

## NEWS RELEASE

TSX: FRU

### Freehold Royalties Announces First Quarter 2025 Results

CALGARY, ALBERTA, (GLOBE NEWSWIRE – May 13, 2025) – Freehold Royalties Ltd. (Freehold or the Company) (TSX:FRU) announces first quarter results for the period ended March 31, 2025.

#### First Quarter 2025 Highlights

- \$91 million in revenue;
- \$68 million in funds from operations (\$0.42/share)<sup>(1)(3)</sup>;
- \$44 million in dividends paid (\$0.27/share)<sup>(2)</sup>;
- 10,635 bbls/d of total liquids production, an 8% increase from previous quarter driven by continued execution of our U.S. expansion strategy and heavy oil growth in Canada;
- 16,248 boe/d of total production, a 6% increase from previous quarter with a 65% weighting to oil and natural gas liquids (NGLs), an increase from 63% in Q1-2024;
- Gross drilling of 322 wells, up 12% from Q4-2024;
- Robust leasing with 25 new leases signed (14 in Canada; 11 in the U.S.) contributing \$3.9 million in revenue with the U.S. contributing a record \$3.3 million in lease bonus; and
- \$59.29/boe average realized price (\$72.64/boe in the U.S. and \$49.26/boe in Canada);
  - 47% pricing premium on Freehold's U.S. production reflecting higher liquids weighting, higher quality crude oil and reduced transportation costs to get product to market.

#### President's Message

Freehold's Q1-2025 production of 16,248 boe/d is at the highest levels in our corporate history, in step with the high quality acquisition work completed in late 2024. The deliberate and strategic build out of our North American royalty portfolio has resulted in a balanced revenue base with Canada contributing 46% of revenue in Q1-2025 and the U.S. contributing 54%. On a volume basis the U.S. represented 43% of our production with premium pricing and higher liquids weighting driving an outsized revenue contribution. Our focus on acquiring mineral title interests in prospect rich basins has contributed to the record level of leasing this quarter in our core U.S. operating areas.

Freehold's oil weighted portfolio, underpinned by premium operators in select basins across North America, delivered significant value to the Company and our shareholders with \$68 million of funds from operations<sup>(3)</sup> in the quarter, or \$0.42/share. Included in our funds from operations was record leasing results with \$3.9 million in revenue, including \$3.3 million in U.S. leasing revenue. Notably, the majority of the U.S. leases signed in Q1-2025 are targeting the deeper Barnett formation of the Permian basin that is in the early stages of development.

Liquids production increased 8% over Q4-2024 and 15% compared to Q1-2024. The increase is largely attributed to the December 2024 Midland basin acquisition and continued growth in our heavy oil portfolio which grew 7% over Q4-2024 and is up 19% compared to Q1-2024. Our U.S. portfolio continues to be led by consistent drilling activity by some of the highest quality payors in North America who are executing on their multi-year growth plans.

We are maintaining our production guidance range of 15,800 boe/d to 17,000 boe/d for 2025E. The global macro environment has shifted since the end of the first quarter and how that may impact operator plans for the remainder of 2025 is unknown at this point. The industry is in excellent shape to manage commodity price volatility due to the capital discipline and prudent balance sheet management approach over the past number of years. Contributing to this is our positioning in the lowest break-even plays across North America under investment grade operators who take a long term, measured view to capital planning.

**David M. Spyker, President and Chief Executive Officer**

### Dividend Announcement

The board of directors of Freehold has declared a monthly dividend of \$0.09 per share to be paid on June 16, 2025, to shareholders of record on May 30, 2025. The dividend is designated as an eligible dividend for Canadian income tax purposes.

### Operating and Financial Highlights

	Three Months Ended		
FINANCIAL (\$ millions, except as noted)	Q1-2025	Q4-2024	Q1-2024
West Texas Intermediate (US\$/bbl)	71.42	70.27	76.96
AECO 7A Monthly Index (Cdn\$/Mcf)	2.02	1.46	2.07
Royalty and other revenue	91.1	76.9	74.3
Funds from operations <sup>(3)</sup>	68.1	61.3	54.4
Funds from operations per share, basic (\$) <sup>(1)(3)</sup>	0.42	0.40	0.36
Dividends paid per share (\$) <sup>(2)</sup>	0.27	0.27	0.27
Dividend payout ratio (%) <sup>(3)</sup>	65%	66%	75%
Long-term debt	294.3	300.9	223.6
Net debt <sup>(5) (6)</sup>	272.2	282.3	210.5
Net debt to trailing funds from operations (times) <sup>(5)</sup>	1.1x	1.2x	0.9x
OPERATING			
Total production (boe/d) <sup>(4)</sup>	16,248	15,306	14,714
Canadian production (boe/d) <sup>(4)</sup>	9,278	9,437	9,593
U.S. production (boe/d) <sup>(4)</sup>	6,970	5,869	5,121
Oil and NGL (%)	65%	65%	63%
Petroleum and natural gas realized price (\$/boe) <sup>(4)</sup>	59.29	53.80	54.81
Cash costs (\$/boe) <sup>(3)(4)</sup>	7.00	5.93	7.19
Netback (\$/boe) <sup>(3) (4)</sup>	53.01	47.25	46.62
ROYALTY INTEREST DRILLING (gross / net)			
Canada	92 / 3.9	110 / 3.6	132 / 5.9
U.S.	230 / 0.8	178 / 0.6	168 / 0.5

- (1) Calculated based on the basic weighted average number of shares outstanding during the period
- (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

## First Quarter Summary

- Average production of 16,248 boe/d, an increase of 10% over the first quarter of 2024 with year-over-year liquids growth of 15% to 10,635 bbls/d:
  - Light and medium oil was up 13% over Q1-2024 to 6,880 bbls/d, largely due to the high quality, oil weighted U.S. acquisitions completed in 2024; and
  - Heavy oil was up 19% over Q1-2024 to 1,552 bbls/d as Mannville Stack and Clearwater production on Freehold's lands hit record highs in the first quarter.
- Royalty and other revenue totalled \$91.1 million, up 18% over the prior quarter and 23% year-over-year. Other revenue included \$3.9 million in lease bonus consideration and lease rental revenue, a quarterly record for Freehold.
- Freehold's corporate realized price was \$59.29/boe, an increase of 9% compared to Q4-2024 and 8% from Q1-2024 due to higher commodity prices and higher weighting to liquids production.
- Funds from operations totalled \$68.1 million (\$0.42 per share)<sup>(1)</sup>.
- Freehold closed \$13.8 million of land purchases in the first quarter, including \$11 million of high quality undeveloped mineral title lands in our core Midland and Delaware basin properties.
- Dividends declared for Q1-2025 of \$44.3 million (\$0.27 per share). Freehold's dividend payout ratio<sup>(1)</sup> was 65% for Q1-2025. Freehold's dividend remains sustainable at oil and natural gas prices well below current commodity price levels.
- Net debt<sup>(1)(2)</sup> of \$272.2 million at the end of Q1-2025 was reduced by \$10.1 million compared to year end 2024, representing 1.1 times trailing funds from operations<sup>(2)</sup> during the period. Freehold remains conservatively levered.

(1) See Non-GAAP and Other Financial Measures

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

## Q1-2025 Drilling and Leasing Activity

In total, 322 gross wells (4.7 net wells) were drilled on Freehold's royalty lands in Q1-2025, a 12% increase (12% on a net basis) compared to the previous quarter. The increase in drilling reflects the expansion of the Company's U.S. asset base and the positioning of our assets in areas across North America that continue to attract drilling capital.

On a gross basis, essentially all drilling was oil focused. Approximately 29% of gross wells drilled in Q1-2025 were in Canada and 71% targeted Freehold's U.S. royalty acreage.

Three Months Ended						
	Q1-2025		Q4-2024		Q1-2024	
	Gross	Net <sup>(1)</sup>	Gross	Net <sup>(1)</sup>	Gross	Net <sup>(1)</sup>
Canada	92	3.9	110	3.6	132	5.9
United States	230	0.8	178	0.6	168	0.5
Total	322	4.7	288	4.2	300	6.4

(1) Equivalent net wells are aggregate of the numbers obtained by multiplying each gross well by our royalty interest percentage; U.S. wells on Freehold's lands generally come on production at approximately 10 times the volume that of an average Canadian well in our portfolio.

## Canada

Canadian net drilling was up over the previous quarter despite the decline on a gross basis as higher interest wells in the Viking and mineral title drilling in southeast Saskatchewan and the Mannville Stack made up a higher percentage. Q1-2025 drilling in Canada was led again by oil weighted plays including Viking (33 gross wells), southeast Saskatchewan (12 gross wells) and Mannville Stack (9 gross wells).

During Q1-2025, Freehold entered into 14 new leases with seven counterparties totalling approximately \$0.6 million in bonus and lease rental revenue. The majority of the new leasing was focused in southeast Saskatchewan and the Mannville Stack.

## U.S.

During Q1-2025, 230 gross (0.8 net) wells were drilled on our U.S. lands, up 29% on a gross basis and 33% on a net basis from previous quarter due to a larger footprint in the Midland basin following the December 2024 acquisition and increased activity in the Eagle Ford basin. Approximately 90% of Q1-2025 drilling was focused in the Permian basin and 10% in the Eagle Ford basin.

U.S. wells typically come on production at approximately ten times that of an average Canadian well in the Company's portfolio, making equivalent net well additions much more valuable in the U.S. compared to Canada. However, a U.S. well can take upwards of six to twelve months on average from initial license to first production, compared to three to four months in Canada.

In Q1-2025, Freehold entered into 11 new U.S. leases with four counterparties, totalling \$3.3 million of bonus and lease rental revenue. Leasing activity was predominantly focused on Freehold's mineral title interests in the Midland and Delaware basins with one lease in the Haynesville basin.

## Normal Course Issuer Bid (NCIB) Application

The Company plans to implement an NCIB, pursuant to which Freehold would be permitted to acquire up to 10% of its issued and outstanding common shares that comprise the public float (less common shares held by directors, executive officers and principal securityholders (holders holding greater than 10% of the issued and outstanding Shares) of the Company), through the facilities, rules and regulations of the TSX.

The NCIB will be subject to receipt of certain approvals, including acceptance of the notice of intention to commence an NCIB by the TSX. The NCIB will commence following receipt of all such approvals and will continue until the earlier of: (i) a period of up to one-year; or (ii) the date on which the Company has acquired all common shares sought pursuant to the NCIB. Further particulars of the NCIB will be described in a subsequent press release when approved by the TSX.

Freehold believes establishing a NCIB as part of its capital management strategy is in the best interests of the Company and provides an opportunity to deliver value to shareholders. Decisions regarding utilizing the NCIB will be based on market conditions, share price, best use of funds from operations and other factors including debt repayment and options to expand our portfolio of royalty assets.

### **Annual Meeting of Shareholders**

Freehold's annual meeting of shareholders (the AGM) will be conducted in person and via live audio webcast at 3:00 PM (MDT) on Wednesday May 14, 2025 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, 2025, will be held for the investment community on Wednesday May 14, 2025, 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](http://www.freeholdroyalties.com). To participate in the conference call, you can register using the following link: **Live Audio Webcast URL:** <https://edge.media-server.com/mmc/p/6y39yhx4>.

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 5153824#.

### **For further information contact**

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## Select Quarterly Information

	2025		2024		2023			
Financial (\$millions, except as noted)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Royalty and other revenue	91.1	76.9	73.9	84.5	74.3	80.1	84.2	73.7
Net Income (loss)	37.3	51.1	25.0	39.3	34.0	34.3	42.3	24.3
Per share, basic (\$) <sup>(1)</sup>	0.23	0.33	0.17	0.26	0.23	0.23	0.28	0.16
Cash flows from operations	62.9	59.1	64.1	47.6	52.5	70.7	53.7	49.9
Funds from operations	68.1	61.3	55.7	59.6	54.4	62.8	65.3	53.0
Per share, basic (\$) <sup>(1)(3)</sup>	0.42	0.40	0.37	0.40	0.36	0.42	0.43	0.35
Acquisitions & related expenditures	13.9	277.0	1.8	11.5	121.5	2.1	1.2	3.2
Dividends paid	44.3	40.7	40.7	40.7	40.7	40.7	40.7	40.7
Per share (\$) <sup>(2)</sup>	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Dividends declared	44.3	41.9	40.7	40.7	40.7	40.7	40.7	40.7
Per share (\$) <sup>(2)</sup>	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Dividend payout ratio (%) <sup>(3)</sup>	65%	66%	73%	68%	75%	65%	62%	77%
Long-term debt	294.3	300.9	205.8	228.0	223.6	123.0	141.2	152.0
Net debt <sup>(5)</sup>	272.2	282.3	187.1	199.1	210.5	100.9	113.4	136.9
Shares outstanding, period end (000s)	164.0	164.0	150.7	150.7	150.7	150.7	150.7	150.7
Average shares outstanding, basic (000s) <sup>(6)</sup>	164.0	153.4	150.7	150.7	150.7	150.7	150.7	150.7
<b>Operating</b>								
Light and medium oil (bbl/d)	6,880	6,296	6,080	6,551	6,094	6,308	6,325	6,093
Heavy oil (bbl/d)	1,552	1,516	1,315	1,348	1,300	1,182	1,127	1,167
NGL (bbl/d)	2,203	2,066	1,972	1,902	1,884	1,878	1,678	1,845
Total liquids (bbl/d)	10,635	9,878	9,367	9,801	9,278	9,368	9,130	9,105
Natural gas (Mcf/d)	33,678	32,564	31,447	32,524	32,617	32,968	32,851	33,372
Total production (boe/d) <sup>(4)</sup>	16,248	15,306	14,608	15,221	14,714	14,863	14,605	14,667
Oil and NGL (%)	65%	65%	64%	64%	63%	63%	63%	62%
Petroleum & natural gas realized price (\$/boe) <sup>(4)</sup>	59.29	53.80	54.36	59.74	54.81	57.94	61.55	54.05
Cash costs (\$/boe) <sup>(3)(4)</sup>	7.00	5.93	5.42	9.80	7.19	4.73	5.10	7.19
Netback (\$/boe) <sup>(3)(4)</sup>	53.01	47.25	47.78	49.44	46.62	52.59	55.63	46.07
<b>Benchmark Prices</b>								
West Texas Intermediate crude oil (US\$/bbl)	71.42	70.27	75.09	80.57	76.96	78.32	82.26	73.78
Exchange rate (Cdn\$/US\$)	1.43	1.40	1.37	1.37	1.35	1.36	1.34	1.34
Edmonton Light Sweet crude oil (Cdn\$/bbl)	95.32	94.90	97.85	105.29	92.14	99.69	107.89	94.97
Western Canadian Select crude oil (Cdn\$/bbl)	84.30	80.75	83.95	91.63	77.77	76.96	93.05	78.76
Nymex natural gas (US\$/Mcf)	3.79	2.86	2.24	1.96	2.33	2.98	2.64	2.17
AECO 7A Monthly Index (Cdn\$/Mcf)	2.02	1.46	0.81	1.44	2.07	2.70	2.42	2.40

(1) Calculated based on the basic weighted average number of shares outstanding during the period

(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 2023 reported balances have been restated due to the retrospective adoption of IAS 1 (see note 3d of December 31, 2024 audited consolidated financial statements)

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

## Forward-Looking Statements

This news release offers our assessment of Freehold's future plans and operations as of March 12, 2025, 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:

- 2025 production guidance;
- our expectation regarding continued growth of our total liquid production through continued execution of our U.S. expansion strategy and heavy oil growth in Canada;
- our expectation that our U.S. portfolio will continue to be led by consistent drilling activity by the highest quality payors in North America who are executing on their multi-year growth plans;
- our expectation that the industry is in excellent shape to manage commodity price volatility due to the capital discipline and prudent balance sheet management approach over the past number of years;
- our expectation that while some growth directed capital may be pared down, there will not be a slow down in core activity on our lands;
- our expectation Freehold's dividend remains sustainable at oil and natural gas prices materially below current commodity price levels;
- our expectation that the positioning of our assets in areas across North America will continue to attract drilling capital despite volatility in commodity prices;
- our expectation that U.S. wells typically come on production at approximately ten times that of an average Canadian well in the Company's portfolio, making net well additions much more valuable in the U.S. compared to Canada;
- our expectations that a U.S. well can take upwards of six to twelve months on average from initial license to first production, compared to three to four months in Canada;
- our expectations that we will apply for an commence a NCIB once approval is granted; 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, volatility in market prices for crude oil, NGL and natural gas, risks and impacts of tariffs (or other retaliatory trade measures) imposed by Canada or the U.S. (or other countries) on exports and/or imports into and out of such countries, inflation and supply chain issues, 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, industry conditions, volatility of commodity prices, future production levels, future capital expenditure levels, currency fluctuations, imprecision of reserve estimates, royalties, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, inaccurate assumptions on supply and demand factors affecting the consumption of crude oil, NGLs and natural gas, inaccurate expectations for industry

drilling levels on our royalty lands, 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, 2024, available at [www.sedarplus.ca](http://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 expectation for completion of wells drilled, 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, which do not have any standardized means prescribed by Canadian generally accepted accounting principles (GAAP). 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 as terms do not have any standardized meanings prescribed by GAAP, such terms 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 14 to the unaudited consolidated financial statements as at and for the three months ended March 31, 2025.

**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**:

<b>\$/boe</b>	<b>Q1-2025</b>	<b>Q4-2024</b>	<b>Q1-2024</b>
Royalty and other revenue	<b>62.29</b>	54.59	55.47
Production and ad valorem taxes	<b>(2.28)</b>	(1.41)	(1.66)
Net revenue	<b>\$60.01</b>	\$53.18	\$53.81
<b>Less:</b>			
General and administrative expense	<b>(3.41)</b>	(3.02)	(3.58)
Operating expense	<b>(0.13)</b>	(0.19)	(0.15)
Interest and financing cash expense	<b>(3.31)</b>	(2.67)	(2.79)
Management fee-cash settled	<b>(0.05)</b>	(0.05)	(0.06)
Cash payout on share-based compensation	<b>(0.10)</b>	-	(0.61)
Cash costs	<b>(7.00)</b>	(5.93)	(7.19)
Netback	<b>\$53.01</b>	\$47.25	\$46.62

**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.

<b>(\$000s, except as noted)</b>	<b>Q1-2025</b>	<b>Q4-2024</b>	<b>Q1-2024</b>
Dividends paid	<b>\$44,269</b>	\$40,687	\$40,686
Funds from operations	<b>\$68,050</b>	\$61,332	\$54,362
Dividend payout ratio (%)	<b>65%</b>	66%	75%

**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.