

Management

David Spyker, President & CEO
Shaina Morihira, CFO
Susan Nagy, VP, Bus. Development Commercial
Colin Strem, VP Bus. Development Technical
Lisa Farstad, VP, Corporate Services

<https://freeholdroyalties.com>

EPG Commentary by Dan Steffens

Freehold Royalties Ltd. (FRU.TO and FRHLF) is a Canadian-based mineral royalty company with a rapidly expanding U.S. footprint. **I recently added Freehold Royalties to our High Yield Income Portfolio.** It is best described as an Aggressive Growth Minerals Company, given the pace of its U.S. expansion over the last four years.

Over that period, Freehold has made several large, accretive U.S. acquisitions funded with both equity and debt. I prefer not

to see growth funded entirely by debt, so I view Freehold's disciplined balance-sheet management favorably as it expands its scale, drilling inventory, and cash-flow base. As of this report, the company's balance sheet remains in good condition.

Q1 2026 Results Overview

 **15,533 boe/d total production**

- 10,136 boe/d of crude oil & NGL production in the quarter
- 45% of production & 51% of revenue from US portfolio

 **65% crude oil & NGL weighting**

- Liquids contributed 90% of Freehold's Q1 2026 revenue

 **\$59 million in funds from operations**

- 16% increase in FFO/share (to \$0.36) over Q4 2025, driven primarily by increase in realized prices

 **\$0.27/sh in dividends & 75% payout ratio**

- Strong balance sheet with net debt of \$275 million; 1.2x net debt to trailing funds from operations¹
- Invested \$19 million on undeveloped acreage acquisitions



Freehold's Q1 2026 results were generally positive, supported by a strong liquids mix, premium pricing on U.S. production, solid funds from operations, continued monthly dividend returns, and strategic Permian acquisitions that add long-term value. Near-term headwinds included reduced drilling activity in late 2025, weather-related production disruptions, modestly higher net debt from strategic land purchases, and cautious U.S. operator behavior that may delay some volume growth until late 2026 or 2027. Overall, the positives—production quality, pricing premiums, cash generation, accretive acreage additions, and maintained guidance—outweigh the near-term operational and timing challenges.

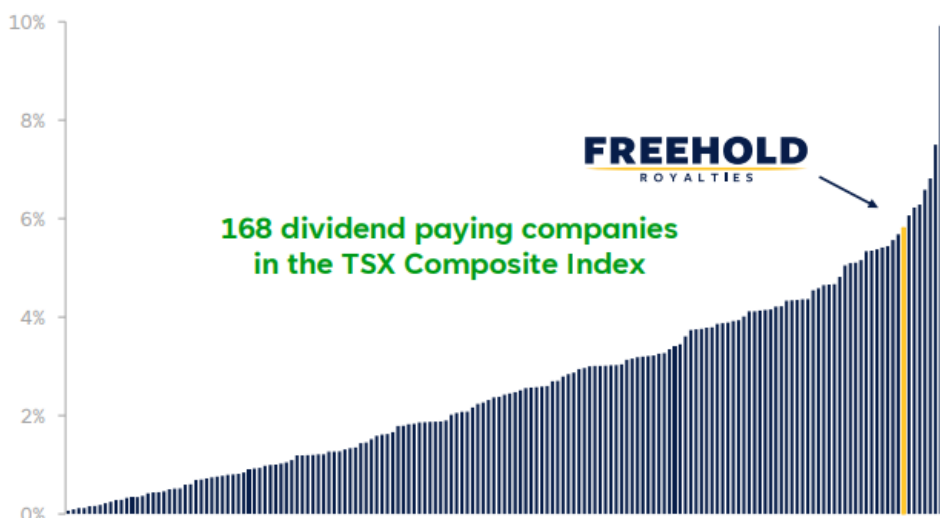
Our newsletters, company profiles and the information contained herein are strictly the opinion of the publishers (Energy Prospectus Group, a Division of DMS Publishing, LLC) and is intended for informational purposes only. Readers are encouraged to do their own research and due diligence before making any investment decisions. The publishers will not be held liable for any actions taken by the reader. Although the information in the newsletters and company profiles has been obtained from resources that the publishers believe to be reliable, DMS Publishing, LLC dba Energy Prospectus Group does not guarantee its accuracy. Please note that the publishers may take positions in companies profiled.

The Company's asset base provides multiple decades of high-quality drilling inventory, with particularly attractive "Running Room" in the Permian Basin, where operator activity remains among the most economic in North America. Freehold's royalty model allows it to benefit from this activity without bearing capital cost inflation or operating risk, which is a key differentiator for royalty companies versus traditional E&P companies. *On the slide below, note that Freehold's current dividend of \$0.09Cdn per month is sustainable as long as the WTI oil price is over \$50US/bbl.*

Freehold Provides Compelling Dividend Income

- ~6% dividend yield in an established, high margin business
- Payable down to US\$50/bbl WTI oil price
- Backstopped by multi decade drilling inventory and quality operators

TSX Composite Index - Dividend Yields



Freehold pays monthly dividends of \$0.09 Cdn, or \$1.08 Cdn annually, which equates to a compelling yield at current prices. I am a big fan of monthly dividends, particularly when they are supported by free cash flow rather than leverage. *I now expect WTI to remain over \$80US/bbl after the war in Iran ends, which is not going to happen with the signing of a "Memorandum of Understanding". The war has caused the largest decline in global oil supply. After the Strait of Hormuz is completely open, I believe it will take more than 18 months to rebalance the oil market.*

If oil prices stay over \$80US/bbl, Freehold's dividends should increase. Freehold's royalty structure provides strong downside protection relative to normal upstream operating companies, as capital spending is borne by operators rather than Freehold itself.

My Fair Value Estimate for FRU.TO is \$20.00Cdn

Translates to \$14.40US for FRHLF

Disclosure: I do not have a position in FRHLF. I do not intend on buying or selling any shares in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

Our newsletters, company profiles and the information contained herein are strictly the opinion of the publishers (Energy Prospectus Group, a Division of DMS Publishing, LLC) and is intended for informational purposes only. Readers are encouraged to do their own research and due diligence before making any investment decisions. The publishers will not be held liable for any actions taken by the reader. Although the information in the newsletters and company profiles has been obtained from resources that the publishers believe to be reliable, DMS Publishing, LLC dba Energy Prospectus Group does not guarantee its accuracy. Please note that the publishers may take positions in companies profiled.

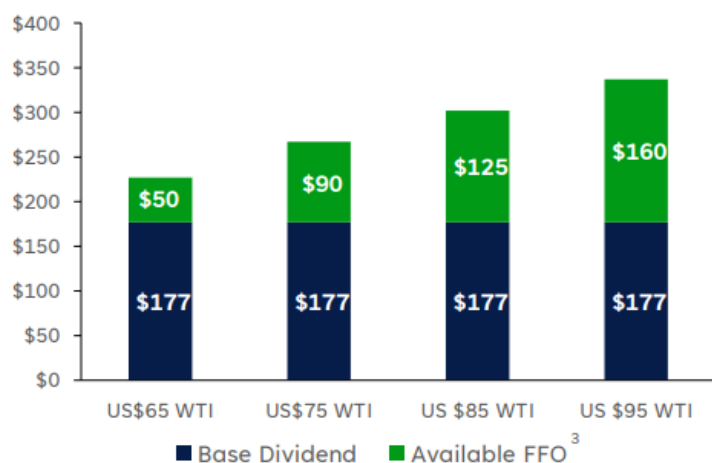
While the Company does have meaningful exposure to oil prices, even if crude prices decline to \$70 US/bbl in after 2026 that should be high enough to support both dividend growth and incremental free cash flow. In addition, there is material upside leverage to Western Canadian natural gas prices, and I see meaningful upside if AECO prices can move above \$3.00/MMBtu Cdn. *< As LNG Canada's exports increase, I believe that AECO natural gas prices will firm up, but natural gas prices in the US have more near-term upside.*

The share price has increased 11.9% YTD. At the time of writing, Freehold has a market capitalization of approximately \$2.8 billion Cdn, with shares trading around \$17.16 Cdn.

Capital Allocation Priorities

Generating Significant Funds from Operations¹

(\$ millions)



Capital Allocation Priorities

Base Dividend

- Annual dividend of \$1.08 per share fully funded at low commodity prices
- Target 60% long term payout ratio

Strategic Acquisitions

- Generate greater than mid-teens returns

Debt Repayment

- Net debt at ~1.2x trailing 12 months funds from operations²
- Current borrowing rate ~5.00%

Share Buybacks

- NCIB in place since May 2025
- Enhance returns through strategic and opportunistic share repurchases

Per TipRanks, the average 12-month price target is \$13.55 US with targets ranging from \$12.91 to \$15.77 US. Below are some highlights per TipRanks analysis of Q1 2026 results.

Active Canadian Drilling and Recent Additions

Continued strong activity in heavy oil plays (Clearwater, Mannville) and active programs in Viking and Southeast Saskatchewan light oil; new drilling in these two light oil plays contributed over 225 barrels/day as the company exited Q1.

Stable 2026 Production Guidance

Reiterated 2026 annual production guidance of 15,500 to 16,300 BOE/day, reflecting management's confidence in end-year and exit volume expectations given current activity and pricing environment.

Our newsletters, company profiles and the information contained herein are strictly the opinion of the publishers (Energy Prospectus Group, a Division of DMS Publishing, LLC) and is intended for informational purposes only. Readers are encouraged to do their own research and due diligence before making any investment decisions. The publishers will not be held liable for any actions taken by the reader. Although the information in the newsletters and company profiles has been obtained from resources that the publishers believe to be reliable, DMS Publishing, LLC dba Energy Prospectus Group does not guarantee its accuracy. Please note that the publishers may take positions in companies profiled.

Long-Term Track Record

Celebrating 30th year as a public company with a 4% compounded annual production growth rate over 30 years and uninterrupted monthly dividends over that period.

Strong Q1 Production and Liquids Focus

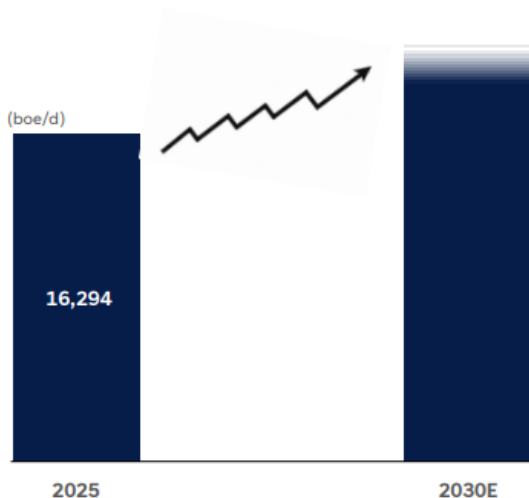
Q1 production of 15,533 BOE/day with a 65% liquids weighting; oil and gas portion contributed 90% of total revenue, reflecting the company's liquids-focused strategy benefitting from elevated oil prices.

Robust Funds from Operations and Shareholder Return

Generated \$59 million of funds from operations (\$0.36 per share) at a Q1 WTI of \$72; returned \$44 million in dividends during the quarter and maintained a monthly dividend program.

Industry Innovation Continues to Deepen Portfolio

Pathway to Growth



Exceptional Opportunity Set in the Permian Basin

- Resource expansion through operator growth plans, emerging and exciting Barnett & Woodford formation development, well optimization from surfactants, frac design and enhanced oil recovery initiatives

Gas Optionality Across Portfolio

- Montney and Deep Basin with significant upside to improved AECO pricing
- Pipeline expansions getting more gas to premium priced sales points in the US

Deep Inventory of Canadian Oil Opportunities

- Ongoing development of Clearwater and Mannville Stack heavy oil and rollout of waterflood and other enhanced recovery schemes in these core operating areas
- Extensive positioning in light oil areas that continue to attract innovation in drilling and completion approaches

Eagle Ford Optimization In The Heart of the Oil Window

- Longer laterals, additional reservoir bench development, refracs in the most resource rich parts of the play

Reinvestment Across a North American Opportunity Set

- Continue to see compelling reinvestment opportunities across North America



Company Overview

Freehold Royalties Ltd. (FRU.TO and FRHLF) is a Canadian-based mineral royalty company that owns oil and natural gas mineral interests across North America. The Company generates revenue by collecting royalties from third-party operators and does not participate in drilling or operating activities, which allows it to avoid capital cost inflation and operating risk while maintaining direct exposure to commodity prices.

Our newsletters, company profiles and the information contained herein are strictly the opinion of the publishers (Energy Prospectus Group, a Division of DMS Publishing, LLC) and is intended for informational purposes only. Readers are encouraged to do their own research and due diligence before making any investment decisions. The publishers will not be held liable for any actions taken by the reader. Although the information in the newsletters and company profiles has been obtained from resources that the publishers believe to be reliable, DMS Publishing, LLC dba Energy Prospectus Group does not guarantee its accuracy. Please note that the publishers may take positions in companies profiled.

Over the past four years, Freehold has pursued an aggressive growth strategy focused on expanding its U.S. royalty portfolio, particularly in high-quality basins such as the Permian. These acquisitions have significantly increased production, drilling inventory, and long-term cash-flow visibility. With multiple decades of remaining inventory and a capital-light business model, Freehold is well positioned to deliver stable monthly dividends while maintaining long-term upside through organic growth and disciplined acquisitions. *< Keep in mind that my #1 criteria for selecting companies for our High Yield Income Portfolio is sustainable dividends, which is followed closely by a clear path to increasing free cash flow. Freehold has a strong balance sheet and lots of high-quality "Running Room". Plus, I love companies that pay monthly dividends.*

The Freehold Advantage



**Low-Risk
Exposure to Oil &
Gas Industry**

**Pure play royalty
company**

**No capital costs
No operating costs
No abandonment costs**



**Differentiated
North American
Portfolio**

**Growing oil
weighted portfolio**

**Positioned in premier
basins backstopped by
top operators**



**Consistently
Strong Capital
Allocation**

**TSX leading ~6%
dividend yield¹**

**\$0.09 per share monthly
dividend supported down to
US\$50/bbl WTI**

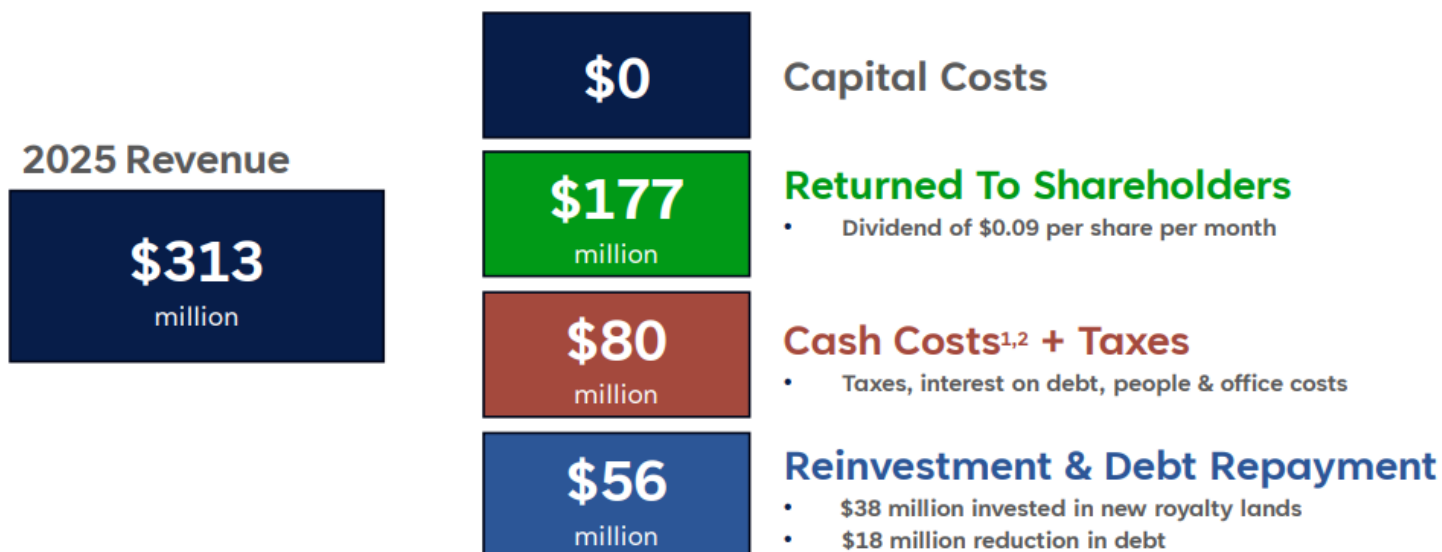
First Quarter 2026 Highlights

- Total production of 15,533 boe/d including crude oil and natural gas liquids production of 10,136 bbls/d, representing a 65% liquids weighting in the quarter.
- Revenue of \$78 million with crude oil and natural gas liquids production accounting for approximately 90% of total revenue.
- Funds from operations of \$59 million (\$0.36/share).
- Returned \$44 million (\$0.27/share) to shareholders through monthly dividends.
- Invested \$19 million to acquire strategic, inventory rich, royalty interest lands in the core of the Permian basin.
- Drilling in the quarter was focused on crude oil targets with 223 wells (4.9 net) drilled.
- *< I expect drilling activity on Freehold's minerals to increase in 2H 2026 due to much higher oil prices.*

Full-Year 2025 Highlights

- Achieved record annual production of 16,295 boe/d, a 9% increase from 2024; < *Based on updated guidance for 2026, Freehold's production exit rate for 2026 should be ~16.750 Boepd.*
- Total annual crude oil and natural gas liquids production of 10,730 boe/d, a 12% increase from 2024;
- Generated total revenue of \$313 million;
- Bonus and leasing revenue contributed \$8 million, an increase from \$3 million in 2024;
- Delivered \$235 million in funds from operations (\$1.43/share), a 2% increase from 2024;
- Returned \$177 million (\$1.08/share) to shareholders through monthly dividends during the year, reflecting a dividend payout ratio of 75%;
- Reduced long-term debt by \$18 million, ending 2025 at \$283 million;
- Well productivity improvements of 35% in Canada and 10% in the U.S. compared to the average type curves in 2024 as industry innovations continue to deepen our portfolio;
- Proved and probable reserves in the United States increased from 2024, with a reserve replacement ratio of 103%; and
- Corporate proved and probable reserves totaled 63 MMboe, a 3% decrease from 2024 reflecting continued weakness in Canadian natural gas prices and lower Canadian drilling activity.

Lower Risk, High Margin Business



Management Commentary

“Freehold’s production averaged 15,533 boe/d during the first quarter of 2026 reflecting the moderated activity levels in the latter half of 2025 when benchmark crude oil pricing in the fourth quarter averaged \$59.14 US\$/bbl. In Canada, crude oil production has been supported through continued drilling activity in the Mannville and Clearwater heavy oil areas as well as in light oil areas such as southeast Saskatchewan, and specifically in the first quarter of 2026, the Viking. Drilling activity on natural gas-weighted lands has remained low due to persistently weak Canadian natural gas pricing, with only two gas wells drilled in Canada in the quarter. In the U.S., production levels remained flat from the first quarter in 2025 and contributed 45% of our production and 51% of our total revenue in the quarter.

As outlined in our year end communications, production levels are expected to continue at a moderate level into the second quarter of 2026, before growing through the latter half of the year. This reflects lower activity levels due to spring break-up in Canada and the ramp up of well completions from our U.S. drilling activity. Recent heightened geopolitical tensions and significant supply disruptions occurring in the Strait of Hormuz has caused a pronounced upward shift in near term crude oil prices while longer dated pricing has moved modestly. While the current price environment has the potential to stimulate activity, we anticipate any resulting increase in production is more likely to materialize starting in late 2026 as operators develop their capital allocation strategies in response to the current shift in oil pricing dynamics.

The Company generated \$59 million of funds from operations in the first quarter of 2026. Freehold’s average realized price was \$54.97/boe (\$63.17/boe in the U.S. and \$48.24/boe in Canada) including a 31% premium on Freehold’s U.S. production reflecting the higher liquids weighting, higher quality of crude oil produced and lower transportation costs required to access global markets.

Freehold declared and paid \$44 million in dividends to our shareholders, resulting in a payout ratio of 75%. We acquired \$19 million of crude oil-focused royalty interest lands in undeveloped areas in the core of the Permian basin. These acquisitions further build on the depth of the premium priced light oil inventory in our portfolio. We continue to expect that our liquids-weighted North American asset base will generate meaningful cash flows with current and expected macroeconomic conditions, supporting the Company’s ability to sustain its dividends and deliver robust, long-term shareholder returns.”

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

Operating and Financial Results

	Three Months Ended		
	Q1-2026	Q4-2025	Q1-2025
FINANCIAL (\$ millions, except as noted)			
West Texas Intermediate (US\$/bbl)	71.93	59.14	71.42
NYMEX natural gas (US\$/Mcf)	5.23	3.68	3.79
AECO 5A Monthly Index (Cdn\$/Mcf)	2.01	2.23	2.17
Royalty and other revenue	77.8	69.8	91.1
Funds from operations	59.0	51.1	68.1
Funds from operations per share, basic (\$) ⁽²⁾⁽⁴⁾	0.36	0.31	0.42
Dividends paid per share (\$) ⁽²⁾	0.27	0.27	0.27
Dividend payout ratio (%) ⁽⁴⁾	75%	87%	65%
Long-term debt	301.4	282.9	294.3
Net debt ⁽²⁾	275.3	268.3	272.2
Net debt to funds from operations for the trailing 12 months (times) ⁽²⁾	1.2x	1.1x	1.1x
OPERATING			
Total production (boe/d) ⁽⁴⁾	15,533	16,294	16,248
Canadian production (boe/d) ⁽⁴⁾	8,540	8,594	9,278
U.S. production (boe/d) ⁽⁴⁾	6,993	7,700	6,970
Oil and NGL (%)	65%	66%	65%
Petroleum and natural gas realized price (\$/boe) ⁽⁴⁾	54.97	45.88	59.29
Cash costs (\$/boe) ⁽²⁾⁽⁴⁾	7.02	7.26	7.00
Netback (\$/boe) ⁽²⁾⁽⁴⁾	46.66	37.42	53.01

Our newsletters, company profiles and the information contained herein are strictly the opinion of the publishers (Energy Prospectus Group, a Division of DMS Publishing, LLC) and is intended for informational purposes only. Readers are encouraged to do their own research and due diligence before making any investment decisions. The publishers will not be held liable for any actions taken by the reader. Although the information in the newsletters and company profiles has been obtained from resources that the publishers believe to be reliable, DMS Publishing, LLC dba Energy Prospectus Group does not guarantee its accuracy. Please note that the publishers may take positions in companies profiled.

Drilling & Leasing

In the first quarter of 2026, there was an estimated \$1.8 billion in gross third-party capital spent on Freehold's royalty lands. Spending was comprised of \$1.6 billion on our U.S. lands and \$200 million in Canada. This resulted in a total of 223 gross wells (4.9 net) drilled with 68% of drilling in the U.S. and the remaining 32% in Canada, all primarily targeting crude oil properties.

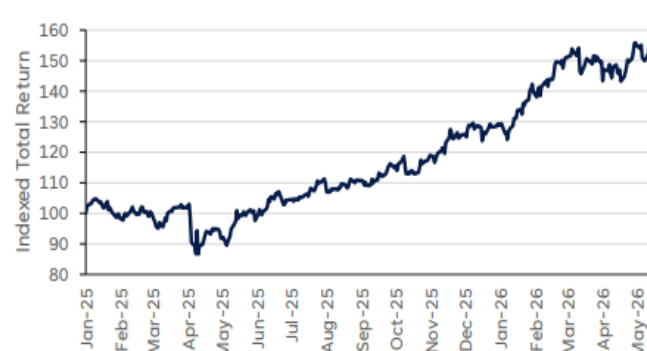
	Three Months Ended					
	Q1 2026		Q4 2025		Q1 2025	
	Gross	Net ⁽¹⁾	Gross	Net ⁽¹⁾	Gross	Net ⁽¹⁾
Canada	72	4.5	71	2.3	92	3.9
United States	151	0.4	164	0.7	230	0.8
Total	223	4.9	235	3.0	322	4.7

Corporate Profile

Capitalization¹

Common Shares Outstanding (MM)	164
Market Capitalization (\$MM)	\$2,900
Net Debt (\$MM)	\$275
Enterprise Value (\$MM)	\$3,175
Net Debt to Trailing FFO (times)	1.2x
2P Reserve Life Index (years)	11.0
Annual Dividend (\$/share)	\$1.08

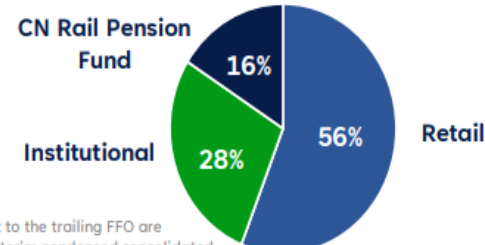
Total Shareholder Return 2025-26 YTD



Analyst Coverage

ATB Capital Markets	National Bank Financial	RBC Capital Markets
BMO Capital Markets	Peters & Co	Scotiabank Capital
Canaccord Genuity	Raymond James	TD Securities Inc
CIBC World Markets		

Ownership



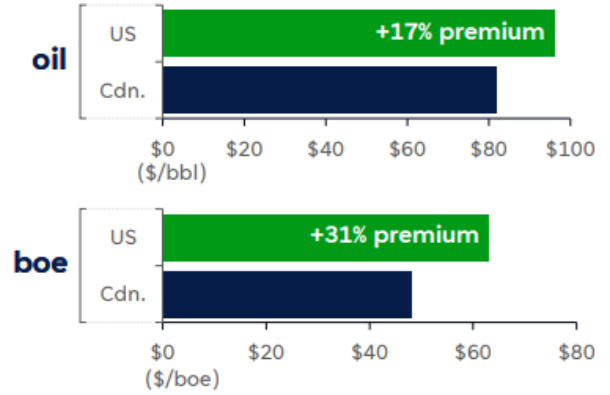
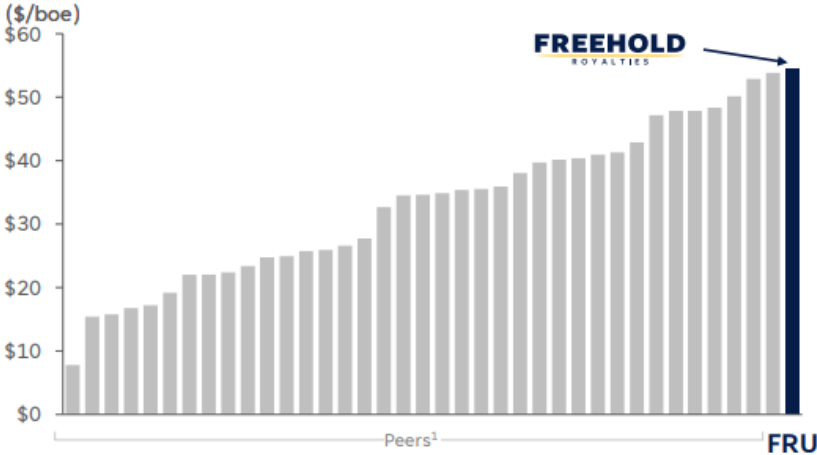
Source | FactSet. Note: Total shareholder return is indexed to January 2025 and is inclusive of dividends received and reinvested

Note | 1. Shares outstanding, net debt, net debt to trailing FFO and annual dividend is as of March 31, 2026. Net debt and net debt to the trailing FFO are capital management measures. For more information on this capital management measure see Note 12 of Freehold's unaudited interim condensed consolidated

Our newsletters, company profiles and the information contained herein are strictly the opinion of the publishers (Energy Prospectus Group, a Division of DMS Publishing, LLC) and is intended for informational purposes only. Readers are encouraged to do their own research and due diligence before making any investment decisions. The publishers will not be held liable for any actions taken by the reader. Although the information in the newsletters and company profiles has been obtained from resources that the publishers believe to be reliable, DMS Publishing, LLC dba Energy Prospectus Group does not guarantee its accuracy. Please note that the publishers may take positions in companies profiled.

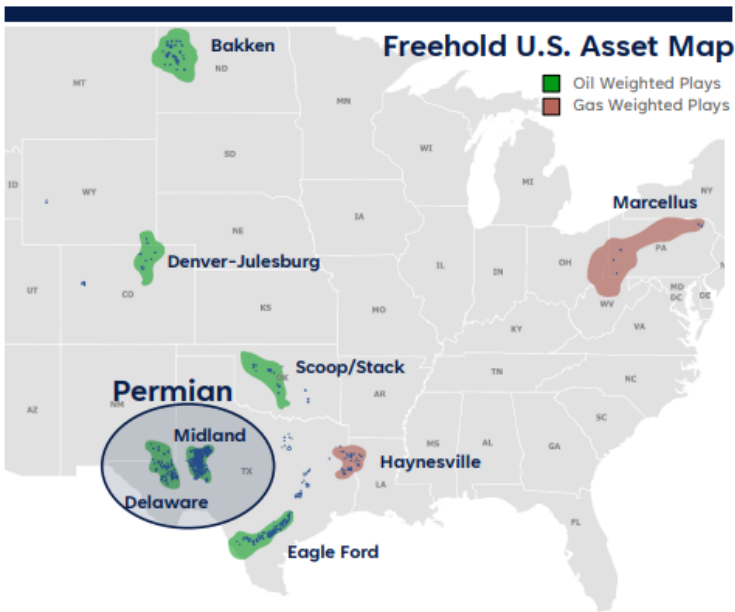
High Margin Barrels – Best in the Business

2026E Cash Flow per boe¹



U.S. production has improved Freehold's liquids weighting from 55% to 65% and provided a 31% uplift in Q1 2026 pricing due to premium light oil volumes and lower transportation costs to Gulf Coast market

U.S. Portfolio Overview – Targeted Growth



Over 30 years of development inventory in U.S.

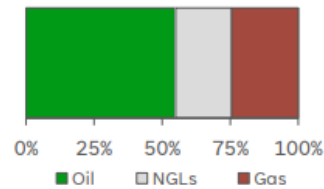
Summary Q1 2026

(boe/d)

Midland	3,800
Eagle Ford	2,000
Delaware	500
Other	700
Total	~7,000

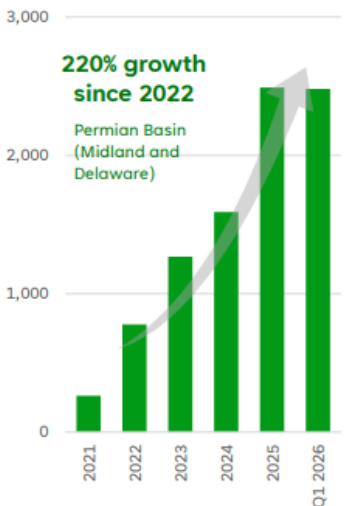
Production Summary

(Q1 2026)

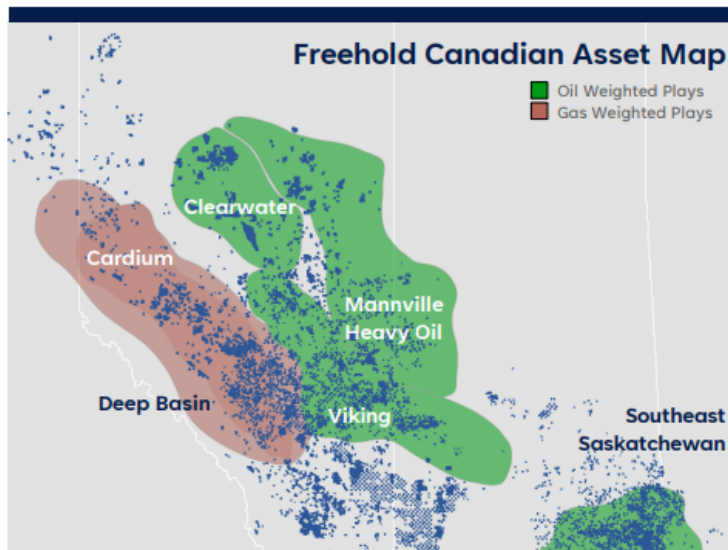


Oil Growth in Permian

(boe/d)



Canadian Portfolio Overview – Well Established



Over 40 years of development inventory in Canada

Normal Course Issuer Bid

Freehold intends to apply to the Toronto Stock Exchange (TSX) to renew its Normal Course Issuer Bid (NCIB) for a further one-year period. The renewal of the NCIB will be subject to receipt of certain approvals, including acceptance of the notice of intention of the NCIB by the TSX. If accepted, the NCIB will commence after the expiry of the current NCIB on May 26, 2026. The NCIB will continue until the earlier of: (i) a period of up to one-year from the date of commencement; or (ii) the date on which the Company has acquired all common shares sought pursuant to the NCIB.

Dividend Announcement

The board of directors of Freehold (the Board) has declared a monthly dividend of \$0.09 per share to be paid on June 15, 2026, to shareholders of record on May 29, 2026. The dividend is designated as an eligible dividend for Canadian income tax purposes.

Canada

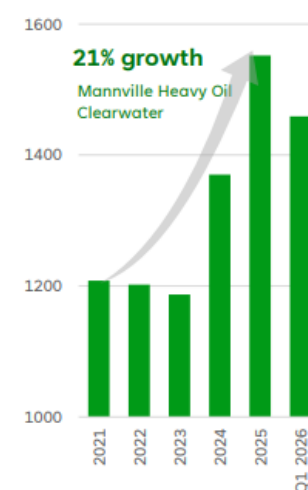
- In Canada, 72 gross locations (4.5 on a net basis) were drilled with emphasis on our crude oil weighted plays including Viking (27 gross wells) southeast Saskatchewan (16 gross wells), Mannville heavy oil (10 gross wells), and Clearwater (8 gross wells). Canadian natural gas drilling activity continues to be impacted by persistently weak AECO pricing with only 2 gross wells drilled. Activity levels were 15% higher on a net basis as several higher net royalty interest wells were drilled targeting crude oil in the Viking.

Our newsletters, company profiles and the information contained herein are strictly the opinion of the publishers (Energy Prospectus Group, a Division of DMS Publishing, LLC) and is intended for informational purposes only. Readers are encouraged to do their own research and due diligence before making any investment decisions. The publishers will not be held liable for any actions taken by the reader. Although the information in the newsletters and company profiles has been obtained from resources that the publishers believe to be reliable, DMS Publishing, LLC dba Energy Prospectus Group does not guarantee its accuracy. Please note that the publishers may take positions in companies profiled.

Summary Q1 2026 (boe/d)

~80% Oil	SE Sask	1,200
	Mannville H. Oil	1,000
	Viking	900
	Clearwater	500
~80% Gas	Deep Basin	2,200
	Cardium	900
	Mannville	900
	Other	900
Total		~8,500

Heavy Oil Growth in Canada (boe/d)



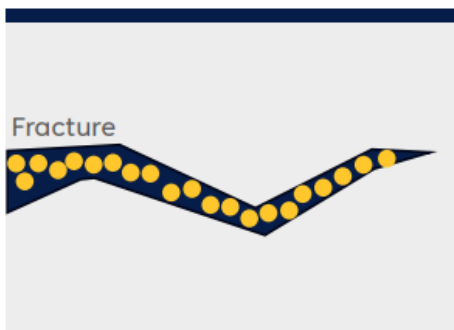
- Freehold entered into 17 new leases with 8 counterparties during the first quarter of 2026, with southeast Saskatchewan driving most of this activity.

U.S.

- During the first quarter of 2026, 151 gross (0.4 net) wells were drilled on Freehold's U.S. lands as activity was focused on crude oil properties with approximately 85% of drilling activity in the Permian basin and 15% in the Eagle Ford basin.
- Freehold entered into 5 new leases in the U.S., with the focus continuing to be on the deeper rights which include the Barnett and Woodford formations in the Permian basin which has attracted much attention lately with a number of operators reporting exceptional initial well results. Freehold's most significant U.S. payors include ConocoPhillips, ExxonMobil, Occidental Petroleum and Diamondback Energy and all remain active with their ongoing drilling programs.

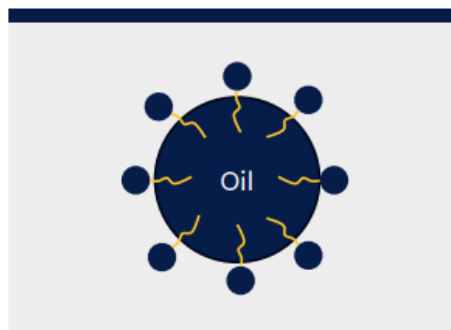
Improved Recovery Techniques in the Permian are a Catalyst in U.S. Portfolio

Lightweight Proppants



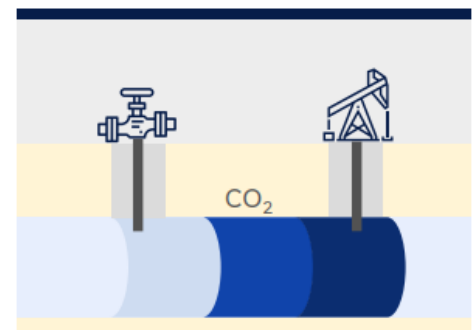
ExxonMobil's lightweight proppant has improved recoveries by up to 20%

Surfactants



Chevron has found chemical surfactant treatments that have led to a 10% EUR uplift

Enhanced Oil Recovery



Occidental's unconventional CO₂ EOR pilots have generated a 45%+ oil uplift in the Permian

Credit Facility Increase

On November 13, 2025, Freehold renewed and amended its credit facilities with its existing syndicate of four Canadian banks. The amended credit facilities have been increased from \$450 million to \$500 million, including an increase to the committed facility to \$480 million and an operating facility of \$20 million. The agreement also carries an option to increase the revolving facility by an additional \$100 million subject to the consent of the lenders. The credit facilities mature November 13, 2028

Our newsletters, company profiles and the information contained herein are strictly the opinion of the publishers (Energy Prospectus Group, a Division of DMS Publishing, LLC) and is intended for informational purposes only. Readers are encouraged to do their own research and due diligence before making any investment decisions. The publishers will not be held liable for any actions taken by the reader. Although the information in the newsletters and company profiles has been obtained from resources that the publishers believe to be reliable, DMS Publishing, LLC dba Energy Prospectus Group does not guarantee its accuracy. Please note that the publishers may take positions in companies profiled.

Guidance Update

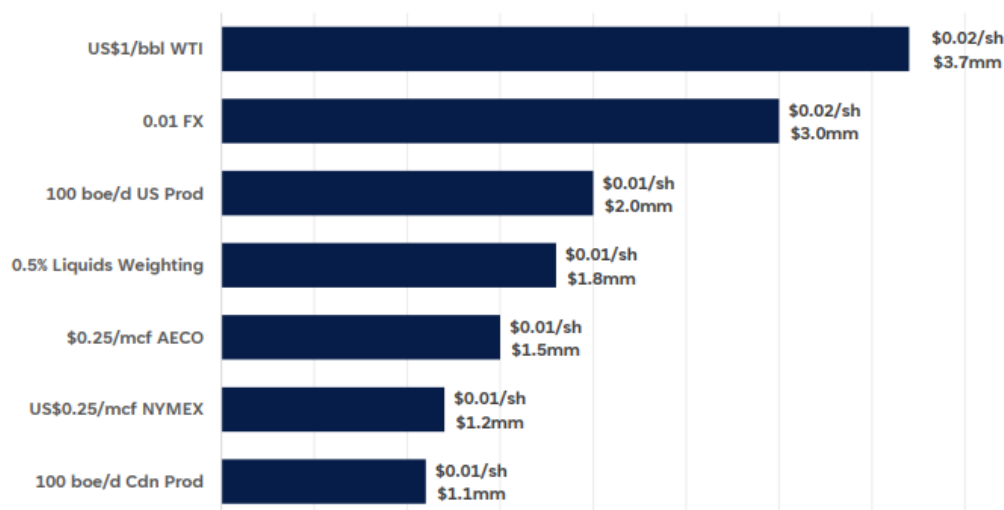
Overall production is expected to average between **15,500 and 16,300 boe/d for 2026**, weighted approximately 66% crude oil and natural gas liquids (42% light and medium crude oil, 9% heavy oil (an increase from 8% in 2025) and 15% natural gas liquids) and approximately 34% natural gas. This guidance range is based on annual average commodity price assumptions of **US\$65.00/bbl WTI, \$3.50/mcf NYMEX and \$2.00/mcf AECO**. *< I expect WTI to average more than \$90.00US/bbl for the year*

On its Q1 conference call, Freehold reiterated 2026 production guidance of 15,500–16,300 BOE/d. Q1 production averaged 15,533 BOE/d, with a 65% liquids weighting, but was affected by lower late-2025 drilling activity and winter-storm downtime. New drilling in the Viking and Southeast Saskatchewan added more than 225 bbl/d by quarter-end, and management expects post-spring breakup activity to support stronger exit volumes, with most incremental production arriving in H2 2026 and 2027.

During Q1, Freehold generated \$59 million of funds from operations (\$0.36/share) at roughly \$72 WTI, paid \$44 million in dividends, and invested \$19 million in Permian mineral title lands, adding more than 200 drilling locations while modestly increasing net debt. The company also highlighted its 55% Canada / 45% U.S. production mix, with U.S. assets contributing 51% of revenue, a 31% price premium to Canada, and a 58% premium on U.S. gas, against spot oil near \$100/bbl and a balance-of-year strip in the mid- to upper-\$80s.

2026 Sensitivities and Guidance Range

Sensitivities of Annualized Funds from Operations



2026E Range
15,500 – 16,300 boe/d

Pricing Assumptions

- US\$65.00/bbl WTI
- C\$2.00/mcf AECO
- US\$3.50/mcf NYMEX
- 0.73 US\$/Cdn\$ Exchange Rate
- Sensitivities represent full year expected outcomes based on the mid-point of 2026 guidance

Net Income and Cash Flow Forecast Model

Net Income and Cash Flow FYE 2023 - 2027 (last updated 6/13/2026)													
Canadian Dollars in \$Thousands													
Canadian Dollars in \$Thousands													
\$Cdn	Actual 2023	Actual 2024	Actual Qtr1 2025	Actual Qtr2 2025	Actual Qtr3 2025	Actual Qtr4 2025	Actual 2025	Actual Qtr1 2026	Forecast Qtr2 2026	Forecast Qtr3 2026	Forecast Qtr4 2026	Forecast 2026	Forecast 2027
All in \$Thousands except for per share data													
REVENUES:													
Royalties and other revenues	\$309,596	\$304,934	\$86,696	\$75,993	\$72,247	\$68,776	\$303,712	\$76,843	\$91,734	\$107,353	\$98,337	\$374,267	\$379,567
Potash	1,648	1,469	421	390	405	503	1,719	424	400	400	500	1,724	2,000
Bonus and lease rentals	3,331	3,077	3,948	1,889	1,712	480	8,029	551	1,500	1,500	1,500	5,051	8,000
GROSS REVENUES	314,575	309,480	91,065	78,272	74,364	69,759	313,460	77,818	93,634	109,253	100,337	381,042	389,567
													< First Call's 2026 Revenue forecast is \$316,460
OPERATING EXPENSES:													
G&A	15,720	16,339	4,991	4,208	3,703	6,217	19,119	5,384	4,750	4,750	6,500	21,384	22,500
Production and ad valorem taxes	8,488	9,013	3,337	2,730	2,874	2,786	11,727	2,767	3,669	4,294	3,933	14,664	15,183
Operating	1,010	1,062	183	198	159	114	654	91	125	125	125	466	800
Interest and financing	10,280	15,416	5,050	4,664	4,594	4,069	18,377	4,004	4,000	3,850	3,700	15,554	14,000
Share based compensations	3,052	2,928	1,330	670	2,191	2,727	6,918	4,486	2,000	2,500	2,500	11,486	12,000
DD&A	96,624	101,409	27,206	27,291	26,894	27,112	108,503	24,763	25,036	26,128	27,056	102,983	113,378
													< \$17.75/boe
TOTAL EXPENSES	135,174	146,167	42,097	39,761	40,415	43,025	165,298	41,495	39,581	41,647	43,814	166,537	177,861
OPERATING EARNING	179,401	163,313	48,968	38,511	33,949	26,734	148,162	36,323	54,053	67,606	56,523	214,505	211,706
OTHER INCOME (EXPENSES)													
Foreign exchange gain (loss)	(6,657)	28,347	(446)	(26,171)	10,125	(8,334)	(24,826)	8,343	0	0	0	8,343	0
Management fee	(308)	(303)	(70)	(21)	0	0	(91)	0	0	0	0	0	0
													< Non-cash item does not impact valuation
													< Mgmt fee agreement terminated April 2025
INCOME BEFORE INCOME TAXES	172,436	191,357	48,452	12,319	44,074	18,400	123,245	44,666	54,053	67,606	56,523	222,848	211,706
INCOME TAXES													
Current	35,465	30,182	9,180	7,379	3,686	4,581	24,826	6,062	8,108	10,141	8,478	32,789	31,756
Deferred	5,067	11,729	1,961	(1,296)	6,235	97	6,997	3,491	4,324	5,408	4,522	17,746	16,936
													< 15%
													< 08%
NET INCOME to common stockholders	\$131,904	\$149,446	\$37,311	\$6,236	\$34,153	\$13,722	\$91,422	\$35,113	\$41,621	\$52,056	\$43,523	\$172,313	\$163,013
Common Shares Outstanding	150,676	151,378	163,960	163,960	163,960	163,960	163,960	163,960	164,000	164,000	164,000	163,990	165,000
													< Common Stock outstanding at end of each Qtr
Earnings per share	\$0.88	\$0.99	\$0.23	\$0.04	\$0.21	\$0.08	\$0.56	\$0.21	\$0.25	\$0.32	\$0.27	\$1.05	\$0.99
NOTE: Current First Call Estimated EPS												\$0.76	\$0.79
													< First Call's Adjusted Net Income per share Estimates
Cash flow from operations (\$Thousands)	\$239,665	\$230,975	\$68,050	\$56,600	\$58,854	\$51,068	\$234,572	\$59,017	\$71,782	\$81,093	\$75,600	\$287,492	\$285,328
Cashflow per share (before CapEx)	\$1.59	\$1.53	\$0.42	\$0.35	\$0.36	\$0.31	\$1.43	\$0.36	\$0.44	\$0.49	\$0.46	\$1.75	\$1.73
													< Fair Value 12 X 2025 to 2027 CFPS = \$20.00
													U.S. Price Target @72% > \$14.40 < US
													First Call's Price Target > \$19.05 < Cdn
PRODUCTION													
Natural Gas (mcf/d)	33,167	32,287	33,678	33,220	33,459	33,180	33,384	32,392	31,620	32,640	33,799	32,613	35,700
Light and Medium Oil (bbls/d)	6,203	6,255	6,880	6,940	6,661	6,455	6,734	6,432	6,433	6,640	6,876	6,595	7,263
Heavy Oil (bbls/d)	1,187	1,370	1,552	1,557	1,481	1,619	1,552	1,459	1,473	1,520	1,574	1,506	1,663
NGLs (bbls/d)	1,796	1,956	2,203	2,550	2,335	2,690	2,445	2,243	2,325	2,400	2,485	2,363	2,625
													< 2026 Mix
boepd	14,714	14,962	16,248	16,584	16,054	16,294	16,295	15,533	15,500	16,000	16,568	15,900	17,500
													< 2026 Producton Guidance is 15,500 to 16,300 boepd
PRODUCT PRICES													
Natural Gas (\$/mcf)	\$ 2.41	\$ 1.25	\$ 2.29	\$ 1.79	\$ 1.19	\$ 1.84	\$ 1.78	\$ 2.99	\$ 2.00	\$ 2.25	\$ 2.50	\$ 2.43	\$ 2.50
Light and Medium Oil (bbls/d)	\$ 96.14	\$ 96.31	\$ 96.62	\$ 82.99	\$ 85.10	\$ 80.66	\$86.34	\$ 88.86	\$ 111.94	\$ 125.83	\$ 110.56	\$109.30	\$ 98.06
Heavy Oil (bbls/d)	\$ 85.54	\$ 84.75	\$ 85.00	\$ 71.00	\$ 72.00	\$ 67.00	\$73.75	\$ 76.48	\$ 98.94	\$ 112.83	\$ 97.56	\$96.45	\$ 85.06
NGLs (\$/bbl)	\$ 39.19	\$ 37.96	\$ 40.63	\$ 34.95	\$ 30.83	\$ 27.52	\$33.48	\$ 32.96	\$ 34.00	\$ 36.00	\$ 38.00	\$35.24	\$ 37.00
													< With U.S. production increasing rapidly, the company's average realized natural gas price should be higher.
													< \$13/bbl discount to row 55
Gross Revenue check (prod * ave price)	309,596	304,934	86,696	75,993	72,247	68,776	305,537	76,843	91,734	107,353	98,337	375,509	379,567
	\$ 1.08	\$ 1.08	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 1.08	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 1.08	\$ 1.20
													< Dividends of \$0.09Cdn/share are paid monthly

Our newsletters, company profiles and the information contained herein are strictly the opinion of the publishers (Energy Prospectus Group, a Division of DMS Publishing, LLC) and is intended for informational purposes only. Readers are encouraged to do their own research and due diligence before making any investment decisions. The publishers will not be held liable for any actions taken by the reader. Although the information in the newsletters and company profiles has been obtained from resources that the publishers believe to be reliable, DMS Publishing, LLC dba Energy Prospectus Group does not guarantee its accuracy. Please note that the publishers may take positions in companies profiled.