U.S. Royalty Acquisition
September 2021

freeholdroyalties.com TSX **FRU**

Freehold ROYALTIES LTD.

Quality Assets • Sustainable Dividends

Disclaimer

General

A preliminary short form prospectus containing important information relating to the subscription receipts (the "Subscription Receipts") of Freehold Royalties Ltd. ("Freehold") described in this document has not yet been filed with the securities regulatory authorities in each of the provinces of Canada, other than Quebec. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the Subscription Receipts.

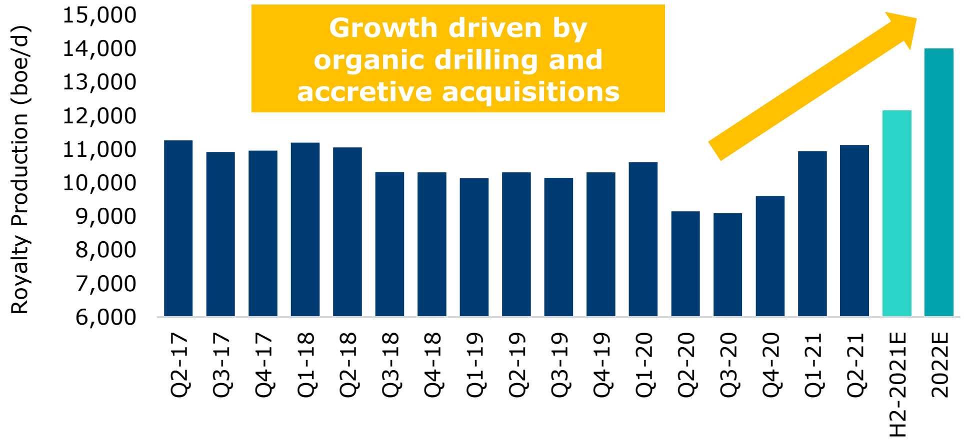
There will not be any sale or any acceptance of an offer to buy the Subscription Receipts until a receipt for the final short form prospectus has been issued.

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

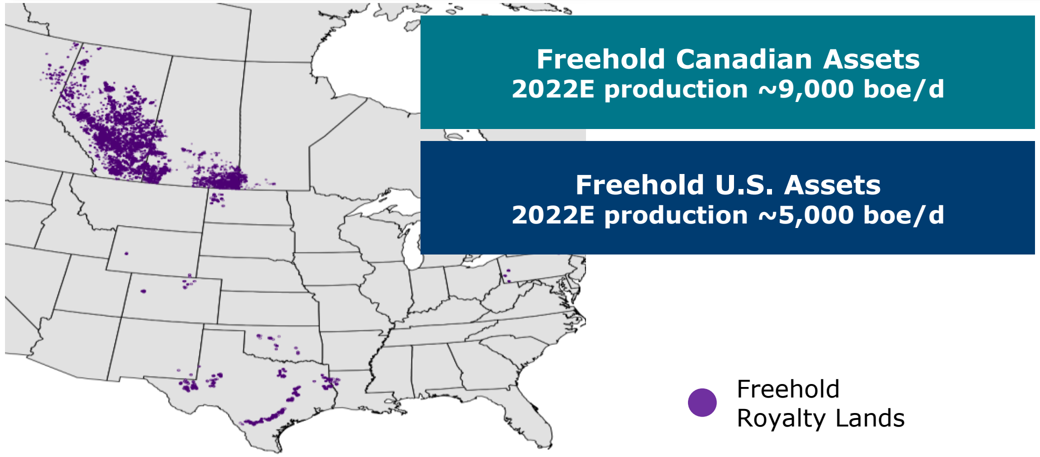
This presentation contains certain forward-looking information, financial measures that do not have standardized meanings under Canadian generally accepted accounting principles, and reserves estimates. For information relating to these matters see "Advisories" at the end of this presentation.

The Freehold Advantage

Proven Production Platform



A North American Royalty Company



Near Term Catalysts

- *Consistent dividend growth:*
  - *Increased dividend four past consecutive quarters; >200% increase in 12 months*
- *Growing U.S. production base:*
  - *35% of 2022E pro forma production*
- *Balanced North American Portfolio:*
  - *+350 industry payors in Canada and U.S. with active development drilling*

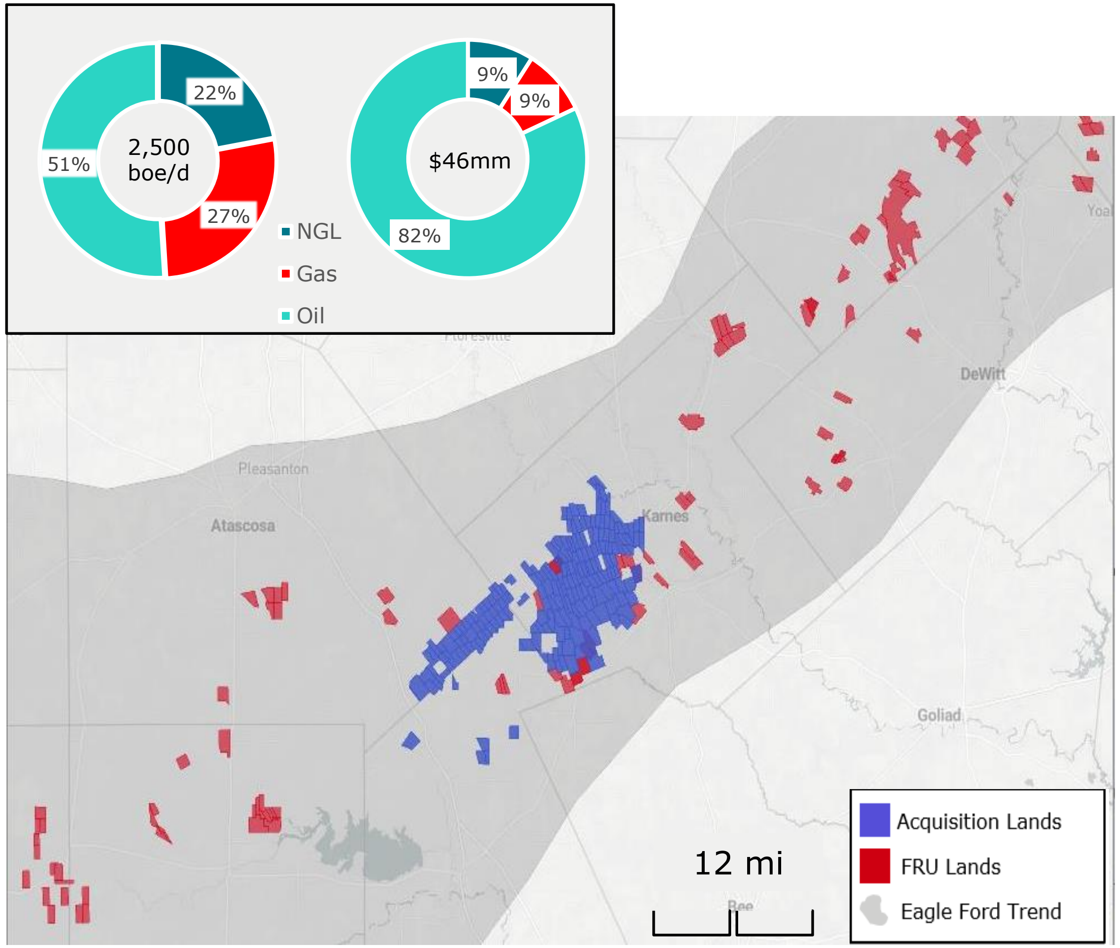
Strong Financial Position

- *Meaningful cash returns:*
  - *Dividend yield 6.3%* (1) (2)
- *Conservative use of leverage:*
  - *Target debt to 12-month trailing funds from operations of <1.5x*
- *Financial capacity for value enhancing transactions:*
  - *$400MM of transactions YTD in 2021* (3)

1. Based on current monthly dividend of $0.05 per share
2. Based on FRU closing price of $9.57 as at September 7, 2021
3. YTD reflects the U.S. Royalty Transaction and OneMap transaction scheduled to close October 5, 2021

U.S. Acquisition Overview

Adds meaningful "core of the core" position in the Eagle Ford basin in Texas



- *Active development in resilient "core of the core" position with a well capitalized investment grade producer, actively developing the Acquired Assets*
- *Concentrated land position across 92,000 gross drilling unit acres in the Eagle Ford basin*
  - *1.8% overriding royalty interest*
  - *Karnes, Atascosa and Live Oak counties*
- *Significant multi-year inventory with approximately 500 gross future drilling locations identified for future development expected to support a stable production profile*
- *Development and future drilling expected to be economic at US$30/bbl WTI*
- *2022E production of ~2,500 boe/d (73% liquids)*
- *2022E funds flow of ~$46 million (91% liquids) (1)*

1. 2022E Funds from Operations (based on U.S.$65.00/bbl WTI, US$13.00/bbl heavy oil differentials, US$4.00/bbl light oil differentials, U.S.$3.00/MMbtu NYMEX and 0.78 CND/U.S. FX).

Source: Company Reports

Strong Counterparties and ESG Accretive

Enhances Freehold's payor portfolio and ESG profile

- *2021 U.S. acquisitions have significantly improved Freehold's credit profile*
  - *More than 70%[(1)] pro forma U.S. revenue coming from Investment Grade payors*
- *U.S. acquisitions improved the quality of Freehold's royalty portfolio as it relates to ESG compliance and emissions intensity*

Highly Complementary to Broader Portfolio of High Quality Names

★ ***Investment Grade Credit Rating***

1. Estimated based on pro forma historic revenue

Source: Company Reports

Portfolio Enhancing U.S. Acquisition

Making Freehold a better company

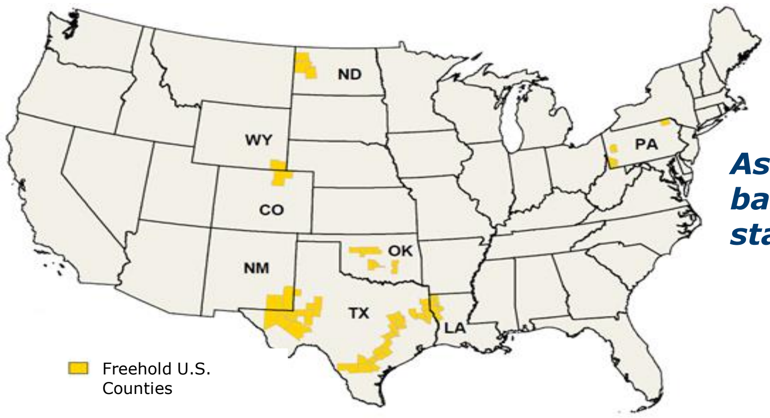
Balanced North American Portfolio With Exposure To The Highest Quality Plays	▪ *Positions Freehold as a leading North American royalty company. Pro forma, U.S. assets are expected to contribute ~35% of production in 2022* ▪ *Continues to enhance the sustainability and resiliency of Freehold's portfolio as Acquired Assets expected to be economic at~US$30/bbl WTI environment* ▪ *Drilling activity underpinned by world class operators*
Immediately Accretive With Multiple Years of Production Stability	▪ *Immediately accretive on a per share basis with significant development upside* – H1 2021A: ~14% accretive on a funds flow per share basis – Expected to be similarly accretive to funds from operations per share in 2022 ▪ *Pro forma Freehold can deliver production stability, without requiring further acquisitions, providing for increased option value to shareholders in future years*
North American Expansion Adds Diversification and Sustainability to Freehold Portfolio	▪ *More than 350 industry payors, 6.3 million gross acres in Canada and exposure to 0.8 million gross acres in U.S.* ▪ *Diversified portfolio expected to provide a meaningful dividend even in a sub - US$40/bbl WTI environment* ▪ *Growing funds flow provides flexibility to grow dividend, pay down debt or pursue further value enhancing acquisitions*

Source: Company Reports

Pro Forma U.S. Portfolio Overview

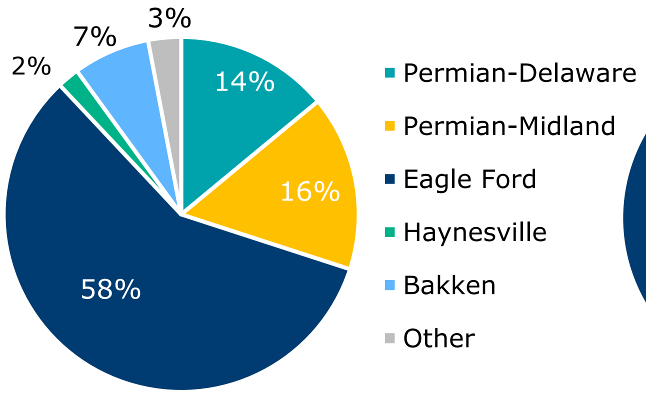
~785,000 gross acres (34,860 net) of mineral title and ORRI's

- *Seven value enhancing U.S. acquisitions in 2021*
  - *Positioned in the best basins across North America*
- *U.S. 2021E production of 2,100 boe/d (66% liquids) projected to grow to 5,000 boe/d in 2022E (71% liquids)*
- *Approximately 4,300 producing wells and ~100 royalty payors comprised of well capitalized producers*
  - *Permian (Delaware/Midland) and Eagle Ford basins represent ~90% of combined transactions value*
- *14 rigs active in August 2021 on Pro forma U.S. royalty acreage*

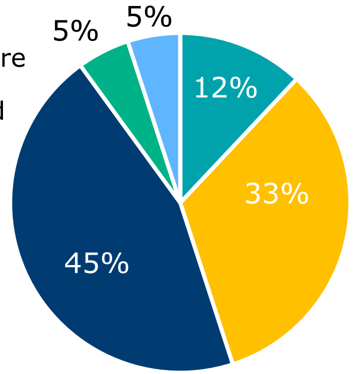


Assets in 12 basins and eight states

2022E Production by Play



Net Development Locations by Play



Source: Company Reports

Enhancing Pro Forma Freehold

Positioned in plays that attract capital across all commodity price environments

- *Completing the U.S. royalty transaction is accretive to Freehold on a number of key metrics*
  - *~14% accretive on a funds flow per share (H1-2021A)*
  - *Expected to be similarly accretive to funds from operations per share in 2022*
- *The Acquired Assets are expected to enhance all aspects of Freehold's business model including*
  - *Organic growth profile*
  - *Operating and cash flow netbacks*
  - *Free cash flow generation*
  - *Liquids weighting*
  - *Dividend sustainability*
  - *ESG profile*
- *2022 production guidance*
  - *Volumes forecast to average 13,500-14,500 boe/d*

	Units	Acquired Assets	FRU Pro Forma	% Change
H2-2021E Royalty Production	*boe/d*	2,200	11,750-12,250	**+5%**
2022E Royalty Production	*boe/d*	2,500	13,500 - 14,500	**+18%**
2022E Liquids Production	*%*	73%	60%	**+5%**
2022E Funds from Operations [(1)]	*$mm*	$46		
H1-2021A Realized Price	*$/boe*	$56	$44	**+10%**

Source: Company Reports

Pro Forma Corporate Profile

Delivering shareholder value from a well positioned royalty portfolio

2022E production from Oil & NGL (1)	60%
H2 2021E production (1)	11,750-12,250 boe/d
2022E production (1)	13,500-14,500 boe/d
Annualized dividend (2) ($0.050 per month)	$0.60/share
Dividend yield (2)(3)	6.3%
Enterprise Value (3)(4)(5)	~$1.6 billion

1. Based on updated guidance as of September 8, 2021
2. Based on monthly dividend of $0.05 per share
3. Based on FRU closing price of C$9.57/share on the Toronto Stock Exchange on September 7, 2021
4. Based on 131.5 million shares outstanding as at September 8, 2021 (excluding shares to be issued pursuant to the Offering) plus $150 million for shares to be issued pursuant to the Offering (before exercise of the over-allotment option).
5. Based on debt incurred to pay for portion of consideration for U.S. Transaction

Source: Company Reports

Why Own Freehold

A larger more sustainable North American income vehicle

High Margins

- *Greater than 97% operating margin (1) provides Freehold the ability to pay a meaningful dividend across all commodity cycles*
- *Top tier corporate netback ~$41/boe in H1-2021(1)*
- *Pro forma Freehold corporate netback ~$44/boe(1)*
- *Q2-2021 cash costs (1) $4.48/boe*
- *Acquired Assets are accretive to sustainability and operating margins*

Sustainable

- *Target 60%-80% of funds flow returned to shareholders*
- *Dividend increased three times in 2021 reflecting improved commodity prices and confidence in our portfolio*
- *H1-2021 payout ~30%(1)*
- *6.3% dividend yield(2)(3)*
- *U.S. exposure aligns to payors committed to delivering ESG performance*

Strong Balance Sheet, Low Risk Business

- *Q2-2021 net debt to trailing funds from operations 0.4x and target debt to funds from operations of <1.5x*
- *Freehold paid down $24 million in net debt in Q2-2021*
- *Royalties provide top line revenue without exposure to capital, operating and environmental costs*

Quality Long Duration Assets, Multi-year Upside

- *Positioned in the top tier oil plays – Clearwater, Eagle Ford, Permian, Viking, and Bakken*
- *Spirit River, Montney, and Haynesville provide upside associated with natural gas*
- *Activity levels continue to outpace broader WCSB and lower 48*
- *Diverse operator list reduces single name exposure risks*

1. See Non-GAAP Financial Measures
2. Based on FRU closing price of $9.57 on the Toronto Stock Exchange on September 7, 2021
3. Based on monthly dividend rate of $0.05/share

Source: Company Reports

Advisories

Forward-Looking Statements

This presentation offers our assessment of Freehold's future plans and operations as at September 8, 2021 and contains forward-looking information including, without limitation, forward-looking information with regards to the expected terms and conditions of the proposed acquisition of royalty assets (the "Acquired Assets") in the United States (the "U.S. Royalty Transaction"); the expected timing for closing of the U.S. Royalty Transaction; expected Freehold average net daily production (including commodity weighting) in the second half of 2021 and for the full year in 2022; expected average net daily production (including the commodity weighting of such production) in the second half of 2021 and for the full year in 2022 from the Acquired Assets; expected 2021 funds from operations from the Acquired Assets; the number of potential drilling locations associated with the Acquired Assets; the expectation that wells associated with the Acquired Assets will be economic at US$30/bbl WTI pricing; the expectation that Freehold's U.S. assets will contribute 35% of total production in 2022; the expectation that the Acquired Assets will enhance the sustainability and resiliency of Freehold's portfolio; the expectation that following Freehold can deliver production stability, without requiring further acquisitions, providing for increased option value to shareholders in future years; the expectation that Freehold's diversified portfolio ensures meaningful dividend even in a sub - US$40/bbl WTI environment; the expectation that growing funds flow provides Freehold the flexibility to grow dividend, pay down debt or pursue further value enhancing acquisitions; Freehold's estimated U.S. 2021 and 2022 average daily production (including commodity weightings and by play); the expected attributes and benefits to be derived by Freehold pursuant to the U.S. Royalty Transaction including the expected enhancing of Freehold's growth profile, netbacks, free cash flow, liquids weighting, sustainability of Freehold's dividend and environmental, social and governance profile; the expectation that the U.S. Royalty Transaction will be accretive to Freehold's sustainability and operating margin; Freehold's intent to return 60-80% of funds from operations to shareholders; Freehold's intent to target debt to funds from operations of less than 1.5x; Freehold's 2021 forecast U.S. average net daily production; and Freehold's expectation of years of drilling inventory.

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 impact of the COVID-19 pandemic on economic activity and demand for oil and natural gas, general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, royalties, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, the 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 U.S. Royalty Transaction and the intended public offering of subscription receipts of Freehold 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 U.S. Royalty Transaction and the intended public offering of subscription receipts of Freehold may not be completed if these approvals are not obtained or some other condition to the closing of the U.S. Royalty Transaction is not satisfied. Accordingly, there is a risk that the U.S. Royalty Transaction the intended public offering of subscription receipts of Freehold will not be completed within the anticipated time or at all. Risks are described in more detail in Freehold's annual information form for the year ended December 31, 2020 which is available under Freehold's profile on SEDAR at www.sedar.com.

With respect to forward looking information contained in this presentation relating to the H2 2021 and 2022 forecast production and 2021 forecast funds from operations 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 presentation we have assumed a West Texas Intermediate price of US$65/barrel of oil and a NYMEX natural gas price of U.S.$3.00/MMbtu); future exchange rates (for the purposes of the estimates in this presentation we have assumed an exchange rate of US$0.78 for every CDN$1.00); that DUCs will be completed in the short term and brought on production; that wells that have been permitted will be drilling and completed within a customary timeframe; expectations as to additional wells to be permitted, drilled, completed and brought on production in 2021 and 2022 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 2021 and 2022; 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.

Drilling Locations

This presentation discloses anticipated future drilling or development locations associated with the Acquired Assets, all of which are currently considered unbooked locations. Unbooked locations are generated by internal estimates of Freehold management based on prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Unbooked locations have been identified by management as an estimation of the multi-year drilling activities on the Acquired Assets based on evaluation of applicable geologic, seismic, engineering, historic drilling, production, commodity price assumptions and reserves information. There is no certainty that all unbooked drilling locations will be drilled and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. Freehold has no control on whether any wells will be actually drilled in respect of such unbooked locations. The drilling locations on which wells are actually drilled will ultimately depend upon the capital allocation decisions of royalty payors who have working interests in respect of such drilling locations and a number of other factors including, without limitation, availability of capital, regulatory approvals, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production. Upon purchase of the Acquired Assets, Freehold will have the reserves associated with the Acquired Assets evaluated by an independent qualified reserves evaluator in accordance with the requirements of National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities and it will be determined at such time whether any of the unbooked drilling locations disclosed herein are booked for the purposes of such evaluation with associated proved or probable reserves.

Advisories

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 Financial Measures

Within this presentation, references are made to terms commonly used as key performance indicators in the oil and gas industry. We believe that operating netback, operating income, operating margin, payout ratio, free cash flow and cash costs are useful supplemental measures for management and investors to analyze operating performance, financial leverage, liquidity and sustainability of our dividend, and we use these terms to facilitate the understanding and comparability of our results of operations and financial position. However, these terms do not have any standardized meanings prescribed by GAAP and therefore may not be comparable with the calculations of similar measures for other entities. Operating income is calculated as royalty and other revenue, less operating expenses. It shows the profitability of our revenue streams as it provides the cash margin for product sold after directly related expenses. Operating margin is simply operating income as a percentage of revenue. Payout ratios are often used for dividend paying companies in the oil and gas industry to identify its dividend levels in relation to the funds it receives and uses in its capital and operational activities. Freehold's payout ratio is calculated as dividends paid as a percentage of funds from operations. Free cash flow is calculated by subtracting capital expenditures from funds from operations. In periods where Freehold has no capital expenditures, this figure is interchangeable with funds from operations. Free cash flow is a measure often used by dividend paying companies to determine cash available for the payment of dividends, reducing debt or available for investment. Operating netback, which is calculated as average unit sales price less operating expenses, represents the cash margin for product sold, calculated on a per boe basis. Cash costs is a total of all recurring costs in the statement of income deducted in determining funds from operations. For Freehold, cash costs are identified as operating expense, general and administrative expense, interest expense and share based compensation payments. It is key to funds from operations, representing the ability to sustain dividends, repay debt and fund capital expenditures. We refer to various per boe figures which provide meaningful information on our operational performance. We derive per boe figures by dividing the relevant revenue or cost figures by the total volume of oil, NGL and natural gas production during the period, with natural gas converted to equivalent barrels of oil as described above. For further information related to these non-GAAP terms, including reconciliations to the most directly comparable GAAP terms, see our most recent management's discussion and analysis, which is available on SEDAR at www.sedar.com.

Production

All production disclosed herein is considered net production for the purposes of National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, which includes Freehold's working interest (operating and non-operating) share after deduction of royalty obligations, plus our royalty interests. Since Freehold has minimal working interest production, net production is substantially equivalent to Freehold's royalty interest production. In the second half of 2021 Freehold's net production from the Acquired Assets is expected to consist of approximately 57% light oil, 20% natural gas liquids and 23% of natural gas. In 2022 net production from the Acquired Assets is expected to consist of approximately 50% of light oil, 23% of natural gas liquids and 27% of natural gas. In 2021 Freehold's net production from its U.S. assets is expected to consist of approximately 51% light oil, 15% natural gas liquids and 34% of natural gas. In 2022 Freehold's net production from its U.S. assets is expected to consist of approximately 51% of light oil, 20% of natural gas liquids and 29% of natural gas. In the second half of 2021 Freehold's aggregate net production is expected to consist of approximately 9% heavy oil, 39% light and medium oil, 10% natural gas liquids and 42% of natural gas. In 2022 Freehold's aggregate net production is expected to consist of approximately 8% heavy oil, 40% light and medium oil, 12% natural gas liquids and 40% natural gas.

United States Advisory

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

Investor ***Relations***

tf.	888.257.1873
t.	403.221.0833
w.	freeholdroyalties.com