U.S. Royalty Transaction Overview

freeholdroyalties.com TSX **FRU**

Freehold ROYALTIES LTD.

Quality Assets • Sustainable Dividends

Investment Highlights

A lower risk income vehicle

8.0% dividend yield

sustainable income to shareholders

Torque to commodity

with dividend coverage down to $40WTI

ESG friendly investment

rated top 1% among global oil producers

High margin asset class

$109/bbl realized oil price, $3.70/boe cash costs

Diversified assets

exposure to basins across North America

Financial strength

low debt levels & strong free cash flow

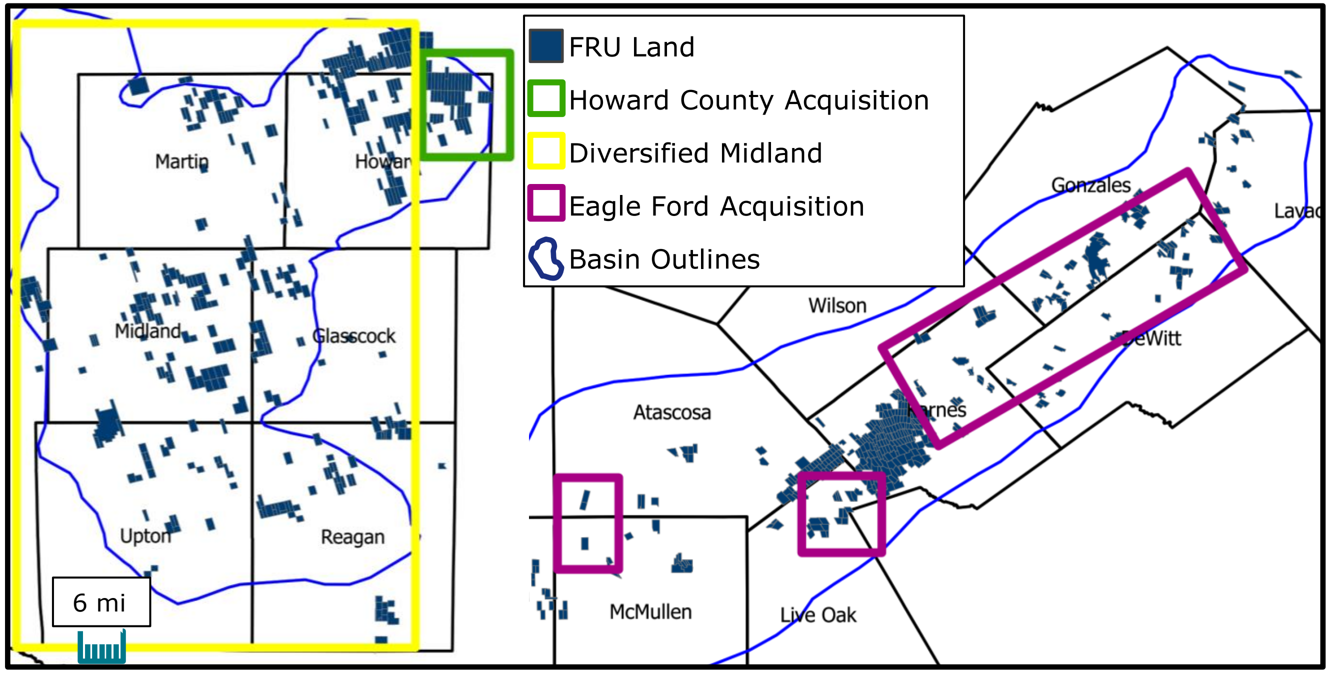
Dividend yield based on $11.85 share price and $0.08/share monthly dividend rate. ESG rating based on Sustainalytics 2022 ESG ranking. Operating netback and cash costs based on Q1-2022 results released May 10, 2022. Operating netback and cash costs are Non-GAAP ratios. See "Non-GAAP Ratios and Other Financial Measures" in the advisories

U.S. Royalty Expansion

Adding core positions in the Permian and Eagle Ford

- Freehold entered into Definitive Agreements to further add core positions in the Midland Permian (Howard County) and Eagle Ford for CAD$155 million
- Transaction highlights include:
  - $28 million in 2023 forecast funds from operations
  - Forecast average 1,000 boe/d in 2023 production
  - 6,900 net royalty acres (Permian, Eagle Ford focused, >90% mineral rights)
- Freehold also closed the acquisition of a $19 million diversified Midland package late in Q2-2022
  - $3 million in forecast 2023 funds from operations
  - Forecast average 130 boe/d 2023 production
- All transactions funded through the utilization of Freehold's credit facility and funds from operations
  - Freehold continues to maintain financial flexibility with >$125 million in undrawn credit at YE 2022
  - Forecast to exit 2022 at less than 0.5x forecast debt to trailing funds from operations

	Howard County Midland	Eagle Ford	Diversified Midland
Purchase price (CAD$, mm, net of estimated closing adjustments)	$123	$32	$19
Net Royalty Acres	4,400	2,500	1,100
2023E production (boe/d)	750	250	130
2023E funds from operations (CAD$, mm, futures pricing)	$23	$5	$3

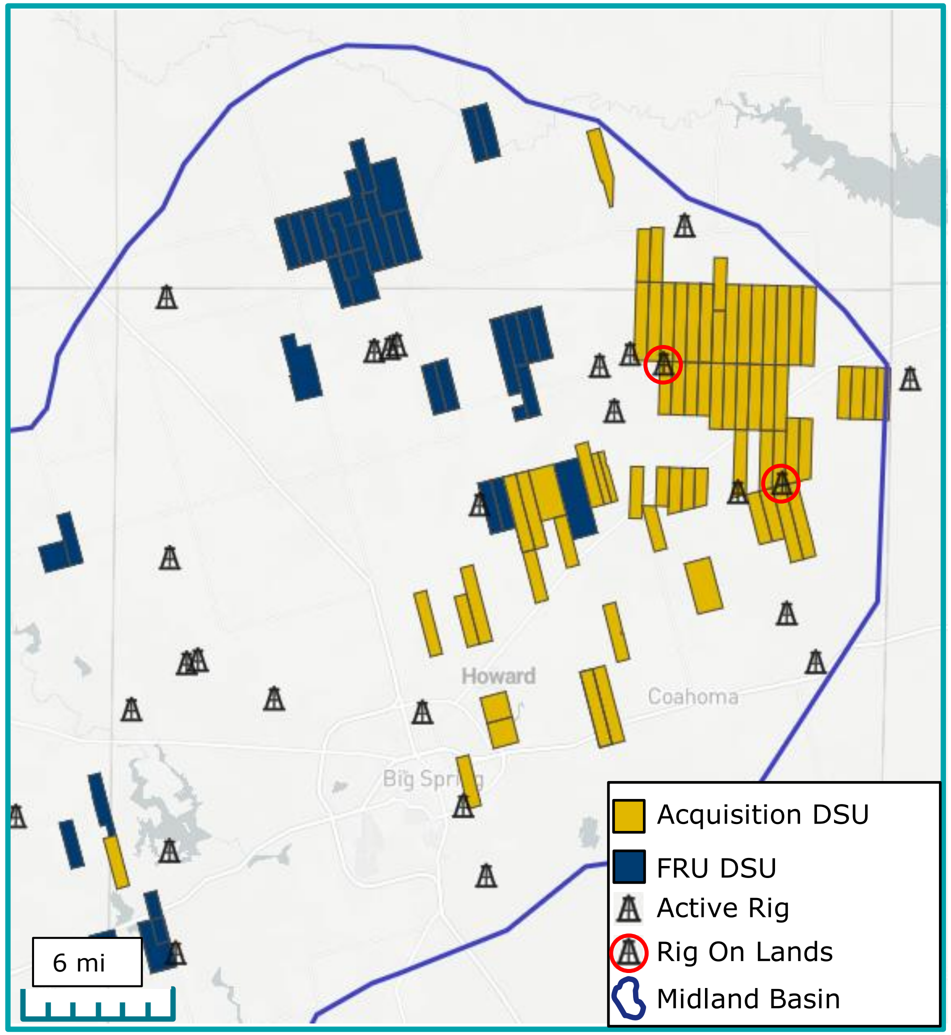


1. Assumes a West Texas Intermediate price of US$80/barrel of oil and a NYMEX natural gas price of US$4.50/Mcf and an exchange rate of US$0.80 for every CDN$1.00.

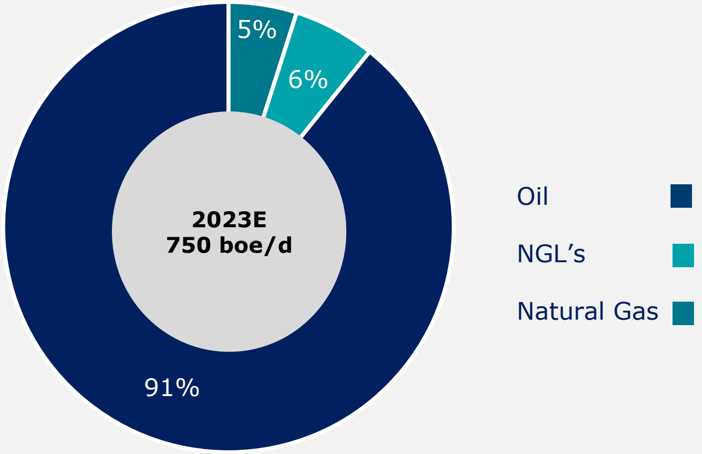
Transaction Highlights

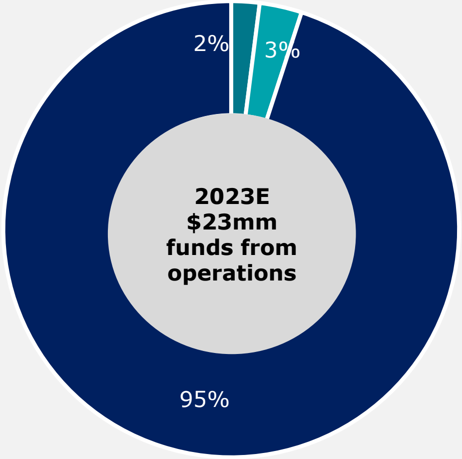
U.S. Expansion Continues	✓	▪ Collectively, Freehold is acquiring 1,100 boe/d and $31 million of forecast 2023 production and funds from operations respectively for total consideration of CAD$174 million. ▪ Increases Q4-2022 revenue from 35% to over 40% in the U.S. ▪ Adds 19% to U.S. royalty acreage and increases our U.S. inventory (DUC’s + permits) by 17% on a gross and 30% on a net basis
Added growth wedge	✓	▪ Howard County Midland assets forecast to provide >35% forecast growth from 2022 to 2023 ▪ Transaction provides added exposure to U.S. private and public SMID Cap operators within Freehold’s U.S. portfolio ▪ Freehold Midland Permian volumes forecast to average ~1,500 boe/d in 2023, representing approximately a 50% increase over current levels
U.S. Premium Pricing, Breakevens	✓	▪ Howard County Midland assets 95% liquids with Q1-22 netback of $105/boe vs. Freehold $69/boe, further improving our peer leading realized commodity pricing ▪ Midland and Eagle Ford transactions maintain breakevens <US$45/bbl WTI
Portfolio Enhancement, Financial Flexibility	✓	▪ U.S. transactions further enhance the quality of Freehold’s underlying royalty portfolio while maintaining low leverage and financial flexibility ▪ Enhances corporate growth platform, realized pricing and sustainability of dividend ▪ Freehold to provide an update on payout levels and production guidance as part of Q2-2022 results

Howard County Midland Acquisition Overview



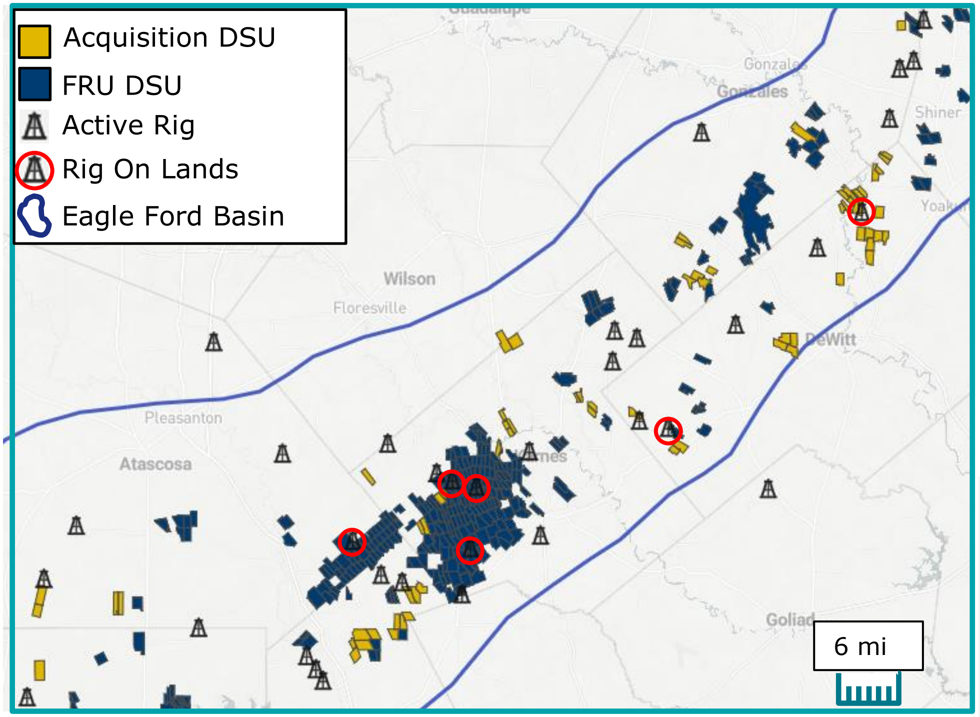
- Howard County Midland Asset is accretive to Freehold's existing growth profile, realized pricing and payor quality
- Total consideration CAD$123 million
  - Q4-2022 forecast production of 550 boe/d (95% liquids), forecast to grow to 750 boe/d (95% liquids) in 2023E
  - Increases Freehold Midland forecast production to 1,500 boe/d in 2023
  - 2023 funds from operations forecast at $23 million(1)
- 4,400 net royalty acres (51,000 gross), 98% mineral interest
- The asset is forecast to be developed aggressively through a combination of well capitalized public and private entities including HighPeak Energy



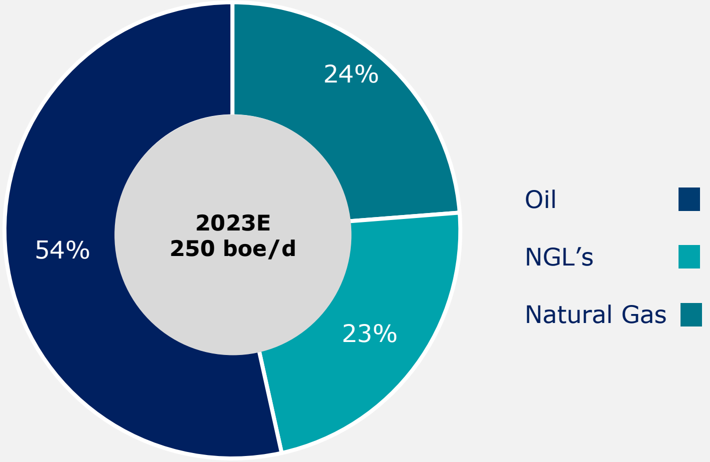


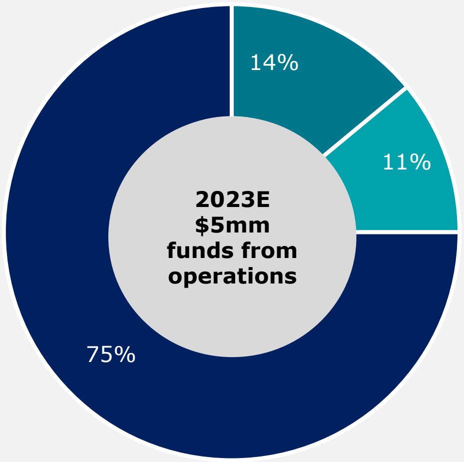
1. Assumes a West Texas Intermediate price of US$80/barrel of oil and a NYMEX natural gas price of US$4.50/Mcf and an exchange rate of US$0.80 for every CDN$1.00.

Eagle Ford Acquisition Overview



- Low volatility Eagle Ford asset with attractive balance of current production and future development upside
- Total consideration CAD$32 million
  - 2023 average production forecast 250 boe/d
  - Increases Freehold Eagle Ford production to approximately 2,800 boe/d in 2023
  - 2023 funds from operations forecast at $5 million(1)
- 2,500 net royalty acres (41,000 gross), 91% mineral interest
- Diversified operator mix including exposure to EOG Resources, ConocoPhillips, BP, Devon Energy Corp and private 1776 Energy Operators LLC





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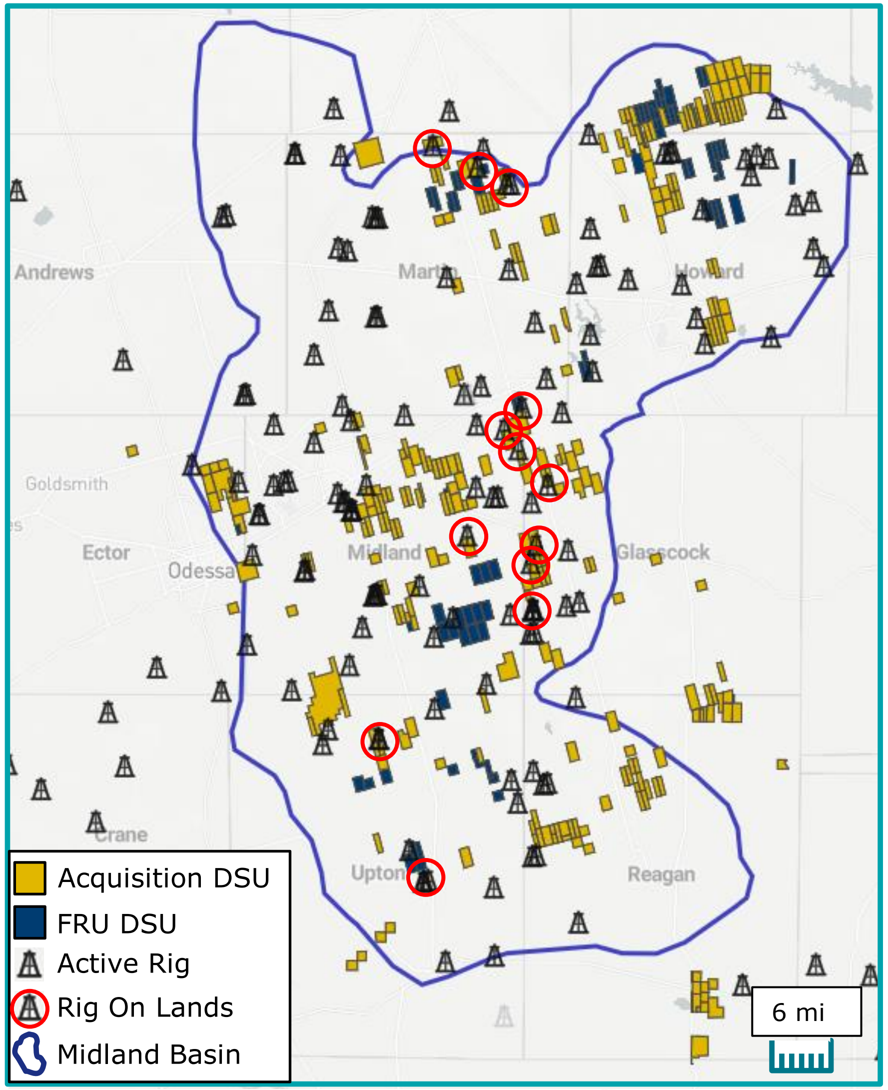
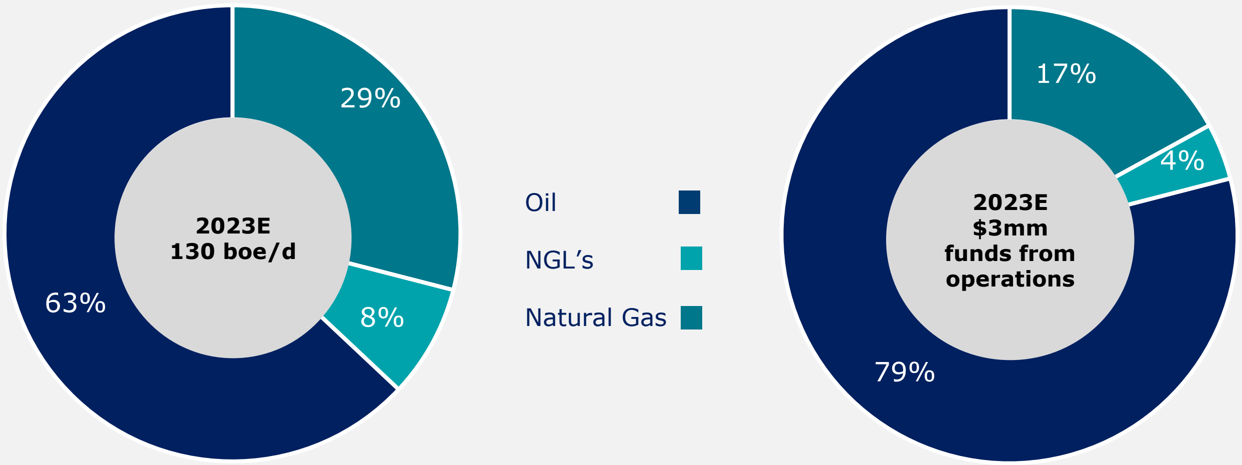
1. Assumes a West Texas Intermediate price of US$80/barrel of oil and a NYMEX natural gas price of US$4.50/Mcf and an exchange rate of US$0.80 for every CDN$1.00.

Diversified Midland Assets Overview



- Tuck-in asset to previous Midland transactions underpinned by focused Midland operators
- Total consideration CAD$19 million
  - 2023 average production forecast at 130 boe/d
  - Numerous undeveloped and underdeveloped sections within the core of this asset are expected to provide long-term production stability
  - 2023 funds from operations forecast at $3.0 million(1)
- 1,100 net royalty acres (220,000 gross), 51% mineral interest
- The asset represents core acreage for various well capitalized Midland focused public and private operators including Pioneer Natural Resources Company and Surge Energy



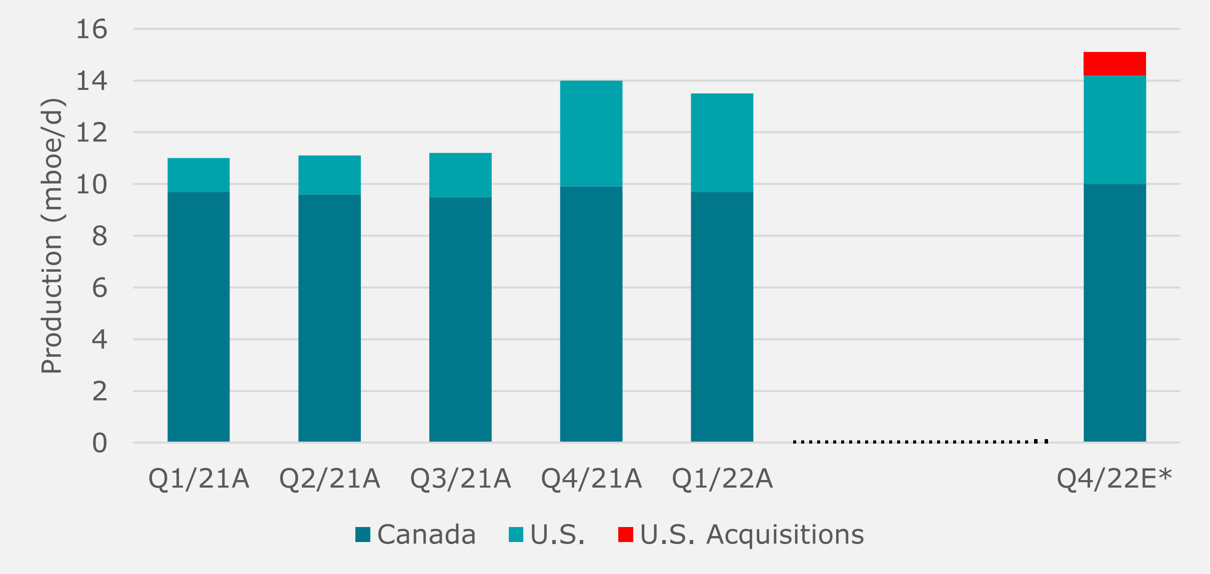
1. Assumes a West Texas Intermediate price of US$80/barrel of oil and a NYMEX natural gas price of US$4.50/Mcf and an exchange rate of US$0.80 for every CDN$1.00.

Strategic Rationale

North American portfolio continues to expand

- *Completing the latest U.S. Royalty transaction is accretive to Freehold on a number of key metrics*
  - *10% accretive on funds flow per share (2023E)*
    - *7% accretive on a production per share*
  - *>18% free cash flow yield (blended transactions)*
  - *Exit 2022 with long term debt to funds from operations forecast at <0.5x (12-month trailing)*
    - *>$100 million in available credit facility*
- *The Acquired Assets are expected to enhance all aspects of Freehold's business model including*
  - *Organic growth profile* ☑
  - *Operating netback* (2) ☑
  - *Liquids weighting* ☑
  - *Dividend sustainability* ☑
  - *ESG profile* ☑

Freehold Corporate Production



Q4/22E Revenue Pre-Acquisitions **Q4/22E Revenue Post Acquisitions**

1. 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.
2. See Non-GAAP Financial Measures

Advisories

Forward-Looking Statements

This presentation offers our assessment of Freehold’s future plans and operations as at July 7th, 2022 and contains forward-looking information including, without limitation, forward-looking information with regards to the expected terms and conditions of the U.S. Acquisitions; the expectation that Freehold has dividend coverage down to $40 WTI; the expected timing for closing of the U.S. Acquisitions; the expected attributes and benefits to be derived by Freehold pursuant to the U.S. Acquisitions; the expectation that after the U.S. Acquisition, Freehold will continue to maintain financial flexibility with $125 million in expected 2022 year end undrawn credit; forecast to exit 2022 at less than 0.5x forecast debt to trailing funds from operations; the expectation that Q4 2022 U.S. production will represent 35% of corporate production and 40% of revenue; forecasted 2022 to 2023 growth of the Howard County Midland assets and 2023 Freehold Midland Permian volumes; Freehold's intention to provide an update on dividend and production guidance and the timing thereof; the expectation that the U.S. Acquisitions will further enhance the quality of Freehold’s North American royalty portfolio; the expectation that the Howard County Midland acquisition will be aggressively developed; the expectation that the acquired assets will enhance all aspects of Freehold's business model; the forecasted 2023 production and funds from operations from the assets to be acquired pursuant to the U.S. Acquisitions; the expectation that the consideration for the U.S. Acquisitions will be funded through Freehold's existing credit facilities; the forecast Q4 2022 average production, 2023 average production and 2023 funds from operations from the Howard County Midland Assets; the forecast Q4 2022 average production, 2023 average production and 2023 funds from operations from the Eagle Ford Assets; the future drilling locations associated with the Eagle Ford Assets; the forecast 2023 average production and 2023 funds from operations from the Diversified Midland Assets; and the future 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 general economic conditions including inflation and interest rates, the impacts of the Russia – Ukraine war on commodity prices and the global economy; the impact of supply chain and labour shortages, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, royalties, environmental risks, taxation, regulation, changes in tax or other legislation, the impact of COVID-19 pandemic on economic activity and demand for oil and natural gas, 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. Acquisitions 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. Acquisitions may not be completed if these approvals are not obtained or some other condition to the closing of the U.S. Acquisitions is not satisfied. In addition, to the extent any title defects are discovered and unremedied it may result in Freehold not acquiring all of the assets expected to be acquired pursuant to the U.S. Acquisition. Accordingly, there is a risk that the U.S. Acquisitions 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, 2021, which is available under Freehold’s profile on SEDAR at www.sedar.com.

With respect to forward looking information contained in this press release including relating to the 2023 forecast production and 2023 forecast funds from operations from the assets to be acquired pursuant to the U.S. Acquisitions, we have made assumptions regarding, among other things; future oil and natural gas prices (for the purposes of the estimates in this press release we have assumed a 2023 West Texas Intermediate price of US$80/barrel of oil and a 2023 NYMEX natural gas price of US$4.50/Mcf); future exchange rates (for the purposes of the estimates in this press release we have assumed an exchange rate of US$0.80 for every CDN$1.00); that drilled uncompleted wells will be completed in the short term and brought on production; that wells that have been permitted will be drilled and completed within a customary timeframe; expectations as to additional wells to be permitted, drilled, completed and brought on production in 2022 and 2023 based on Freehold's review of the geology and economics of the plays associated with the assets to be acquired pursuant to the U.S. Acquisitions; expected production performance of wells to be drilled and/or brought on production in 2022 and 2023; 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 assets to be acquired pursuant to the U.S. Acquisitions; 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.

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 2023 net production from the assets to be acquired pursuant to the U.S. Acquisitions is expected to consist of approximately 79% of light oil, 10% of natural gas liquids and 11% of natural gas. In Q4-2022 net production from the Howard Country Midland Assets is expected to consist of approximately 88% of light oil, 7% of natural gas liquids and 5% natural gas. In 2023 net production from the Eagle Ford Assets is expected to consist of approximately 55% light oil, 23% natural gas liquids and 22% natural gas. In Q4-2022 net production from the Eagle Ford Assets is expected to consist of approximately 55% light oil, 23% natural gas liquids and 22% natural gas. In 2023 net production from the Diversified Midland Assets is expected to consist of approximately 65% of light oil, 5% of natural gas liquids and 30% of natural gas.

Net Royalty Acre

Net Royalty Acre is a term unique to US Royalty companies in reporting royalty acreage. Mineral owners will normalize ownership to a 12.5% royalty or 1/8th interest, to be able to compare acres apples to apples. Takes into consideration the tract acreage, mineral ownership, lease royalty then normalizes at the 1/8th interest.

Gross Acre

Gross Acre takes into account the total acreage of a drilling spacing unit, which can vary in size from 640 acres to 2,000+ acres, where we have contributed a portion of interest whereby we receive a royalty on wells drilled within the drilling spacing unit area. The gross acreage is used to calculate the net royalty interest we receive in individual wells either currently producing or drilled in the future within that drilling spacing unit..

Currency

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

Conversion of Natural Gas 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 Ratios and Other 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.