, cash-based interest charges, cash-based management fees and share based payouts, represents the per boe netback amount allowing Freehold to benchmark how changes in commodity pricing, net of production and ad valorem taxes, and its cash-based cost structure compare against prior periods. Please refer to the table under the heading Netback and Cash Costs within our Q3-2024 MD&A for a quantitative calculation of netback as of September 30, 2024.

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. Please refer to the table under the heading Dividend Policy and Analysis – Dividend Payout Ratio within the Q3-2024 MD&A for discussion on this supplementary financial measure as of September 30, 2024. Funds from operations per share, which is calculated as funds from operations divided by the weighted average shares outstanding, provides direction if changes in commodity prices, cash costs, and/or acquisitions were accretive on a per share basis. Please refer to the table under the heading Cash Flow from Operations and Funds from Operations within our Q3-2024 MD&A for discussion on this supplementary financial measure as of September 30, 2024.

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.

The 2024 financial metrics within this presentation are unaudited and have been presented for illustrative purposes only. The actual financial metrics and results of operations may differ significantly from the amounts reflected herein due to a variety of factors. The unaudited financial metrics represent management's estimates based on information available as of the date hereof and are subject to change as additional information becomes available and analyses are performed.

For further information related to these non-GAAP terms, including reconciliations to the most directly comparable GAAP terms, see our Q3-2024 MD&A, which is available under Freehold's profile on SEDAR+ at www.sedarplus.ca.

**General Disclaimer and Cautionary Statement**

Monetary references in this presentation are in Canadian dollars unless otherwise noted.

This presentation has not been prepared in connection with the sale of securities and is not an offering memorandum and should not be relied upon as such. This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any security in any jurisdiction.

# Advisories

### Third Party Information and Public Information

This presentation contains information regarding lands and interests from which Freehold Royalties Ltd. ("Freehold", "FRU", the "Corporation", "us", "we" or "our") collects or may in the future collect royalties and associated revenues. It also contains information relating to historical operations conducted by exploration and production enterprises. Except where otherwise stated, the disclosure in this presentation relating to the royalty lands and operations on such lands is based on information publicly disclosed by the operators of such lands and information/ data available in the public domain as at January 10, 2025 More current information may be available, or may become available from time to time, in subsequent public disclosure documents including Freehold's disclosure on SEDAR+ (www.sedarplus.ca) and our website (www.freeholdroyalties.com). Although certain of this information has been independently verified by Freehold, as a royalty owner, Freehold may not have complete, current and accurate information relating to the royalty lands described in this presentation. Additionally, Freehold may, from time to time, receive operating, technical and financial information from operators on the royalty lands, which it is not permitted to disclose to the public. Freehold is dependent on operators on the royalty lands and their qualified persons to provide information to Freehold or on publicly available information to prepare required disclosure pertaining to the royalty lands and generally has limited ability to independently verify such information. Although Freehold does not have any knowledge that such information may not be accurate, there can be no assurance that such third-party information is complete or accurate. Some information publicly reported by operators may relate to a larger property than the area covered by Freehold's royalty interest. Freehold's royalty interests often cover only a portion of the publicly reported reserves and production of the property.

### Advisory Relating to Forward-Looking Information

This presentation offers and assessment of Freehold's future plans and operations as at January 10, 2025 and contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws legislations. 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 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 plans; statements with respect to future events or future performance; Freehold's belief that it has approximately 30-40 years of inventory development upside, including ~40 years of drilling inventory in Freehold's Canadian play, and ~30 years of drilling inventory in Freehold's US plays; Freehold's objective to deliver growth and lower risk attractive returns to shareholders over the long term; that Freehold will continue to have increased exposure to the best plays and concentrated under the best operators; Freehold's expectations that it will achieve a targeted dividend payout ratio of approximately 60% that is supported throughout the commodity cycle down to ~$US50s WTI; that Freehold is poised for oil growth; Freehold's belief that consistent production growth per share leads to funds from operations and dividend growth for shareholders leads to outperformance of the energy index; that multilateral technologies will continue to unlock substantial resources that may have been marginal under previous drilling techniques; that step-out drill activity will expand play boundaries; that multilaterals are revitalizing SE Saskatchewan light oil plays; that Freehold's balanced return of capital policy provides a robust dividend yield, and cash flow for reinvestment, while capital invested into production growth generates sizable returns; that our dividend is sustainable through commodity cycles; that Freehold will continue to execute accretive deals to grow the business, and the bottom line; that our monthly dividend of 9 cents per share will continue to be supported to ~US$50/bbl WTI; that new technology continues to unlock substantial resource in the WCSB; our strategy to create, enhance and deliver value to our shareholders; our belief that Freehold's royalty assets provide significant value upside to our shareholders; the expectation that Freehold has decades of inventory to sustain and grow cash flow and the dividend; 2025 forecast production and net royalty revenue from the assets acquired pursuant to Freehold's strategic Midland basin acquisition; the expectation that the lands acquired pursuant to Freehold's strategic Midland basin acquisition are positioned to benefit from “cube development”; the expectation that cube development maximizes productivity and reserve recovery; the expectation that pro forma the acquisition Freehold is positioned to capture 1-in-every-3 wells spud in the Midland Basin (increase from 1-in-every-6); the expectation that there is significant running room in the 1st generation and 2nd generation benches in the Midland basin; the expectation of having 20 years of inventory in the Eagle Ford; the expected exploration potential in the Clearwater area; prospective inventory in the Southeast Saskatchewan area; expected inventory in Southeast Saskatchewan and other areas in Canada; the expected ability to fund future growth through Freehold's credit facility; the intention to capitalize on our extensive land base with royalty optimization; the intention to maximize Freehold’s royalty interests through a comprehensive audit and compliance program; the expectation that optimization efforts contribute meaningful production adds over time; the intention to leverage relationships with third-party operators to ensure we are maximizing value of our land; the expectation that at current commodity price levels and dividend level, Freehold has capacity to pay down debt or pursue acquisitions with free funds from operations over and above current dividend levels; the future drilling locations and future development upside identified on our royalty lands; our expectation to achieve total payback on pre-2024 acquisitions in 2026; that Emerging benches are delivering results that are in-line with results that are being actively developed now; our belief that operators continue to favor cube development, which increases drilling density with less risk of interactions between producing wells, and increases value net to Freehold; that operators will continue to realize improved economics by drilling multilateral wells in light oil plays, accessing more of the reservoir; that Freehold will continue to benefit from the royalty lands continues to benefit without contributing capital; our confidence in our development inventory under motivated operators that consider Midland a core asset; that operators in the Midland Basin are prioritizing to maximize productivity and reserve recovery;



FREEHOLD ROYALTIES

# Advisories

that Freehold has significant “white space” DSUs with more than 25% of the Acquired Assets acreage characterized as undeveloped with no prior horizontal drilling activity, which lands are positioned to benefit from cube development; that Freehold's low cost structure provides robust funds from operations to support dividend; that Freehold's balanced return of capital policy provides a robust dividend yield, and cash flow for reinvestment, while capital invested into production growth generates sizable returns; that returns will continue to grow as Freehold grows; that Operators will continue to realize improved economics by drilling multilateral wells in light oil plays, accessing more of the reservoir, and eliminating risks associated with fracturing into water zones; that Freehold's A&D returns will continue to be substantially above the cost of capital; and the expected benefits and advantages of our royalty portfolio. In addition, statements (including data in tables) relating to reserves and resources are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates and assumptions are accurate and that such reserves and resources will be realized. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

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, including the changing administration in the United States and potential changes in the federal government in Canada; 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 MD&A and our Annual Information Form ("AIF") for the year ended December 31, 2023 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.

# Advisories

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 for year ended December 31, 2023, 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.

### Advisory Relating to Presentation of Oil and Natural Gas Reserves, Revenue and Production Information

This presentation contains information relating to crude oil, natural gas and NGL reserves and other information prepared in accordance with the requirements of Canadian securities laws in effect in Canada. The estimates of net reserves have been evaluated by our independent qualified reserves evaluators, Trimble Engineering Associates Ltd. ("Trimble") and RSC Group Inc. ("Ryder Scott"), in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") effective as of the relevant date noted with respect to such estimates herein using the report dated effective December 31, 2023 prepared by Trimble evaluating the oil, natural gas, natural gas liquids and sulfur reserves attributable to the Canadian assets of the Corporation as at December 31, 2023 ("Trimble Report"), and the report dated December 31, 2023 prepared by Ryder Scott evaluating the oil, natural gas, natural gas liquids and sulfur reserves attributable to the U.S. assets of the Corporation as at December 31, 2023 ("Ryder Scott Report"), respectively.

### Advisory relating to Development Locations and Associated Undiscounted Values

In this presentation, Freehold has presented an analysis of the Freehold’s prospective drilling locations and associated undiscounted value of its royalty lands. The potential drilling locations and associated undiscounted value has been internally prepared by Freehold utilizing the assumptions and methodology on page 20 and 21 of Freehold's 2024 Asset Book, which is available on Freehold's website at www.freeholdroyalties.com. The development locations and the values presented as the associated undiscounted value in this presentation are not intended, and should not be construed, to represent a forecast of the wells that will be drilled or an estimate of reserves or resources or the value associated with reserves or resources. The development locations and the values presented have been presented to help investors understand management’s assumptions utilized in determining areas of potential growth as well as part of the analysis utilized by management in assessing its potential royalty acquisitions; however, such development locations and associated value are not determinative of the actual wells that will be drilled on Freehold's royalty lands, the reserves or resources associated with the actual wells drilled or the value of such reserves or resources that will actually be recovered from Freehold's royalty lands. It is highly probable that the actual wells drilled on Freehold's royalty lands and the associated undiscounted values will be greater or less than the development locations and the associated undiscounted value. There are more risks and uncertainties associated with the development locations and the associated undiscounted value presented herein than there would be with an estimate of reserves or resources or the drilling locations or wells associated with such an estimate of reserves or resources. The risks associated with the analysis of the development locations and the associated undiscounted value presented herein include, but are not limited to, the risk that the operators will not have availability of capital to further develop such properties; the accuracy of public statements and disclosures made by the operators on the royalty lands; the risk that no resources will be discovered in areas where Freehold has assumed there are resources for the purpose of analyzing the potential development locations; the risk that if resources are discovered that they will not be recoverable; the risk that the character and quality of the reservoir will not be as good as in areas where there are existing wells; the risk that the actual performance of wells will not achieve the same performance as projected in the type curves used for estimating the associated undiscounted value; the risk that a material adverse change in the market price of the commodities that underlie the asset portfolio will affect future drilling and the value of any resources recovered; the risk that regulatory approvals will not be received for the development of such royalty lands; the risk that no operators will be willing or able to lease and develop the royalty lands; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. In addition many of the risks set out under the heading “Risk Factors” of the AIF for the year ended December 31, 2023 which is available under Freehold’s profile on SEDAR+ at www.sedarplus.ca. are relevant to the disclosure of the development locations and the associated undiscounted value presented herein.

# Advisories

## 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 resented 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 Book 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.

## 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.