Investor Presentation
Peters & Co Fall Energy Conference

freeholdroyalties.com TSX **FRU**

Freehold
ROYALTIES LTD.

Quality Assets • Sustainable Dividends

Investment Highlights

A North American energy royalty company

7.3% dividend yield

current dividend coverage to $40 WTI

Torque to commodity

direct returns to shareholders without cost inflation

ESG friendly investment

rated top 1% among global oil producers

High margin asset class

>95% operating margin

Diversified assets

ownership in the top North American basins

Financial strength

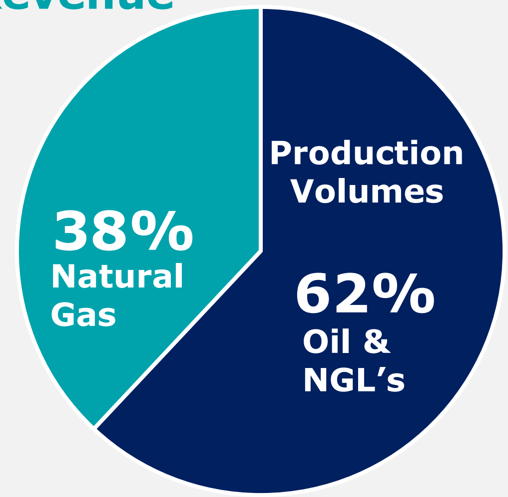
low debt levels & strong free cash flow

Dividend yield based on $14.75 share price and $0.09/share monthly dividend rate. ESG rating based on Sustainalytics 2022 ESG ranking. Operating margin reflects Q2-2022 realized price minus operating costs, ad valorem costs and interest expense.

Balanced Commodity & Basin Exposure

Commodity

~20% of Revenue



~80% of Revenue

Proforma 2022 Acquisitions

Portfolio

65% Production

60% Revenue

35% Production

40% Revenue

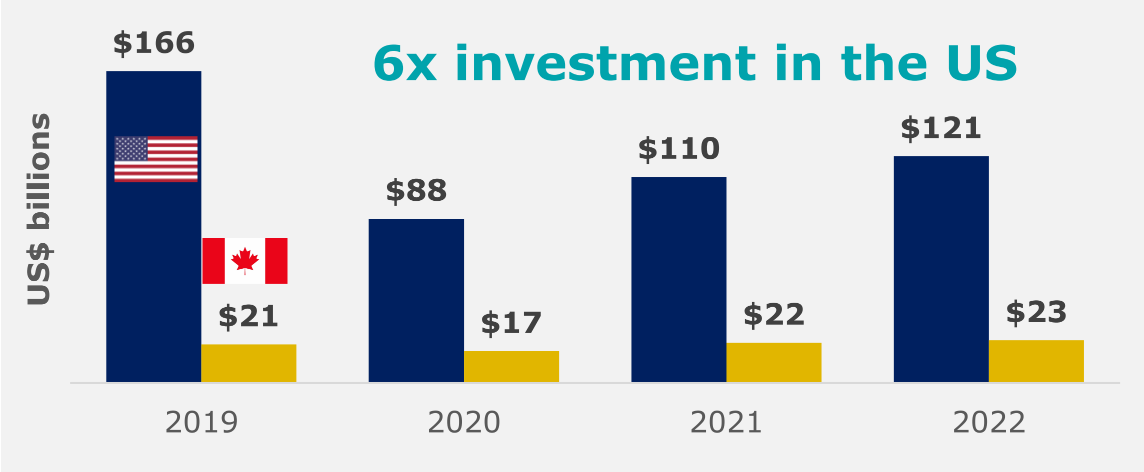
Proforma 2022 Acquisitions

Note | Circles represent share of H1-2022A revenue and proforma impact of 2022 acquisitions

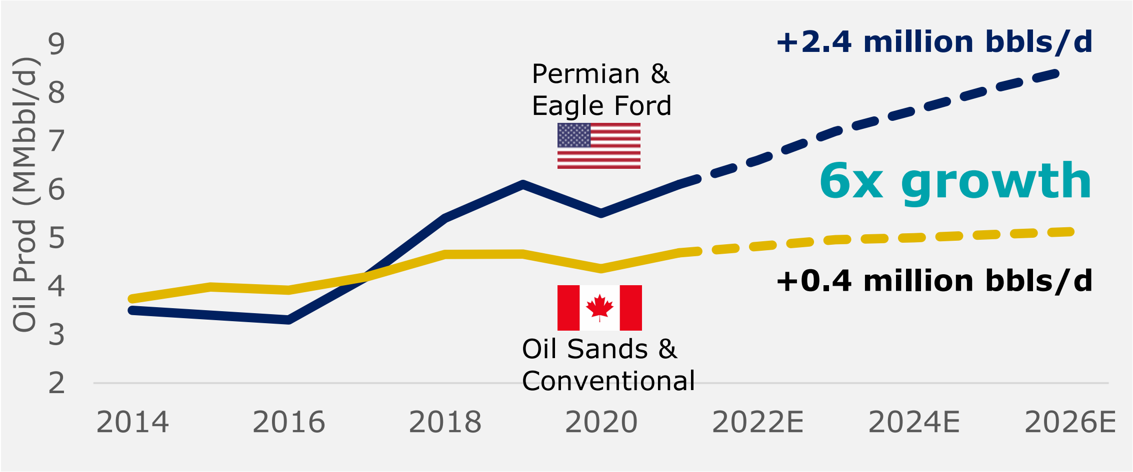
Source| Company Reports, Proforma 2022 forecasts assumes midpoint of FRU 2022E production guidance, US$97/bbl WTI, US$13/bbl heavy oil differentials, US$3/bbl light oil differentials, US$5/mcf NYMEX, $5/mcf AECO.

North American Advantage

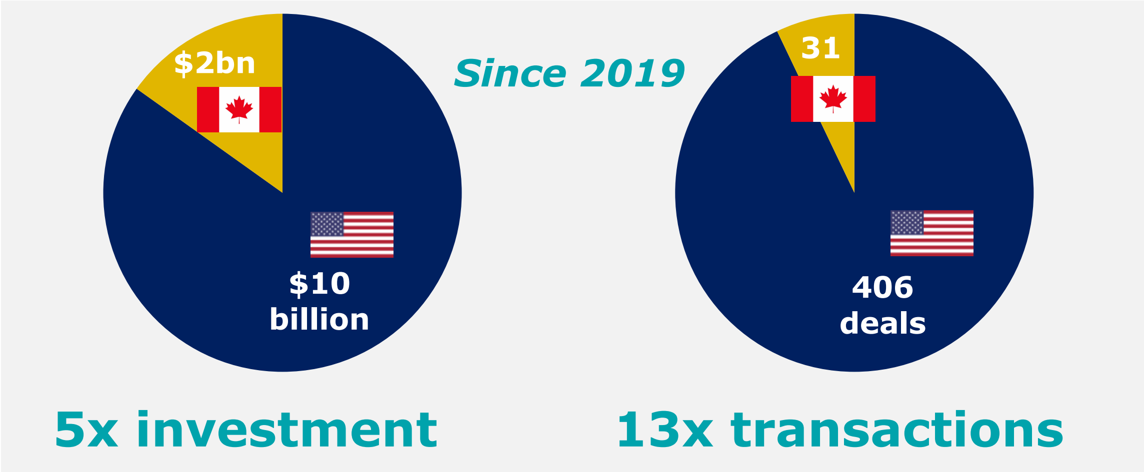
Upstream capital drives growth



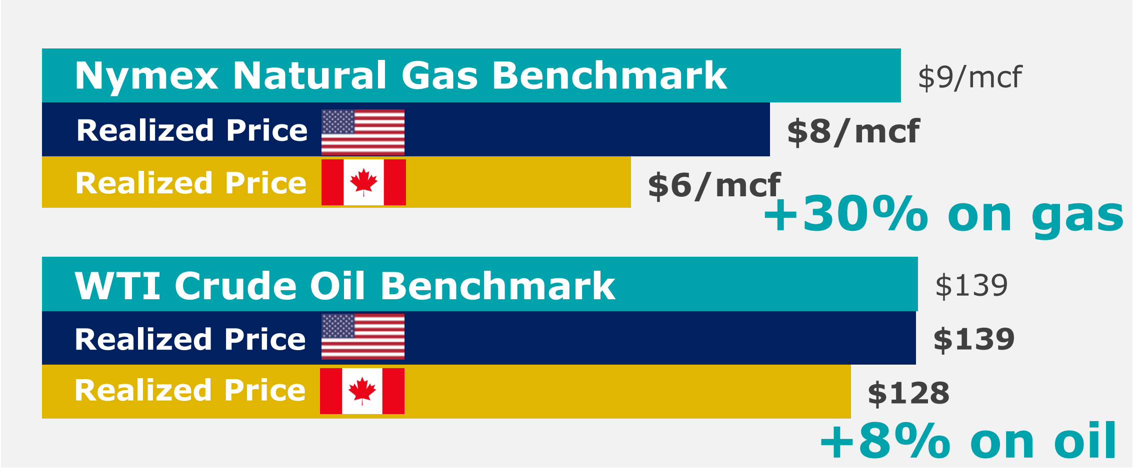
Oil production growth driven by Texas



Significantly larger M&A opportunity set



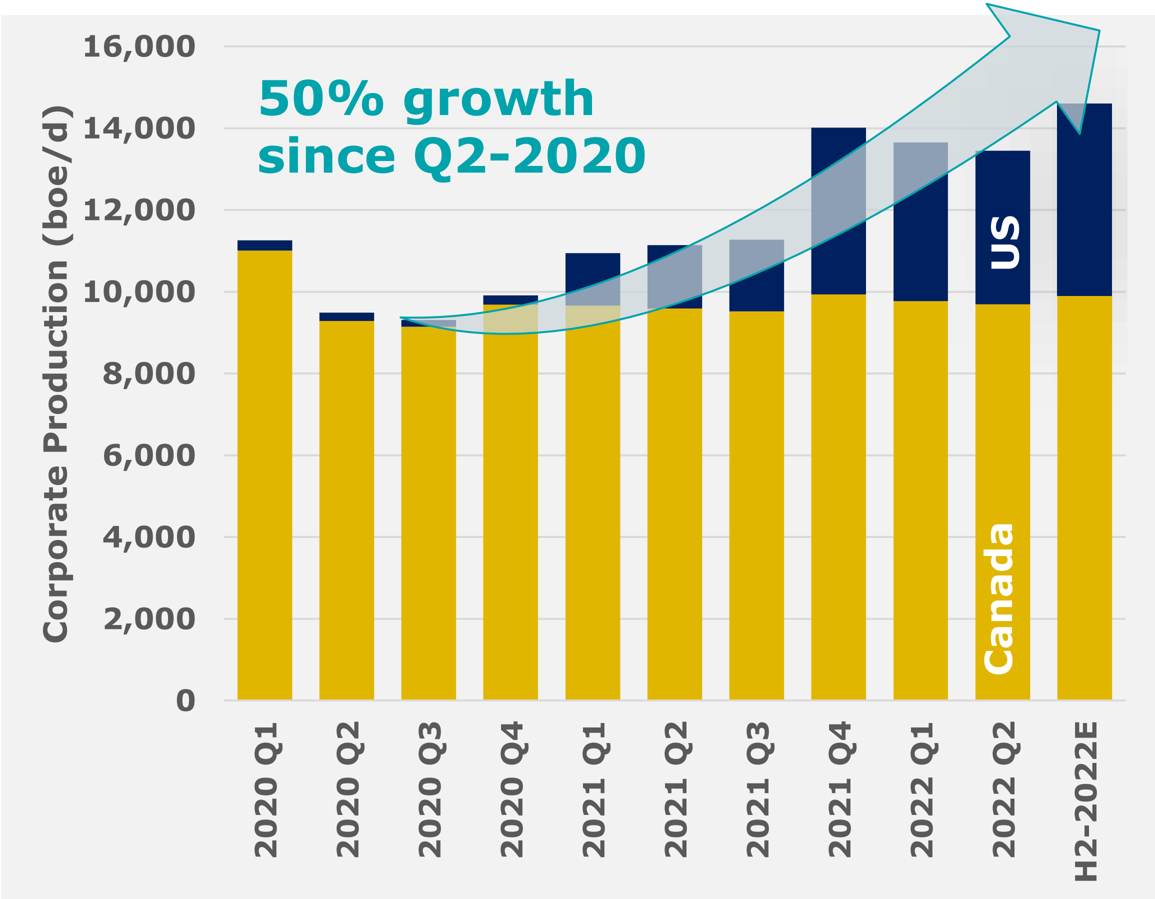
Better oil and gas pricing on US assets



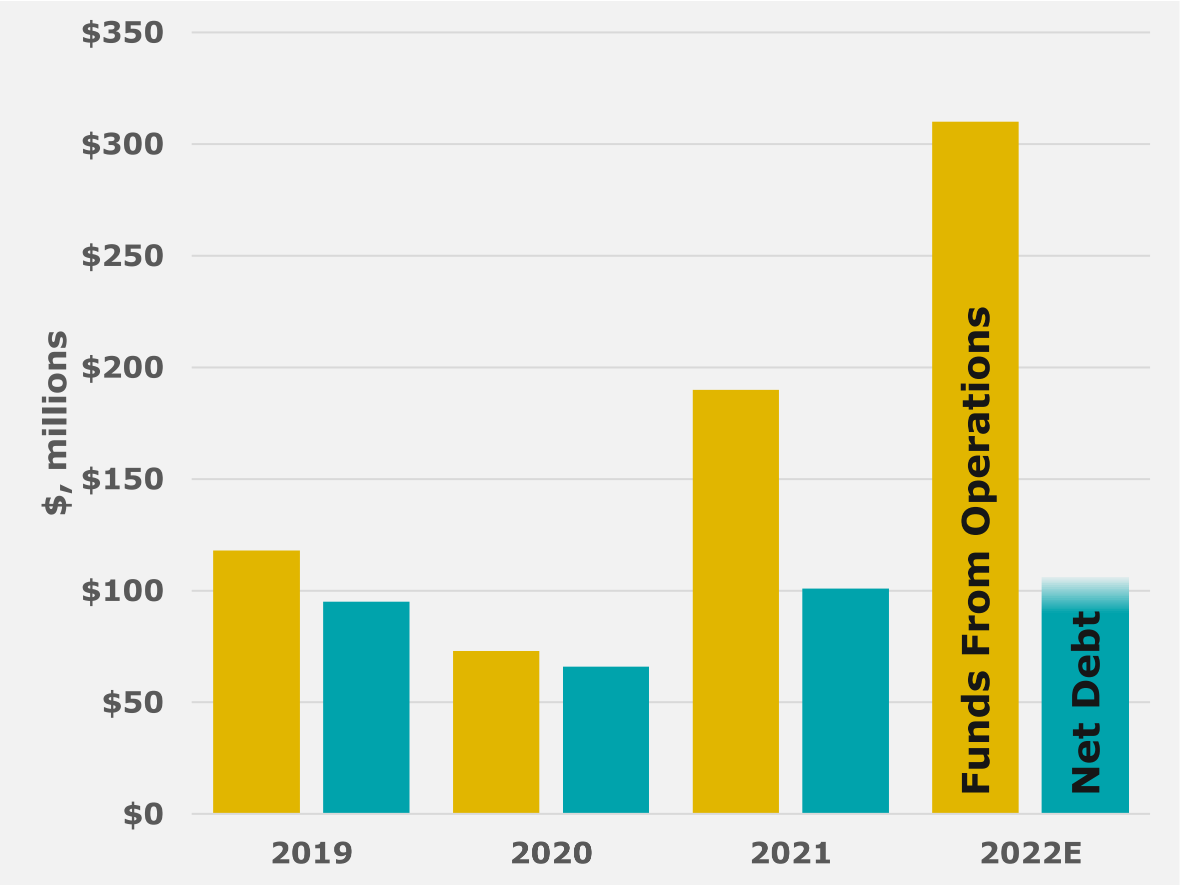
Source| Company Reports, Peters & Co, IHS, Canadian Association of Petroleum Producers, EIA, Enverus. Canadian capital Spending includes oil sands spending, realized price based on Q2-2022 results released August 9th.

Bigger & Better Freehold

>$500mm of US assets added over 2 years



Significant FFO growth, solid balance sheet



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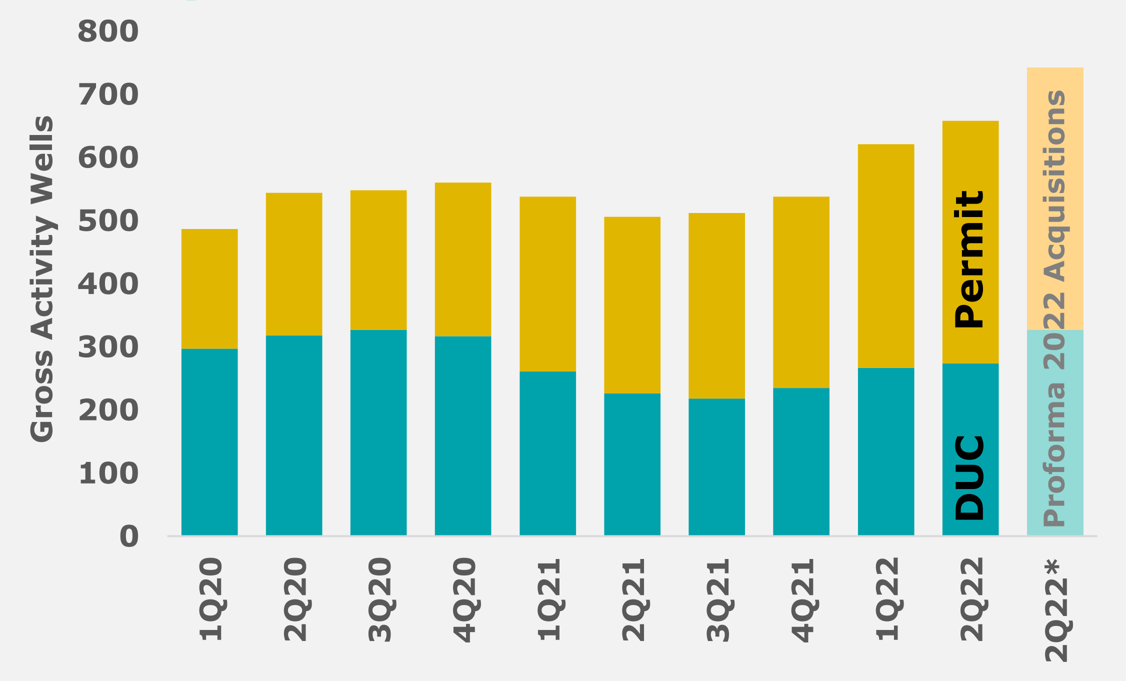
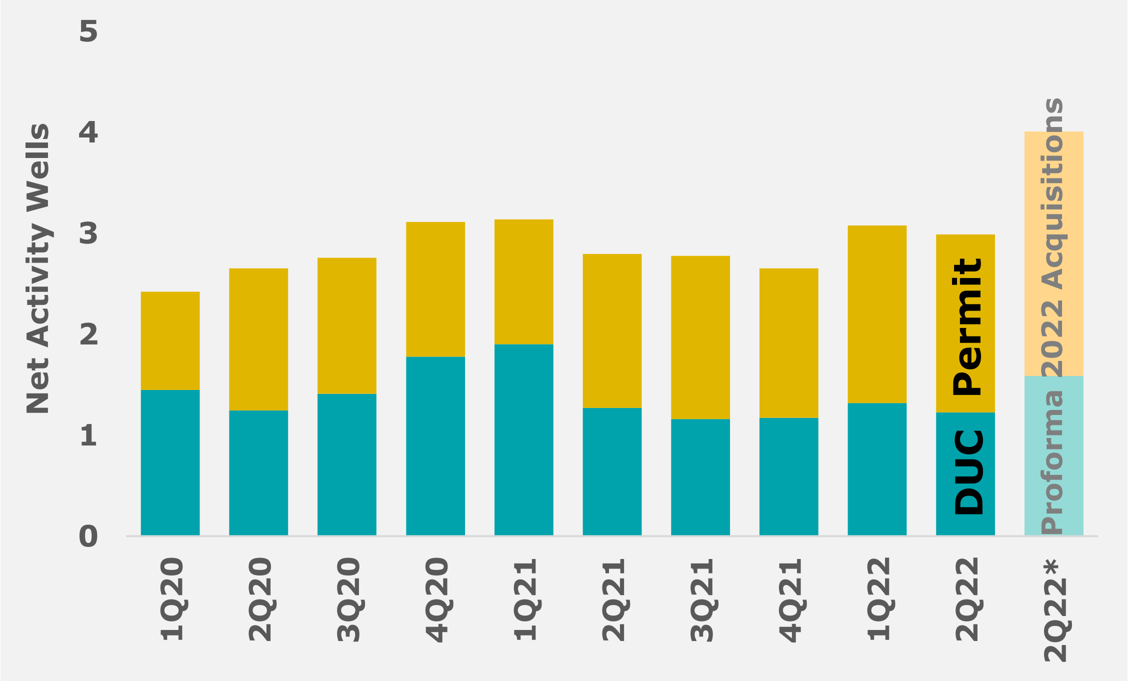
Source | Company Reports, 2022E forecasts based on the midpoint of 2022E guidance released August 9, 2022 assumes midpoint of FRU 2022E production guidance, US$97/bbl WTI, US$13/bbl heavy oil differentials, US$3/bbl light oil differentials, US$5/mcf NYMEX, $5/mcf AECO

Record Level of Activity Wells On US Assets

Gross permits & DUCs



Net permits & DUCs



- **Drilled and uncompleted wells (DUCs) and permitted wells provide tangible insight into future production additions**
- **The average type curve IP_{365} for our US assets is 700 boe/d**
- ***2.5* net permits provides *1,800* boe/d of production capacity**
- ***1.5* net DUCs provides *1,000* boe/d of production capacity**

Source | Enverus **Note** | Assumes that FRU owned its current US assets as of Q1 2020. DUCs are drilled and uncompleted wells. Net wells include estimates of royalty interest in permits plus DUCs. Does not include July 2022 announced acquisitions except for Q2 2022 proforma as noted (*)

Freehold Return Profile

2022E Funds from Operations

$300-$320 million

Return of Capital to Shareholders

60% Payout Ratio

- Dividend of $0.09/share announced at Q2-2022 is the highest level since 2015
- Current dividend reflects 60% payout at US $75 WTI

Balance Sheet Strength

Less than 1.0x Funds From Operations

- Q2-2022 net debt to funds from operations 0.1x
- 2022E net debt to funds from operations expected to exit the year at less than 0.5x

Portfolio Growth

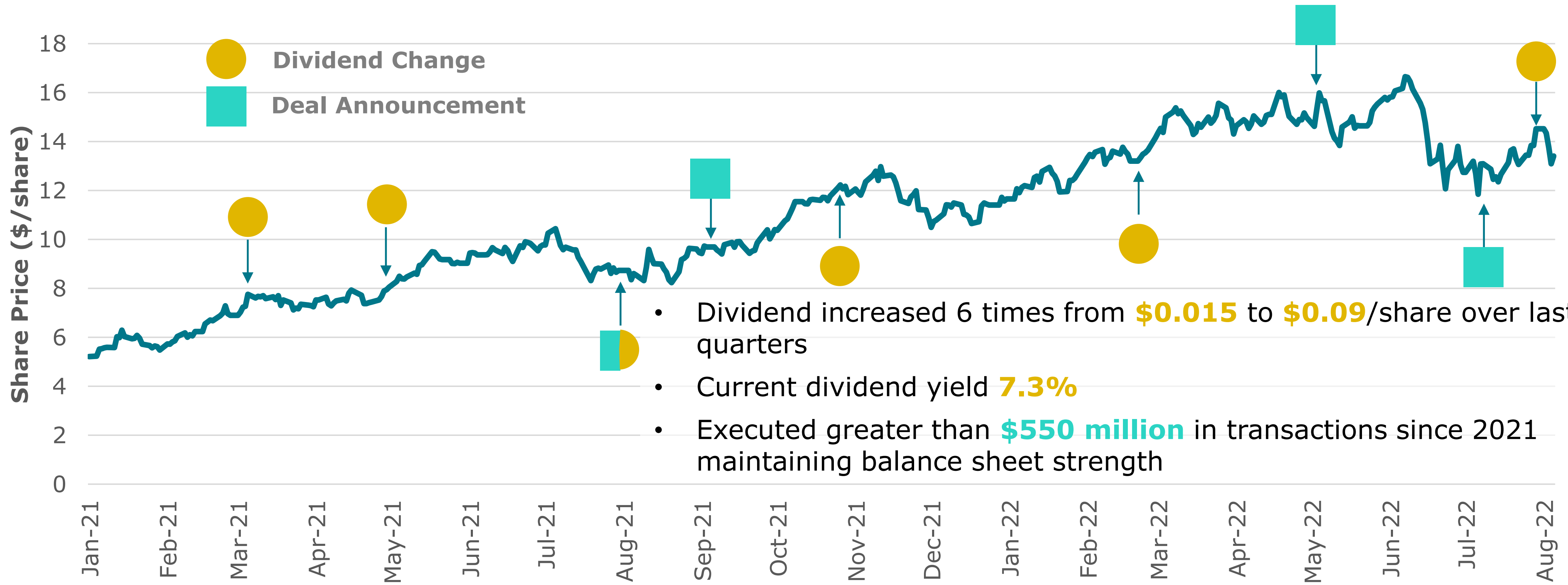
Disciplined, Strategic Investment

- ~$375 million in acquisitions in 2021
- ~$180 million in acquisitions in 2022
- Freehold continues to evaluate and execute on attractive acquisition opportunities that provide long term shareholder value

For illustrative purposes and should not be relied on as indicative of future results, 2022E forecasts based on midpoint of FRU 2022E production guidance, US$97/bbl WTI, US$13/bbl heavy oil differentials, US$3/bbl light oil differentials, US$5/mcf NYMEX, $5/mcf AECO

Balanced Returns

FRU has maintained a balance between dividend growth, portfolio growth, debt reduction



- Dividend increased 6 times from **$0.015** to **$0.09**/share over last 8 quarters
- Current dividend yield **7.3%**
- Executed greater than **$550 million** in transactions since 2021 maintaining balance sheet strength

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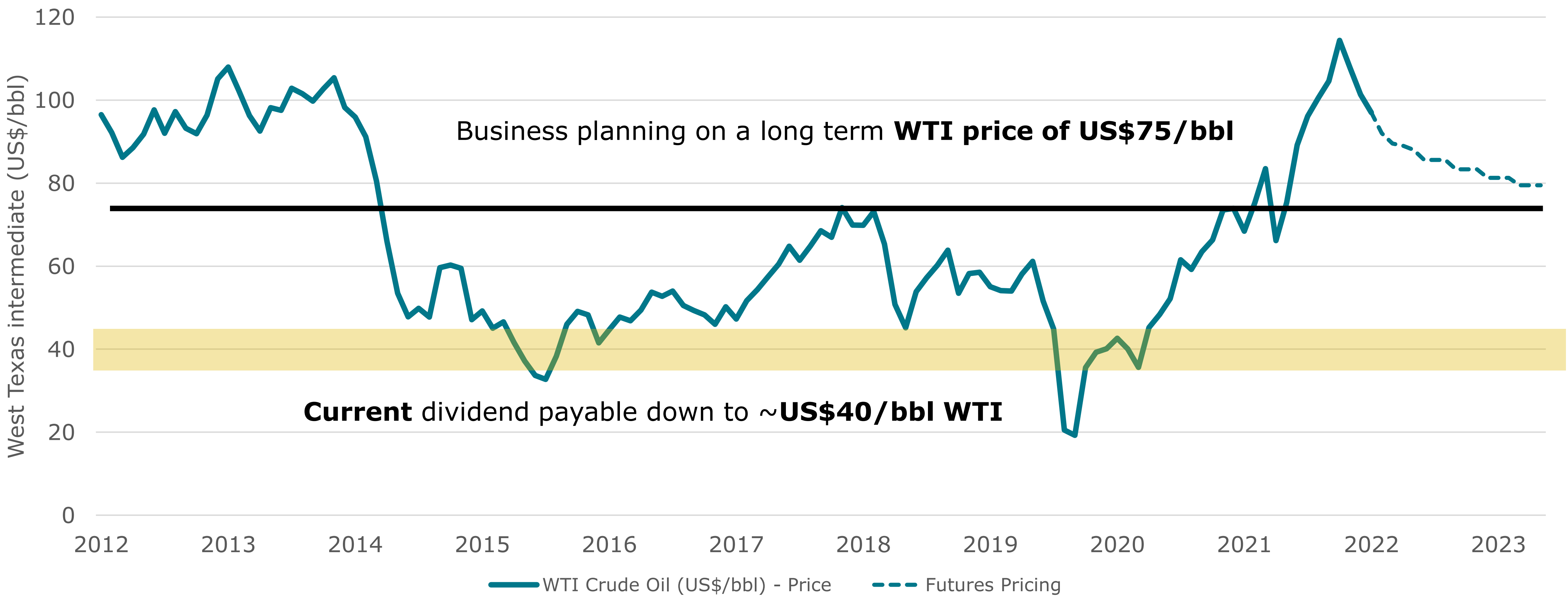
Source | Factset

Sustainable Through All Commodity Cycles



Source | Factset

Near-Term Catalysts: Continued Strategy Execution

We remain committed to executing our North American strategy

Clearwater Oil Expansion

- Recently executed Clearwater deal; tripling Clearwater land position to over 460,000 acres
- Expands asset base into new production and exploration areas of the play
- Drilling commitment with a strategic partner with a track record of development success

Texas Oil Expansion

- Closed $155 million in Permian (Midland) and Eagle Ford acquisitions in August
- Adds 1,000 boe/d and $28 million funds from operations (2023E)

Freehold
ROYALTIES LTD.

Dividend

- 13% increase with Q2-2022 results to $0.09/share/month

Balance Sheet

- 2022 acquisitions completed utilizing funds from operations and credit facility
- Exit 2022E with net debt to trailing funds from operations less than 0.5x

Source | Assumes a West Texas Intermediate price of US$80/barrel of oil and a NYMEX natural gas price of US$4.50/mcf and an exchange rate of US$0.80 for every CDN$1.00

Why Own Freehold

High Margins	Sustainable	Strong Balance Sheet, Low Risk Business	Quality Long Duration Assets, Multi-year Upside
▪ High operating margin provides Freehold the ability to pay a meaningful dividend across all commodity cycles ▪ Transformed Freehold to a pure play royalty company with a diversified asset base, deriving ~60% of revenue from Canada and 40% from the US	▪ Increased dividend as part of Q2-2022 results in tandem with the completion of a number of accretive acquisitions ▪ 2021 payout 33% ▪ 2022E payout ~50% ▪ ~7.3% dividend yield	▪ Q2-2022 net debt to trailing funds from operations 0.1x ▪ In the absence of acquisitions and further dividend increases, exit 2022 with net debt to funds from operations of less than 0.5x	▪ Positioned in the top tier oil plays – Eagle Ford, Permian, Clearwater, Viking, and Bakken ▪ Diverse operator list reduces exposure risks ▪ Royalty payors represent strong suite of investment grade companies and private entities focused on growth

US$97/bbl WTI, US$13/bbl heady oil differentials, US$3/bbl light oil differentials, US$5/mcf NYMEX, C$5/mcf AECO. 2022 forecasts assume midpoint of FRU 2022 production guidance. Dividend yield assumes $14.75/share and $0.09/share monthly dividend. Payout is a Non-GAAP ratio or other specified financial measures. See "Non-GAAP Ratios and Other Financial Measures" in the Advisories.

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Advisories

Forward-Looking Statements

This presentation offers our assessment of Freehold's future plans and operations as at September 13, 2022 and contains forward-looking information including, without limitation, future dividends per share; the expectation that DUCs will contribute to H2 2022 production and that permits will contribute to H2 2022 and H1 2023 production; the expectation that an inventory of permits and DUCs will drive near term production additions; estimated Q3 and Q4 2022 corporate production; forecasts of strong growth within Freehold's US portfolio through H2 2022; forecasted debt to trailing funds from operations ratio at year end; the expectation that Q4 2022 US production will represent approximately 35% of corporate production and 40% of revenue; estimated 2023 funds from operations; Freehold's expectation to continue to assess optimal allocation of free funds between shareholder returns and portfolio growth, and expectation of continuing to execute on attractive opportunities that provide long term shareholder value; the expectation that strong free funds flow continues to provide option value to return capital to shareholders through continued evaluation of our monthly base dividend expected year end 2022 net debt to funds from operations ratio; forecast payout for 2022; estimated 2022 guidance; that Freehold will balance portfolio investment and dividend growth through the remainder of 2022; anticipated cumulative dividends per share in 2022 and 2023; and estimated 2022 royalty production.

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: volatility in market prices for crude oil, NGL and natural gas; the impacts of the Russian-Ukraine war and associated sanctions on the global economy and commodity prices; geopolitical instability, political instability; the continuing impact of the COVID-19 pandemic on demand and commodity prices; future capital expenditure by Freehold; future capital expenditure levels by other royalty payor; future production levels; future exchange rates; future tax rates; future legislation; the cost of developing and expanding our assets; the impacts of inflation and supply chain shortages on the operations of our industry partners and royalty payors; 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; our ability to obtain financing on acceptable terms; our ability to add production and reserves through our development and acquisitions activities; lack of pipeline capacity; currency fluctuations; 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; 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; and environmental risks and liabilities inherent in oil and gas operations. Risks are described in more detail in Freehold's annual information form for the year ended December 31, 2021 which is available under Freehold's profile on SEDAR at www.sedar.com.

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.

Advisories continued

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 quarter of 2022, Freehold's net production of 13,453 boe/d consisted of 5,378 bbls/d of light oil, 1,239 bbls/d of heavy oil, 1,613 bbls/d of natural gas liquids and 31,336 mcf/d of natural gas. For the full year of 2021, Freehold's net production of 11,884 boe/d consisted of 4,342 bbls/d of light oil, 1,184 bbls/d of heavy oil, 1,217 bbls/d of natural gas liquids and 30,608 mcf/d of natural gas.

Conversion of Natural Gas to Barrels of Oil Equivalent (BOE)

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 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 insolation. As well, given 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.

Advisories continued

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 netback, payout ratio and cash costs are useful supplemental 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 our results of operations and financial position. However, these terms do not have any standardized meanings prescribed by generally accepted accounting principles ("GAAP") and therefore may not be comparable with the calculations of similar measures for other entities.

Netback, which is calculated on a boe basis as average realized price less production and ad valoreum taxes, operating expenses, general and administrative and cash interest charges, represents the per unit cash flow amount allowing the Company to benchmark how changes in commodity pricing, net of production and ad valoreum taxes, and our cash-based cost structure compare against prior periods.

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. Payout ratio is calculated as dividends paid as a percentage of funds from operations.

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 operating expense, general and administrative expense and cash-based interest and financing charges and share-based pay outs. Cash costs allow Freehold to benchmark how changes in its manageable cash-based cost structure compare against prior periods.

For further information related to these non-GAAP terms, including details of how these ratios are calculated, see our most recent management's discussion and analysis, which is available on SEDAR at www.sedar.com and is incorporated herein.

This presentation also contains the capital management measures of working capital, net debt, capitalization and net debt to funds from operations as defined in Note 11 to the condensed consolidated financial statements as at and for the three months ended June 30, 2022.

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