MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") was prepared as of March 12, 2025 and is management's opinion about the consolidated operating and financial results of Freehold Royalties Ltd. and its wholly-owned subsidiaries (collectively, "Freehold" or the "Company") for the three and twelve months ended December 31, 2024 and its comparative periods, and the outlook for Freehold based on information available as of the date hereof.

The financial information contained herein is based on information in the consolidated financial statements, which have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), which are the Canadian generally accepted accounting principles ("GAAP") for publicly accountable enterprises. All comparative percentages are between the three ("Q4-2024") and twelve months ("2024") ended December 31, 2024 (combined the "current reporting periods", in that respective order and the "same period(s)" in 2023, also in that respective order) and all dollar amounts are expressed in Canadian currency, unless otherwise noted. References to "US$" are to United States ("U.S.") dollars. This MD&A should be read in conjunction with the December 31, 2024 audited consolidated financial statements (the "audited financial statements"). These documents, as well as additional information about Freehold, including the Company's Annual Information Form for the year ended December 31, 2024 ("AIF"), are available on SEDAR+ at www.sedarplus.ca and on Freehold's website at www.freeholdroyalties.com.

This MD&A contains the non-GAAP financial measures: **net revenue, cash costs** and **netback** and the supplementary financial measures: **dividend payout ratio** and **funds from operations per share**. These are useful supplements to analyze operating performance, financial leverage, and liquidity, among others. 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. This MD&A also contains the capital management measures of working capital, net debt, capitalization and net debt to trailing funds from operations for the last 12 months as defined in Note 14 of the audited financial statements. In addition, this MD&A contains forward-looking statements that are intended to help readers better understand Freehold's business and prospects. Readers are cautioned that the MD&A should be read in conjunction with the disclosure under "Non-GAAP and Other Financial Measures" and "Forward-Looking Statements" included at the end of this MD&A.

Business Overview

Freehold is incorporated under the laws of the Province of Alberta and trades on the Toronto Stock Exchange under the symbol FRU. We receive revenue primarily from royalties on crude oil, natural gas and natural gas liquids ("NGLs") as reserves are produced over the life of the properties located in the continental U.S. and Canada. Freehold's business is managing and acquiring royalties.

The Royalty Advantage

Freehold manages one of the largest non-government portfolios of oil and natural gas royalties in Canada with a sizeable land base in the U.S., uniquely positioning Freehold as a leading North American energy royalty company. Our total land holdings encompass approximately 6.1 million gross acres in Canada and approximately 1.2 million gross drilling acres in the U.S. Our Canadian mineral title lands, which we own in perpetuity, cover approximately 1.1 million acres and we also have gross overriding royalty ("GORR") and other interests in approximately 5 million acres. Our U.S. acreage is comprised of almost 80% mineral title lands, also owned in perpetuity.

We have royalty interests in more than 23,000 producing wells and almost 500 units spanning five provinces and eight states and receive royalty income from over 370 industry operators throughout North America. Our revenues also include potash royalties, lease bonus consideration and lease rental streams that diversify our revenue portfolio. Our North American land base lowers Freehold's risk and, as a royalty owner, Freehold benefits from the drilling activity of others without any capital investments.

As a royalty interest owner, Freehold does not pay any of the capital costs to drill, complete and equip wells for production on the Company's properties, nor does it incur costs to operate wells, maintain production, or ultimately abandon wells and restore the land to its original state. All of these costs are paid by our royalty payors. Freehold receives royalty income from gross production revenue (revenue before any royalty expenses and operating costs are deducted) resulting in strong netbacks.

Freehold's Strategy

As a leading North American royalty company, Freehold's objective is to deliver growth and lower risk attractive returns to shareholders over the long term. Freehold accomplishes this by:

- Creating Value
    - Drive development on our lands through our lease out program and royalty optimization
    - Acquire royalty assets with acceptable risk profiles and long economic life
    - Generate GORRs for revenue growth
- Enhancing Value
    - Maximize Freehold's royalty interests through a comprehensive audit and compliance program
    - Manage our debt prudently with a target below 1.5 times net debt to trailing funds from operations for the last 12 months
- Delivering Value
    - Target a dividend payout ratio of approximately 60%

Dividend Announcement

Freehold's Board of Directors (the "Board") approved a dividend of $0.09 per common share to be paid on April 15, 2025, to shareholders of record on March 31, 2025. Freehold's dividend of $0.09 per common share is in-line with the Company's payout strategy. The dividend is designated as an eligible dividend for Canadian income tax purposes.

Outlook

The development of Freehold's oil focused North American portfolio continues to provide resiliency despite the volatility in commodity prices, related to continued geo-political tensions around the world, OPEC+'s expected unwinding of production cuts, and the potential of U.S. imposed tariffs on Canadian energy exports. We expect our oil focused, diversified North American asset base will contribute to stabilized cash flows through the evolving commodity markets and allow the Company to continue to provide robust shareholder returns, reduce net debt, and explore opportunistic acquisitions in 2025.

Freehold is forecasting 2025 Canadian drilling to be in-line with 2024 activity, and a sizeable increase in drilling activity in the U.S. compared to 2024 reflecting our expanded asset base.

In Canada, we anticipate drilling on our lands to be focused on oil weighted areas including Clearwater and Mannville Stack heavy oil and southeast Saskatchewan light oil. The Company holds a meaningful position in the Deep Basin and Cardium plays that are more exposed to AECO natural gas prices, but also produce significant NGLs and condensate that attract prices closer to oil levels.

In the U.S., Freehold anticipates an increase in drilling on our expanded lands in the Permian where play economics remain robust and Freehold has significant exposure to investment grade operators that continue to actively develop our lands.

In December 2024, Freehold closed its acquisition of $261.4 million (US$185.1 million) after customary closing adjustments of mineral title and royalty assets concentrated in the core of the Midland basin (Martin and Midland counties located in Texas). The accretive acquisition enhances Freehold's alignment with investment grade operators and improves the Company's overall liquids production weighting to approximately 66% on a proforma basis. The new asset adds approximately 244,000 gross drilling acres to our portfolio and is expected to produce approximately 1,500-1,600 boe/d in 2025. The acquisition closed on December 13, 2024 with an effective date of December 1, 2024. Freehold expects increased drilling activity in 2025 with the addition of the newly acquired lands.

2025 Guidance

We expect production to average between 15,800 and 17,000 boe/d for 2025, weighted approximately 66% oil and NGLs (45% light and medium oil, 8% heavy oil and 13% NGLs) and approximately 34% natural gas – an increase from 64% oil and NGLs in 2024. Of note, approximately 56% of our light oil is derived from our U.S. assets and expected to receive premium, tariff-free pricing.

Operating and Financial Results

Financial ($000s, except as noted)	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
Royalty and other revenue	**$ 76,861**	$ 80,062	-4%	**$ 309,480**	$ 314,575	-2%
Net income	**$ 51,123**	$ 34,323	49%	**$ 149,446**	$ 131,904	13%
Per share, basic ($) [1]	**$ 0.33**	$ 0.23	43%	**$ 0.99**	$ 0.88	13%
Per share, diluted ($) [1]	**$ 0.33**	$ 0.23	43%	**$ 0.98**	$ 0.88	11%
Cash flows from operations	**$ 59,121**	$ 70,704	-16%	**$ 223,334**	$ 216,916	3%
Funds from operations	**$ 61,332**	$ 62,805	-2%	**$ 230,975**	$ 239,665	-4%
Per share, basic ($) [1][3]	**$ 0.40**	$ 0.42	-5%	**$ 1.53**	$ 1.59	-4%
Per share, diluted ($) [1][3]	**$ 0.40**	$ 0.42	-5%	**$ 1.52**	$ 1.58	-4%
Acquisitions and related expenditures	**$ 276,971**	$ 2,065	nm	**$ 411,716**	$ 10,647	nm
Dividends paid	**$ 40,687**	$ 40,685	0%	**$ 162,745**	$ 162,731	0%
Per share ($) [2]	**$ 0.27**	$ 0.27	0%	**$ 1.08**	$ 1.08	0%
Dividends declared	**$ 41,882**	$ 40,686	3%	**$ 163,939**	$ 162,732	1%
Per share ($) [2]	**$ 0.27**	$ 0.27	0%	**$ 1.08**	$ 1.08	0%
Dividend payout ratio (%) [3]	**66%**	65%	2%	**70%**	68%	3%
Long-term debt	**$ 300,854**	$ 122,973	145%	**$ 300,854**	$ 122,973	145%
Net debt [4][5]	**$ 282,266**	$ 100,892	180%	**$ 282,266**	$ 100,892	180%
Shares outstanding, year end (000s)	**163,960**	150,689	9%	**163,960**	150,689	9%
Average shares outstanding, basic (000s) [6]	**153,430**	150,684	2%	**151,378**	150,676	0%
Average shares outstanding, diluted (000s) [6]	**154,058**	151,219	2%	**151,992**	151,219	1%
Operating						
Light and medium oil (bbl/d)	**6,296**	6,308	0%	**6,255**	6,203	1%
Heavy oil (bbl/d)	**1,516**	1,182	28%	**1,370**	1,187	15%
NGL (bbl/d)	**2,066**	1,878	10%	**1,956**	1,796	9%
Total liquids (bbl/d)	**9,878**	9,368	5%	**9,581**	9,186	4%
Natural gas (Mcf/d)	**32,564**	32,968	-1%	**32,287**	33,167	-3%
Total production (boe/d) [7]	**15,306**	14,863	3%	**14,962**	14,714	2%
Liquids weighting (%)	**65%**	63%	3%	**64%**	62%	3%
Petroleum and natural gas realized price ($/boe) [7]	**$ 53.80**	$ 57.94	-7%	**$ 55.68**	$ 57.65	-3%
Cash costs ($/boe) [3][7]	**$ 5.93**	$ 4.73	25%	**$ 7.10**	$ 5.71	24%
Netback ($/boe) [3][7]	**$ 47.25**	$ 52.59	-10%	**$ 47.77**	$ 51.28	-7%

1. Calculated based on the basic or diluted 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. Net debt is a capital management measure
5. The December 31, 2023 balance has been restated due to the retrospective adoption of IAS 1 (see Amendments to IAS 1 Presentation of Financial Statements)
6. Weighted average number of shares outstanding during the period, basic or diluted
7. See Conversion of Natural Gas to Barrels of Oil Equivalent (boe)

(nm) not meaningful

Q4-2024 Operating and Financial Highlights

- On December 13 2024, Freehold closed its acquisition of $261.4 million (US$185.1 million), after customary closing adjustments, of U.S. mineral title and royalty assets in the Midland basin of the Permian located in Texas. This transaction was financed with the issuance of common shares and available credit facilities.
    - Freehold closed an equity financing in December 2024, raising gross proceeds of $172.5 million ($165.5 million net of share issuance costs) through issuing 13,271,000 common shares at $13.00 per common share.
    - Freehold amended and restated its credit facilities in Q4-2024, increasing the Company's borrowing capacity to $450 million, an increase of $150 million, and extending the credit agreement term to

November 2027. The credit agreement includes a permitted increase in the committed revolving facility by an additional $50 million subject to lenders' consent.

- Q4-2024 drilling activity included 288 gross wells (4.2 net), of which 98% targeted oil, comprised of 178 wells (0.6 net) in the U.S. and 110 wells (3.6 net) in Canada. This is a 25% increase on a gross well basis in the U.S. and a 10% overall increase during Q4-2024 compared to the same quarter in 2023, reflecting development across our expanded U.S. asset base.
- Q4-2024 production averaged 15,306 boe/d, an increase of 3% from the same quarter in 2023, including U.S. production increases of 13%, bolstered by our expanded U.S. land base but partially offset by lower Canadian production.
  - U.S. quarterly production during Q4-2024 was 5,869 boe/d, including production since the December 2024 closing of the previously mentioned Midland basin acquisition. Forecasted production for 2025 related to this acquisition is 1,500-1,600 boe/d.
  - Canadian production of 9,437 boe/d during Q4-2024 included 28% production growth in Clearwater and Mannville Stack heavy oil compared to 2023. Overall production decreased by 2% from the same period of 2023, as producers responded to low natural gas prices by curtailing dry natural gas production and reducing drilling activity. As a result, natural gas production declined by 180 boe/d.
- Freehold's realized commodity price averaged $53.80/boe during Q4-2024, a decrease of 7% from the same quarter in 2023, leading to a 4% decline in revenue. Freehold's production was weighted 65% to oil and NGLs in Q4-2024, achieving a record high liquids level. This increased oil and NGL weighting mitigated the total revenue impact of the 10% decrease in benchmark WTI oil pricing and a 41% decrease in realized natural gas pricing during the comparable reporting periods.
- Cash costs(1) for the quarter totaled $5.93/boe, an increase of 25% versus the same period in 2023 reflecting higher interest costs from incremental borrowings in 2024 for the U.S. acquisitions.
- Funds from operations totaled $61.3 million or $0.40 per share(1), down 2% from the $62.8 million ($0.42 per share(1)) in the same quarter in 2023, due to lower commodity prices and higher interest costs.
- Dividends paid in Q4-2024 totaled $40.7 million ($0.27 per share), consistent with the same period in 2023, resulting in a 66% dividend payout ratio(2).
- Long term debt at December 31, 2024 was $300.9 million, $95.1 million higher than at September 30, 2024 with Q4-2024 acquisitions partially financed with available credit capacity.
  - Net debt also increased in Q4-2024 for the same reason, exiting at $282.3 million on December 31, 2024.

2024 Operating and Financial Highlights

- 2024 production averaged 14,962 boe/d, 2% higher than 2023, including an 8% increase in Freehold's U.S. production, bolstered by the Company's expanded U.S. land base.
- Oil and NGL volumes represented 64% of 2024 royalty production, an increase of 2% from 62% in 2023 with both Freehold's acquisitions and operators on Freehold's lands targeting oil and natural gas liquids-rich locations.
- Royalty and other revenue totaled $309.5 million in 2024, down 2% from the previous year reflecting lower commodity prices partly offset by higher production. Total royalty revenue was weighted 85% towards oil.
- Funds from operations in 2024 totaled $231.0 million or $1.53 per share(1), down 4% from $239.7 million or $1.59 per share(1) in 2023.

- Dividends paid in 2024 totaled $162.7 million ($1.08 per share), consistent with 2023. Freehold's dividend payout[2] ratio for 2024 was 70%, compared to 68% in 2023.
- Long term debt increased by $177.9 million during 2024, with this increase associated with the partial funding of the $411.7 million of acquired mineral title and royalty assets largely in the Midland and Delaware basins of the Permian. The December 31, 2024 net debt to trailing funds from operations was 1.2 times, excluding any pro forma adjustments for the associated funds from operations from the $261.4 million (US$185.1 million), after customary closing adjustments, Midland transaction that closed on December 13, 2024.
    - Net debt increased by $181.3 million[3] during 2024 for the same reason.
- Proved and probable oil and natural gas reserves[4] totaled 65 MMboe at December 31, 2024, an increase of 10.5 MMboe (19%) from 2023, reflecting both organic reserve replacement and acquisitions.

1. See Non-GAAP and Other Financial Measures
2. Dividend payout ratio is a supplementary financial measure
3. The December 31, 2023 balance has been restated due to the retrospective adoption of IAS 1 (see Amendments to IAS 1 Presentation of Financial Statements)
4. A detailed review of Freehold's U.S. and Canadian reserve information, including a summary of the evaluation of Freehold's reserves and associated future net revenues as prepared by RSC Group, Inc. and Trimble Engineering Associates Ltd., respectively, Freehold's independent reserve evaluators effective as at December 31, 2024, is provided in the AIF. A copy of the AIF can be found on Freehold's website at www.freeholdroyalties.com or www.sedarplus.ca

Drilling Activity

During Q4-2024, drilling activity levels were up on a gross basis, with 288 gross wells (4.2 net) drilled on Freehold's royalty lands, a 10% increase from the 262 wells drilled in the same period in 2023, although 7% lower on a net basis, reflecting lower average U.S. net interest drilling.

Drilling activity of 1,140 gross wells (20.0 net) drilled on Freehold's North American royalty lands during 2024 also exceeded 2023 levels by 15% (8% on a net basis), bolstered by the Company's expanded U.S. asset base as well as the quality of its lands and the ability of its royalty payors to endure volatile benchmark pricing.

On a gross basis, during 2024, 35% of new wells were drilled in Canada with 65% drilled in the U.S. and 98% targeting oil.

	Three months ended December 31				Year ended December 31			
	2024		2023		**2024**		2023	
	Gross	**Net** [1]	Gross	Net [1]	**Gross**	**Net** [1]	Gross	Net [1]
Canada	**110**	**3.6**	120	3.8	**403**	**17.0**	466	16.0
United States	**178**	**0.6**	142	0.7	**737**	**3.0**	527	2.6
Total	**288**	**4.2**	262	4.5	**1,140**	**20.0**	993	18.6

1. Net wells are the equivalent aggregate of the numbers obtained by multiplying each gross well by the royalty interest percentage

CANADA

Q4-2024 gross drilling activity levels were down 8% compared to the same quarter in 2023 (a 5% decrease on a net basis) as operators curtailed drilling in the wake of natural gas benchmark price volatility. During Q4-2024, drilling in Canada was led again by oil weighted plays including southeast Saskatchewan (26 gross wells), Mannville Stack (21 gross wells), Viking (19 gross wells) and Clearwater (10 gross wells) basins. Heavy oil drilling comprised approximately 30% of the Q4-2024 Canadian drilling activity. By geography, approximately 59% of gross wells drilled targeted prospects in Alberta and 37% targeted prospects in Saskatchewan.

During 2024, 403 gross locations were drilled on Freehold's Canadian lands, a 14% decrease from the 466 gross locations drilled in 2023, and a 6% increase on a net basis, reflecting higher average royalty interests. Freehold saw notable drilling in oil weighted areas including the Clearwater and Cardium in Alberta and the Mississippian Subcrop, Bakken and Viking in Saskatchewan. Additionally, there was an increase in heavy oil drilling in the Mannville Stack in Alberta and Saskatchewan, aligned with the strong recent leasing activity. Heavy oil focused drilling accounted for approximately 30% of 2024 drilling, an increase of 19% from 2023.

U.S.

During Q4-2024, 178 gross wells were drilled on our U.S. royalty lands, a 25% increase compared to 142 gross wells during the same quarter in 2023, although a 14% decrease on a net basis, reflecting lower average royalty interests. Approximately 78% of Q4-2024 drilling was in the Permian basin and 18% in the Eagle Ford basin. By geography, approximately 96% of Q4-2024 gross wells in the U.S. targeted prospects in Texas.

For the full year 2024, 737 gross locations were drilled on Freehold's U.S. lands, a 40% increase from 527 gross wells in 2023 and a 15% increase on a net basis. These increases are associated with the 2024 U.S. acquisitions and strong industry activity focused in the Midland and Delaware basins. Development of Freehold's U.S. lands was led by a diverse group of investment grade public companies and growth-oriented public and private operators. Approximately 73% of 2024 gross drilling was in the Permian and 25% in the Eagle Ford.

Although Freehold's U.S. net well additions are lower than in Canada, U.S. wells generally come on production at approximately ten times that of an average Canadian well in the Company's portfolio. 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.

Production

Freehold's total production averaged 15,306 boe/d and 14,962 boe/d during the current reporting periods, 3% and 2% increases compared to the same periods in 2023. These increases reflect third-party drilling and completion activities on Freehold's lands in addition to acquisitions during 2024, partially offset by muted natural gas drilling activity coupled with shut-ins as Canadian operators responded to a prolonged, depressed AECO benchmark price.

During Q4-2024, higher priced oil and NGL production increased to 65% of Freehold's total production, a record weighting for Freehold, reflecting the Company's oil focused U.S. acquisitions located in the Midland and Delaware basins of the Permian combined with Canadian operators focusing on heavy oil and natural gas liquids-rich prospects.

Production Summary

	Three months ended December 31			Year ended December 31		
	2024	2023	Change	**2024**	2023	Change
Canada (boe/d)	**9,437**	9,659	-2%	**9,430**	9,612	-2%
United States (boe/d)	**5,869**	5,204	13%	**5,532**	5,102	8%
Total production (boe/d)	**15,306**	14,863	3%	**14,962**	14,714	2%

Average Daily Production by Product Type

	Three months ended December 31			Year ended December 31		
	2024	2023	Change	**2024**	2023	Change
Light and medium oil (bbl/d)	**6,296**	6,308	0%	**6,255**	6,203	1%
Heavy oil (bbl/d)	**1,516**	1,182	28%	**1,370**	1,187	15%
NGL (bbl/d)	**2,066**	1,878	10%	**1,956**	1,796	9%
Natural gas (Mcf/d)	**32,564**	32,968	-1%	**32,287**	33,167	-3%
Total production (boe/d)	**15,306**	14,863	3%	**14,962**	14,714	2%
Liquids weighting (%)	**65%**	63%	2%	**64%**	62%	3%
Number of days in period (days)	**92**	92		**366**	365	
Total volumes during period (MMboe)	**1.408**	1.367	3%	**5.476**	5.371	2%

CANADA

Canadian production averaged 9,437 boe/d and 9,430 boe/d during the current reporting periods, comprised of 56% oil and NGLs and 44% natural gas. These production volumes were 2% lower than the same periods in 2023, mainly due to lower natural gas production reflecting this commodity's depressed benchmark pricing, which was largely attributed to excess supply, elevated storage levels and limited export capacity out of western Canada. These factors contributed to natural gas production decreasing 180 boe/d and 194 boe/d during the current reporting periods compared to the same periods in 2023. Recent Canadian development was focused on heavy oil prospects, particularly in the Mannville Stack and Clearwater areas, where differentials to Canadian oil benchmarks have strengthened since the completion of the Trans Mountain pipeline expansion in 2024. This resulted in higher Canadian liquids weightings relative to total Canadian production during the current reporting periods as compared to the same periods in 2023.

Canadian Average Daily Production by Product Type

	Three months ended December 31			Year ended December 31		
Canadian production	**2024**	2023	Change	**2024**	2023	Change
Light and medium oil (bbl/d)	**2,878**	3,261	-12%	**2,984**	3,196	-7%
Heavy oil (bbl/d)	**1,516**	1,182	28%	**1,370**	1,187	15%
NGL (bbl/d)	**869**	863	1%	**899**	857	5%
Natural gas (Mcf/d)	**25,042**	26,120	-4%	**25,063**	26,229	-4%
Total production (boe/d)	**9,437**	9,659	-2%	**9,430**	9,612	-2%
Liquids weighting (%)	**56%**	55%	2%	**56%**	55%	2%

U.S.

U.S. production averaged 5,869 boe/d and 5,532 boe/d during the current reporting periods, increases of 13% and 8% compared to the same periods in 2023. These increases reflect strong additions from third-party drilling and completion activities in addition to U.S. acquisitions during 2024. To date, Freehold's U.S. acquisitions have met management's expectations.

Freehold's U.S. production during the current reporting periods represents approximately 38% of corporate volumes, a 3% increase from the same periods in 2023, mainly reflecting acquisition transactions during 2024. Freehold's U.S. production in 2024 was comprised of approximately 78% oil and NGLs and 22% natural gas.

U.S. Average Daily Production by Product Type

United States production	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
Light and medium oil (bbl/d)	**3,418**	3,047	12%	**3,271**	3,007	9%
NGL (bbl/d)	**1,197**	1,015	18%	**1,057**	939	13%
Natural gas (Mcf/d)	**7,522**	6,848	10%	**7,224**	6,937	4%
Total production (boe/d)	**5,869**	5,204	13%	**5,532**	5,102	8%
Liquids weighting (%)	**79%**	78%	1%	**78%**	77%	1%

Product Prices

Benchmark Prices

The price received by Freehold for produced oil is primarily driven by the U.S. dollar price of WTI, with the realized Canadian price adjusted for the value of the Canadian dollar relative to the U.S. dollar, for quality differentials and for the transportation cost to move product to the U.S. pricing points. For the current reporting periods, WTI averaged US$70.27/bbl and US$75.72/bbl, 10% and 2% lower versus the same periods in 2023. When compared to the previous quarter, WTI prices fell by 6%.

Within Canada, Western Canadian Select ("WCS") prices averaged $80.75/bbl and $83.52/bbl during the current reporting periods, 5% higher versus the same periods in 2023. Canadian heavy oil differentials have strengthened in the second half of 2024 from historical levels due to a combination of the completion of the Trans Mountain pipeline expansion in May 2024 and low heavy oil inventory levels resulting in only minimal apportionment on Enbridge's mainline. Canadian prices were also supported by a strengthening U.S. dollar compared to the Canadian dollar in Q4-2024. Edmonton Light Sweet prices averaged $94.90/bbl and $97.55/bbl during the current reporting periods, 5% and 3% lower versus the same periods in 2023.

For Q4-2024, AECO 7A Monthly Index and NYMEX natural gas monthly contract prices averaged $1.46/Mcf and US$2.86/Mcf, respectively, down 46% and 4% from the same period in 2023. Despite these decreases, both benchmarks recovered compared to the prior quarter, with AECO and NYMEX higher by 80% and 28%, respectively, reflecting the winter heating season and supporting expectations of near-term inventory declines. During 2024, AECO 7A and NYMEX averaged $1.44/Mcf and US$2.35/Mcf, respectively, down 52% and 17% from the same periods in 2023. Certain Canadian producers reacted to this lower natural gas benchmark by curtailing production and deferring drilling activity. However, lower natural gas demand in western Canada has added further downward pressure on the Canadian AECO benchmark, relative to NYMEX, causing AECO to reach its lowest average price during Q3-2024 than it has in over 20 years.

Average Benchmark Prices

	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
West Texas Intermediate crude oil (US$/bbl)	**$ 70.27**	$ 78.32	-10%	**$ 75.72**	$ 77.62	-2%
Exchange rate (Cdn$/US$)	**1.40**	1.36	3%	**1.37**	1.35	1%
Edmonton Light Sweet crude oil (Cdn$/bbl)	**$ 94.90**	$ 99.69	-5%	**$ 97.55**	$ 100.39	-3%
Western Canadian Select crude oil (Cdn$/bbl)	**$ 80.75**	$ 76.96	5%	**$ 83.52**	$ 79.52	5%
NYMEX natural gas (US$/Mcf)	**$ 2.86**	$ 2.98	-4%	**$ 2.35**	$ 2.84	-17%
AECO 7A Monthly Index (Cdn$/Mcf)	**$ 1.46**	$ 2.70	-46%	**$ 1.44**	$ 2.98	-52%

Realized Prices

As Freehold expanded its U.S. royalty portfolio, its overall realized price strengthened relative to oil benchmarks, as U.S. crude oil production receives prices closer to WTI versus discounted pricing in Canada associated with transportation costs to markets and oil quality differentials. This, coupled with a higher oil weighting in the U.S. relative to Canada, resulted in Freehold receiving pricing premiums of over 40% for its U.S. volumes compared to its Canadian volumes during the current reporting periods. However, as driven by lower North American benchmarks, Freehold's average selling prices of $53.80/boe and $55.68/boe in the current reporting periods, were down 7% and 3% from the $57.94/boe and $57.65/boe realized during the same periods in 2023.

Average Realized Prices Summary

	Three months ended December 31			Year ended December 31		
	2024	2023	Change	**2024**	2023	Change
Oil ($/bbl)	**$ 90.46**	$ 96.14	-6%	**$ 94.25**	$ 94.43	0%
NGL ($/bbl)	**$ 36.48**	$ 37.59	-3%	**$ 37.96**	$ 39.19	-3%
Oil and NGL ($/bbl)	**$ 79.17**	$ 84.40	-6%	**$ 82.76**	$ 83.62	-1%
Natural gas ($/Mcf)	**$ 1.27**	$ 2.14	-41%	**$ 1.25**	$ 2.41	-48%
Oil equivalent ($/boe)	**$ 53.80**	$ 57.94	-7%	**$ 55.68**	$ 57.65	-3%

CANADA

Freehold's average selling price realized in Canada was $46.53/boe and $48.18/boe during the current reporting periods, down 8% and 5% compared to the same periods in 2023. The Q4-2024 decrease reflects lower commodity benchmarks excluding the 5% increase in WCS, with the differential to this benchmark narrowing more than the decrease in WTI. The 2024 price decrease reflects the lower natural gas benchmark. Canadian oil benchmarks in the current reporting periods benefited from a stronger U.S. dollar, increasing by 4% and 1% compared to the same periods in 2023, but did not completely offset decreases in benchmark pricing.

Freehold’s Canadian realized oil pricing averaged $84.73/bbl and $87.37/bbl during the current reporting periods, down 3% and flat compared to the same periods in 2023. The average realized NGL price of $48.09/bbl and $49.76/bbl during the current reporting periods was down 6% and 3% versus the same periods in 2023, mainly reflecting lower sweet oil benchmarks. The average realized natural gas price was $1.00/Mcf and $1.17/Mcf in the current reporting periods, approximately 50% lower than the same periods in 2023. Canadian realized natural gas pricing was affected by overall weakening in North American benchmarks.

Canadian Average Realized Prices

	Three months ended December 31			Year ended December 31		
	2024	2023	Change	**2024**	2023	Change
Oil ($/bbl)	**$ 84.73**	$ 87.65	-3%	**$ 87.37**	$ 87.48	0%
NGL ($/bbl)	**$ 48.09**	$ 51.26	-6%	**$ 49.76**	$ 51.47	-3%
Oil and NGL ($/bbl)	**$ 78.69**	$ 81.73	-4%	**$ 80.92**	$ 81.60	-1%
Natural gas ($/Mcf)	**$ 1.00**	$ 2.02	-51%	**$ 1.17**	$ 2.32	-50%
Oil equivalent ($/boe)	**$ 46.53**	$ 50.34	-8%	**$ 48.18**	$ 50.82	-5%

U.S.

Freehold's average realized selling price in the U.S. was $65.48/boe and $68.48/boe during the current reporting periods, 9% and 3% decreases from the same periods in 2023, reflecting lower U.S. commodity benchmarks. Freehold's realized oil prices in the U.S. averaged $97.82/bbl and $103.42/bbl during the current reporting periods, down 10% and 1% from the same periods in 2023. Freehold's average realized U.S. natural gas price was $2.17/Mcf and $1.52/Mcf during the current reporting periods, down 16% and 44% compared to the same periods in 2023. These realized decreases exceed the change in NYMEX largely due to higher differentials reflecting egress constraints at the Waha Hub in the Permian basin, impacting approximately 40% of Freehold's U.S. natural gas production. The Matterhorn Express Pipeline was put into service during 2024, providing critical takeaway capacity from the Permian which improved the Waha Hub pricing differential in Q4-2024, compared to the prior quarter.

U.S. Average Realized Prices (in Canadian Dollars)

	Three months ended December 31			Year ended December 31		
	2024	2023	Change	**2024**	2023	Change
Oil ($/bbl)	**$ 97.82**	$ 108.51	-10%	**$ 103.42**	$ 104.56	-1%
NGL ($/bbl)	**$ 28.06**	$ 26.01	8%	**$ 27.92**	$ 27.96	0%
Oil and NGL ($/bbl)	**$ 79.72**	$ 87.91	-9%	**$ 84.98**	$ 86.34	-2%
Natural gas ($/Mcf)	**$ 2.17**	$ 2.60	-16%	**$ 1.52**	$ 2.75	-44%
Oil equivalent ($/boe)	**$ 65.48**	$ 72.04	-9%	**$ 68.48**	$ 70.50	-3%

Credit Risk Management

Freehold's royalty lands consist of a large number of properties with generally small volumes per property. Many of Freehold's leases and royalty agreements allow it to take its share of oil and natural gas in-kind. Taking product in-kind allows Freehold to take ownership of the product as it is produced allowing the Company to sell it directly rather than having the royalty payor sell the product on its behalf and pass along proceeds from the sale in subsequent months. Due to the strength of our more substantial royalty payors, for the current reporting periods, Freehold marketed and took-in-kind approximately 2% of its total royalty production. As part of Freehold's credit risk mitigation program, Freehold's dedicated compliance group carefully monitors its royalty receivables and may choose to take its royalty in-kind if there are benefits in doing so.

Royalty and Other Revenue

Royalty and other revenue of $76.9 million and $309.5 million in the current reporting periods were down 4% and 2% when compared to the same periods in 2023. These decreases primarily reflect lower natural gas pricing, as partially offset by production from U.S. acquisitions that closed earlier in 2024. The current reporting periods do not yet include full periods of revenues from our most recent Midland basin transaction, which closed in December 2024 for $261.4 million (US$185.1 million), after customary closing adjustments. With Freehold's revenue already weighted 85% towards oil, this is expected to increase further as a result of the most recent transaction. In addition, following the December 2024 acquisition, approximately one-half of Freehold's forecasted 2025 revenues are from the U.S., with this source of revenues reducing the potential impact on Freehold should the new U.S. administration impose tariffs on Canadian energy exports. U.S. revenue in the current reporting periods also benefited from a stronger U.S. dollar, as reported in Canadian dollars, which strengthened by 3% and 1% compared to the same periods in 2023.

Freehold's primary source of revenues is from royalty interest production, however also included in royalty and other revenue is lease bonus consideration and lease rental revenue of $3.1 million during 2024, which decreased 8% from the same period in 2023 when leasing bonus revenue achieved a record level. During the current year, Freehold entered into 87 new leases (74 in Canada and 13 in the U.S.) with numerous counterparties. The majority of this new leasing focus in Canada was in southeast Saskatchewan and the Mannville Stack whereas in the U.S. the focus was on Freehold's Permian mineral title lands.

Royalty and Other Revenue Summary

($000s, except as noted)	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
Canada	$ 41,463	$ 45,479	-9%	$ 169,800	$ 183,128	-7%
United States	35,398	34,583	2%	139,680	131,447	6%
Royalty and other revenue	$ 76,861	$ 80,062	-4%	$ 309,480	$ 314,575	-2%
Per boe ($)	$ 54.59	$ 58.57	-7%	$ 56.52	$ 58.57	-4%

Royalty and Other Revenue by Category

($000s)	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
Royalty interest	$ 76,113	$ 79,619	-4%	$ 306,403	$ 311,244	-2%
Bonus consideration and lease rentals	748	443	69%	3,077	3,331	-8%
Royalty and other revenue	$ 76,861	$ 80,062	-4%	$ 309,480	$ 314,575	-2%

Royalty and Other Revenue by Type

($000s)	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
Oil	$ 65,013	$ 66,251	-2%	$ 263,018	$ 254,695	3%
Natural gas liquids	6,933	6,491	7%	27,183	25,695	6%
Natural gas	3,802	6,483	-41%	14,733	29,206	-50%
Potash	365	394	-7%	1,469	1,648	-11%
Bonus consideration and lease rentals	748	443	69%	3,077	3,331	-8%
Royalty and other revenue	$ 76,861	$ 80,062	-4%	$ 309,480	$ 314,575	-2%

General and Administrative

Freehold has a business development group dedicated to the acquisition and development of its future and existing assets and a diversified royalties team who are evaluating non-hydrocarbon, resource-based royalty opportunities in addition to land administration, accounting, and auditing expertise to administer and collect royalty payments, including systems to track development activity on its royalty lands. General and administrative ("G&A") expenses include directly billed costs in addition to costs incurred by the Manager (as defined below) and billed to Freehold (see Related Party Transactions).

In the current reporting periods, G&A expenses of $4.2 million and $16.3 million were up 7% and 4% from the same periods in 2023, reflecting inflationary cost pressures. The majority of Freehold's G&A cost structure is denominated in Canadian dollars.

On a per boe basis, the current reporting periods G&A expense of $3.02/boe and $2.98/boe increased by 4% and 2% from the same periods in 2023.

($000s, except as noted)	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
General and administrative expenses before capitalized and overhead recoveries	$ 5,008	$ 4,785	5%	$ 19,943	$ 19,189	4%
Less: capitalized and overhead recoveries	(762)	(818)	-7%	(3,604)	(3,469)	4%
General and administrative expenses	$ 4,246	$ 3,967	7%	$ 16,339	$ 15,720	4%
Per boe ($)	$ 3.02	$ 2.90	4%	$ 2.98	$ 2.93	2%

Production and Ad Valorem Taxes

Production and ad valorem taxes are incurred in the U.S. at the state level and are derived from production and property values. The expenses of $2.0 and $9.0 million during the current reporting periods were 16% and 6% higher than the same periods in 2023. These increases reflect Freehold's 2024 U.S. acquisitions, expanding the Company's U.S. portfolio and corresponding increasing revenues in Texas, which does not charge state corporate income taxes but does assess flat tax rates on commodity revenues.

	Three months ended December 31			Year ended December 31		
($000s, except as noted)	**2024**	2023	Change	**2024**	2023	Change
Production and ad valorem taxes	**$ 1,985**	$ 1,712	16%	**$ 9,013**	$ 8,488	6%
Per boe ($)	**$ 1.41**	$ 1.25	13%	**$ 1.65**	$ 1.58	4%

Interest and Financing

Interest on long term debt increased in the current reporting periods as compared to the same periods in 2023 due to higher average debt from borrowings for acquisitions. The Q4-2024 interest expense was partially offset by a slightly lower interest rate compared to the same period in 2023. The current reporting periods average effective interest rate on advances from Freehold's committed credit facilities were 6.2% and 6.4% (same periods in 2023 – 6.7% and 6.4%).

	Three months ended December 31			Year ended December 31		
($000s, except as noted)	**2024**	2023	Change	**2024**	2023	Change
Interest on long-term debt and financing fees	**$ 3,762**	$ 2,257	67%	**$ 15,090**	$ 10,017	51%
Non-cash accretion and finance costs (1)	**134**	82	63%	**326**	263	24%
Interest and finance expense	**$ 3,896**	$ 2,339	67%	**$ 15,416**	$ 10,280	50%
Per boe - cash expense ($)	**$ 2.67**	$ 1.65	62%	**$ 2.76**	$ 1.87	48%

1. Includes accretion of Freehold's decommissioning liability and lease obligation and amortization of deferred financing fees

Management Fee

The Manager (defined herein) receives a quarterly management fee, which Freehold has the right to settle through cash settlement or the issuance of Freehold common shares. Pursuant to the Management Agreement, the management fee is the equivalent value of 5,500 Freehold common shares per quarter. Starting in 2024, Freehold elected to settle this management fee through cash payments (2023 – settled through issuing common shares).

The management fees incurred in the current reporting periods of $0.1 million and $0.3 million were consistent with the ascribed value attributable to management fees during the same periods in 2023.

	Three months ended December 31			Year ended December 31		
	2024	2023	Change	**2024**	2023	Change
Shares issued for management fees	**-**	5,500	-100%	**-**	22,000	-100%
Cash or ascribed value ($000s) (1)	**$ 71**	$ 73	-3%	**$ 303**	$ 308	-2%
Per boe ($)	**$ 0.05**	$ 0.05	0%	**$ 0.06**	$ 0.06	0%
Closing share price ($/share)	**$ 14.05**	$ 13.69	3%	**$ 14.05**	$ 13.69	3%

1. The ascribed value of the management fee settled in common shares during 2023 was based on Freehold's closing common share price per the Toronto Stock Exchange at the end of each quarter

Share Based Compensation

Freehold's award plans consist of grants of performance share units ("PSUs") and restricted share units ("RSUs") to executive officers, employees and other service providers of Freehold under a Share Unit Award Plan (the "Share Award Plan") and grants of deferred share units ("DSUs") and restricted share units ("DRSUs") to non-management directors of Freehold under a Deferred and Restricted Share Unit Plan (the "Director Award Plan", and when combined with the Share Award Plan, the "Award Plans"). The Award Plans are accounted for as cash settled, where outstanding units are remeasured at each reporting period using the period end share price.

Share based compensation expense fluctuates with the units outstanding under the Award Plans, Freehold's share price at each period end, estimated PSU multipliers at each period end and the timing and quantity of forfeitures. Share based compensation expense was a recovery of $1.1 million and an expense of $2.9 million during the current reporting periods, decreases of 180% and 4% compared to the same periods of 2023. These decreases reflect lower estimated multipliers on PSU award values and a lower share price, closing at $12.79 per share on December 31, 2024 (December 31, 2023 - $13.69 per share).

During 2024, Freehold paid $7.5 million in share based compensation, as previously charged against net income or as capitalized, to executive officers, employees and non-management directors, an increase from 2023. This increase reflects a higher award value and increased payouts on redemption of DSUs from retired non-management directors.

	Three months ended December 31			Year ended December 31		
($000s, except as noted)	**2024**	2023	Change	**2024**	2023	Change
Share based compensation	**$ (1,063)**	$ 1,324	-180%	**$ 2,928**	$ 3,052	-4%
Cash payout on share based compensation	**$ -**	$ -	nm	**$ 7,487**	$ 4,817	55%
Operating cash payout on share based compenstion per boe ($)	**$ -**	$ -	nm	**$ 1.11**	$ 0.72	54%

(nm) not meaningful

The following table details the Award Plans' grants and outstanding units:

	RSUs	PSUs	DSUs	DRSUs
Awards granted during the year ended December 31, 2024	**118,604**	**158,967**	**107,324**	**28,121**
Balance outstanding as at December 31, 2024	**196,026**	**377,219**	**556,508**	**30,292**
Balance outstanding as at March 12, 2025	**193,490**	**376,891**	**600,482**	**48,792**

Netback and Cash Costs

The netback[(1)] allows Freehold to benchmark how changes in commodity pricing and its cash-based cost structure compare against prior periods. Freehold's netback[(1)] totaled $47.25/boe and $47.77/boe during the current reporting periods, down 10% and 7% from the same periods in 2023. These changes reflect lower average realized commodity pricing and higher cash-based interest costs. The 2024 increase was also impacted by higher payouts on share based compensation.

Cash costs[(1)] during the current reporting periods, as measured on boe basis and compared to the same periods in 2023, were up 25% and 24% for reasons as described above.

($/boe)	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
Royalty and other revenue	**$ 54.59**	$ 58.57	-7%	**$ 56.52**	$ 58.57	-4%
Production and ad valorem taxes	**(1.41)**	(1.25)	13%	**(1.65)**	(1.58)	4%
Net revenue [1]	**$ 53.18**	$ 57.32	-7%	**$ 54.87**	$ 56.99	-4%
Less:						
General and administrative	**$ (3.02)**	$ (2.90)	4%	**$ (2.98)**	$ (2.93)	2%
Operating expense [2]	**(0.19)**	(0.18)	6%	**(0.19)**	(0.19)	0%
Interest and financing cash expense	**(2.67)**	(1.65)	62%	**(2.76)**	(1.87)	48%
Mangement fee - cash settled	**(0.05)**	-	nm	**(0.06)**	-	nm
Cash payout on share based compensation	**-**	-	nm	**(1.11)**	(0.72)	54%
Cash costs [1]	**$ (5.93)**	$ (4.73)	25%	**$ (7.10)**	$ (5.71)	24%
Netback [1]	**$ 47.25**	$ 52.59	-10%	**$ 47.77**	$ 51.28	-7%

1. See Non-GAAP and Other Financial Measures
2. Operating expense relates to working interest assets. Decommissioning liabilities reflected on Freehold's balance sheet and 2024 production of 96 boe/d (2023 – 116 boe/d) included in volumes presented under the "production" heading above are also related to working interest assets.

(nm) not meaningful

Depletion, Depreciation and Other

Petroleum and natural gas interests, including acquisitions costs, and directly attributable G&A costs, are depleted on the unit-of-production method based on estimated proved and probable petroleum and natural gas reserves.

The depletion rates of $19.28/boe and $18.52/boe in the current reporting periods are higher than the same periods in 2023 largely due to the impact of the 2024 acquisitions.

($000s, except as noted)	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
Depletion and depreciation	**$ 27,151**	$ 19,107	42%	**$ 101,409**	$ 96,624	5%
Per boe ($)	**$ 19.28**	$ 13.98	38%	**$ 18.52**	$ 17.99	3%

Foreign Exchange

Freehold has intercompany balances which arose from financing several years of U.S. royalty acquisitions, including most recently in Q4-2024. Although these balances eliminate on consolidation, the foreign exchange change in the intercompany balance held by the Canadian parent is recognized as foreign exchange within net income whereas revaluation by the U.S. subsidiary is recognized within other comprehensive income due to different functional currencies between these entities. These intercompany positions are revalued at the relevant foreign exchange rate at each period end partially offset by changes in the Canadian dollar equivalent of the portion of Freehold's long-term debt denominated in U.S. dollars when outstanding.

During 2024, the U.S. dollar strengthened relative to the Canadian dollar to CDN$1.44/US and recent U.S. acquisitions increased the intercompany balances, denominated In U.S. dollars, resulting in foreign exchange gains in the current reporting periods.

($000s)	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
Foreign exchange (gain) loss on:						
Intercompany note	**$ (25,012)**	$ 6,120	509%	**$ (31,626)**	$ 6,930	556%
Long-term debt	**2,215**	105	-2010%	**3,279**	(273)	1301%
	$ (22,797)	$ 6,225	-466%	**$ (28,347)**	$ 6,657	526%

Impairment

At December 31, 2024, there were no indicators of impairment on Freehold's U.S. and Canadian royalty cash generating units nor on its exploration and evaluation assets. As a result, no impairment testing was conducted.

Income Taxes

Freehold's taxable income is based on revenues less deductible expenses, including tax pool deductions. For the current reporting periods, income tax expenses of $12.0 million and $41.9 million increased by 11% and 3% compared to same periods in 2023, reflecting increases in unrealized foreign exchange gains, expected to be taxed in the future at the Canadian capital gain inclusion rate. Current income tax expense decreased in the current reporting periods due to the impact from the 2024 acquisitions, but largely offset by increases in deferred income tax expense from the previously mentioned unrealized foreign exchange gains.

In Q2-2024 the Canadian government announced an increase in the capital gains income tax inclusion rate for corporations from one-half to two-thirds which has since been deferred until January 1, 2026. This change is not expected to have a significant effect on Freehold's income taxes.

	Three months ended December 31			Year ended December 31		
($000s)	**2024**	2023	Change	**2024**	2023	Change
Current income tax expense	**$ 5,069**	$ 8,866	-43%	**$ 30,182**	$ 35,465	-15%
Deferred income tax expense	**6,911**	1,881	267%	**11,729**	5,067	131%
Income taxes	**$ 11,980**	$ 10,747	11%	**$ 41,911**	$ 40,532	3%

CRA Assessments

The Canada Revenue Agency ("CRA") has assessed Freehold's prior years' tax returns, denying $222 million of non-capital losses ("NCLs") (the "Assessments"). Pursuant to the Assessments, denied NCL claims resulted in taxes, interest, and penalties totaling an estimated $62 million. Freehold objected to the Assessments, requiring it to provide deposits totaling $30.9 million as at December 31, 2024 (December 31, 2023 – $29.3 million). During 2024, the CRA issued a notice of confirmation regarding their Assessments. Freehold has filed a notice of appeal with the Tax Court of Canada.

Freehold has received legal advice that it should be entitled to deduct the NCLs and as such, expects to be successful in defending its filed tax positions. If unsuccessful, additional interest of approximately $8.4 million as at December 31, 2024 would be owed.

Tax Pools

Freehold is entitled to claim tax deductions on its oil and gas properties at prescribed rates. Freehold’s tax pools increased to $1,218 million at the end 2024 from $886 million at the end of 2023 largely due to the U.S. acquisitions in 2024, but also includes share issue and financing costs. Freehold’s tax pools are summarized below:

($000s)	Year ended December 31 2024	2023	Change
Canada			
Oil and gas property expense	**414,576**	447,997	-7%
Development expense	**3,879**	5,555	-30%
Capital cost allowance	**2,157**	2,560	-16%
Share issue costs and financing costs	**8,884**	3,790	134%
United States			
Depletion	**755,511**	415,107	82%
Other	**32,825**	10,824	203%
Total	**1,217,832**	885,833	37%

Net Income and Comprehensive Income

In the current reporting periods, Freehold had net income of $51.1 million and $149.4 million, increases of 49% and 13% compared to the same periods in 2023 largely due to the impact of foreign exchange gains. For the same periods, comprehensive income also increased as further impacted by foreign currency translation gains related to the translation of Freehold's wholly-owned U.S. subsidiary to Canadian dollars.

	Three months ended December 31			Year ended December 31		
($000s, except per share)	**2024**	2023	Change	**2024**	2023	Change
Net income	**$ 51,123**	$ 34,323	49%	**$ 149,446**	$ 131,904	13%
Per share, basic ($)	**$ 0.33**	$ 0.23	43%	**$ 0.99**	$ 0.88	13%
Per share, diluted ($)	**$ 0.33**	$ 0.23	43%	**$ 0.98**	$ 0.88	11%
Comprehensive income	**$ 69,520**	$ 28,355	145%	**$ 172,464**	$ 125,846	37%

Liquidity and Capital Resources

We define capital (and capitalization) as long-term debt, shareholders' equity and working capital. We retain working capital primarily to fund capital expenditures or acquisitions, pay dividends and reduce bank indebtedness. We manage our capital structure taking into account operating activities, debt levels, debt covenants, acquisitions, dividend levels, foreign exchange rates and taxes, among others. We also consider changes in economic conditions and commodity prices as well as the risk characteristics of our assets. Ongoing acquisitions and third-party development activities are necessary to replace production and extend reserve life. From time to time, we may issue shares to finance acquisitions.

Operating Activities

Cash Flow from Operations and Funds from Operations

We consider funds from operations to be a key measure of operating performance as it demonstrates Freehold's ability to pay dividends, fund acquisitions and repay debt. We believe this measure provides a useful assessment of Freehold's operations on a continuing basis by eliminating certain non-cash charges. Funds from operations per share is calculated based on the weighted average number of shares outstanding consistent with the calculation of net income per share.

Funds from operations for the current reporting periods decreased to $61.3 million ($0.40/share) and $231.0 million ($1.53/share) from $62.8 million ($0.42/share) and $239.7 million ($1.59/share) in the same periods of 2023. These decreases reflect lower realized commodity pricing.

Cash flow from operations for the current reporting periods of $59.1 million and $223.3 million were 16% lower and 3% higher than the same periods in 2024 due to fluctuations in non-cash operating working capital.

	Three months ended December 31			Year ended December 31		
($000s, except as noted)	**2024**	2023	Change	**2024**	2023	Change
Cash flow from operations	**$ 59,121**	$ 70,704	-16%	**$ 223,334**	$ 216,916	3%
Funds from operations	**$ 61,332**	$ 62,805	-2%	**$ 230,975**	$ 239,665	-4%
Per share - basic ($)[1] [2]	**$ 0.40**	$ 0.42	-5%	**$ 1.53**	$ 1.59	-4%

1. Calculated based on the basic weighted average number of shares outstanding during the period
2. Funds from operations per share is a supplementary financial measure

Working Capital

We retain working capital (calculated as current assets, less current liabilities) primarily to fund dividends, acquisitions, expenditures and/or repayments of long-term debt. In the oil and gas industry, accounts receivable from industry partners are typically settled in the following month. However, due to royalty administration, payments to royalty owners are often delayed longer. Also, working capital can fluctuate significantly due to volume and commodity price changes at each period end. Changes in the declared dividend and timing differences between accruing a liability, such as current income taxes, and the related payments can also affect working capital.

Working capital on December 31, 2024, was $18.6 million, 16% or $3.5 million lower than on December 31, 2023, reflecting the use of the acquisition deposits held in 2023 to fund certain 2024 U.S. acquisitions.

($000s)	At December 31 **2024**	At December 31 2023	Change
Working capital [1][2]	**$ 18,588**	$ 22,081	-16%

1. Working capital is a capital management measure
2. The December 31, 2023 balance has been restated due to the retrospective adoption of IAS 1 (see Amendments to IAS 1 Presentation of Financial Statements)

Financing Activities

Long-Term Debt

($000s)	At December 31 **2024**	At December 31 2023	Change
Drawn in Canadian dollars	**$ 201,754**	$ 122,973	64%
Drawn in U.S. dollars (US$70.0 million (December 31, 2023 - US$nil))	**100,723**	-	nm
Unamortized deferred financing costs	**(1,623)**	-	nm
Long-term debt	**$ 300,854**	$ 122,973	145%

(nm) not meaningful

During Q4-2024, Freehold amended and restated its credit facilities with a syndicate of four banks. The amended and restated credit facilities have a committed revolving facility (the "Revolving Facility") availability of $430 million and operating facility (the "Operating Facility", and together with the Revolving Facility, the "Credit Facilities") availability of $20 million for total Credit Facilities of $450 million (December 31, 2023 – $300 million). Either facility can be drawn in Canadian or U.S. dollars. The credit agreement includes a permitted increase in the committed revolving facility of an additional $50 million subject to lenders' consent. The Credit Facilities mature November 12, 2027. The amended credit facilities are secured with a $700 million first charge demand debenture over all of Freehold's Canadian royalty income assets and fixed charge mortgage securities on certain U.S. royalty income assets with associated proved developed producing reserves.

Freehold's credit agreement contains, among affirmative covenants, two financial covenants: (i) long-term debt to EBITDA on royalty interest properties (calculated as earnings on royalty interest properties before non-cash charges including, but not limited to, interest, taxes, depletion and depreciation and amortization) shall not exceed 3.5 times (1.0 times at December 31, 2024); and (ii) long-term debt to the aggregate of long-term debt and shareholders' equity percentage shall not exceed 55% (21% at December 31, 2024). Freehold forecasts to be in compliance with all covenants on a quarterly basis for at least the next year based on its current best estimate of results from operations.

Outstanding borrowings under the credit facilities bear interest on U.S. and Canadian denominated drawings at Secured Overnight Financing Rate ("SOFR") and Canadian Overnight Repo Rate Average ("CORRA"), respectively, or at the lender's prime lending rate plus applicable margins and standby fees, dependent on ratios of Freehold's long-term debt to EBITDA on royalty interest properties. Prior to June 26, 2024, Canadian denominated borrowings were Canadian Dollar Offer Rate ("CDOR") based loans, with the publication of CDOR ceasing shortly thereafter. The transition from CDOR to CORRA based loans did not cause a significant difference on the cost of Freehold's borrowings under the credit facilities.

Net Debt

During 2024, net debt increased by $181.3 million, or 180%, to $282.3 million from $100.9 million at December 31, 2023, as a result of debt draws to partially fund the 2024 U.S. acquisitions.

Freehold's net debt to trailing funds from operations ratio of 1.2 times at December 31, 2024 increased from 0.4 times at December 31, 2023, reflecting the net debt draw of $181.3 million, although this ratio excludes the proforma funds from operations from the 2024 U.S. acquisitions. Following these acquisitions, this ratio remained well within the Company's net debt strategy target of below 1.5 times. This ratio is a financial leverage measure. It represents the number of years it would take Freehold to reduce its net debt to zero if funds from operations was held constant and there were no other cash outflow obligations required such as dividends and acquisitions, among others.

Freehold uses the capital management measure capitalization which is defined as net debt plus shareholders' equity. The associated capital management measure, net debt to capitalization ratio, is a financial leverage measure that shows the portion of capital relating to debt. Freehold's net debt to capitalization ratio was 20% at December 31, 2024, an increase of 10% from December 31, 2023.

Debt Analysis

($000s)	At December 31 **2024**	At December 31 2023	Change
Long-term debt	**$ 300,854**	$ 122,973	145%
Working capital (1)(2)	**(18,588)**	(22,081)	-16%
Net debt (1)(2)	**$ 282,266**	$ 100,892	180%

1. Working capital and net debt are capital management measures
2. The December 31, 2023 balances were restated due to the retrospective adoption of IAS 1 (see Amendments to IAS 1 Presentation of Financial Statements)

Financial Leverage Ratios

	At December 31 **2024**	At December 31 2023	Change
Net debt to funds from operations (times) (1)(2)(3)	**1.2**	0.4	200%
Net debt to capitalization (%) (3)	**20%**	10%	100%

1. Funds from operations are 12-months trailing and do not include the proforma effects of acquisitions
2. Net debt to trailing funds from operations is a capital management measure
3. The December 31, 2023 ratios were restated due to the retrospective adoption of IAS 1 (see Amendments to IAS 1 Presentation of Financial Statements)

Shareholders' Capital

On December 13, 2024, Freehold issued 13,271,000 common shares at a price of $13.00 per common share, including the full exercise of the over-allotment option, through Freehold's equity financing offering pursuant to a December 2024 short-form prospectus. The total gross proceeds from this offering were $172.5 million including proceeds from a related party (see Related Parties), before share issuance costs of $7.0 million ($5.4 million net of tax effect), with proceeds used to partially finance the December 2024 Midland basin transaction for $261.4 million (US$185.1 million), after customary closing adjustments.

At each of December 31, 2024 and March 12, 2025, there were 163,960,334 common shares outstanding.

Shareholders' Capital

	December 31, 2024			December 31, 2023		
($000s, except as noted)	**Shares**		**Amount**	Shares		Amount
Balance, beginning of year	**150,689,334**	**$**	**1,500,639**	150,667,334	$	1,500,331
Shares issued pursuant to bought deal financing	**13,271,000**		**172,523**	-		-
Share issuance costs, net of tax effect	**-**		**(5,359)**	-		-
Issued for payment of management fee	**-**		**-**	22,000		308
Balance, end of year	**163,960,334**	**$**	**1,667,803**	150,689,334	$	1,500,639

Weighted Average Shares

	Three months ended December 31			Year ended December 31		
	2024	2023	Change	**2024**	2023	Change
Weighted average						
Basic	**153,430,084**	150,684,013	2%	**151,378,266**	150,675,727	0%
Diluted	**154,058,127**	151,219,052	2%	**151,991,800**	151,219,049	1%
At year end	**163,960,334**	150,689,334	9%	**163,960,334**	150,689,334	9%

Dividend Policy and Analysis

The Board reviews and determines the monthly dividend rate on a quarterly basis, or as conditions necessitate, after considering many factors including but not limited to expected commodity prices, foreign exchange rates, economic conditions, production volumes, taxes payable, and Freehold's capacity to finance operating and investing obligations and opportunities. The dividend rate is established with the intent of absorbing short-term market volatility over several months. It also recognizes Freehold's intention to fund capital expenditures primarily through funds from operations and to maintain a strong balance sheet to take advantage of acquisition opportunities and withstand potential commodity price declines.

The payment of dividends by a corporation is governed by the liquidity and insolvency tests described in the *Business Corporations Act* (Alberta) ("ABCA"). Pursuant to the ABCA, after the payment of a dividend, we must be able to pay our liabilities as they become due and the realizable value of our assets must be greater than our liabilities and the legal stated capital of our outstanding securities. At December 31, 2024, Freehold's legal stated capital was $528 million.

2024 Dividends Declared

Record Date	Payment Date	Dividend Amount ($/share)
January 31, 2024	February 15, 2024	$ **0.09**
February 29, 2024	March 15, 2024	$ **0.09**
March 28, 2024	April 15, 2024	$ **0.09**
April 30, 2024	May 15, 2024	$ **0.09**
May 31, 2024	June 17, 2024	$ **0.09**
June 28, 2024	July 15, 2024	$ **0.09**
July 31, 2024	August 15, 2024	$ **0.09**
August 30, 2024	September 16, 2024	$ **0.09**
September 30, 2024	October 15, 2024	$ **0.09**
October 31, 2024	November 15, 2024	$ **0.09**
November 29, 2024	December 16, 2024	$ **0.09**
December 31, 2024	January 15, 2025	$ **0.09**
		$ **1.08**

Subsequent to Q4-2024, on January 15, 2025, the Board declared a dividend of $0.09 per common share to be paid on February 18, 2025, to common shareholders on record on January 31, 2025. On February 13, 2025, the Board declared a dividend of $0.09 per common share to be paid on March 17, 2025, to common shareholders on record on February 28, 2025. On March 12, 2025, the Board declared a dividend of $0.09 per common share to be paid on April 15, 2025, to common shareholders on record on March 31, 2025.

2024 Dividends Paid & Declared

Total dividends paid in the current reporting periods were $40.7 million ($0.27/share) and $162.7 million ($1.08/share), unchanged from the same periods in 2023. Total dividends declared in the current reporting periods were $41.9 million ($0.27/share) and $163.9 million ($1.08/share), higher than the same periods in 2023 reflecting the recent share issuance (see Shareholders' Capital).

From inception in 1996 through to December 31, 2024, Freehold has distributed $2.3 billion ($36.22/share) to the Company's shareholders. Freehold's dividends are designated as eligible dividends for Canadian income tax purposes.

Accumulated Dividends[1]

	Three months ended December 31			Year ended December 31		
($000's, except per share)	**2024**	2023	Change	**2024**	2023	Change
Dividends declared	$ **41,881**	$ 40,686	3%	$ **163,939**	$ 162,732	1%
Accumulated, beginning of period	**2,237,387**	2,074,643	8%	**2,115,329**	1,952,597	8%
Accumulated, end of period	$ **2,279,268**	$ 2,115,329	8%	$ **2,279,268**	$ 2,115,329	8%
Dividends per share ($) (2)	$ **0.27**	$ 0.27	0%	$ **1.08**	$ 1.08	0%
Accumulated, beginning of period ($)	**35.95**	34.87	3%	**35.14**	34.06	3%
Accumulated, end of period ($)	$ **36.22**	$ 35.14	3%	$ **36.22**	$ 35.14	3%

1. Accumulated dividends reflect distributions paid on trust units of Freehold Royalty Trust (the predecessor of Freehold) from 1996 through 2010 and dividends on common shares of Freehold from 2011 onwards
2. Based on the number of shares issued and outstanding at each record date

Dividend Payout Ratio[2]

In the current reporting periods, Freehold's payout ratios[(2)] were 66% and 70%, consistent with and higher than the 65% and 68% reported for the same periods in 2023, with excess funds from operations largely used to partially fund acquisitions.

($000s, except as noted)	Three months ended December 31 2024	2023	Change	Year ended December 31 2024	2023	Change
Dividends paid [(1)]	**$ 40,687**	$ 40,686	0%	**$ 162,745**	$ 162,731	0%
Dividends declared	**$ 41,882**	$ 40,686	3%	**$ 163,939**	$ 162,732	1%
Funds from operations	**$ 61,332**	$ 62,805	-2%	**$ 230,975**	$ 239,665	-4%
Dividend payout ratio (%) [(2)]	**66%**	65%	2%	**70%**	68%	3%

1. Based on the dividend payment date which is generally on the 15th day of the month following the month it was declared
2. Dividend payout ratio is a supplementary financial measure

Dividend payout ratios, a supplementary financial measure, are often used for dividend paying companies in the oil and gas industry to identify dividend levels in relation to the funds a company receives and uses in its capital and operational activities. Freehold's dividend payout ratio is calculated as dividends declared as a percentage of funds from operations.

Investing Activities

Acquisitions and Related Expenditures

U.S. Acquisitions

In January 2024, Freehold closed two transactions, acquiring U.S. mineral title and royalty assets for aggregate consideration of $116.2 million (US$85.4 million), after customary closing adjustments, in the Midland and Delaware basins of the Permian located in Texas and New Mexico.

In December 2024, Freehold closed a transaction acquiring U.S. mineral title and royalty assets for $261.4 million (US$185.1 million) after customary closing adjustments, in the Midland basin of the Permian located in Texas.

In 2024, Freehold also paid $14.1 million (US$10.3 million) through various transactions in exchange for future development oriented mineral and royalty interests in the Midland and Delaware basins in Texas.

Canadian Acquisitions

Freehold paid a combined $14.0 million during the year ended December 31, 2024 through various transactions for gross overriding royalty transactions in the Clearwater, Mannville Stack and Frobisher plays in Alberta and for potash royalty interests (see Related Party Transactions).

Related Expenditures

For the year ended December 31, 2024, Freehold capitalized G&A costs of $3.5 million, cash settled share-based compensation payouts of $1.4 million and other royalty income asset and miscellaneous expenditures of $1.1 million.

Related Party Transactions

Freehold does not have any employees. Rather, Freehold is managed by Rife Resources Management Ltd. (the "Manager") pursuant to a management agreement (the "Management Agreement"). The Management Agreement may be terminated by either the Company or the Manager by providing at least six months written notice, or immediately under certain circumstances including, but not limited to, where the Manager voluntary suspends transactions of its usual business. The Manager is a wholly-owned subsidiary of Rife Resources Ltd. ("Rife"). Rife is 100% owned by the pension funds for the employees of the Canadian National Railway Company (the "CN Pension Trust Funds"), and both Rife and the CN Pension Trust Funds are shareholders of Freehold. Combined they have a 16.0% ownership in Freehold at December 31, 2024 (2023 – 16.7%). Canpar Holdings Ltd. ("Canpar") and Evergreen Royalties Ltd. (together with its wholly owned U.S. subsidiary, "Evergreen", and together with Rife, Canpar, and the Manager, the "Related Parties") are managed by Rife and owned 100% by the CN Pension Trust Funds. Two of the directors of each of Rife, Canpar and Evergreen are also directors of Freehold.

All amounts owing to/from the Related Parties are unsecured, non-interest bearing and due on demand. All transactions were in the normal course of operations and were measured at the exchange amount, with consideration established and agreed to by the parties.

Rife Resources Management Ltd.

The Manager provides certain services for a fee based on a specified number of Freehold common shares on a quarterly basis. Pursuant to the Management Agreement, the management fee is the equivalent value of 5,500 Freehold common shares per quarter. Starting in 2024, Freehold elected to settle this management fee through cash payments (2023 – settled through issuing common shares), resulting in a $0.3 million charge for the year ended December 31, 2024, (2023 – an ascribed value of common shares issued of $0.3 million as determined from the closing price per the Toronto Stock Exchange of Freehold's common shares on the last trading day of the quarter.

For the years ended December 31, 2024 and 2023, the Manager charged $15.3 million and $15.1 million in G&A costs, respectively, and $6.2 million and $4.1 million for share-based compensation payouts, respectively. At December 31, 2024, there was $2.0 million (December 31, 2023 – $0.2 million) in accounts payable and accrued liabilities relating to these costs.

Rife Resources Ltd. and CN Pension Trust Funds

For each of the years ended December 31, 2024 and 2023, Freehold paid $27.1 million in total cash dividends to Rife and the CN Pension Trust Funds for their combined ownership in Freehold’s common shares. In addition, Freehold receives royalties from Rife pursuant to various royalty agreements. For the year ended December 31, 2024, Freehold received royalties of approximately $0.3 million (2023 – $0.4 million) from Rife. At December 31, 2024, there was $2.4 million in dividends payable due to Rife and the CN Pension Trust Fund related to dividends declared (2023 – $2.3 million).

During the current reporting periods, the CN Pension Trust Funds acquired 1,153,846 common shares at $13.00 per common share for proceeds of $15.0 million through Freehold’s public common share offering pursuant to its December 2024 short form prospectus. Freehold did not pay commission on shares acquired by the CN Pension Trust Funds. The CN Pension Trust Funds participation was not at a full pro rata percentage of shares sold pursuant to this short form prospectus offering, causing the combined Rife and CN Pension Trust Funds ownership in Freehold to decrease from 16.7% at December 31, 2023 to 16.0% at December 31, 2024.

Canpar Holdings Ltd.

Freehold and Canpar generally share mineral title ownership in a substantial land base in western Canada. Generally, Canpar owns mineral rights that were below the deepest producing formation at the time that Freehold was created, and Freehold holds the balance of the mineral rights. Where Freehold is not the legal registered owner of such mineral rights, Canpar holds these rights in trust for Freehold and receives the royalty payments in respect of such mineral rights on behalf of Freehold. Amounts due from Canpar at December 31, 2024 and 2023 were $0.2 million and a nominal amount, respectively.

Freehold maintains an acquisitions opportunities agreement with the Related Parties, that reaffirms Freehold's priority right to acquire petroleum royalty interest opportunities and provides Freehold the right to participate in potential other mineral royalty interest opportunities including those identified on the lands of the Related Parties. Pursuant to the acquisitions opportunities agreement, during 2024 Freehold elected to participate in Canpar's mineral royalty interest acquisition in two potash mines located in Saskatchewan, whereby Freehold paid $0.3 million for 50% of the interest purchased by Canpar.

Key Management Personnel Compensation

Key management personnel are considered to be the Board and executive officers. The Board is compensated directly by Freehold. Executive officers' salaries and other benefits are charged by and paid to the Manager, whereas grants pursuant to the Awards Plan are issued directly by Freehold.

	Year ended December 31		
($000s)	**2024**	2023	
Directors' fees	**521**	399	31%
Manager charges for executive officers	**2,370**	2,388	-1%
Share based compensation	**2,515**	1,866	35%
Key management compensation	**5,406**	4,653	16%

Select Annual Information

FINANCIAL ($000S, except as noted)	**2024**	2023	2022
Royalty and other revenue	**309,480**	314,575	393,020
Net income	**149,446**	131,904	209,189
Per share, basic ($) (1)	**0.99**	0.88	1.39
Per share, diluted ($) (1)	**0.98**	0.88	1.39
Funds from operations	**230,975**	239,665	316,494
Per share, basic ($) (1)(2)	**1.53**	1.59	2.10
Per share, diluted ($) (1)(2)	**1.52**	1.58	2.10
Dividends declared	**163,939**	162,732	146,121
Per share ($)	**1.08**	1.08	0.97
Total assets	**1,482,472**	1,118,423	1,212,003
Long-term debt	**300,854**	122,973	156,560
Total long-term liabilities	**348,828**	168,566	200,235

1. Calculated based on the basic or diluted weighted average number of shares outstanding during the period
2. See Non-GAAP and Other Financial Measures

Select Quarterly Information

	2024				2023			
Financial ($millions, except as noted)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Royalty and other revenue	**76.9**	73.9	84.5	74.3	80.1	84.2	73.7	76.6
Net income	**51.1**	25.0	39.3	34.0	34.3	42.3	24.3	31.1
Per share, basic & diluted ($) [1]	**0.33**	0.17	0.26	0.23	0.23	0.28	0.16	0.21
Cash flows from operations	**59.1**	64.1	47.6	52.5	70.7	53.7	49.9	42.6
Funds from operations	**61.3**	55.7	59.6	54.4	62.8	65.3	53.0	58.6
Per share, basic ($) [1]	**0.40**	0.37	0.40	0.36	0.42	0.43	0.35	0.39
Per share, diluted ($) [1]	**0.40**	0.37	0.39	0.36	0.42	0.43	0.35	0.39
Acquisitions and related expenditures	**277.0**	1.8	11.5	121.5	2.1	1.2	3.2	4.3
Dividends paid	**40.7**	40.7	40.7	40.7	40.7	40.7	40.7	40.7
Per share ($) [2]	**0.27**	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Dividends declared	**41.9**	40.7	40.7	40.7	40.7	40.7	40.7	40.7
Per share ($) [2]	**0.27**	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Payout ratio (%) [3]	**66%**	73%	68%	75%	65%	62%	77%	69%
Long term debt	**300.9**	205.8	228.0	223.6	123.0	141.2	152.0	159.1
Net debt [4][5]	**282.3**	187.1	199.1	210.5	100.9	113.4	136.9	122.3
Shares outstanding, period end (millions)	**164.0**	150.7	150.7	150.7	150.7	150.7	150.7	150.7
Average shares outstanding, basic (millions) [6]	**153.4**	150.7	150.7	150.7	150.7	150.7	150.7	150.7
Operating								
Light and medium oil (bbls/d)	**6,296**	6,080	6,551	6,094	6,308	6,325	6,093	6,102
Heavy oil (bbls/d)	**1,516**	1,315	1,348	1,300	1,182	1,127	1,167	1,253
NGL (bbls/d)	**2,066**	1,972	1,902	1,884	1,878	1,678	1,845	1,788
Total liquids (bbls/d)	**9,878**	9,367	9,801	9,278	9,368	9,130	9,105	9,143
Natural gas (Mcf/d)	**32,564**	31,447	32,524	32,617	32,968	32,851	33,372	33,486
Total production (boe/d) [7]	**15,306**	14,608	15,221	14,714	14,863	14,605	14,667	14,724
Oil and NGL (%)	**65%**	64%	64%	63%	63%	63%	62%	62%
Petroleum and natural gas realized price ($/boe)	**53.80**	54.36	59.74	54.81	57.94	61.55	54.05	56.99
Cash costs ($/boe) [3][7]	**5.93**	5.42	9.80	7.19	4.73	5.10	7.19	5.82
Netback ($/boe) [3][7]	**47.25**	47.78	49.44	46.62	52.59	55.63	46.07	50.79
Benchmark Prices								
West Texas Intermediate crude oil (US$/bbl)	**70.27**	75.09	80.57	76.96	78.32	82.26	73.78	76.13
Average Exchange rate (Cdn$/US$)	**1.40**	1.37	1.37	1.35	1.36	1.34	1.34	1.35
Edmonton Light Sweet crude oil (Cdn$/bbl)	**94.90**	97.85	105.29	92.14	99.69	107.89	94.97	99.03
Western Canadian Select crude oil (Cdn$/bbl)	**80.75**	83.95	91.63	77.77	76.96	93.05	78.76	69.31
Nymex natural gas (US$/Mcf)	**2.86**	2.24	1.96	2.33	2.98	2.64	2.17	3.30
AECO 7A Monthly Index (Cdn$/Mcf)	**1.46**	0.81	1.44	2.07	2.70	2.42	2.40	4.34

1. Calculated based on the basic or diluted 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. Net debt is a capital management measure
5. The previously reported balances have been restated due to the retrospective adoption of IAS 1 (see Amendments to IAS Presentation of Financial Statements)
6. Weighted average number of shares outstanding during the period, basic
7. See Conversion of Natural Gas to Barrels of Oil Equivalent (boe)

Business Risks

Our operations are subject to some of the same industry risks and conditions faced by oil and gas companies. The most significant of these include the following:

- volatility in market prices for oil and natural gas;
- the impact of development of alternatives to, and changing demand for, petroleum producers;
- the impact of any changes in the regulatory or royalty regimes in the jurisdictions where the Company has assets;
- liabilities inherent in oil and natural gas operations;
- changes in general economic, market and business conditions;
- the effects of the Russian/Ukrainian conflict and Isreal-Hamas-Hezbollah and potentially the broader middle east region conflict on commodity prices and the world economy;
- tariffs and other geo-political trade policy regulations and mechanisms;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of royalty reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- operational dependence on the financial and operational capacity of royalty payors and third-party operators for Freehold's revenues;
- risks related to the environment and changing environmental laws, such as, carbon tax and methane emissions regulations;
- risks pertaining to supply chain issues and inflationary pressures;
- fluctuations in the availability and cost of borrowing;
- royalty payor geological, technical, drilling, and processing problems; and
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry.

For a more detailed description of risk factors, please see our AIF, filed on SEDAR+ at www.sedarplus.ca.

Prices, Markets and Marketing

Numerous factors beyond the Company's control do, and will continue to, affect the marketability and price of oil and natural gas acquired, produced, or discovered by the Company, its partners and royalty payors. The Company and its partners and royalty payors ability to market its oil and natural gas may depend upon their ability to acquire capacity on pipelines that deliver natural gas to commercial markets or contract for the delivery of crude oil by rail. Deliverability uncertainties related to the distance of the reserves in which the Company has interest from pipelines, railway lines, processing and storage facilities; operational problems affecting pipelines, railway lines and processing and storage facilities; and government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business may also affect the Company and its partners and royalty payors.

Oil and natural gas prices may be volatile for a variety of reasons including market uncertainties over the supply and demand of these commodities due to the current state of the world economies, actions of the Organization of Petroleum Exporting Countries ("OPEC"), political uncertainties, sanctions imposed on certain oil producing nations by other countries, the Russian Ukrainian war and conflicts in the Middle East, or other adverse economic or political developments in the United States, Europe, or Asia. Additionally, the occurrence or threat of terrorist attacks in the United States or other countries could adversely affect the global economy. Prices for oil and natural gas are also subject to the availability of foreign markets and the Company, its partners and royalty payor's ability to access such markets.

A material decline in prices could result in a reduction of the Company's net production revenue. The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil or natural gas and a reduction in the volumes and the value of the Company's reserves. The Company and its partners and royalty payors might also elect not to produce from certain wells at lower prices. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on the Company's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for, and project the return on, acquisitions and development and exploitation projects.

Additional information on transportation constraints and market access and risks related thereto can be found under the headings "Industry Conditions" in the AIF.

Trade War

Since the inauguration of Donald Trump as president of the United States, the United States has made a number of announcements relating to imposing tariffs on exports from Canada to the United States. In response, the Canadian federal and provincial governments have announced a number of retaliatory actions including potential tariffs on certain goods exported from the United States to Canada. The U.S. has also announced tariffs on goods imported from Mexico and China. The United States government has also made several announcements pausing the imposition of tariffs. At the present time, it is unclear whether tariffs will be imposed or not and on what goods such tariffs will apply to. If imposed, it is unclear whether such tariffs will be permanent or temporary. If imposed, these tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on the Canadian economy, the Canadian oil and natural gas industry and the Company. Furthermore, there is a risk that the tariffs imposed by the U.S. on other countries will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Company.

Environmental Risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, state, provincial and local laws and regulations. Environmental legislation provides for, among other things, the initiation and approval of new oil and natural gas projects, restrictions and prohibitions on the spill, release or emission of various substances produced in association with oil and natural gas industry operations. In addition, such legislation sets out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation of well and facility sites. New environmental legislation at the federal, provincial and state levels may increase uncertainty among oil and natural gas industry participants as the new laws are implemented, and the effects of the new rules and standards are felt in the oil and natural gas industry.

Compliance with environmental legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liabilities and potentially increased capital expenditures and operating costs. Oil and gas exploration and development has the potential to impact environmental quality through land disturbance, biodiversity impacts, and emissions to air and water. Landowners are increasingly demanding a minimization of surface footprint and some require offsets or mitigation measures to ensure land and biodiversity remain pristine and protected. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. In November 2024, the Canadian federal government published a draft of the proposed *Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations*, which, if enacted as currently drafted, would cap emissions from a range of industrial activities in the oil and gas sector, establish a cap-and-trade system for emissions allowances, and require facility operators to comply with various reporting and remittance obligations. Such proposed regulations, which could affect investor confidence, suppress spending on decarbonization initiatives and lead to production cuts. are expected to be finalized in mid-2025 and come into force by January 1, 2026.

Although the Company believes that it is in material compliance with current applicable environmental legislation, no assurance can be given that environmental compliance requirements will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

On June 20, 2024, Bill C-59 received royal assent, thereby enacting certain changes to the Competition Act (Canada) to address "greenwashing", meaning false, misleading, or deceptive environmental claims made for the purpose of promoting a product or a business interest. Under the new rules, certain environmental claims that companies commonly make, including those related to sustainability and forward-looking environmental-related goals, may be problematic. How the new rules will be interpreted and applied is currently unclear. In June 2025, new private rights of action will come into effect, meaning that any person will be able to bring a complaint directly to the Competition Tribunal for an alleged violation of the new greenwashing provisions. The Competition Bureau has published draft guidance regarding how it will apply the new greenwashing provisions, however the guidance, even once finalized, is not and will not be binding on private parties nor the Competition Tribunal. Companies found to have made representations that violate the rules, intentionally or inadvertently, could be subject to an administrative penalty for the greater of $10 million for the first order and $15 million dollars for any subsequent order, and 3% of the corporation's annual worldwide gross revenues. Any claim against the Company under the new greenwashing legislation could have a material adverse impact on our financial condition.

Additional information on environmental regulations and risks related thereto can be found under the headings "Industry Conditions" and "Risk Factors" in the AIF.

Climate Change Risks

Global climate issues continue to attract public and scientific attention. Numerous reports, including reports from the United Nations Intergovernmental Panel on Climate Change, have engendered concern about the impacts of human activity, especially hydrocarbon combustion, on global climate issues. In turn, increasing public, government, and investor attention is being paid to global climate issues and to emissions of GHG, including emissions of carbon dioxide and methane from the production and use of oil, liquids and natural gas. The majority of countries, including Canada, have agreed to reduce their carbon emissions in accordance with the Paris Agreement. At the 2021 United Nations Climate Change Conference in Glasgow, Scotland, Canada made several pledges aimed at reducing Canada's GHG emissions and at the 2024 United Nations Climate Change Conference, Canada reaffirmed its commitments to transitioning away from fossil fuels and further cutting GHG emissions.

Transition Risks

Foreign and domestic governments continue to evaluate and implement policy, legislation, and regulations focused on restricting GHG emissions and promoting adaptation to climate change and the transition to a low-carbon economy. It is not possible to predict what measures foreign and domestic governments may implement in this regard, nor is it possible to predict the requirements that such measures may impose or when such measures may be implemented. However, international multi-lateral agreements, the obligations adopted thereunder and legal challenges concerning the adequacy of climate-related policy brought against foreign and domestic governments may accelerate the implementation of such measures. Given the evolving nature of climate change policy and the control of GHG emissions and resulting requirements, including carbon taxes, methane fees and carbon pricing schemes implemented by varying levels of government, it is expected that current and future climate change regulations will have the effect of increasing the operating expenses of some of the Company's royalty payors, and, in the long-term, potentially reducing the demand for oil and natural gas and related products, resulting in a decrease in the Company's profitability and a reduction in the value of its assets.

Claims have been made against certain energy companies alleging that GHG emissions from oil and natural gas operations constitute a public nuisance under certain laws or that such energy companies provided misleading disclosure to the public and investors of current or future risks associated with climate change. Individuals, governmental authorities, or other organizations may make claims against oil and natural gas companies, including the Company, for alleged personal injury, property damage, or other potential liabilities. While the Company is not a party to any such litigation or proceedings, it could be named in actions making similar allegations. An unfavorable ruling in any such case could adversely affect the demand for and price of securities issued by the Company, impact its operations and have an adverse impact on its financial condition.

Given the elevated long-term risks associated with environmental policy development, regulatory changes, public and private legal challenges, or other market developments related to climate change, there have also been efforts in recent years affecting the financial community, including investment advisors, sovereign wealth funds, banks, public pension funds, universities and other institutional investors, promoting direct engagement and dialogue with companies in their portfolios on climate change action (including exercising their voting rights on matters relating to climate change) and increased capital allocation to investments in low-carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, divestments of companies with high exposure to GHG-intensive operations and products. Certain stakeholders have also pressured insurance providers and commercial and investment banks to reduce or stop financing, and providing insurance coverage to oil and natural gas and related infrastructure businesses and projects. The impact of such efforts require the Company's management to dedicate significant time and resources to these climate change-related concerns, which may adversely affect the Company's operations, the demand for and price of the Company's securities and the Company's cost of capital and access to the capital markets.

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social, governance and climate reporting, in June 2023 the ISSB issued two new international environmental disclosure standards, IFRS S1 and S2, with the aim to develop environmental disclosure standards that are globally consistent, comparable and reliable; in December 2024 the CSSB finalized substantially similar new Canadian Standards, CSDS 1 and CSDS 2. Although reporting in accordance with CSDS 1 and CSDS 2 is currently voluntary, the Canadian Securities Administrators (the "CSA"), which had previously published for comment Proposed National Instrument 51-107 – *Disclosure of Climate-Related Matters* has indicated that it intends to incorporate some or all of the Canadian Standards into new climate-related disclosure requirements for reporting issuers in Canada. If the Company is not able to meet future climate-related reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licences, registrations, approvals, and authorizations from various governmental authorities, and raise capital, may be adversely affected.

Additional information on environmental regulations and risks related thereto can be found under the heading "Industry Conditions" in the AIF.

Physical Risks

The potential physical risks resulting from climate change are long-term in nature and associated with a high degree of uncertainty regarding timing, scope, and severity of potential impacts. Many experts believe global climate change could increase extreme variability in weather patterns such as increased frequency of severe weather, rising mean temperature and sea levels, and long-term changes in precipitation patterns. Extreme hot and cold weather, heavy snowfall, heavy rainfall, and wildfires may restrict the ability of the Company's royalty payors to access their properties and cause operational difficulties, including damage to equipment and infrastructure. Extreme weather also increases the risk of personnel injury as a result of dangerous working conditions.

Controls, Accounting and Regulatory Matters

Internal Control Over Financial Reporting

Freehold is required to comply with National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*. The certification of annual filings requires us to disclose in the MD&A any changes in our internal controls over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting. We confirm that no such changes were made to the internal controls over financial reporting from October 1, 2024 to December 31, 2024. While we believe that our disclosure controls and procedures and internal control over financial reporting provide a reasonable level of assurance, we do not expect that the controls will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objective of the control system is met. The Chief Executive Officer and Chief Financial Officer have signed form 52-109F1, Certification of Annual Filings, which can be found on the Company's profile on SEDAR+ at www.sedarplus.ca.

Disclosure Controls and Procedures

As of December 31, 2024, an internal evaluation was carried out of the effectiveness of Freehold’s disclosure controls and procedures. This evaluation was performed under the supervision of, and with the participation of the CEO and the CFO. It took into consideration Freehold’s Disclosure, Insider Trading, Code of Business Conduct and Conflict of Interest, and Whistleblower policies, as well as the functioning of the Manager, the officers, the Board and Board Committees. In addition, the evaluation covered the processes, systems and capabilities relating to regulatory filings, public disclosures, and the identification and communication of material information. Based on this evaluation, management has concluded that Freehold’s disclosure controls and procedures were effective as at December 31, 2024, in ensuring that material information is made known to management in a timely manner, particularly during the period in which the annual filings were being prepared, and information required to be disclosed by Freehold in its annual filings, interim filings or other reports filed or submitted by Freehold under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Use of Estimates and Judgment

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ as a result of using estimates. Among other uncertainties, the Company continues to monitor the direct and indirect impacts on its operations, cash flows and liquidity from global economic and commodity pricing volatility in addition to recent changes in tariffs and evolving regulations regarding climate-related matters.

Petroleum and Natural Gas Reserves

The amounts recorded for the depletion of petroleum and natural gas interests, business combinations, asset acquisition classification, indicators of impairment and the amounts used in an impairment calculation are based on estimates of proved and probable petroleum and natural gas reserves. By their nature, these estimates of proved and probable petroleum and natural gas reserves and the related cash flows are subject to uncertainty including significant assumptions related to forecasted royalty production from proved and probable petroleum and natural gas reserves and forecasted crude oil and natural gas commodity prices and the impact on the financial statements of future periods could be material. Freehold's proved and probable petroleum and natural gas reserves have been prepared at December 31, 2024 by the Company's external independent qualified reserves evaluators. Management judgment is required to analyze internal and external indicators of impairment for petroleum and natural gas interests and exploration and evaluation assets with the estimate of proved and probable petroleum and natural gas reserves and the related cash flows being significant to the assessment.

Unbooked Future Development Locations

Unbooked future development locations on royalty lands and the associated future cash flows can also be used in determining asset acquisition valuations or impairments. These unbooked future development locations are determined from a historical analysis of booking previously undeveloped reserves into the independently prepared reserve reports. By their nature, this estimate and future cash flows are subject to uncertainty including significant assumptions related to future royalty production and forecasted crude oil and natural gas commodity prices and timing of third-party development.

Share-based Compensation

Share based compensation is determined based on the value of outstanding awards at each period end. The value recorded incorporates the period-end share price, dividends declared from the grant date through to the period-end and certain assumptions including an estimate of the multiplier for PSUs. Actual results could differ as a result of using estimates.

Income Taxes

Deferred income tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the amounts reported in the financial statements and their respective tax bases, using enacted or substantively enacted income tax rates, when it is considered probable that deferred tax liabilities or assets will be payable or recoverable, respectively, in future periods, which requires management judgement. The effect of a change in income tax rates on deferred income tax liabilities and assets is recognized in income in the period that the change occurs. The actual amount of income tax may be greater than or less than the estimates and the differences may be material. Management reviews the adequacy of these amounts at the end of the reporting period. However, changes in income tax liabilities or assets may arise in future periods resulting from audits by taxing authorities. Where the probable outcome of these tax related matters is different from the amounts that were initially recorded, such differences will affect the expensed income tax in the period in which such determination is made.

Cash Generating Units

The determination of a cash generating unit (CGU) is subject to management judgment. The recoverability of petroleum and natural gas interests and exploration and evaluation assets are assessed at the CGU level. A CGU is the lowest level at which there are identifiable cash inflows that are largely independent of the cash inflows of other CGUs. Freehold currently has two royalty CGUs: the United States and Canada.

United States and Canadian Petroleum and Natural Gas Royalty Revenue Accruals

Freehold follows the accrual method of accounting, making estimates in its financial and operating results. This may include estimates of "U.S." and Canadian revenues, which are based on significant assumptions related to royalty production, realized commodity pricing and, where applicable, permitted source deductions for the period being reported, for which actual results have not yet been received. It is expected that these accrual estimates will be revised, upwards or downwards, based on the receipt of actual results. Freehold has no operational control over its royalty lands and primarily holds small interests in several thousand wells. Thus, obtaining timely production data from the well operators is extremely difficult. As a result, the Company uses historical production information, new wells on stream and publicly available production data pursuant to the terms of the Company's U.S. and Canadian leases and royalty agreements to determine royalty production. Realized commodity prices are based on publicly available benchmark commodity prices, adjusted for quality, location, allowable deductions, or other factors pursuant to the terms of these leases and royalty agreements. These U.S. and Canadian royalty revenue accrual estimates are revised based on actual royalty production volumes and realized commodity prices received in subsequent periods. The U.S. and Canadian royalty revenue accruals are necessary due to the delay between the timing of oil and gas production and when the Company receives its royalty production and payment, which is typically a time lag of approximately two to three months.

Judgment is required to determine the interests of royalty properties in areas where mineral rights are shared with a related party, Canpar. Freehold uses publicly available information on geological formations to apportion revenues between the entities in accordance with the respective party's interests. As new geological information becomes available and as part of its ongoing internal audit activities, Freehold periodically revises these allocations and consideration is transferred to reflect the changes.

Adopted Amendments to IAS 1 Presentation of Financial Statements

On January 1, 2024, Freehold adopted amendments to IAS 1 Presentation of Financial Statements that specify the requirements for the classification of debt and other liabilities as either current or non-current. The amendments clarify, what is meant by the right to defer settlement, that the right to defer settlement must exist at the end of the reporting period and that classification is unaffected by the likelihood that an entity will exercise its deferral rights. Additionally, the amendment clarifies the disclosure requirements for loan arrangements that contain covenants and the classification requirements when a covenant is breached.

The requirement to retrospectively adopt the amendments to IAS 1 resulted in the restatement of Freehold's balance sheets as at December 31, 2023 and January 1, 2023, as presented, reclassifying $7.2 million and $7.6 million, respectively, of share based compensation payable from long-term to current liabilities. As such, the current share based compensation payable as at December 31, 2023 increased from $5.6 million to $12.8 million (as at January 1, 2023 - increased from $3.9 million to $11.5 million), with an offsetting decrease to the long-term portion of share based compensation payable from $9.4 million to $2.2 million (as at January 1, 2023 - decrease from $12.2 million to $4.5 million). Correspondingly, the retrospective adoption resulted in the restatement of the capital management measures of working capital, net debt and capitalization as at December 31, 2023 (see Working Capital and Net Debt sections above). Additionally, net debt has been restated for each period presented in the Select Quarterly Information table. The amounts reclassified in each period presented are immaterial.

Recent Accounting Pronouncements Not Yet Adopted

IFRS 18 Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements in April 2024, replacing IAS 1 Presentation of Financial Statements. The Standard introduces a defined structure to the statements of comprehensive income and specific disclosure requirements related to the same. The standard is effective January 1, 2027 and is to be applied retrospectively with certain transition provisions available. The Company is evaluating the impact that the adoption of IFRS 18 will have on the consolidated financial statements.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to clarify the date of recognition and derecognition of financial assets and liabilities and provide further clarification on the classification of certain financial assets. The amendments are effective January 1, 2026 and are to be applied retrospectively. The Company is evaluating the impact that the amendments will have on the consolidated financial statements.

Sustainability Reporting

During 2023, the International Sustainability Standards Board published two IFRS sustainability disclosure standards ("IFRS S1 & S2"). These standards "[set] out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability-related financial disclosures" and "[set] out the requirements for identifying, measuring and disclosing climate-related risks and opportunities as part of an entity's general purpose financial reporting. Currently, IFRS S1 & S2 are subject to adoption by the international community, including by the Canadian Securities Administrators ("CSA"). In response, the Canadian Sustainability Standards Board ("CSSB") was formed. The mandate of the CSSB is to develop and support adopting international sustainability standards in Canada. In December 2024, the CSSB released General Requirements for Disclosure of Sustainability-related Financial Information ("CSDS 1") and Climate-related Disclosures ("CSDS 2") with both standards largely aligned to IFRS S1 & S2, with the exception of a Canadian-specific effective date of adoption and incremental transition relief. Until mandated by the CSA, the adoption of CSDS 1 and CSDS 2 are voluntary. The CSA is considering amending Canadian reporting requirements to include certain aspects of CSDS 1 and CSDS 2 but to what extent CSDS 1 and CSDS 2 will be adopted by the CSA remains unclear. With the assumed eventual adoption of sustainability standards in Canada, either voluntary or mandated, Freehold, at this time, is in the preliminary stages of understanding the impacts on its future financial statements and other required sustainability reporting. Costs to comply with these sustainability disclosures is not quantifiable at this time.

Forward-looking Statements

Certain statements contained in this MD&A constitute forward-looking statements. These statements relate to future events or Freehold's expectations of future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "forecast", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions (including the negatives thereof). These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and, as such, forward-looking statements included in this MD&A should not be unduly relied upon. These forward-looking statements are provided to allow readers to better understand our business and prospects.

In particular, this MD&A contains forward-looking statements under the headings Freehold's Strategy, Outlook, 2025 Guidance, Q4-2024 Operating and Financial Highlights, Credit Risk Management, CRA Assessments, Liquidity and Capital Resources, Financing Activities and Dividend Policy and Analysis pertaining to the following:

- our expectation of generating growth and lower risk returns to our shareholders by driving oil and gas development on our lands through our lease program and royalty optimization, acquiring royalty assets with acceptable risk profiles and long economic life and generating GORRs for revenue growth;
- our expectation that we will maximize Freehold's royalty interests through a comprehensive audit and compliance program, our intent to maintain balance sheet strength (1.5 times or less net debt to trailing funds from operations) and target a dividend payout ratio of approximately 60%;
- the expectation that the development of Freehold's oil focused North American portfolio will continue to provide resiliency despite the volatility in commodity prices, continued geo-political tensions around the world, OPEC+'s expected unwinding of production cuts, and the potential of U.S. imposed tariffs on Canadian energy exports;
- expectations that Freehold's oil focused, diversified North American asset base will contribute to stabilized cash flows through the evolving commodity markets and allow the Company to continue to provide robust shareholder returns, reduce net debt, and explore opportunistic acquisitions in 2025;
- Freehold's forecasting that 2025 Canadian drilling to be in-line with 2024 activity, and there to be a sizeable increase in drilling activity in the U.S. compared to 2024 reflecting our expanded asset base;
- Freehold's expectations that drilling on our lands in Canada to be focused on oil weighted areas including Clearwater and Mannville Stack heavy oil and southeast Saskatchewan light oil;
- Freehold expectations that there will be an increase in drilling in the United States on Freehold's expanded lands in the Permian where play economics will remain robust and Freehold will continue to have significant exposure to investment grade operators that continue to actively develop our lands;
- Freehold's forecast production in 2025 of 1,500 to 1,600 boe/d from the U.S. royalty assets acquired in December 2024;
- Freehold expects increased drilling activity in 2025 with the addition of the newly acquired lands;
- 2025 production is expected to consist of 8% heavy oil, 45% light and medium oil, 13% NGLs and 34% natural gas;
- key operating assumptions for 2025 with production expected between 15,800 and 17,000 boe/d weighted;
- expectations that Freehold's revenue being weighted towards oil will increase further as a result of its most recent transaction;
- the expectation that approximately one-half of Freehold's forecasted 2025 revenues will be from the U.S.;
- the possibility that we may take our royalty in-kind if there are benefits in doing so;
- the expectation that the change in the capital gains inclusion rate will not have a significant effect on Freehold's income taxes;

- Freehold's expectations of success on defending its filed tax positions in respect of the Assessments;
- our forecast to be in compliance with all covenants under our credit facilities on a quarterly basis for at least the next year based on Freehold's current best estimate of results from operations;
- Freehold's intent in establishing its dividend rate and the process;
- expectations with respect to adoption and implementation of sustainability reporting in Canada; and
- treatment under governmental regulatory regimes and tax laws.

Our actual results could differ materially from those anticipated in these forward-looking statements because of many factors, the most significant of which are as follows:

- volatility in market prices for crude oil, NGL and natural gas;
- the impacts of the ongoing Israeli-Hamas-Hezbollah and potentially the broader Middle-East region, and Russia-Ukraine wars and any associated sanctions as well as OPEC+ curtailments on the global economy and commodity prices;
- geopolitical instability;
- political instability;
- the impacts of inflation and supply chain shortages on the operations of our industry partners and royalty payors, as well as on demand and commodity prices;
- the risks and impacts of tariffs imposed by Canada or the United States on exports and/or imports into and out of such countries;
- inflationary pressures;
- our ability to continue paying dividends;
- future capital expenditure levels;
- future production levels;
- future exchange rates;
- future tax rates;
- future legislation;
- the cost of developing and expanding our assets;
- our ability and the ability of our industry partners and royalty payors to obtain equipment in a timely manner to carry out development activities;
- our ability to market our product successfully to current and new customers;
- our expectation for the consumption of crude oil, NGLs and natural gas;
- our expectation for industry drilling levels on our royalty lands;
- the impact of competition;
- our ability to obtain financing on acceptable terms;
- our ability to add production and reserves through our development and acquisitions activities.
- pipeline capacity constraints;

- currency fluctuations;
- our and our counsel's interpretation of tax laws, regulations, royalties, or incentive programs relative to the interpretation and enforcement thereof by governmental authorities;
- changes in income tax laws or changes in tax laws, regulations, royalties, or incentive programs relating to the oil and gas industry;
- reliance on royalty payors to drill and produce on our lands and their ability to pay their obligations;
- uncertainties or imprecision associated with estimating oil and gas reserves;
- stock market volatility and our ability to access sufficient capital from internal and external sources;
- a significant or prolonged downturn in general economic conditions or industry activity;
- incorrect assessments of the value of acquisitions;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- geological, technical, drilling, and processing problems;
- unanticipated litigation;
- environmental risks and liabilities inherent in oil and gas operations; and
- other factors discussed in this MD&A, the audited financial statements and our AIF.

Key operating assumptions with respect to the forward-looking statements contained in this MD&A are provided in the Outlook section and elsewhere in this MD&A. In addition, with respect to forward-looking statements contained in this MD&A, 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, our ability and the ability of our lessees to obtain equipment in a timely manner to carry out development activities, the interpretation and implementation of tax legislation, our ability to market our oil and gas successfully to current and new customers, our expectation for the consumption of crude oil and natural gas, our expectation for industry drilling levels, our expectations regarding completion of drilled wells, assumptions as to expected performance of current and future wells drilled by our royalty payors, our ability to obtain financing on acceptable terms, shut-in production, production additions from our audit function and our ability to add production and reserves through development and acquisition activities.

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.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement and speak only as of the date of this MD&A. 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.

Non-GAAP and Other Financial Measures

Within this MD&A, references are made to terms commonly used as key performance indicators in the oil and gas industry. We believe that net revenue, cash costs, netback, dividend payout ratio and funds from operations per share are useful non-GAAP financial measures for management and investors to analyze operating performance, financial leverage, and liquidity, and we use these terms to facilitate the understanding and comparability of Freehold's results of operations and financial position. However, these terms do not have any standardized meanings prescribed by GAAP and therefore may not be comparable with the calculations of similar measures for other entities.

Net revenue, which is calculated as revenues less ad valorem and production taxes (as incurred in the U.S. at the state level, largely Texas, which do not charge corporate income taxes but do assess flat tax rates on commodity revenues in addition to property tax assessments) details the net amount Freehold receives from its royalty payors, largely after state withholdings. Please refer to the table under the heading Netback and Cash Costs within this MD&A for a quantitative calculation of net revenue.

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, G&A expense, cash-based interest charges, cash-based management fees, and share based payouts. Cash costs allow Freehold to benchmark how changes in its manageable cash-based cost structure compare against prior periods. Please refer to the table under the heading Netback and Cash Costs within this MD&A for a quantitative calculation of cash costs.

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

Dividend payout ratios are often used for dividend paying companies in the oil and gas industry to identify dividend levels in relation to funds from operations that are also used to finance debt repayments and/or acquisition opportunities. Dividend payout ratio is calculated as dividends paid as a percentage of funds from operations. Please refer to the table under the heading Dividend Policy and Analysis – Dividend Payout Ratio within this MD&A for discussion on this supplementary financial measure.

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

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

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil ("boe"). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 barrel). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio may be misleading as an indication of value.