MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's discussion and analysis (“MD&A”) is dated March 2, 2022 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 for a full understanding of the financial position and results of operations of Crescent Point Energy Corp. (the “Company” or “Crescent Point”).

The audited consolidated financial statements and comparative information for the year ended December 31, 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB").

STRUCTURE OF THE BUSINESS

The principal undertaking of Crescent Point is to carry on the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets related thereto through a general partnership and wholly owned subsidiaries. Amounts in this MD&A are in Canadian dollars unless noted otherwise. References to “US$” and "US dollars" are to United States (“U.S.”) dollars.

Overview

Crescent Point's 2021 results demonstrate the Company's operational execution, dedication to strengthening the balance sheet and commitment to shareholder returns. WTI crude oil prices strengthened during the year, supporting strong financial results with adjusted funds flow from operations of $1.48 billion, net income of $2.36 billion and adjusted net earnings from operations of $515.3 million. The Company generated $788.4 of excess cash flow in 2021 and ended the year with a net debt to adjusted funds flow from operations of 1.4 times.

Crescent Point continued to enhance its asset portfolio in 2021 through two strategic transactions. In April it closed the acquisition of its Kaybob Duvernay assets for total consideration of $940.6 million including closing adjustments. The Kaybob acquisition provided an entry into an established liquids rich play and it included production of approximately 30,000 boe/d, weighted 65 percent towards condensate and liquids, and approximately 500 net sections of land. In June, the Company closed the disposition of its remaining non-core southeast Saskatchewan conventional assets for proceeds of $85.9 million after closing adjustments. In conjunction with the disposition, the Company reduced its corporate decommissioning liabilities by approximately 25 percent.

Crescent Point's production averaged 132,683 boe/d during 2021 which was in-line with the Company's guidance of 132,000 to 134,000 boe/d. Development capital expenditures totaled $624.2 million which was consistent with guidance of $625.0 million. Operating expenses were $625.3 million or $12.91/boe, under the Company's guidance of $635.0 million or $13.00 to $13.20/boe.

With the improvements to the Company's balance sheet, sustainability and free cash flow generating capabilities, the Company increased its return of capital to shareholders with increases to its base dividend and share repurchases under its Normal Course Issuer Bid ("NCIB"). The Company declared two increases to its quarterly base dividend in 2021, from an initial quarterly dividend of $0.0025 per share to a quarterly dividend of $0.045 per share. The Company is currently targeting $150.0 million of aggregate share repurchases through the first half of 2022, inclusive of 2.8 million shares repurchased in December 2021 for $17.5 million.

Crescent Point's 2022 budget includes annual average production guidance of 133,000 to 137,000 boe/d, development capital expenditures of $825.0 to $900.0 million and operating expenses of $13.25 to $13.75/boe. Based on current forecast commodity prices and the Company's 2022 hedge book, the budget is expected to generate strong returns, significant excess cash flow, continued debt reduction and the opportunity to provide further returns of capital to shareholders.

Adjusted funds flow from operations, adjusted net earnings from operations, net debt to adjusted funds flow from operations and excess cash flow are specified financial measures that do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the Specified Financial Measures section in this MD&A for further information.

Results of Operations

Production

	2021	2020	% Change
Crude oil and condensate (bbls/d)	**95,839**	95,859	—
NGLs (bbls/d)	**17,769**	14,542	22
Natural gas (mcf/d)	**114,452**	67,447	70
Total (boe/d)	**132,683**	121,642	9
Crude oil and liquids (%)	**86**	91	(5)
Natural gas (%)	**14**	9	5
Total (%)	**100**	100	—

The following is a summary of Crescent Point's production by area:

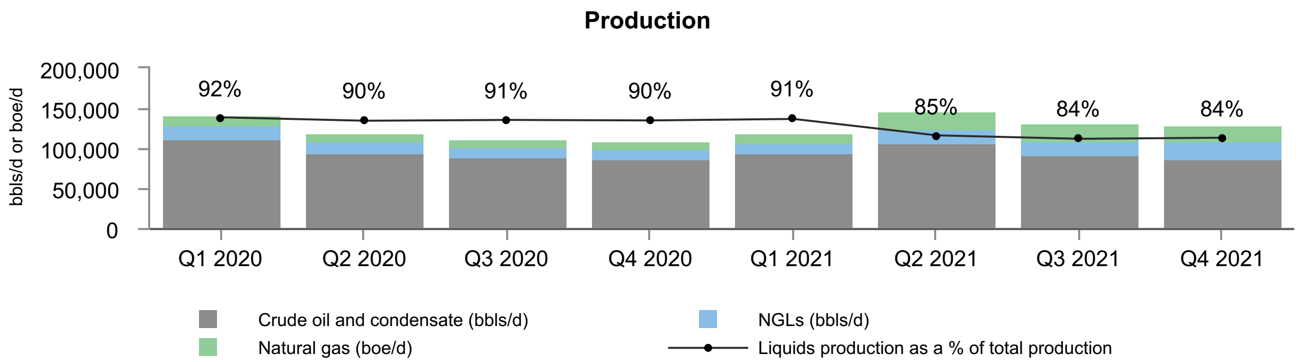
Production By Area (boe/d)	2021	2020 [1]	% Change
Saskatchewan	**80,893**	94,271	(14)
Alberta	**31,739**	8,873	258
United States	**20,051**	18,498	8
Total	**132,683**	121,642	9

(1) Comparative period revised to reflect current year presentation. Refer to the *Critical Accounting Estimates* section of this MD&A for further information.

Total production averaged 132,683 boe/d during 2021 compared to 121,642 boe/d in 2020. The increase of 9 percent was primarily due to production from the Kaybob Duvernay acquisition, which closed in the second quarter of 2021, partially offset by a reduced development capital program in the first half of 2021 as compared to 2020 and the non-core southeast Saskatchewan asset disposition in the second quarter of 2021. Production in 2020 was also impacted by the voluntary shut-in of production as a result of low crude oil prices, after which shut-in wells were reactivated in the third quarter of 2020.

The Company's weighting to crude oil and liquids production in 2021 decreased by 5 percent from the 2020 comparative year, primarily due to higher natural gas production as a result of the acquisition of the Kaybob Duvernay assets and the disposition of oil weighted assets in southeast Saskatchewan.

Exhibit 1



Marketing and Prices

Average Selling Prices [1]	2021	2020	% Change
Crude oil and condensate ($/bbl)	**78.43**	43.50	80
NGLs ($/bbl)	**42.33**	17.19	146
Natural gas ($/mcf)	**4.51**	3.02	49
Total ($/boe)	**66.21**	38.01	74

(1) The average selling prices reported are before realized commodity derivatives and transportation.

Benchmark Pricing	2021	2020	% Change
Crude Oil Prices			
WTI crude oil (US$/bbl) (1)	**67.96**	39.40	72
WTI crude oil (Cdn$/bbl)	**85.16**	52.82	61
Crude Oil and Condensate Differentials			
LSB crude oil (Cdn$/bbl) (2)	**(5.01)**	(7.08)	(29)
FOS crude oil (Cdn$/bbl) (3)	**(12.89)**	(13.03)	(1)
UHC crude oil (US$/bbl) (4)	**(0.05)**	(2.48)	(98)
C5+ condensate (Cdn$/bbl) (5)	**0.35**	(3.03)	(112)
Natural Gas Prices			
AECO daily spot natural gas (Cdn$/mcf) (6)	**3.62**	2.23	62
AECO monthly index natural gas (Cdn$/mcf)	**3.57**	2.24	59
NYMEX natural gas (US$/mmbtu) (7)	**3.85**	2.08	85
Foreign Exchange Rate			
Exchange rate (US$/Cdn$)	**0.798**	0.746	7

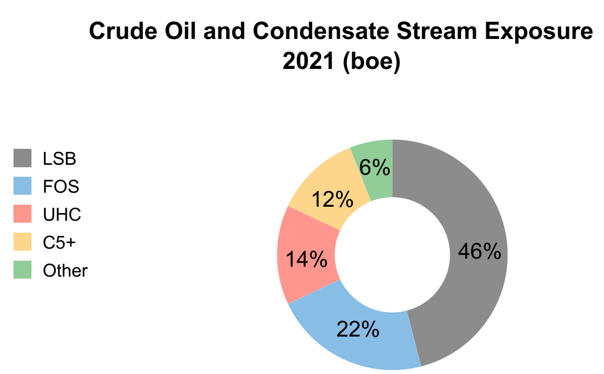
(1) WTI refers to the West Texas Intermediate crude oil price.
(2) LSB refers to the Light Sour Blend crude oil price.
(3) FOS refers to the Fosterton crude oil price, which typically receives a premium to the Western Canadian Select price.
(4) UHC refers to the Sweet at Clearbrook crude oil price.
(5) C5+ condensate refers to the Canadian C5+ condensate index.
(6) AECO refers to the Alberta Energy Company natural gas price.
(7) NYMEX refers to the New York Mercantile Exchange natural gas price.

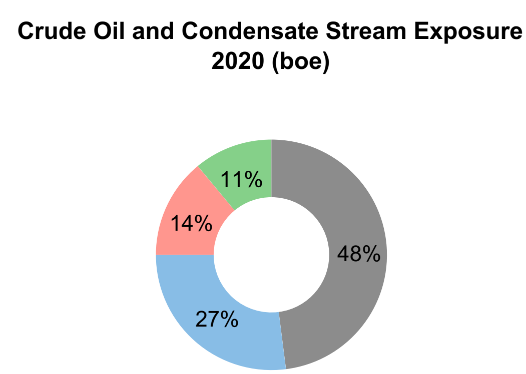
Crude oil prices strengthened in 2021, as the global recovery from the COVID-19 pandemic and vaccine roll outs facilitated increased mobility and reduced restrictions, resulting in higher demand for crude oil and crude oil products and lower inventory levels. WTI prices were positively impacted by continued supply management by OPEC which led to demand outpacing supply throughout 2021. The average US$ WTI benchmark price increased 72 percent during 2021 compared to 2020.

Natural gas prices strengthened in 2021, primarily due to increased weather-related demand, higher industrial demand and reduced supply due to lower trailing inventory levels. Expectations for continued strong demand, coupled with lower inventories, have been constructive for AECO pricing. The AECO daily benchmark price was 62 percent higher in 2021 compared to 2020.

U.S. natural gas prices were higher on average during 2021 as demand continued to outpace supply due to the global recovery from the pandemic, weather driven demand and supply shortages in Europe and Asia pushing global gas prices upward. The NYMEX benchmark gas price was 85 percent higher in 2021 compared to 2020.

Exhibit 2





Crude oil and condensate differentials narrowed in 2021 due to lower inventory levels and higher demand. In 2020, differentials were impacted by pandemic related demand destruction and decreased supply due to shut-in production. Crude oil differentials narrowed in 2021, due to higher overall demand of crude oil and crude oil products along with lower inventory levels in the U.S. and Canada. In 2021, there was more stability in market prices due to the recovery, resulting in increased demand for diluent blending which improved C5+ differentials.

In 2021, the Company's average selling price for crude oil and condensate increased 80 percent from 2020, primarily due to the 72 percent increase in US$ WTI and a narrower corporate oil price differential. Crescent Point's corporate oil and condensate differential relative to Cdn$ WTI for the year ended 2021 was $6.73 per bbl compared to $9.32 per bbl in 2020. The improvement was driven by narrowing crude oil differentials and the increased weighting towards condensate production.

In 2021, the Company's average selling price for NGLs increased significantly from $17.19 per bbl to $42.33 per bbl. The increase in average selling price for NGLs was primarily due to the increase in US$ WTI and propane benchmark prices.

The Company's average selling price for natural gas in 2021 increased 49 percent to $4.51 per mcf, primarily as a result of the increase in the AECO and NYMEX benchmark prices.

Exhibit 3

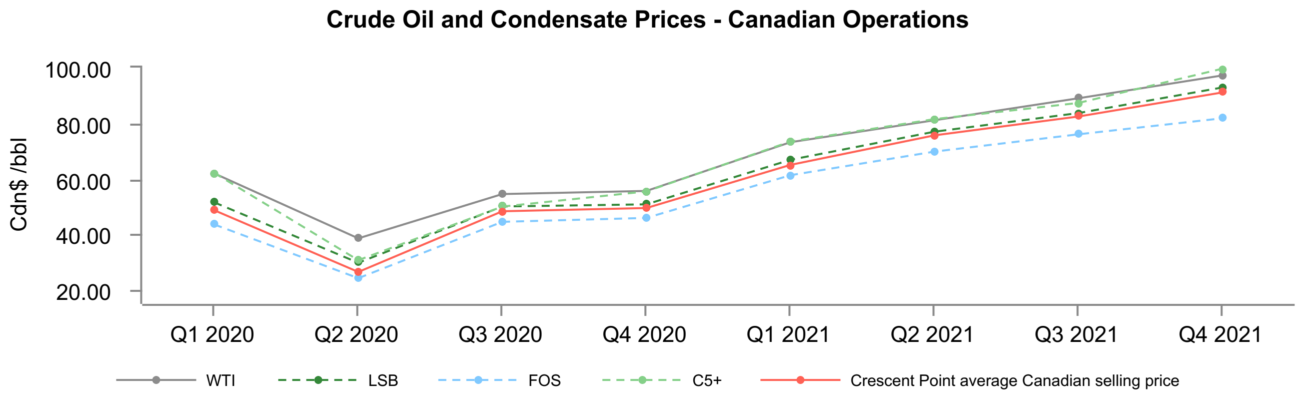
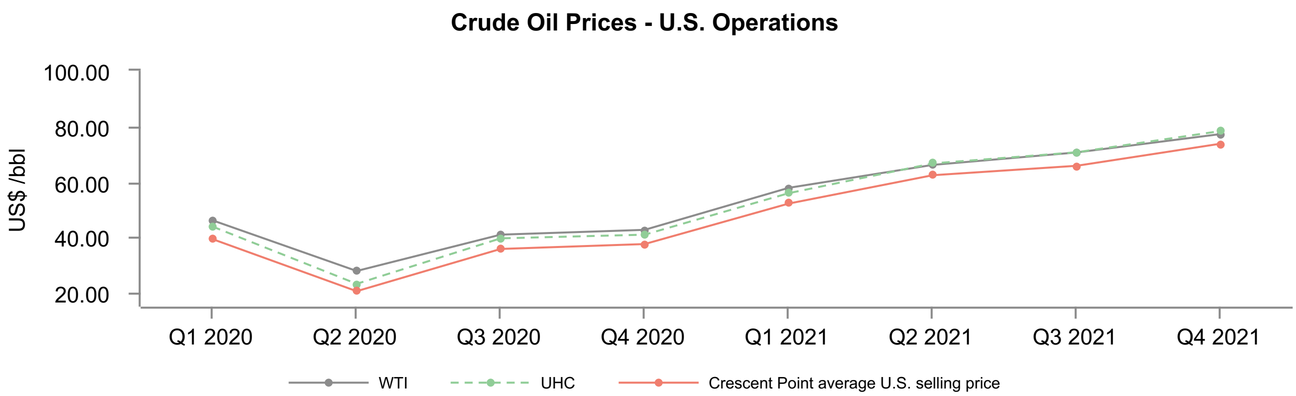


Exhibit 4



Commodity Derivatives

Management of cash flow variability is an integral component of Crescent Point's business strategy. Crescent Point regularly monitors changing business and market conditions while executing its strategic risk management program. Crescent Point proactively manages the risk exposure inherent in movements in the price of crude oil, propane, natural gas, interest rates, the Company's share price and the US/Cdn dollar exchange rate through the use of derivatives with investment-grade counterparties.

The Company's crude oil, NGL and natural gas derivatives are referenced to WTI, Conway C3, NYMEX and AECO monthly index, respectively, unless otherwise noted. Crescent Point utilizes a variety of derivatives, including swaps, collars and put options to protect against downward commodity price movements while also providing the opportunity for some upside participation during periods of rising prices. This reduces the volatility of the selling price of crude oil and natural gas production and provides a measure of stability to the Company's cash flow. See Note 25 – "Financial Instruments and Derivatives" in the audited consolidated financial statements for the year ended December 31, 2021 for additional information on the Company's derivatives.

The following is a summary of the realized commodity derivative gains (losses):

($ millions, except volume amounts)	**2021**	2020	% Change
Average crude oil volumes hedged (bbls/d) (1)	**48,432**	62,733	(23)
Crude oil realized derivative gain (loss) (1)	**(351.1)**	246.4	(242)
per bbl	**(10.04)**	7.02	(243)
Average NGL volumes hedged (bbls/d)	**210**	—	100
NGL realized derivative loss	**(0.7)**	—	100
per bbl	**(0.11)**	—	100
Average natural gas volumes hedged (GJ/d) (2)	**35,397**	4,167	749
Natural gas realized derivative loss	**(9.0)**	(0.7)	1,186
per GJ	**(0.22)**	(0.03)	633
Average barrels of oil equivalent hedged (boe/d) (1)	**54,234**	63,392	(14)
Total realized commodity derivative gains (losses) (1)	**(360.8)**	245.7	(247)
per boe	**(7.45)**	5.52	(235)

(1) The crude oil realized derivative gain (loss) for the year ended December 31, 2021 includes the realized derivative gains and losses on financial price differential contracts. The average crude oil volumes hedged and average barrels of oil equivalent hedged do not include the hedged volumes related to financial price differential contracts.

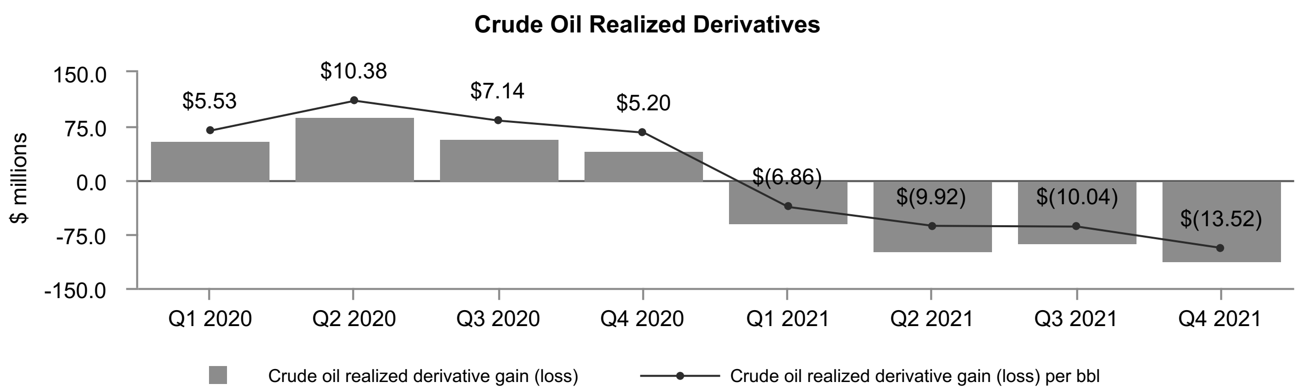
(2) GJ/d is defined as gigajoules per day.

The Company's realized derivative losses for crude oil was $351.1 million for the year ended December 31, 2021, compared to a realized derivative gain $246.4 million in 2020. The realized derivative losses in 2021 were primarily attributable to the increase in the Cdn$ WTI benchmark price.

Crescent Point's realized derivative losses for natural gas was $9.0 million for the year ended December 31, 2021, due to the higher average AECO monthly index price compared to the Company's average derivative natural gas price.

The Company's realized derivative loss for NGLs was $0.7 million for the year ended December 31, 2021, due to the increase in the Conway C3 benchmark price compared to the Company's average derivative NGL price.

Exhibit 5



The following is a summary of the Company's unrealized commodity derivative losses:

($ millions)	**2021**	2020	% Change
Crude oil	**(128.6)**	(53.0)	143
NGL	**1.9**	—	100
Natural gas	**(1.4)**	0.6	(333)
Total unrealized commodity derivative losses	**(128.1)**	(52.4)	144

For the year ended December 31, 2021, the Company recognized a total unrealized derivative loss of $128.1 million on its commodity contracts compared to $52.4 million in 2020. The increased unrealized derivative loss in 2021 was primarily attributable to crude oil contracts and reflects the increase in the Cdn$ WTI forward benchmark prices at December 31, 2021 compared to December 31, 2020.

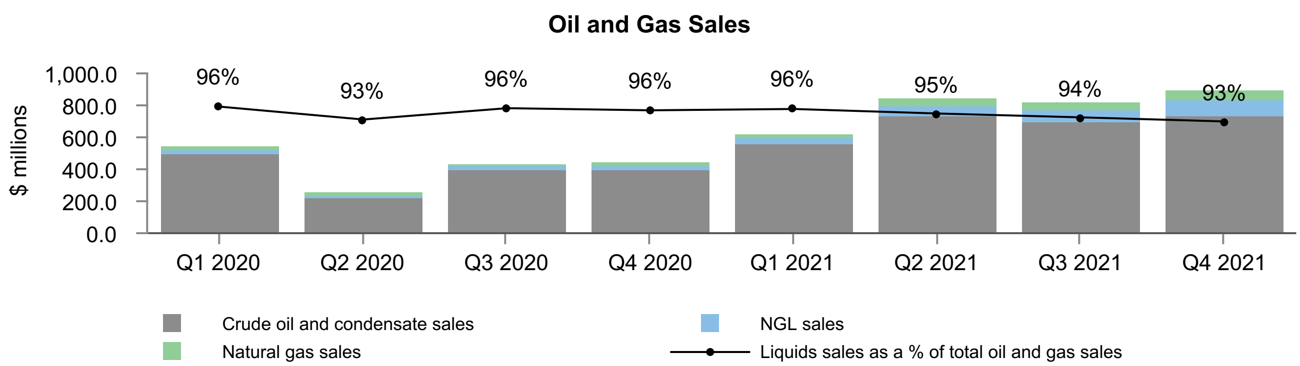
Oil and Gas Sales

($ millions) [1]	**2021**	2020	% Change
Crude oil and condensate sales	**2,743.7**	1,526.1	80
NGL sales	**274.5**	91.5	200
Natural gas sales	**188.3**	74.6	152
Total oil and gas sales	**3,206.5**	1,692.2	89

(1) Oil and gas sales are reported before realized commodity derivatives.

Total oil and gas sales increased by 89 percent in 2021 compared to 2020. The increase is primarily due to the increase in realized crude oil prices as a result of the recovery in benchmark commodity prices and higher production levels.

Exhibit 6

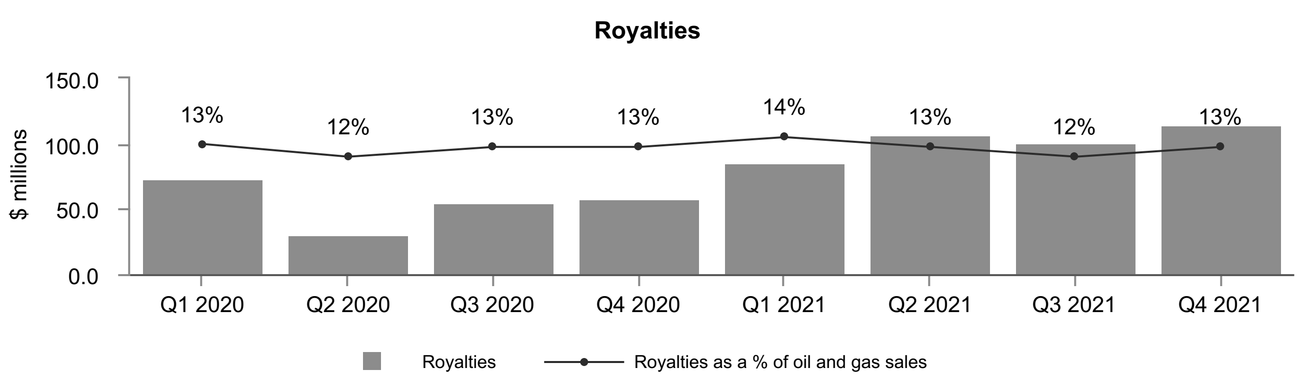


Royalties

($ millions, except % and per boe amounts)	**2021**	2020	% Change
Royalties	**408.8**	217.1	88
As a % of oil and gas sales	**13**	13	—
Per boe	**8.44**	4.88	73

Royalties increased 88 percent in 2021 compared to 2020, largely due to the 89 percent increase in oil and gas sales. Royalties as a percentage of oil and gas sales increased due to higher commodity pricing, offset by a lower royalty rate associated with the Kaybob Duvernay acquisition.

Exhibit 7



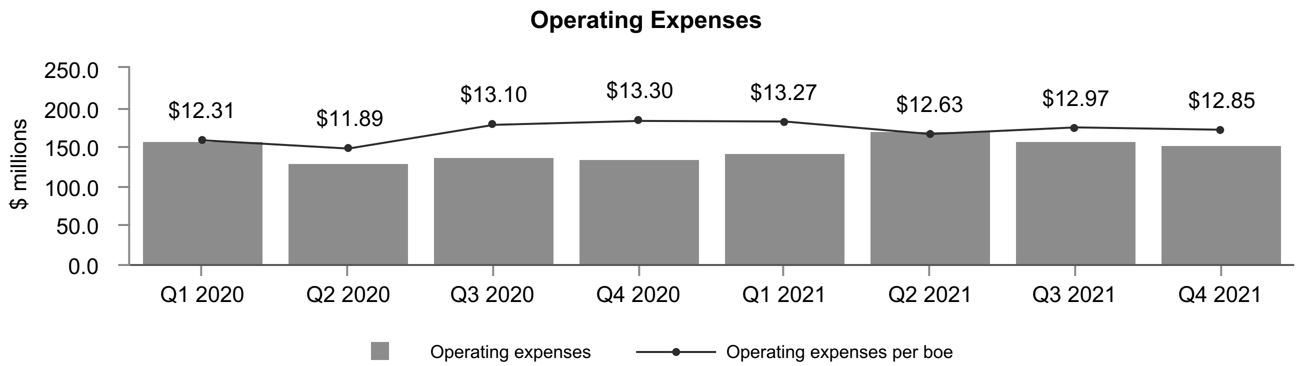
Operating Expenses

($ millions, except per boe amounts)	**2021**	2020	% Change
Operating expenses	**625.3**	561.8	11
Per boe	**12.91**	12.62	2

Operating expenses increased 11 percent in 2021 compared to 2020. The increase was primarily attributable to the acquisition of the Kaybob Duvernay assets completed at the beginning of the second quarter of 2021 and an increased maintenance program as activity returned to pre-pandemic levels, partially offset by decreases attributable to the southeast Saskatchewan disposition in the second quarter of 2021.

Operating expenses per boe increased by 2 percent in the year ended December 31, 2021, primarily due to the Company's increased maintenance program and higher third party processing fees, partially offset by lower per boe operating costs associated with the acquired Kaybob Duvernay assets.

Exhibit 8

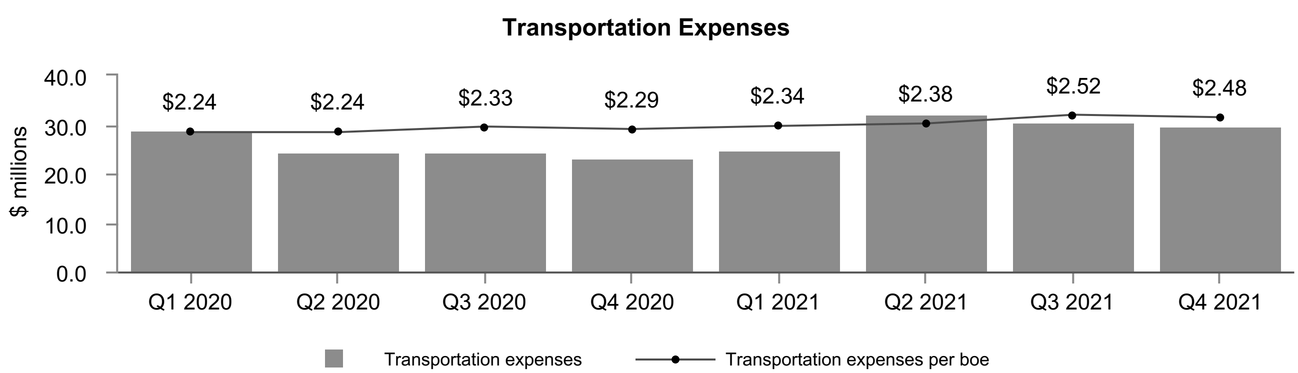


Transportation Expenses

($ millions, except per boe amounts)	**2021**	2020	% Change
Transportation expenses	**117.7**	101.1	16
Per boe	**2.43**	2.27	7

Transportation expenses increased 16 percent in 2021 compared to 2020, primarily due to higher production as a result of the Kaybob Duvernay acquisition. On a per boe basis, transportation expenses increased by $0.16 per boe in the year ended December 31, 2021 compared to 2020, primarily due to higher pipeline tariffs.

Exhibit 9



Netback

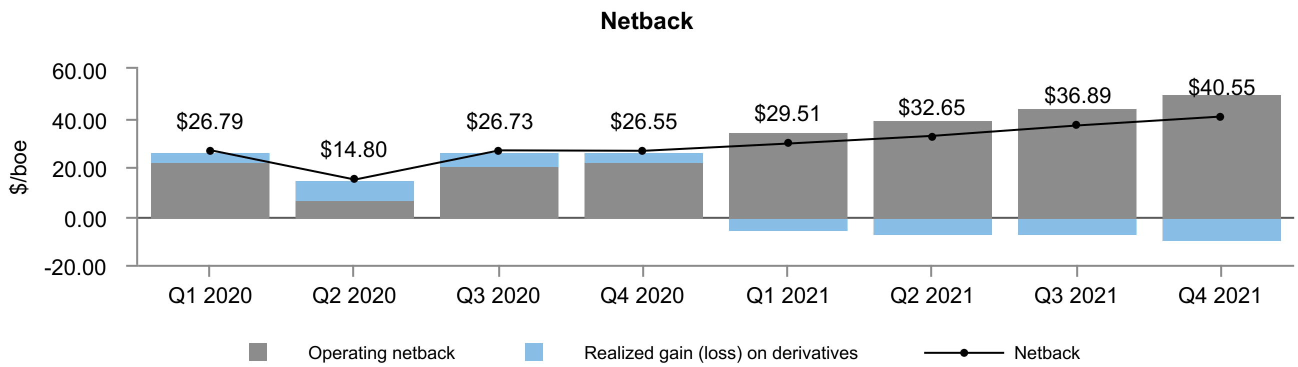
	2021	2020	
	Total (2) ($/boe)	Total (2) ($/boe)	% Change
Oil and gas sales	**66.21**	38.01	74
Royalties	**(8.44)**	(4.88)	73
Operating expenses	**(12.91)**	(12.62)	2
Transportation expenses	**(2.43)**	(2.27)	7
Operating netback (1)	**42.43**	18.24	133
Realized gain (loss) on commodity derivatives	**(7.45)**	5.52	(235)
Netback (1)	**34.98**	23.76	47

(1) Specified financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the *Specified Financial Measures* section in this MD&A for further information.

(2) The dominant production category for the Company's properties is crude oil and condensate. These properties include associated natural gas and NGL volumes, therefore, the total operating netback and netback have been presented.

The Company's operating netback for the year ended December 31, 2021 increased significantly to $42.43 per boe from $18.24 per boe in 2020. The increase in the Company's operating netback in 2021 was primarily due to the increase in average selling price, partially offset by higher royalties. The increase in the Company's netback was a result of the increase in the operating netback, partially offset by the realized loss on commodity derivatives.

Exhibit 10



General and Administrative Expenses

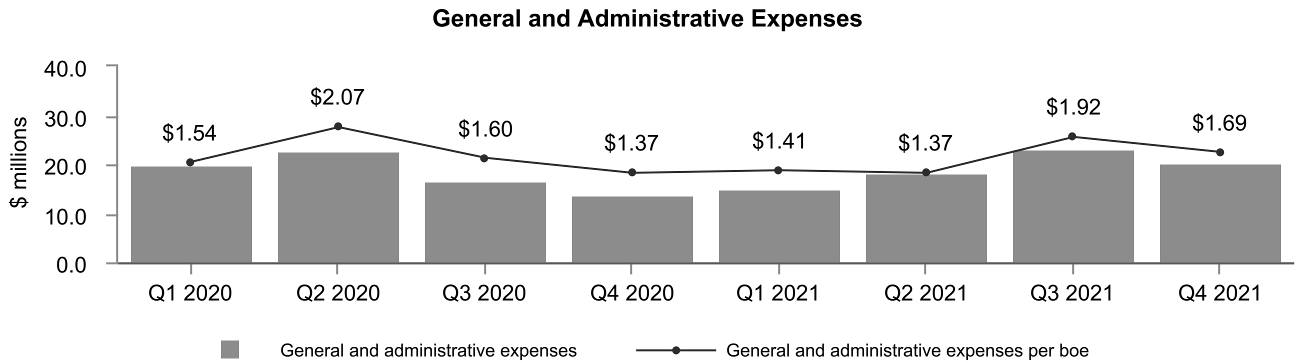
($ millions, except per boe amounts)	2021	2020	% Change
Gross general and administrative expenses	**140.0**	131.3	7
Overhead recoveries	**(19.4)**	(20.3)	(4)
Capitalized	**(30.8)**	(32.3)	(5)
Total general and administrative expenses	**89.8**	78.7	14
Transaction costs	**(12.5)**	(5.4)	131
General and administrative expenses	**77.3**	73.3	5
Per boe	**1.60**	1.65	(3)

General and administrative ("G&A") expenses increased to $77.3 million in 2021 compared to $73.3 million in 2020. The increase is primarily due to higher employee related costs, partially offset by lower professional fees. Severance charges have caused G&A to fluctuate with $8.9 million of severance and one-time costs related to the closure of the Company's U.S. corporate office in 2021, compared to $6.3 million of severance in 2020. Lower G&A expenses in 2020 included $9.8 million of remuneration received from the Canadian Emergency Wage Subsidy ("CEWS"). The Company made no CEWS claims in 2021.

For the year ended December 31, 2021, G&A expenses on a per boe basis decreased 3 percent compared to 2020, primarily due higher production volumes, partially offset by the increase in total G&A discussed above.

Transaction costs incurred in 2021 primarily relate to the Kaybob Duvernay acquisition and the southeast Saskatchewan disposition. Refer to *Capital Acquisitions and Dispositions* section in this MD&A for further information.

Exhibit 11



Interest Expense

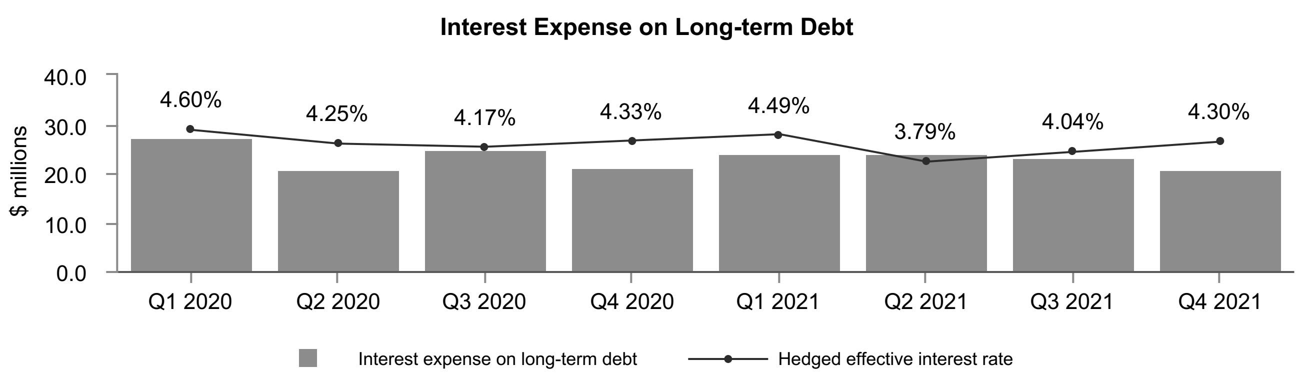
($ millions, except per boe amounts)	**2021**	2020	% Change
Interest expense on long-term debt	**88.9**	94.6	(6)
Unrealized loss on interest derivative contracts	**1.7**	14.5	(88)
Interest expense	**90.6**	109.1	(17)
Per boe	**1.87**	2.45	(24)

Interest expense on long-term debt decreased 6 percent in 2021, primarily due to the Company's lower effective interest rate. Crescent Point's hedged effective interest rate decreased to 4.13 percent in 2021 compared to 4.28 percent in 2020, reflecting the higher proportion of the Company's debt at lower floating rates.

During the year ended December 31, 2021, the Company recognized an unrealized loss on interest rate derivatives of $1.7 million compared to $14.5 million in 2020. The unrealized loss in 2021 was primarily due to the impact of the stronger Canadian dollar at December 31, 2021 as compared to December 31, 2020 on the interest payments related to the Company's cross currency swaps ("CCS").

Crescent Point manages its interest rate exposure through a combination of interest rate swaps and a debt portfolio including short-term floating rate bank debt and long-term fixed rate senior guaranteed notes. At December 31, 2021, approximately 82 percent of the Company's long-term debt had fixed interest rates.

Exhibit 12



Foreign Exchange Gain

($ millions)	**2021**	2020	% Change
Realized gain on CCS - principal	**—**	49.3	(100)
Translation of US dollar long-term debt	**37.0**	12.8	189
Unrealized loss on CCS - principal and foreign exchange swaps	**(34.4)**	(56.6)	(39)
Other	**1.8**	(1.2)	(250)
Foreign exchange gain	**4.4**	4.3	2

Crescent Point has US dollar denominated debt, including short-term London Inter-bank Offered Rate ("LIBOR") loans under its bank credit facilities and US dollar senior guaranteed notes. The Company hedges its foreign exchange exposure using a combination of CCS and foreign exchange swaps. During the year ended December 31, 2021, realized losses on CCS related to LIBOR loan maturities were offset by gains on CCS related to senior guaranteed note maturities.

The Company records foreign exchange gains or losses on the year end translation of US dollar long-term debt and related accrued interest. For the year ended December 31, 2021, the Company recorded a foreign exchange gain of $37.0 million, which was attributed to the stronger Canadian dollar at December 31, 2021 as compared to December 31, 2020.

For the year ended December 31, 2021, Crescent Point recorded an unrealized loss on foreign exchange derivatives of $34.4 million reflecting the impact of the stronger forward Canadian dollar on the Company's CCS at December 31, 2021 as compared to December 31, 2020.

Share-based Compensation Expense

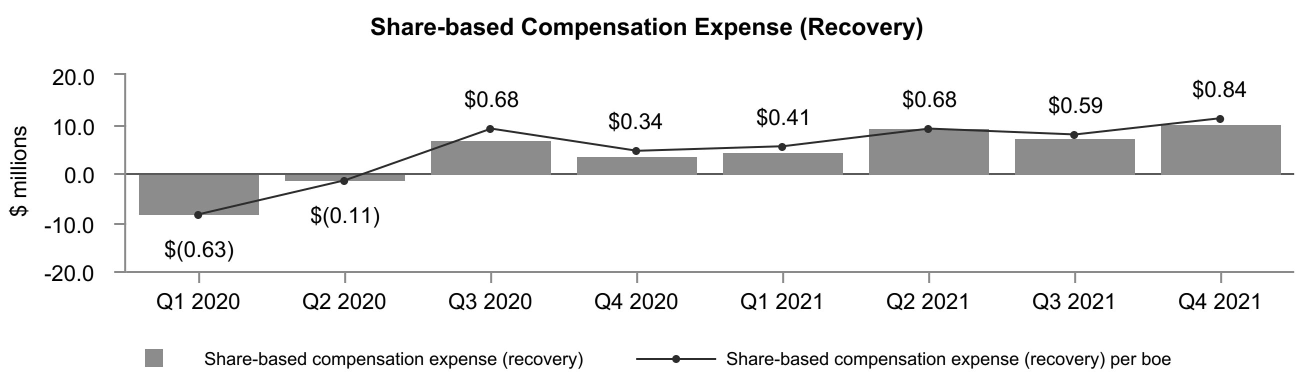
($ millions, except per boe amounts)	**2021**	2020	% Change
Share-based compensation costs	**77.7**	17.7	339
Realized gain on equity derivative contracts	**(9.7)**	—	(100)
Unrealized gain on equity derivative contracts	**(22.8)**	(11.0)	107
Capitalized	**(14.3)**	(5.4)	165
Share-based compensation expense	**30.9**	1.3	2,277
Per boe	**0.64**	0.03	2,033

During the year ended December 31, 2021, the Company recorded share-based compensation ("SBC") costs of $77.7 million compared to $17.7 million in 2020. The higher SBC costs primarily relate to an increase in the fair value of cash-settled plans as a result of the increase in the Company's share price.

In 2021, the Company recognized an unrealized gain on equity derivative contracts of $22.8 million compared to $11.0 million in 2020. The unrealized gain was primarily due to the increase in the Company's share price at December 31, 2021 compared to December 31, 2020. In the year ended December 31, 2021, the Company also recognized a realized gain of $9.7 million on an equity derivative contract which matured during the first quarter of 2021.

The Company capitalized share-based compensation costs of $14.3 million in 2021, an increase of 165 percent from 2020. The increase was primarily due to the increase in total share-based compensation costs as noted above.

Exhibit 13



The following table summarizes the number of Restricted Shares, Employee Share Value Plan ("ESVP") awards, Performance Share Units ("PSUs"), Deferred Share Units ("DSUs") and stock options outstanding:

	December 31, 2021	December 31, 2020
Restricted Share Bonus Plan (1)	**3,267,717**	4,704,129
Employee Share Value Plan	**8,329,291**	10,449,383
Performance Share Unit Plan (2)	**3,214,620**	3,789,689
Deferred Share Unit Plan	**1,556,780**	1,278,263
Stock Option Plan (3)	**5,839,464**	5,940,871

(1) At December 31, 2021, the Company was authorized to issue up to 12,924,280 common shares (December 31, 2020 - 15,033,521 common shares).

(2) Based on underlying units before any effect of performance multipliers.

(3) At December 31, 2021, the weighted average exercise price is $4.04 per share (December 31, 2020 - $3.92 per share).

As of the date of this report, the Company had 3,124,582 restricted shares, 8,142,062 ESVP awards, 4,118,686 PSUs, 1,571,253 DSUs and 5,839,464 stock options outstanding.

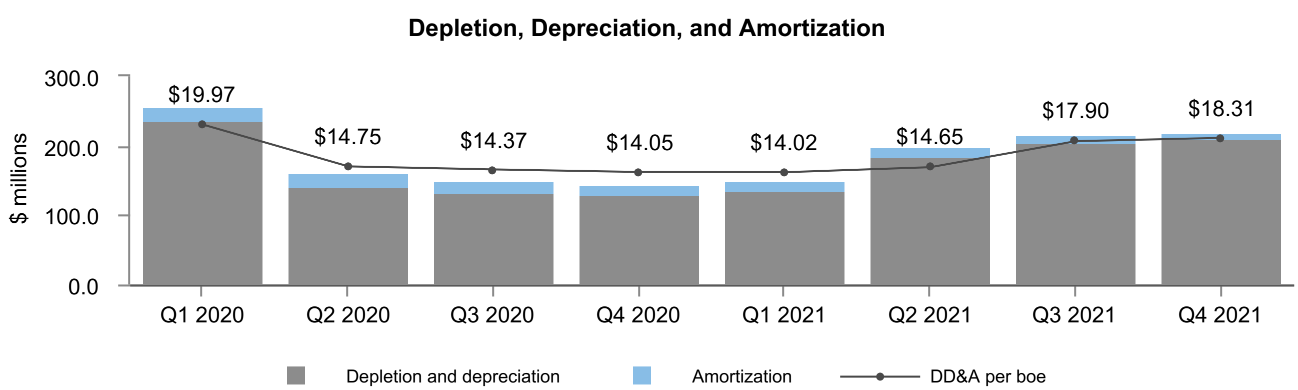
Depletion, Depreciation and Amortization

($ millions, except per boe amounts)	**2021**	2020	% Change
Depletion and depreciation	**735.1**	640.8	15
Amortization of exploration and evaluation undeveloped land	**51.0**	71.9	(29)
Depletion, depreciation and amortization	**786.1**	712.7	10
Per boe	**16.23**	16.01	1

Depletion, depreciation and amortization ("DD&A") increased 10 percent compared to 2020 as a result of higher production and an increased DD&A rate, partially offset by reduced amortization of undeveloped land.

For the year ended December 31, 2021, the Company's DD&A rate increased to $16.23 per boe from $16.01 per boe in 2020, primarily due to the impairment reversal recorded in the second quarter of 2021 which increased the carrying value of the Company's property, plant and equipment ("PP&E").

Exhibit 14



Impairment (Impairment Reversal)

($ millions, except per boe amounts)	**2021**	2020	% Change
Impairment (impairment reversal)	**(2,514.4)**	3,557.8	(171)
Per boe	**(51.92)**	79.91	(165)

In the second quarter of 2021, the Company recognized an impairment reversal of $2.51 billion on its development and production assets, primarily due to the increase in forecast benchmark commodity prices at June 30, 2021 compared to March 31, 2020. In the first quarter of 2020, the Company recognized $3.56 billion of impairment expense due to the significant decrease in commodity prices at March 31, 2020. See Note 8 – "Property, Plant and Equipment" in the audited consolidated financial statements for the year ended December 31, 2021 for further information.

Other Income

The Company recorded other income of $99.4 million in 2021 compared to $322.3 million in 2020. Other income in 2021 was comprised primarily of gains on asset dispositions and government subsidies received for decommissioning expenditures. Other income in 2020 was primarily comprised of the gain recognized from the Company's sale of gas infrastructure assets. See Note 19 – "Other Income" in the audited consolidated financial statements for the year ended December 31, 2021 for further information.

Taxes

($ millions)	**2021**	2020	% Change
Current tax expense	**—**	0.2	(100)
Deferred tax expense (recovery)	**799.7**	(627.8)	(227)

Current Tax Expense

In the year ended December 31, 2021, the Company recorded current tax expense of nil, compared to $0.2 million for the year ended December 31, 2020. Refer to the Company's Annual Information Form for the year ended December 31, 2021 for information on the Company's expected tax horizon.

Deferred Tax Expense (Recovery)

The deferred tax expense in 2021 primarily relates to the pre-tax income mainly resulting from the impairment reversal recognized, partially offset by a change in estimate for future usable tax pools due to higher forecast commodity prices. The deferred tax recovery in 2020 was primarily due to the pre-tax loss resulting from the impairment expense recognized, partially offset by the change in estimate for future usable tax pools due to lower forecast commodity prices.

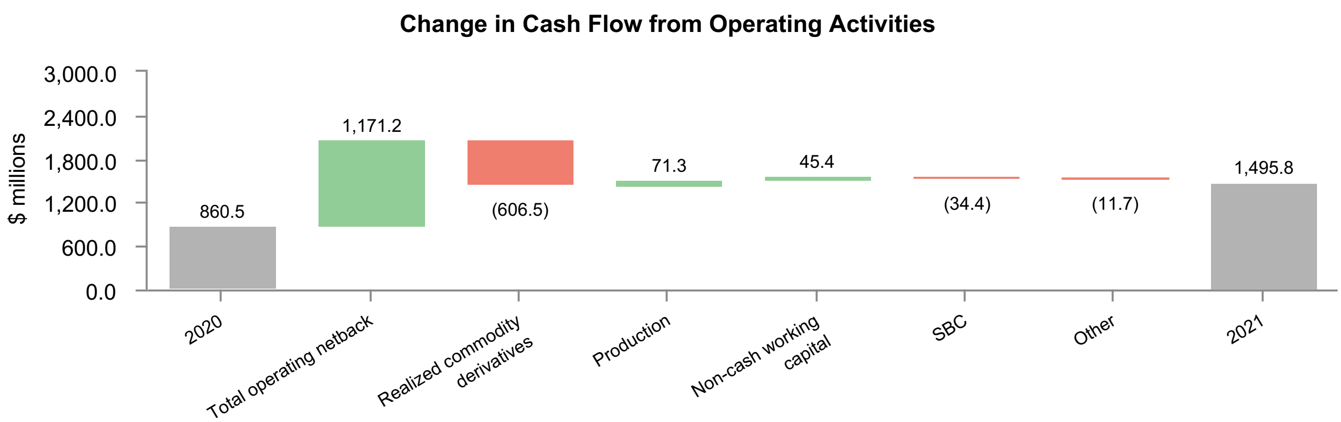
Cash Flow from Operating Activities, Adjusted Funds Flow from Operations, Net Income (Loss) and Adjusted Net Earnings from Operations

($ millions, except per share amounts)	**2021**	2020	% Change
Cash flow from operating activities	**1,495.8**	860.5	74
Adjusted funds flow from operations	**1,476.9**	874.4	69
Net income (loss)	**2,364.1**	(2,519.9)	(194)
Net income (loss) per share - diluted	**4.11**	(4.76)	(186)
Adjusted net earnings from operations	**515.3**	177.4	190
Adjusted net earnings from operations per share - diluted [(1)]	**0.90**	0.33	173

(1) Specified financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the *Specified Financial Measures* section in this MD&A for further information.

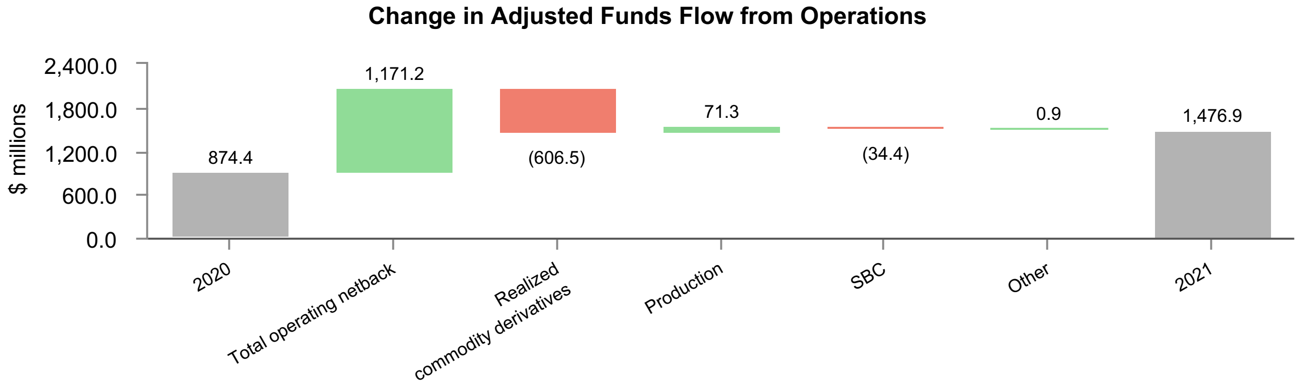
Cash flow from operating activities increased from $860.5 million in 2020 to $1.50 billion in 2021. Changes in cash flow from operating activities were due to fluctuations in adjusted funds flow from operations ("FFO"), working capital, transaction costs and decommissioning expenditures.

Exhibit 15



The Company's FFO increased in 2021 to $1.48 billion compared to $874.4 million in 2020. The increase was primarily a result of the higher operating netback, partially offset by realized commodity derivative losses.

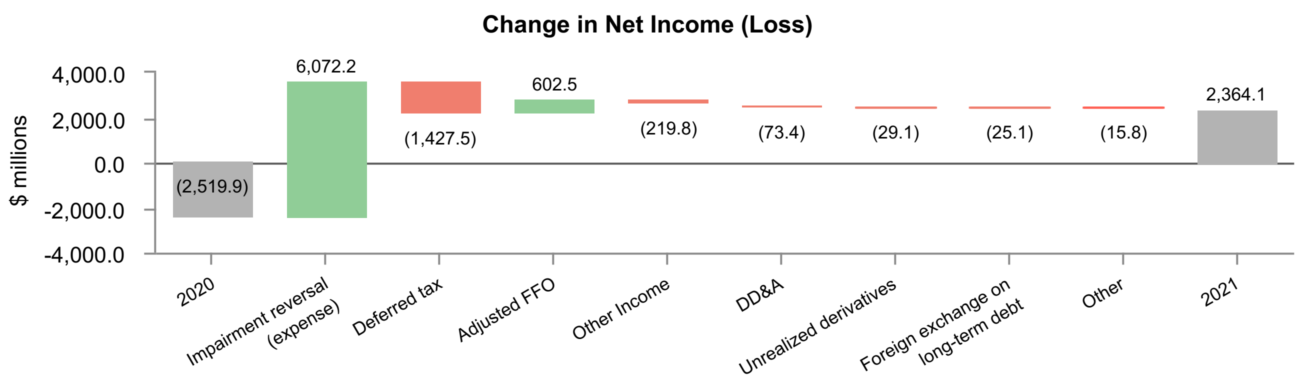
Exhibit 16



Excess cash flow increased from $131.4 million in 2020 to $788.4 million in 2021, primarily as a result of the increase in FFO, a decrease in capital expenditures and reduced payments on lease liabilities.

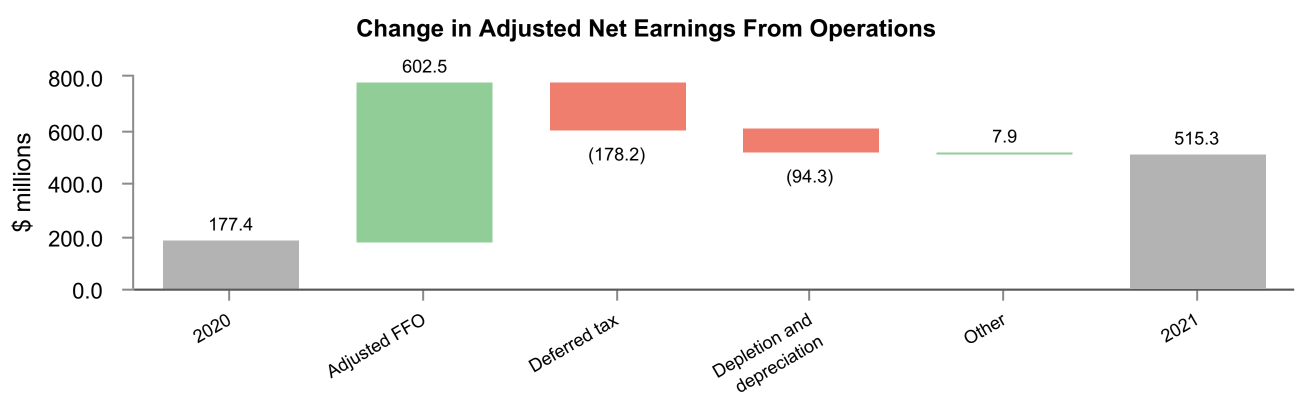
In the year ended December 31, 2021, the Company reported net income of $2.36 billion compared to a net loss of $2.52 billion in 2020, primarily as a result of the impairment reversal recorded in 2021 compared to an impairment expense recorded in 2020 and an increase in adjusted FFO, partially offset by fluctuations in deferred tax and a decrease in other income. In the year ended December 31, 2021, the Company recorded net income per share - diluted of $4.11 compared to a net loss per share - diluted of $4.76 in 2020.

Exhibit 17



The Company's adjusted net earnings from operations for the year ended December 31, 2021 was $515.3 million compared to $177.4 million in 2020, primarily due to the increase in adjusted FFO, partially offset by fluctuations in deferred taxes and the increase in depletion and depreciation. Adjusted net earnings from operations per share - diluted for 2021 increased to $0.90 from $0.33 in 2020.

Exhibit 18



Dividends

($ millions, except per share amounts)	**2021**	2020	% Change
Dividends declared to shareholders	**47.8**	9.4	409
Dividends declared to shareholders per share	**0.0825**	0.0175	371

In September 2021, Crescent Point declared a quarterly cash dividend of $0.03 per share to be paid on January 4, 2022. In December 2021, Crescent Point declared a quarterly cash dividend of $0.045 per share to be paid on April 1, 2022. Both dividends were accrued at December 31, 2021. In 2020, the Company paid total cash dividends of $0.0175 per share.

Other Long-Term Assets

At December 31, 2021, other long-term assets consist of $6.4 million of investment tax credits.

Related Party Transactions

Key management personnel of the Company include its directors and executive officers. In 2021, the Company recorded $6.1 million (2020 - $5.5 million) relating to compensation of key management personnel and $2.8 million (2020 - nil) for severance relating to key management personnel. In 2021, share-based compensation costs relating to compensation of key management personnel was $23.4 million (2020 – $4.9 million) and $1.8 million (2020 - nil) for share-based compensation severance relating to key management personnel.

Capital Expenditures

($ millions)	**2021**	2020	% Change
Capital acquisitions	**942.4**	1.4	67,214
Capital dispositions	**(99.0)**	(508.2)	(81)
Development capital expenditures	**624.2**	654.8	(5)
Land expenditures	**4.9**	3.6	36
Capitalized administration (1)	**44.5**	36.9	21
Corporate assets	**2.5**	3.5	(29)
Total	**1,519.5**	192.0	691

(1) Capitalized administration excludes capitalized equity-settled SBC.

Capital Acquisitions and Dispositions

Major Property Acquisitions and Dispositions

Kaybob Duvernay Acquisition

In the year ended December 31, 2021, the Company closed the acquisition of Shell Canada Energy's Kaybob Duvernay assets in Alberta for total consideration of $940.6 million including closing adjustments, consisting of $676.1 million in cash and the issuance of 50.0 million common shares.

Southeast Saskatchewan Disposition

In the year ended December 31, 2021, the Company disposed of its remaining non-core southeast Saskatchewan conventional assets for consideration of $85.9 million including closing adjustments. These assets had a net carrying value of $11.9 million, resulting in a gain of $74.0 million.

Minor Property Acquisitions and Dispositions

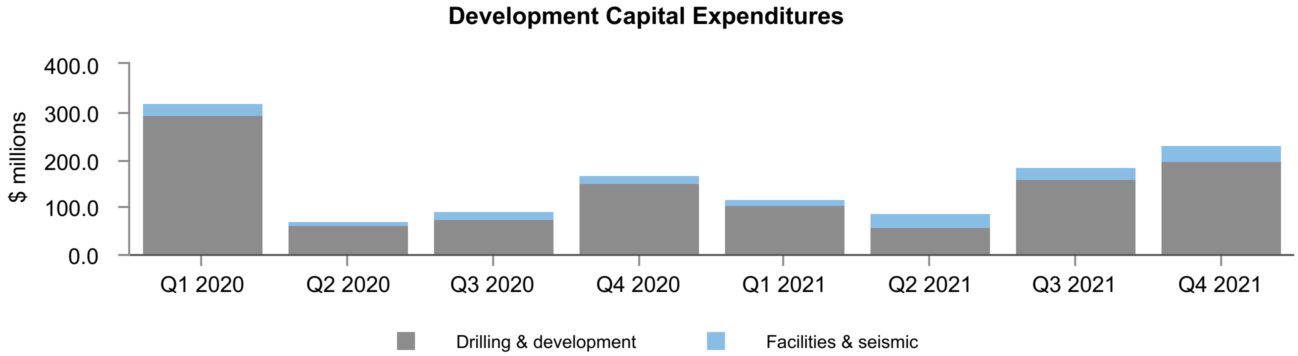
In the year ended December 31, 2021, the Company completed minor property acquisitions and dispositions for total net consideration received of $11.3 million. These assets had a net carrying value of $26.9 million, resulting in a loss of $15.6 million.

Development Capital Expenditures

The Company's development capital expenditures for the year ended December 31, 2021 were $624.2 million, compared to $654.8 million in 2020. In 2021, 211 (199.4 net) wells were drilled and $100.5 million was spent on facilities and seismic.

Refer to the *Guidance* section in this MD&A for Crescent Point's development capital expenditure guidance for 2022.

Exhibit 19



Goodwill

The Company's goodwill balance is attributable to corporate acquisitions completed during the period 2003 through 2012. The goodwill balance as at December 31, 2021 was $211.5 million compared to $223.3 million at December 31, 2020. The decrease of $11.8 million is attributable to the disposition of the southeast Saskatchewan conventional assets as well as other minor asset dispositions.

Other Current Liabilities

At December 31, 2021, other current liabilities consist of $40.6 million related to the current portion of long-term share-based compensation, $25.5 million related to the current portion of lease liabilities, and $34.2 million related to decommissioning liability.

Other Long-Term Liabilities

At December 31, 2021, other long-term liabilities consist of $35.8 million of long-term compensation liability related to share-based compensation.

Lease Liability

At December 31, 2021, the Company had $141.4 million of lease liabilities for contracts related to office space, fleet vehicles and equipment.

Decommissioning Liability

The decommissioning liability decreased by $103.9 million during 2021, from $1.02 billion at December 31, 2020 to $918.8 million at December 31, 2021. The decrease primarily relates to liabilities disposed through capital dispositions, partially offset by changes in estimated future costs and liabilities acquired through capital acquisitions. The liability is based on estimated undiscounted and uninflated cash flows to settle the obligation of $896.6 million.

Liquidity and Capital Resources

Capitalization Table ($ millions, except share, per share, ratio and percent amounts)	**December 31, 2021**	December 31, 2020
Net debt (1)	**2,005.0**	2,149.2
Shares outstanding	**579,484,032**	530,035,922
Market price at end of year (per share)	**6.75**	2.97
Market capitalization	**3,911.5**	1,574.2
Enterprise value (1)	**5,916.5**	3,723.4
Net debt as a percentage of enterprise value (1)	**34**	58
Adjusted funds flow from operations (2)	**1,476.9**	874.4
Net debt to adjusted funds flow from operations (3)	**1.4**	2.5

(1) Specified financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the *Specified Financial Measures* section in this MD&A for further information.

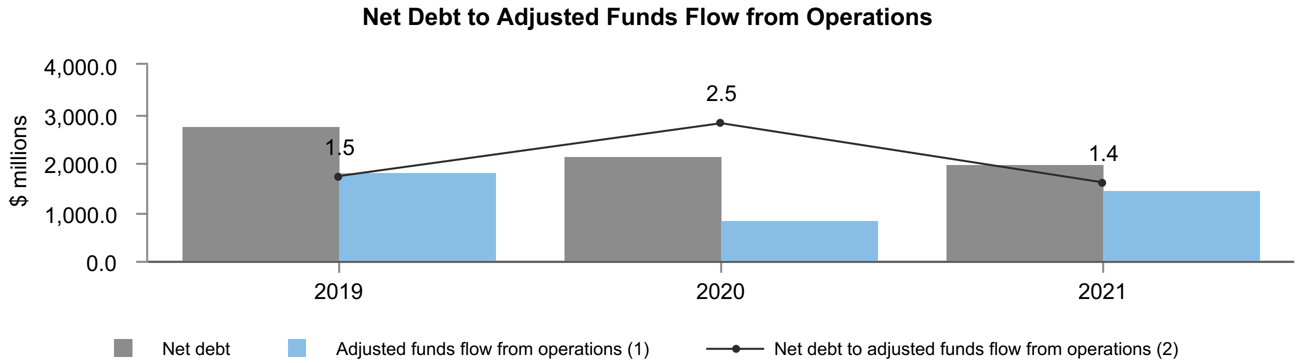
(2) The sum of adjusted funds flow from operations for the trailing four quarters.

(3) The net debt reflects the financing of acquisitions, however, the adjusted funds flow from operations only reflects adjusted funds flow from operations generated from the acquired properties since the closing date of the acquisitions.

At December 31, 2021, Crescent Point's enterprise value was $5.92 billion and the Company was capitalized with 66 percent equity compared to $3.72 billion and 42 percent at December 31, 2020, respectively. The Company's net debt to adjusted funds flow from operations ratio at December 31, 2021 decreased to 1.4 times from 2.5 times at December 31, 2020, largely due to higher adjusted funds flow from operations, primarily as a result of the increase in the Cdn$ WTI benchmark price.

Crescent Point's market capitalization increased to $3.91 billion at December 31, 2021, from $1.57 billion at December 31, 2020, primarily due to the increase in the Company's share price and the 50.0 million shares issued in conjunction with the Kaybob Duvernay acquisition.

Exhibit 20



(1) The sum of adjusted funds flow from operations for the trailing four quarters.

(2) The net debt reflects the financing of acquisitions, however, the adjusted funds flow from operations only reflects adjusted funds flow from operations generated from the acquired properties since the closing date of the acquisitions.

The Company has combined revolving credit facilities of $2.30 billion, including a $2.20 billion syndicated unsecured credit facility with eleven banks and a $100.0 million unsecured operating credit facility with one Canadian chartered bank. The current maturity date of the facilities is November 26, 2025. As at December 31, 2021, the Company had approximately $336.6 million drawn on bank credit facilities, including $1.0 million outstanding pursuant to letters of credit.

At December 31, 2021, the Company has senior guaranteed notes of US$1.12 billion and Cdn$220.0 million outstanding. The notes are unsecured and rank *pari passu* with the Company's bank credit facilities and carry a bullet repayment on maturity. Crescent Point entered into various CCS and foreign exchange swaps to hedge its foreign exchange exposure on its US dollar long-term debt. During the year ended December 31, 2021, the Company repaid senior guaranteed note maturities of US$134.5 million and Cdn$50.0 million.

The Company is in compliance with all debt covenants at December 31, 2021 which are listed in the table below:

Covenant Description	Maximum Ratio	**December 31, 2021**
Senior debt to adjusted EBITDA (1) (2)	3.5	**1.29**
Total debt to adjusted EBITDA (1) (3)	4.0	**1.29**
Senior debt to capital (2) (4)	0.55	**0.27**

(1) Adjusted EBITDA is calculated as earnings before interest, taxes, depletion, depreciation, amortization, impairment and impairment reversals, adjusted for certain non-cash items. Adjusted EBITDA is calculated on a trailing twelve month basis adjusted for material acquisitions and dispositions.

(2) Senior debt is calculated as the sum of amounts drawn on the combined facilities, outstanding letters of credit and the principal amount of the senior guaranteed notes.

(3) Total debt is calculated as the sum of senior debt plus subordinated debt. Crescent Point does not have any subordinated debt.

(4) Capital is calculated as the sum of senior debt and shareholder's equity and excludes the effect of unrealized derivative gains or losses and the adoption of IFRS 16.

The Company's working capital deficiency and ongoing working capital requirements are expected to be financed through cash, adjusted funds flow from operations and its bank credit facilities. Given these sources of financing, the Company is able to adequately address its working capital deficiency.

Shareholders' Equity

At December 31, 2021, Crescent Point had 579.5 million common shares issued and outstanding compared to 530.0 million common shares at December 31, 2020. The increase is due to 50.0 million shares issued in conjunction with the Kaybob Duvernay acquisition, shares issued pursuant to the Restricted Share Bonus Plan and stock option exercises pursuant to the Stock Option Plan, partially offset by shares repurchased and cancelled under the NCIB.

As of the date of this report, the Company had 574,601,885 common shares outstanding.

Normal Course Issuer Bid

On March 5, 2021, the Company announced the acceptance by the Toronto Stock Exchange of its notice to implement an NCIB. The NCIB allows the Company to purchase, for cancellation, up to 26,462,509 common shares, or five percent of the Company's public float, as at February 26, 2021. The NCIB commenced on March 9, 2021 and is due to expire on March 8, 2022. The Company continues to evaluate returns to shareholders as market conditions permit in the context of its capital allocation framework, leverage targets and adjusted funds flow generation.

In 2021, the Company purchased and cancelled 2.8 million common shares for a total consideration of $17.5 million. The total cost paid, including commissions and fees, was recognized directly as a reduction in shareholders' equity. Under the NCIB, all common shares purchased are cancelled.

As of the date of this report, the Company has purchased, for cancellation, 8.1 million common shares for total consideration of $60.0 million under the current NCIB.

Contractual Obligations and Commitments

On January 20, 2020, Crescent Point closed the sale of certain gas infrastructure assets in Saskatchewan. In connection with the sale, the Company entered into a gas handling agreement with a gas processor that includes a long-term volume commitment. The gas handling agreement is only terminable in very limited circumstances. If the termination were to occur because of the Company's default, the Company would be obligated to pay its processing commitment. If the processor were to terminate the agreement, the Company would need to seek alternative processing arrangements.

At December 31, 2021, the Company had contractual obligations and commitments as follows:

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Off balance sheet commitments					
Operating (1)	4.1	14.3	9.2	16.1	43.7
Gas processing	63.1	116.3	88.3	324.3	592.0
Transportation	38.6	65.6	48.8	9.6	162.6
Capital	12.1	—	—	—	12.1
Total contractual commitments (2)	117.9	196.2	146.3	350.0	810.4

(1) Includes operating costs on the Company's office space, net of $18.9 million of recoveries from subleases.

(2) Excludes contracts accounted for under IFRS 16. See Note 12 - "Leases" in the annual consolidated financial statements for the year ended December 31, 2021 for further information.

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Other contractual commitments					
Senior guaranteed notes (1)	280.3	829.2	474.6	25.9	1,610.0
Bank credit facilities (2)	11.7	23.5	346.3	—	381.5
Total contractual commitments	292.0	852.7	820.9	25.9	1,991.5

(1) These amounts include the notional principal and interest payments pursuant to the related CCS and foreign exchange swap, which fix the amounts due in Canadian dollars.

(2) These amounts include interest based on debt outstanding and interest rates effective as at December 31, 2021. The current maturity date of the Company's facilities is November 26, 2025. The Company expects that the facilities will be renewed and extended prior to their maturity dates.

Off Balance Sheet Arrangements

The Company has off-balance sheet arrangements consisting of various contracts which are entered into in the normal course of operations. Contracts that contain a lease are accounted for under IFRS 16 and recorded on the balance sheet as at December 31, 2021. All other contracts which are entered into in the normal course of operations are captured in the "off balance sheet commitments" table in the *Contractual Obligations and Commitments* section above and no asset or liability value has been assigned to these leases on the balance sheet as at December 31, 2021.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to adopt accounting policies that involve the use of significant estimates and assumptions. These estimates and assumptions are developed based on the best available information and are believed by management to be reasonable under the existing circumstances. New events or additional information may result in the revision of these estimates over time. A summary of the significant accounting policies used by Crescent Point can be found in Note 3 – "Significant Accounting Policies" in the audited consolidated financial statements for the year ended December 31, 2021. The following discussion outlines what management believes to be the most critical policies involving the use of estimates and assumptions.

Oil and gas activities

Reserves estimates, although not reported as part of the Company's consolidated financial statements, can have a significant effect on net income, assets and liabilities as a result of their impact on DD&A, decommissioning liability, deferred taxes, asset impairments and impairment reversals, and business combinations. Independent petroleum reservoir engineers perform evaluations of the Company's oil and gas reserves on an annual basis. The estimation of reserves is an inherently complex process requiring significant judgment. Estimates of economically recoverable oil and gas reserves are based upon a number of variables and assumptions such as geoscientific interpretation, production forecasts, commodity prices, costs and related future cash flows, all of which may vary considerably from actual results. These estimates are expected to be revised upward or downward over time, as additional information such as reservoir performance becomes available, or as economic conditions change.

For purposes of impairment testing, PP&E is aggregated into cash-generating units ("CGUs"), based on separately identifiable and largely independent cash inflows. The determination of the Company's CGUs is subject to judgment. Factors considered in the classification of CGUs include the integration between assets, shared infrastructures, the existence of common sales points, geography, geologic structure and the manner in which management monitors and makes decisions regarding operations.

The determination of technical feasibility and commercial viability is subject to judgment as it is based on the presence of reserves and results in the transfer of assets from exploration and evaluation ("E&E") to PP&E.

The Company conducted an analysis of its CGUs to determine if their composition was still reflective of the Company's core operating areas after major property acquisitions and dispositions in the first half of 2021. The Company conducted its analysis on July 1, 2021, and determined that its Dodsland Viking assets better align with the Southwest Saskatchewan CGU. Previously, these assets were included in the Southern Alberta CGU, now referred to as the Alberta CGU. At the time of realignment, the Company estimated recoverable amounts of its new CGUs and compared them to the recoverable amounts of its previous CGUs and the respective carrying amounts and noted that no incremental impairment or impairment reversal would arise as a result of the realignment.

Decommissioning liability

Upon retirement of its oil and gas assets, the Company anticipates incurring substantial costs associated with decommissioning. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the expense are based on estimates with respect to the cost and timing of decommissioning.

Business combinations

Business combinations are accounted for using the acquisition method of accounting. The determination of fair value often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of PP&E and E&E assets acquired generally require the most judgment and include estimates of reserves acquired, forecast benchmark commodity prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill. Future net earnings can be affected as a result of changes in future DD&A, asset impairment or goodwill impairment.

Fair value measurement

The estimated fair value of derivative instruments resulting in derivative assets and liabilities, by its very nature, is subject to measurement uncertainty. Estimates included in the determination of the fair value of derivative instruments include forward benchmark prices, discount rates, share price and forward foreign exchange rates.

Joint control

Judgment is required to determine when the Company has joint control over an arrangement, which requires an assessment of the capital and operating activities of the projects it undertakes with partners and when the decisions in relation to those activities require unanimous consent.

Share-based compensation

Compensation costs recorded pursuant to share-based compensation plans are subject to estimated fair values, forfeiture rates and the future attainment of performance criteria.

Income taxes

Tax regulations and legislation and the interpretations thereof are subject to change. In addition, deferred income tax assets and liabilities recognize the extent that temporary differences will be receivable and payable in future periods. The calculation of the asset and liability involves a significant amount of estimation including an evaluation of when the temporary differences will reverse, an analysis of the amount of future taxable earnings, expected cash flows from estimated proved plus probable reserves and the application of tax laws. Changes in tax regulations and legislation and the other assumptions listed are subject to measurement uncertainty.

Risk Factors

Financial Risk

Financial risk is the risk of loss or lost opportunity resulting from financial management and market conditions that could have an impact on Crescent Point's business. Financial risks the Company is exposed to include: marketing production at an acceptable price given market conditions and market access; finding and producing reserves at a reasonable cost; volatility in market prices for oil and natural gas; volatility in crude oil price differentials; fluctuations in foreign exchange and interest rates; stock market volatility; debt service which may limit timing or amount of dividends as well as market price of shares; the continued availability of adequate debt and equity financing and cash flow to fund planned expenditures; sufficient liquidity for future operations; lost revenue or increased expenditures as a result of delayed or denied environmental, safety or regulatory approvals; adverse changes to income tax laws or other laws or government incentive programs and regulations relating to the oil and gas industry; cost of capital risk to carry out the Company's operations; and uncertainties associated with credit facilities and counterparty credit risk.

Operational Risk

Operational risk is the risk of loss or lost opportunity resulting from operating and capital activities that, by their nature, could have an impact on the Company's ability to achieve objectives. Operational risks to which Crescent Point is exposed include: uncertainties associated with estimating oil and natural gas reserves; incorrect assessments of the value of acquisitions and exploration and development programs; failure to realize the anticipated benefits of acquisitions and dispositions; uncertainties associated with partner plans and approvals; operational matters related to non-operated properties; inability to secure adequate product transportation including sufficient crude-by-rail or other alternate transportation; delays in business operations, pipeline restrictions, public infrastructure constraints including blockades, blowouts; unforeseen title defects; increased competition for, among other things, capital, acquisitions of reserves and undeveloped lands; competition for and availability of qualified personnel or management; outbreaks; mobility restrictions, loss and health of key personnel; unexpected geological, technical, drilling, construction and processing problems; availability of insurance; competitive action by other companies; the ability of suppliers to meet commitments and risks; and cyber security risks.

COVID-19 Pandemic

The COVID-19 pandemic, and actions taken in response, have resulted in a significant disruption in the global economy, in particular the oil and gas industry. Although demand for and pricing of energy products has stabilized, the pandemic has, in the past, impacted the demand for and pricing of energy products, including crude oil and condensate, NGLs and natural gas produced by the Company.

As there remain many variables and uncertainties regarding COVID-19 and its continuing impact on the economic environment, including the duration and magnitude of any further disruption in the oil and gas industry, it is not possible to precisely estimate the long-term impact of the COVID-19 pandemic on the Company's financial condition and operations. There may also be effects that are not currently known as the full impact of the COVID-19 pandemic is still uncertain and the situation continues to evolve. There may be renewed disruption in the demand for commodities which may have a prolonged adverse effect on the Company's financial condition, income, results from operations and cash flows. The Company has taken measures to reduce the impacts of COVID-19, including a work from home program and other safety measures. However, these steps may not be sufficient to insulate the Company from the impacts of the COVID-19 pandemic. Other risks disclosed in the Company's Annual Information Form, for the year ended December 31, 2021, and in this MD&A, may be heightened and there may also be effects that are not currently known, as the full impact of the COVID-19 pandemic is still uncertain.

Safety, Environmental and Regulatory Risks

Safety, environmental and regulatory risks are the risks of loss or lost opportunity resulting from changes to laws governing safety, the environment, royalties and taxation. Safety, environmental and regulatory risks Crescent Point is exposed to include: indigenous land claims; uncertainties associated with regulatory approvals; uncertainty of government policy changes; the risk of carrying out operations with minimal environmental impact; changes in or adoption of new laws and regulations or changes in how they are interpreted or enforced; obtaining required approvals of regulatory authorities and stakeholder support for activities and growth plans.

The Company's operations are subject to costs being incurred to pay carbon taxes, to reduce GHG emissions (including methane emissions) and to perform necessary monitoring, measurement, verification and reporting of GHG emissions. Future environmental legislation may require further reductions in emissions from the Company's operations and result in increased capital and operational expenditures related to the transition to a low-carbon economy.

Refer to the Company's Annual Information Form for the year ended December 31, 2021 for additional information on the Company's risk factors.

Risk Management

Crescent Point is committed to identifying and managing its risks in the near term, as well as on a strategic and longer term basis at all levels in the organization in accordance with the Company's Board-approved Risk Management and Counterparty Credit Policy and risk management programs. Issues affecting, or with the potential to affect, our assets, operations and/or reputation, are generally of a strategic nature or are emerging issues that can be identified early and then managed, but occasionally include unforeseen issues that arise unexpectedly and must be managed on an urgent basis. Crescent Point takes a proactive approach to the identification and management of issues that can affect the Company’s assets, operations and/or reputation and have established consistent and clear policies, procedures, guidelines and responsibilities for issue identification and management.

Specific actions Crescent Point takes to ensure effective risk management include: employing qualified professional and technical staff; concentrating in a limited number of areas with lower risk development projects; utilizing market proven technology for finding and developing reserves; constructing quality, environmentally sensitive and safe production facilities; adopting and communicating sound policies governing all areas of our business; maximizing operational control of drilling and production operations; strategic hedging program including commodity prices, interest and foreign exchange rates; adhering to conservative borrowing guidelines and maintaining significant liquidity; monitoring counterparty creditworthiness and obtaining supplementary credit protection when warranted.

Changes in Accounting Policies

Intangible Assets

IAS 38 *Intangible Assets* was amended in March 2021 to revise how to recognize costs in relation to the configuration or customization of application software. The Company adopted the amendment in 2021 and the adoption did not have an impact on the Company's consolidated financial statements.

New accounting standards and amendments not yet adopted

Presentation of Financial Statements

IAS 1 *Presentation of Financial Statements* was amended in January 2020 by the IASB to clarify the presentation requirements of liabilities as either current or non-current within the statement of financial position. This amendment is effective for fiscal years beginning on or after January 1, 2023 with earlier adoption permitted.

Selected Annual Information

($ millions, except per share amounts)	**2021**	2020	2019
Oil and gas sales	**3,206.5**	1,692.2	3,336.0
Average daily production			
Crude oil and condensate (bbls/d)	**95,839**	95,859	126,219
NGLs (bbls/d)	**17,769**	14,542	20,746
Natural gas (mcf/d)	**114,452**	67,447	91,592
Total (boe/d)	**132,683**	121,642	162,230
Net income (loss) (1)	**2,364.1**	(2,519.9)	(1,033.3)
Net income (loss) per share (1)	**4.15**	(4.76)	(1.89)
Net income (loss) per share - diluted (1)	**4.11**	(4.76)	(1.89)
Adjusted net earnings from operations	**515.3**	177.4	386.8
Adjusted net earnings from operations per share (2)	**0.91**	0.34	0.71
Adjusted net earnings from operations per share – diluted	**0.90**	0.33	0.71
Cash flow from operating activities	**1,495.8**	860.5	1,742.9
Adjusted funds flow from operations	**1,476.9**	874.4	1,825.4
Adjusted working capital deficiency (2)	**(201.6)**	(93.4)	(126.1)
Total assets	**9,171.2**	6,645.9	10,091.8
Total liabilities	**3,765.9**	3,823.1	4,749.1
Net debt	**2,005.0**	2,149.2	2,765.3
Weighted average shares - diluted (millions)	**575.1**	531.8	546.0
Capital acquisitions	**942.4**	1.4	15.9
Capital dispositions	**(99.0)**	(508.2)	(940.0)
Development capital expenditures	**624.2**	654.8	1,252.1
Dividends declared	**47.8**	9.4	22.0
Dividends declared per share	**0.0825**	0.0175	0.0400

(1) Net income (loss) and net income (loss) before discontinued operations are the same.

(2) Specified financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the *Specified Financial Measures* section in this MD&A for further information.

Crescent Point's oil and gas sales, cash flow from operating activities, adjusted funds flow from operations and total assets have fluctuated for the years 2019 through 2021, primarily due to changes in the Cdn$ WTI benchmark prices and corporate oil price differentials, numerous property acquisitions and dispositions and the Company's drilling program.

Net income (loss) over the past three years has fluctuated primarily due to unrealized derivative gains and losses on derivative contracts, which fluctuate with changes in market conditions, and PP&E impairment charges and reversals, along with associated fluctuations in deferred tax expense (recovery).

Adjusted net earnings from operations has fluctuated over the past three years primarily due to changes in adjusted funds flow from operations, depletion and share-based compensation expense along with associated fluctuations in the deferred tax expense (recovery).

Summary of Quarterly Results

	2021				2020			
($ millions, except per share amounts)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Oil and gas sales	**900.4**	826.7	849.2	630.2	447.8	437.0	259.0	548.4
Average daily production								
Crude oil and condensate (bbls/d)	**88,544**	92,206	107,444	95,276	87,512	89,260	94,900	111,928
NGLs (bbls/d)	**20,884**	18,176	18,608	13,319	13,033	13,458	14,210	17,493
Natural gas (mcf/d)	**125,871**	130,823	135,531	64,732	64,033	63,988	70,391	71,451
Total (boe/d)	**130,407**	132,186	148,641	119,384	111,217	113,383	120,842	141,330
Net income (loss)	**121.6**	77.5	2,143.3	21.7	(51.2)	0.5	(145.1)	(2,324.1)
Net income (loss) per share	**0.21**	0.13	3.68	0.04	(0.10)	—	(0.27)	(4.40)
Net income (loss) per share – diluted	**0.21**	0.13	3.65	0.04	(0.10)	—	(0.27)	(4.40)
Adjusted net earnings (loss) from operations	**160.0**	142.6	117.6	95.1	85.6	71.0	(27.9)	48.7
Adjusted net earnings (loss) from operations per share	**0.27**	0.25	0.20	0.18	0.16	0.13	(0.05)	0.09
Adjusted net earnings (loss) from operations per share – diluted	**0.27**	0.24	0.20	0.18	0.16	0.13	(0.05)	0.09
Cash flow from operating activities	**492.4**	414.2	285.5	303.7	245.1	219.5	66.6	329.3
Adjusted funds flow from operations	**432.5**	393.9	387.8	262.7	220.2	235.7	109.0	309.5
Adjusted working capital deficiency	**(201.6)**	(108.8)	(16.1)	(55.9)	(93.4)	(65.5)	(38.7)	(190.5)
Total assets	**9,171.2**	9,231.5	9,283.4	6,610.7	6,645.9	6,864.2	7,022.8	7,209.7
Total liabilities	**3,765.9**	3,897.4	4,044.4	3,777.5	3,823.1	3,952.3	4,093.0	4,097.6
Net debt	**2,005.0**	2,138.8	2,324.2	2,013.4	2,149.2	2,189.2	2,308.6	2,327.9
Weighted average shares – diluted (millions)	**587.7**	587.1	587.8	536.6	534.4	532.9	531.2	528.3
Capital acquisitions	**5.2**	0.9	936.3	—	—	—	—	1.4
Capital dispositions	**(0.1)**	(3.8)	(87.9)	(7.2)	1.1	(0.9)	(1.5)	(506.9)
Development capital expenditures	**229.5**	187.1	88.4	119.2	169.4	93.3	72.0	320.1
Dividends declared	**26.0**	19.0	1.5	1.3	1.4	1.3	1.4	5.3
Dividends declared per share	**0.0450**	0.0325	0.0025	0.0025	0.0025	0.0025	0.0025	0.0100

Over the past eight quarters, the Company's oil and gas sales have fluctuated due to volatility in the Cdn$ WTI benchmark price, changes in production and fluctuations in corporate oil price differentials. The Company's production has fluctuated due to changes in its development capital spending levels, acquisitions and dispositions, voluntary shut-ins and natural declines.

Net income (loss) has fluctuated over the past eight quarters primarily due to changes in PP&E impairment charges and reversals, changes in adjusted funds flow from operations, unrealized derivative gains and losses, which fluctuate with changes in forward market prices and foreign exchange rates, gains and losses on capital dispositions, and fluctuations in deferred tax expense (recovery).

Adjusted net earnings (loss) from operations has fluctuated over the past eight quarters primarily due to changes in adjusted funds flow from operations, depletion and share-based compensation expense along with associated fluctuations in deferred tax expense (recovery).

Capital expenditures have also fluctuated throughout this period due to the timing of acquisitions, dispositions and changes in the Company's development capital spending levels.

Fourth Quarter 2021 Review

- Crescent Point's production averaged 130,407 boe/d in the fourth quarter of 2021, weighted 84 percent towards crude oil and liquids.
- Adjusted funds flow from operations totaled $432.5 million in the fourth quarter of 2021, a 10 percent increase from $393.9 million in the third quarter. The increase was primarily driven by a higher operating netback in the fourth quarter.
- During the fourth quarter of 2021, the Company spent $198.9 million on drilling and development activities, drilling 51 (46.6 net) wells. Crescent Point also spent $30.6 million on facilities and seismic, for total development capital expenditures of $229.5 million.
- Net debt was reduced by $133.8 million in the fourth quarter of 2021, ending at $2.01 billion or 1.4 times trailing adjusted funds flow from operations.

Disclosure Controls and Procedures

Disclosure controls and procedures (“DC&P”), as defined in Rule 13a-15 under the US Securities Exchange Act of 1934 and as defined in Canada by National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, are designed to provide reasonable assurance that information required to be disclosed in the Company’s annual filings, interim filings or other reports filed, or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified under securities legislation and include controls and procedures designed to ensure that information required to be so disclosed is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Chief Executive Officer and the Chief Financial Officer of Crescent Point evaluated the effectiveness of the design and operation of the Company’s DC&P. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that Crescent Point’s DC&P were effective as at December 31, 2021.

Internal Controls over Financial Reporting

Internal control over financial reporting (“ICFR”), as defined in Rule 13a-15 under the US Securities Exchange Act of 1934 and as defined in Canada by National Instrument 52-109, includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of Crescent Point;
2. are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of Crescent Point are being made in accordance with authorizations of management and Directors of Crescent Point; and
3. are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Management is responsible for establishing and maintaining ICFR for Crescent Point. They have, as at the financial year ended December 31, 2021, designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework Crescent Point’s officers used to design the Company’s ICFR is the *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

Under the supervision of Management, Crescent Point conducted an evaluation of the effectiveness of the Company’s ICFR as at December 31, 2021 based on the COSO Framework. Based on this evaluation, Management concluded that as of December 31, 2021, Crescent Point maintained effective ICFR.

The effectiveness of Crescent Point's ICFR as of December 31, 2021 was audited by PricewaterhouseCoopers LLP, as reflected in their report accompanying the Company's financial statements for the year ended December 31, 2021. There were no changes in Crescent Point’s ICFR during the year ended December 31, 2021 that materially affected, or are reasonably likely to materially affect, the Company’s ICFR.

With the COVID-19 pandemic, the Company ensured that the operating effectiveness of current controls continued with the adoption of a work from home policy for employees as well as physical distancing protocols within field operations. Neither Crescent Point's DC&P nor its ICFR have been changed in a way that materially affects, or is reasonably likely to materially affect, Crescent Point's DC&P or ICFR, respectively, as a result of the measures taken in response to COVID-19.

It should be noted that while Crescent Point’s officers believe that the Company’s controls provide a reasonable level of assurance with regard to their effectiveness, they do not expect that the DC&P and ICFR will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met.

Guidance

Crescent Point's guidance for 2022 is as follows:

Total Annual Average Production (boe/d) (1)	133,000 - 137,000
Capital Expenditures	
Development capital expenditures ($ million)	$825 - $900
Capitalized G&A ($ million)	$40
Total ($ million) (2)	$865 - $940
Other Information for 2022 Guidance	
Reclamation activities ($ million) (3)	$20
Capital lease payments ($ million)	$20
Annual operating expenses ($/boe)	$13.25 - $13.75
Royalties	12.5% - 13.5%

(1) Total annual average production (boe/d) is comprised of approximately 80% Oil & Liquids and 20% Natural Gas.

(2) Land expenditures and net property acquisitions and dispositions are not included. Development capital expenditures spend is allocated on an approximate basis as follows: 85% drilling & development and 15% facilities & seismic.

(3) Reflects Crescent Point's portion of its expected total budget.

Additional information relating to Crescent Point, including the Company's December 31, 2021 Annual Information Form, which along with other relevant documents are available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.

Specified Financial Measures

Throughout this MD&A, the Company uses the terms “total operating netback”, “total netback”, "operating netback", "netback", “adjusted funds flow from operations”, "excess cash flow", "adjusted working capital deficiency", “net debt”, “enterprise value”, “net debt to adjusted funds flow from operations”, "net debt as a percentage of enterprise value", “adjusted net earnings from operations”, “adjusted net earnings from operations per share” and “adjusted net earnings from operations per share - diluted”. These terms do not have any standardized meaning as prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other issuers.

Total operating netback and total netback are historical non-GAAP financial measures. Total operating netback is calculated as oil and gas sales, less royalties, operating and transportation expenses. Total netback is calculated as total operating netback plus realized commodity derivative gains and losses. Total operating netback and total netback are common metrics used in the oil and gas industry and are used to measure operating results to better analyze performance against prior periods on a comparable basis. The most directly comparable financial measure to total operating netback and total netback is oil and gas sales.

The following table reconciles oil and gas sales to total operating netback and total netback:

($ millions)	**2021**	2020	% Change
Oil and gas sales	**3,206.5**	1,692.2	89
Royalties	**(408.8)**	(217.1)	88
Operating expenses	**(625.3)**	(561.8)	11
Transportation expenses	**(117.7)**	(101.1)	16
Total operating netback	**2,054.7**	812.2	153
Realized gain (loss) on commodity derivatives	**(360.8)**	245.7	(247)
Total netback	**1,693.9**	1,057.9	60

Operating netback and netback are non-GAAP ratios and are calculated as total operating netback and total netback, respectively, divided by total production. Operating netback and netback are common metrics used in the oil and gas industry and are used to measure operating results on a per boe basis.

Adjusted funds flow from operations is a capital management measure and is calculated based on cash flow from operating activities before changes in non-cash working capital, transaction costs and decommissioning expenditures funded by the Company. Transaction costs are excluded as they vary based on the Company's acquisition and disposition activity and to ensure that this metric is more comparable between periods. Decommissioning expenditures are discretionary and are excluded as they may vary based on the stage of the Company's assets and operating areas. The most directly comparable financial measure to adjusted funds flow from operations is cash flow from operating activities. Adjusted funds flow from operations is a key measure that assesses the ability of the Company to finance dividends, operating activities, capital expenditures and debt repayments. Adjusted funds flow from operations as presented is not intended to represent cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. See Note 17 – "Capital Management" in the audited consolidated financial statements for the year ended December 31, 2021 for additional information on the Company's capital management.

Excess cash flow is a historical non-GAAP financial measure and is defined as adjusted funds flow from operations less capital expenditures, payments on lease liability, decommissioning expenditures funded by the Company and other items (excluding net acquisitions and dispositions). The most directly comparable financial measure to excess cash flow disclosed in the Company's financial statements is cash flow from operating activities. Excess cash flow is a key measure that assesses the ability of the Company to finance dividends, potential share repurchases, debt repayments and returns-based growth. The Company has previously presented excess cash flow as net of dividends. To provide a more comparable definition of excess cash flow to other issuers, excess cash flow is now presented prior to dividends.

The following table reconciles cash flow from operating activities to adjusted funds flow from operations and excess cash flow:

($ millions)	**2021**	2020 (1)	% Change
Cash flow from operating activities	**1,495.8**	860.5	74
Changes in non-cash working capital	**(51.6)**	(6.2)	732
Transaction costs	**12.5**	5.4	131
Decommissioning expenditures (2)	**20.2**	14.7	37
Adjusted funds flow from operations	**1,476.9**	874.4	69
Capital expenditures	**(676.1)**	(698.8)	(3)
Payments on lease liability	**(21.2)**	(30.0)	(29)
Decommissioning expenditures	**(20.2)**	(14.7)	37
Other items (3)	**29.0**	0.5	5,700
Excess cash flow	**788.4**	131.4	500

(1) Comparative period revised to reflect current year presentation.

(2) Excludes amounts received from government subsidy programs.

(3) Other items include, but are not limited to, unrealized gains on equity derivative contracts, sale of long-term investments and transaction costs. Other items exclude net acquisitions and dispositions.

Adjusted working capital deficiency is a capital management measure and is calculated as accounts payable and accrued liabilities, dividends payable and long-term compensation liability net of equity derivative contracts, less cash, accounts receivable, prepaids and deposits, including deposit on acquisition and long-term investments. Adjusted working capital deficiency is a component of net debt and is a measure of the Company's liquidity.

The following table reconciles adjusted working capital deficiency:

($ millions)	**2021**	2020	% Change
Accounts payable and accrued liabilities	**450.7**	310.3	45
Dividends payable	**43.5**	1.3	3,246
Long-term compensation liability [(1)]	**42.6**	16.3	161
Cash	**(13.5)**	(8.8)	53
Accounts receivable	**(314.3)**	(200.5)	57
Prepaids and deposits	**(7.4)**	(22.7)	(67)
Long-term investments	**—**	(2.5)	(100)
Adjusted working capital deficiency	**201.6**	93.4	116

(1) Includes current portion of long-term compensation liability and is net of equity derivative contracts.

Net debt is a capital management measure and is calculated as long-term debt plus adjusted working capital deficiency, excluding the unrealized foreign exchange on translation of US dollar long-term debt. The most directly comparable financial measure to net debt disclosed in the Company's financial statements is long-term debt. Net debt is a key measure of the Company's liquidity.

The following table reconciles long-term debt to net debt:

($ millions)	**2021**	2020	% Change
Long-term debt [(1)]	**1,970.2**	2,259.6	(13)
Adjusted working capital deficiency	**201.6**	93.4	116
Unrealized foreign exchange on translation of US dollar long-term debt	**(166.8)**	(203.8)	(18)
Net debt	**2,005.0**	2,149.2	(7)

(1) Includes current portion of long-term debt.

Enterprise value is a supplementary financial measure and is calculated as market capitalization plus net debt. Enterprise value is used to assess the valuation of the Company. Refer to the *Liquidity and Capital Resources* section in this MD&A for further information.

Net debt to adjusted funds flow from operations is a capital management measure and is calculated as the period end net debt divided by the sum of adjusted funds flow from operations for the trailing four quarters. Net debt as a percentage of enterprise value is a supplementary financial measure and is calculated as net debt divided by enterprise value. The measures of net debt to adjusted funds flow from operations and net debt as a percentage of enterprise value are used to measure the Company's overall debt position and to measure the strength of the Company's balance sheet. Crescent Point monitors these measures and uses them as a key measures in making decisions regarding financing, capital spending and dividend levels.

Adjusted net earnings from operations is a historical non-GAAP financial measure and is calculated based on net income before amortization of E&E undeveloped land, impairment or impairment reversals, unrealized derivative gains or losses, unrealized foreign exchange gain or loss on translation of hedged US dollar long-term debt, unrealized gains or losses on long-term investments, gains or losses on the sale of long-term investments, gains or losses on capital acquisitions and dispositions and deferred tax related to these adjustments. Adjusted net earnings from operations for the year ended December 31, 2021 also excludes deferred tax related to a change in estimated usable tax pools resulting from a recent potential precedent setting Federal Court case. The most directly comparable financial measure to adjusted net earnings from operations disclosed in the Company's financial statements is net income (loss).

The following table reconciles net income (loss) to adjusted net earnings from operations:

($ millions)	**2021**	2020	% Change
Net income (loss)	**2,364.1**	(2,519.9)	(194)
Amortization of E&E undeveloped land	**51.0**	71.9	(29)
Impairment (impairment reversal)	**(2,514.4)**	3,557.8	(171)
Unrealized derivative losses	**141.4**	112.5	26
Unrealized foreign exchange gain on translation of hedged US dollar long-term debt	**(37.0)**	(62.1)	(40)
Unrealized (gain) loss on long-term investments	**(3.1)**	4.2	(174)
Gain on sale of long-term investments	**(7.0)**	—	(100)
Net gain on capital dispositions	**(58.4)**	(316.4)	(82)
Deferred tax adjustments	**578.7**	(670.6)	(186)
Adjusted net earnings from operations	**515.3**	177.4	190

Adjusted net earnings from operations per share and adjusted net earnings from operations per share - diluted are non-GAAP ratios and are calculated as adjusted net earnings from operations divided by the number of weighted average basic and diluted shares outstanding, respectively. Adjusted net earnings from operations presents a measure of financial performance that is more comparable between periods. Adjusted net earnings from operations as presented is not intended to represent net earnings or other measures of financial performance calculated in accordance with IFRS.

Management believes the presentation of the specified financial measures above provide useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

Forward-Looking Information

Certain statements contained in this management's discussion and analysis constitute forward-looking statements and are based on Crescent Point's beliefs and assumptions based on information available at the time the assumption was made. By its nature, such forward-looking information involves 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. The Company believes 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 such forward-looking statements should not be unduly relied upon. These statements are effective only as of the date of this report. Crescent Point undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so pursuant to applicable law.

Any “financial outlook” or “future oriented financial information” in this management’s discussion and analysis, as defined by applicable securities legislation, has been approved by management of Crescent Point. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Certain statements contained in this MD&A, including statements related to Crescent Point's capital expenditures, projected asset growth, view and outlook toward future commodity prices, drilling activity and statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", “projected”, “sustain”, “continues”, “strategy”, “potential”, “projects”, “grow”, “take advantage”, “estimate” and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. The material assumptions and factors in making these forward-looking statements are disclosed in this MD&A under the headings "Overview", "Commodity Derivatives", “Liquidity and Capital Resources” and “Guidance”.

In particular, forward-looking statements include:

- Further balance sheet strength into 2022 based on current forecast commodity prices;
- Crescent Point's approach to proactively manage the risk exposure inherent in movements in the price of crude oil, natural gas, the Company's share price, the US/Cdn dollar exchange rate and interest rate movements through the use of derivatives with investment-grade counterparties;
- Crescent Point's use of derivatives to reduce the volatility of the selling price of its crude oil and natural gas production and how this provides a measure of stability to cash flow;
- The extent and effectiveness of hedges;
- Crescent Point’s 2022 production and development capital expenditures guidance;
- Other information for Crescent Point’s 2022 Guidance, including capitalized G&A, reclamation activities, capital lease payments, operating expenses and royalties;
- Commitments to returning capital to shareholders;
- Natural gas demand;
- The Company's liquidity and financial flexibility;
- NCIB expectations;
- The Company evaluating opportunities to further optimize its portfolio, while focusing on returns, capital discipline and cost saving initiatives to enhance value for shareholders;
- Estimated undiscounted and uninflated cash flows to settle decommissioning liability;
- The Company evaluating returns to shareholders as market conditions permit in the context of its capital allocation framework, leverage targets and adjusted funds flow generations; and
- COVID-19 impacts and response measures.

This information contains certain forward-looking estimates that involve substantial known and unknown risks and uncertainties, many of which are beyond Crescent Point's control. Such risks and uncertainties include, but are not limited to: financial risk of marketing reserves at an acceptable price given market conditions; volatility in market prices for oil and natural gas, decisions or actions of OPEC and non-OPEC countries in respect of supplies of oil and gas; delays in business operations or delivery of services due to pipeline restrictions, rail blockades, outbreaks, blowouts and business closures and social distancing measures mandated by public health authorities in response to COVID-19, including current and new variants thereof; the risk of carrying out operations with minimal environmental impact; industry conditions including changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; uncertainties associated with estimating oil and natural gas reserves; risks and uncertainties related to oil and gas interests and operations on Indigenous lands; economic risk of finding and producing reserves at a reasonable cost; uncertainties associated with partner plans and approvals; operational matters related to non-operated properties; increased competition for, among other things, capital, acquisitions of reserves and undeveloped lands; competition for and availability of qualified personnel or management; incorrect assessments of the value and likelihood of acquisitions and dispositions, and exploration and development programs; unexpected geological, technical, drilling, construction, processing and transportation problems; availability of insurance; fluctuations in foreign exchange and interest rates; stock market volatility; general economic, market and business conditions, including uncertainty in the demand for oil and gas and economic activity in general as a result of the COVID-19 pandemic; uncertainties associated with regulatory approvals; uncertainty of government policy changes; the impact of the implementation of the Canada-United States-Mexico Agreement; uncertainty regarding the benefits and costs of dispositions; failure to complete acquisitions and dispositions; uncertainties associated with credit facilities and counterparty credit risk; changes in income tax laws, tax laws, crown royalty rates and incentive programs relating to the oil and gas industry; the wide-ranging impacts of the COVID-19 pandemic, including on demand, health and supply chain; and other factors, many of which are outside the control of the Company.

Therefore, Crescent Point's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking estimates and if such actual results, performance or achievements transpire or occur, or if any of them do so, there can be no certainty as to what benefits or detriments Crescent Point will derive therefrom.

Crude oil and condensate, and natural gas information is provided in accordance with the United States Financial Accounting Standards Board ("FASB") Topic 932 - "Extractive Activities - Oil and Gas" and where applicable, financial information is prepared in accordance with International Financial Reporting Standards ("IFRS").

For the years ended December 31, 2021, 2020, 2019, 2018, and 2017 the Company filed its reserves information under National Instrument 51-101 - "Standards of Disclosure of Oil and Gas Activities" (NI 51-101), which prescribes the standards for the preparation and disclosure of reserves and related information for companies listed in Canada.

There are significant differences to the type of volumes disclosed and the basis from which the volumes are economically determined under the United States Securities and Exchange Commission (“SEC”) requirements and NI 51-101. The SEC requires disclosure of net reserves, after royalties, using 12-month average prices and current costs; whereas NI 51-101 requires Company gross reserves, before royalties, using forecast pricing and costs. Therefore the difference between the reported numbers under the two disclosure standards may be material.

Barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil and condensate as compared to natural gas is significantly different from the energy equivalency of oil, utilizing a conversion on a 6:1 basis may be misleading as an indication of value. Oil and gas metrics such as operating netback and netback do not have standardized meaning and as such may not be reliable, and should not be used to make comparisons.

NI 51-101 includes condensate within the natural gas liquids (NGLs) product type. The Company has disclosed condensate as combined with crude oil and separately from other natural gas liquids in this MD&A since the price of condensate as compared to other natural gas liquids is currently significantly higher and the Company believes that this crude oil and condensate presentation provides a more accurate description of its operations and results therefrom.

The Company’s annual aggregate production for 2021 and 2020, the aggregate average production for each quarter of 2021 and 2020, and the references to “natural gas”, “crude oil" and "condensate”, reported in this MD&A consist of the following product types, as defined in NI 51-101 and using a conversion ratio of 6 mcf : 1 bbl where applicable:

	2021					2020				
	Annual	Q4	Q3	Q2	Q1	Annual	Q4	Q3	Q2	Q1
Light & Medium Crude Oil (bbl/d)	17,859	15,517	15,046	20,181	20,699	20,842	21,025	18,846	18,952	24,566
Heavy Crude Oil (bbl/d)	4,203	4,226	4,199	4,269	4,118	4,380	4,276	4,223	4,269	4,752
Tight Oil (bbl/d)	62,492	55,965	58,233	65,595	70,459	70,637	62,211	66,191	71,679	82,610
Total Crude Oil (bbl/d)	84,554	75,708	77,478	90,045	95,276	95,859	87,512	89,260	94,900	111,928
NGLs (bbl/d)	29,054	33,720	32,904	36,007	13,319	14,542	13,033	13,458	14,210	17,493
Shale Gas (mcf/d)	103,124	115,482	117,339	125,830	53,198	53,666	52,370	50,776	57,254	54,312
Conventional Natural Gas (mcf/d)	11,328	10,389	13,484	9,701	11,534	13,781	11,663	13,212	13,137	17,139
Total Natural Gas (mcf/d)	114,452	125,871	130,823	135,531	64,732	67,447	64,033	63,988	70,391	71,451
Total (boe/d)	132,683	130,407	132,186	148,641	119,384	121,642	111,217	113,383	120,842	141,330

Directors

Barbara Munroe, Chair [6]

Laura Cillis [1] [2]

James Craddock [2] [3] [5]

John Dielwart [3] [4]

Ted Goldthorpe [1] [5]

Mike Jackson [1] [5]

Jennifer Koury [2] [5]

Francois Langlois [1] [3] [4]

Myron Stadnyk [2] [3] [4]

Craig Bryksa [4]

[1] Member of the Audit Committee of the Board of Directors

[2] Member of the Human Resources and Compensation Committee of the Board of Directors

[3] Member of the Reserves Committee of the Board of Directors

[4] Member of the Environment, Safety and Sustainability Committee of the Board of Directors

[5] Member of the Corporate Governance and Nominating Committee

[6] Chair of the Board serves in an *ex officio* capacity on each Committee

Officers

Craig Bryksa
President and Chief Executive Officer

Ken Lamont
Chief Financial Officer

Ryan Gritzfeldt
Chief Operating Officer

Mark Eade
Senior Vice President, General Counsel and Corporate Secretary

Garret Holt
Senior Vice President, Corporate Development

Michael Politeski
Vice President, Finance and Treasurer

Shelly Witwer
Vice President, Business Development

Head Office

Suite 2000, 585 - 8th Avenue S.W.
Calgary, Alberta T2P 1G1
Tel: (403) 693-0020
Fax: (403) 693-0070
Toll Free: (888) 693-0020

Banker

The Bank of Nova Scotia
Calgary, Alberta

Auditor

PricewaterhouseCoopers LLP
Calgary, Alberta

Legal Counsel

Norton Rose Fulbright Canada LLP
Calgary, Alberta

Evaluation Engineers

McDaniel & Associates Consultants Ltd.
Calgary, Alberta

Registrar and Transfer Agent

Investors are encouraged to contact Crescent Point's Registrar and Transfer Agent for information regarding their security holdings:

Computershare Trust Company of Canada
600, 530 - 8th Avenue S.W.
Calgary, Alberta T2P 3S8
Tel: (403) 267-6800

Stock Exchanges

Toronto Stock Exchange - TSX
New York Stock Exchange - NYSE

Stock Symbol

CPG

Investor Contacts

Shant Madian
Vice President, Capital Markets
(403) 693-0020

Sarfraz Somani
Manager, Investor Relations
(403) 693-0020

MANAGEMENT'S REPORT

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Crescent Point Energy Corp. is responsible for the preparation of the consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and include certain estimates that reflect management’s best estimates and judgments. Management has determined such amounts on a reasonable basis in order to determine that the consolidated financial statements are presented fairly in all material respects.

PricewaterhouseCoopers LLP, an independent firm of chartered professional accountants, was appointed by a resolution of the Board of Directors to audit the consolidated financial statements of the Company and to provide an independent professional opinion. PricewaterhouseCoopers LLP was appointed to hold such office until the next annual meeting of the shareholders of the Company.

The Board of Directors, through its Audit Committee, has reviewed the consolidated financial statements including notes thereto with management and PricewaterhouseCoopers LLP. The members of the Audit Committee are composed of independent directors who are not employees of the Company. The Audit Committee meets regularly with management and PricewaterhouseCoopers LLP to review and approve the consolidated financial statements. The Board of Directors has approved the information contained in the consolidated financial statements based on the recommendation of the Audit Committee.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management has developed and maintains an extensive system of internal accounting controls that provide reasonable assurance that all transactions are accurately recorded, that the consolidated financial statements realistically report the Company’s operating and financial results, and that the Company’s assets are safeguarded. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2021. The assessment was based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework in Internal Control - Integrated Framework (2013) to evaluate the design and effectiveness of internal control over financial reporting. Management concluded that this system of internal controls was effective as of December 31, 2021. The Company has effective disclosure controls and procedures to ensure timely and accurate disclosure of material information relating to the Company which complies with the requirements of Canadian securities legislation and the United States Sarbanes - Oxley Act of 2002.

PricewaterhouseCoopers LLP, an independent firm of chartered professional accountants who also audited the Company's consolidated financial statement for the year ended December 31, 2021, has audited the effectiveness of the Company's internal control over financial reporting as at December 31, 2021.

Craig Bryksa President and Chief Executive Officer	Ken Lamont Chief Financial Officer

March 2, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Crescent Point Energy Corp.

Opinions on the Financial Statements and Internal Control over Financial Reporting
We have audited the accompanying consolidated balance sheets of Crescent Point Energy Corp. and its subsidiaries (together, the Company) as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, shareholders' equity and cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Basis for Opinions
The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

The impact of estimates of proved plus probable oil and gas reserves on development and production assets, net and deferred tax assets, net

As described in Notes 2, 3, 8 and 22 to the consolidated financial statements, the Company had a net balance of $7,640.3 million for development and production assets and a deferred tax asset net balance of $570.1 million as of December 31, 2021. Management also recorded a depletion expense of $708.5 million and an impairment reversal of $2,514.4 million for the year ended December 31, 2021. Development and production assets are measured at cost less accumulated depletion and any accumulated impairment losses. As disclosed by management, proved plus probable oil and gas reserves are used as the basis to calculate the unit-of-production depletion expense. Management assesses the recoverability of development and production assets by grouping these assets into cash-generating units ("CGUs") based on the integration between assets, shared infrastructure, the existence of common sales points, geography, geological structure and the manner in which management monitors the decisions regarding operations. The recoverable amounts of CGUs are estimated when impairment indicators exist. If the carrying amount of the CGU, which takes into account the discounted abandonment and reclamation costs on proved plus probable undeveloped oil and gas reserves, exceeds the recoverable amount, the CGU is written down with an impairment recognized in net income. In the event that an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the amount that would have been determined, net of depletion, had no impairment loss been recognized on the asset in prior periods. The amount of the reversal is recognized in net income. The recoverable amount is the higher of fair value less costs of disposal and the value-in-use. Management determines the recoverable amount using a fair value less costs of disposal derived by estimating the discounted after-tax future net cash flows from proved plus probable oil and gas reserves. Deferred tax assets are recognized to the extent that temporary differences will be recoverable in future periods. The calculation of the deferred tax assets involves significant estimation including an evaluation of when the temporary differences will reverse, an analysis of the amount of future taxable earnings, the availability of cash flows including proved plus probable oil and gas reserves estimates and the application of tax laws.

Determining the Company's proved plus probable oil and gas reserves and the fair value less cost of disposal required the use of significant estimates and judgment by management related to production forecasts, commodity prices, costs and related future cash flows as well as the discount rate, as applicable. In determining the estimates of the proved plus probable oil and gas reserves, management utilizes the services of specialists, specifically independent petroleum reservoir engineers.

The principal considerations for our determination that performing procedures relating to the impact of estimates of proved plus probable oil and gas reserves on development and production assets, net and deferred tax assets, net is a critical audit matter are that there was significant judgment used by management, including the use of management's specialists, when developing the estimates of proved plus probable oil and gas reserves, determining the recoverable amount for each CGU, and assessing the recognition of deferred tax assets. This led to a high degree of auditor judgment, effort and subjectivity in performing procedures to evaluate the significant assumptions used by management in developing those estimates, including production forecasts, commodity prices, costs and related future cash flows and the after-tax discount rate, as applicable. Our audit effort also involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimates of proved plus probable oil and gas reserves, management's determination of the recoverable amounts of each CGU, management's recognition of deferred tax assets and the calculation of DD&A expense. These procedures also included, among others, testing management's processes for determining the recoverable amount for each CGU, depletion expense for development and production assets and the recognizable amount of the deferred tax assets, which included evaluating the appropriateness of the methods used by management in making these estimates; testing the completeness and accuracy of underlying data used in management's analysis in developing these estimates and evaluating the significant assumptions used by management, including production forecasts, commodity prices, costs and related future cash flows. Procedures were also performed to test (i) the unit-of-production rates used to calculate depletion expense and (ii) the recognition of the deferred tax assets. Professionals with specialized skill and knowledge were used to assist in evaluating the reasonableness of the recoverable amount, including the discount rate used within the discounted cash flow model for each CGU. The work of management's specialists was used in performing the procedures to evaluate the reasonableness of the proved plus probable oil and gas reserves. As a basis for using this work, management's specialists' qualifications were understood and the Company's relationship with the specialists was assessed. The procedures performed also included evaluation of the methods and assumptions used by the specialists, tests of the data used by management's specialists and an evaluation of the specialists' findings. Evaluating the assumptions used by management's specialists also involved assessing whether the assumptions used were reasonable considering the current and past performance of the Company, whether they were consistent with industry pricing forecasts and evidence obtained in other areas of the audit.

Valuation of property, plant and equipment ("PP&E") in the acquisition of Shell Canada Energy's Kaybob Duvernay Assets ("Kaybob Duvernay assets")

As described in Notes 2, 3 and 7 to the consolidated financial statements, on April 1, 2021 the Company completed the acquisition of the Kaybob Duvernay assets for consideration of $940.6 million. The transaction was accounted for under the acquisition method, which requires that the identifiable assets acquired and liabilities and contingent liabilities assumed be measured at their fair values at the acquisition date, with any excess of the cost of the acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities being recorded as goodwill. The assets acquired included PP&E of $951.7 million. Management determined the fair value of the PP&E acquired by estimating the discounted after-tax future net cash flows. Estimating the proved plus probable oil and gas reserves and the fair value of PP&E acquired involved the use of significant estimates and judgments by management related to production forecasts, costs, forecast benchmark commodity prices and the discount rate, as applicable. In determining the estimates of proved plus probable oil and gas reserves acquired, management utilized the services of specialists, specifically independent petroleum reservoir engineers.

The principal considerations for our determination that performing procedures relating to the valuation of PP&E in the acquisition of the Kaybob Duvernay assets is a critical audit matter are that there was significant judgment used by management, including the use of management's specialists, when developing the estimates of proved plus probable oil and gas reserves and the fair value of the PP&E acquired. This led to a high degree of auditor judgment, effort and subjectivity in performing procedures to evaluate the reasonableness of significant assumptions used by management in developing these estimates, including production forecasts, commodity prices, costs and related future cash flows as well as the discount rate used. Our audit effort also involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's valuation of the PP&E acquired and controls over the development of the assumptions used in this valuation. These procedures also included, among others, reading the purchase agreement and testing management's process for estimating the fair value of PP&E acquired, which included evaluating the appropriateness of the methods used by management in making this estimate; testing the completeness and accuracy of underlying data used in management's analysis in developing this estimate and evaluating the reasonableness of significant assumptions used by management, including estimates of proved plus probable oil and gas reserves acquired, production forecasts, costs, forecast benchmark commodity prices and the discount rate. The work of management's specialists was used in performing the procedures to evaluate the reasonableness of the proved plus probable oil and gas reserves acquired. As a basis for using this work, management's specialists' qualifications were understood and the Company's relationship with the specialists was assessed. The procedures performed also included evaluation of the methods and assumptions used by the specialists, tests of the data used by management's specialists and an evaluation of the specialists' findings. Evaluating the assumptions used by management's specialists involved assessing whether the assumptions used were reasonable considering the current performance of the Company and whether the assumptions were consistent with the past performance of comparable properties, industry pricing forecasts and evidence obtained in other areas of the audit, as applicable. Professionals with specialized skill and knowledge were used to assist in evaluating the overall reasonableness of the fair value assigned to PP&E, including the discount rate used by considering the cost of capital of comparable businesses and the implied discount rates of other market transactions.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Canada
March 2, 2022

We have served as the Company's auditor since 2001.

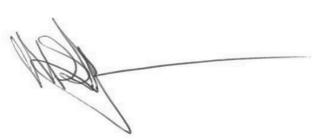
CONSOLIDATED BALANCE SHEETS

As at December 31 (Cdn$ millions)	Notes	2021	2020
ASSETS			
Cash		**13.5**	8.8
Accounts receivable		**314.3**	200.5
Prepaids and deposits		**7.4**	22.7
Derivative asset	25	**75.7**	46.7
Total current assets		**410.9**	278.7
Derivative asset	25	**144.8**	195.7
Other long-term assets	5	**6.4**	18.2
Exploration and evaluation	6, 7	**48.8**	86.4
Property, plant and equipment	7, 8	**7,687.3**	4,372.0
Right-of-use asset	12	**91.4**	103.7
Goodwill	9	**211.5**	223.3
Deferred income tax	22	**570.1**	1,367.9
Total assets		**9,171.2**	6,645.9
LIABILITIES			
Accounts payable and accrued liabilities		**450.7**	310.3
Dividends payable		**43.5**	1.3
Current portion of long-term debt	11	**278.1**	221.6
Derivative liability	25	**159.6**	42.2
Other current liabilities	10	**100.3**	93.8
Total current liabilities		**1,032.2**	669.2
Long-term debt	11	**1,692.1**	2,038.0
Derivative liability	25	**5.3**	3.2
Other long-term liabilities	13	**35.8**	17.3
Lease liability	12	**115.9**	130.1
Decommissioning liability	7, 14	**884.6**	965.3
Total liabilities		**3,765.9**	3,823.1
SHAREHOLDERS' EQUITY			
Shareholders' capital	15	**16,706.9**	16,451.5
Contributed surplus		**17.5**	19.7
Deficit	16	**(11,848.7)**	(14,166.1)
Accumulated other comprehensive income		**529.6**	517.7
Total shareholders' equity		**5,405.3**	2,822.8
Total liabilities and shareholders' equity		**9,171.2**	6,645.9

Commitments (Note 27)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors:



Mike Jackson
Director

Laura A. Cillis
Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31 (Cdn$ millions, except per share amounts)	Notes	2021	2020
REVENUE AND OTHER INCOME			
Oil and gas sales	30	**3,206.5**	1,692.2
Purchased product sales		**31.7**	12.9
Royalties		**(408.8)**	(217.1)
Oil and gas revenue		**2,829.4**	1,488.0
Commodity derivative gains (losses)	18, 25	**(488.9)**	193.3
Other income	19	**99.4**	322.3
		2,439.9	2,003.6
EXPENSES			
Operating		**625.3**	561.8
Purchased product		**32.6**	12.2
Transportation		**117.7**	101.1
General and administrative		**89.8**	78.7
Interest	20	**90.6**	109.1
Foreign exchange gain	21	**(4.4)**	(4.3)
Share-based compensation	23	**30.9**	1.3
Depletion, depreciation and amortization	6, 8, 12	**786.1**	712.7
Impairment (impairment reversal)	8	**(2,514.4)**	3,557.8
Accretion and financing	12, 14	**21.9**	20.7
		(723.9)	5,151.1
Net income (loss) before tax		**3,163.8**	(3,147.5)
Tax expense (recovery)			
Current	22	**—**	0.2
Deferred	22	**799.7**	(627.8)
Net income (loss)		**2,364.1**	(2,519.9)
Other comprehensive income (loss)			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation of foreign operations		**11.9**	22.2
Comprehensive income (loss)		**2,376.0**	(2,497.7)
Net income (loss) per share	24		
Basic		**4.15**	(4.76)
Diluted		**4.11**	(4.76)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Cdn$ millions, except per share amounts)	Notes	Shareholders' capital	Contributed surplus	Deficit	Accumulated other comprehensive income	Total shareholders' equity
December 31, 2019		16,449.0	35.1	(11,636.9)	495.5	5,342.7
Redemption of restricted shares		15.2	(15.3)	0.1		—
Common shares repurchased		(12.7)				(12.7)
Share-based compensation			(0.1)			(0.1)
Net income (loss)				(2,519.9)		(2,519.9)
Dividends ($0.0175 per share)				(9.4)		(9.4)
Foreign currency translation adjustment					22.2	22.2
December 31, 2020		16,451.5	19.7	(14,166.1)	517.7	2,822.8
Issued on capital acquisitions	7	**264.5**				**264.5**
Redemption of restricted shares	15	**8.5**	**(8.8)**	**1.1**		**0.8**
Common shares repurchased	15	**(17.5)**				**(17.5)**
Share issue costs, net of tax		**(0.4)**				**(0.4)**
Share-based compensation	23		**6.8**			**6.8**
Stock options exercised	23	**0.3**	**(0.2)**			**0.1**
Net income (loss)				**2,364.1**		**2,364.1**
Dividends ($0.0825 per share)				**(47.8)**		**(47.8)**
Foreign currency translation adjustment					**11.9**	**11.9**
December 31, 2021		**16,706.9**	**17.5**	**(11,848.7)**	**529.6**	**5,405.3**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31 (Cdn$ millions)	Notes	**2021**	2020
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net income (loss)		**2,364.1**	(2,519.9)
Items not affecting cash			
Other income	19	**(97.0)**	(316.9)
Deferred tax expense (recovery)	22	**799.7**	(627.8)
Share-based compensation		**6.1**	(0.9)
Depletion, depreciation and amortization	6, 8, 12	**786.1**	712.7
Impairment (impairment reversal)	8	**(2,514.4)**	3,557.8
Accretion	14	**15.4**	13.6
Unrealized losses on derivatives	25	**141.4**	112.5
Translation of US dollar long-term debt	21	**(37.0)**	(12.8)
Realized gain on cross currency swap maturity	21	**—**	(49.3)
Decommissioning expenditures	14	**(20.2)**	(14.7)
Change in non-cash working capital	29	**51.6**	6.2
		1,495.8	860.5
INVESTING ACTIVITIES			
Development capital and other expenditures	6, 8	**(676.1)**	(698.8)
Capital acquisitions	7	**(677.9)**	(1.4)
Capital dispositions	7	**99.0**	509.8
Sale of long-term investments	5	**12.6**	—
Change in non-cash working capital	29	**49.0**	(78.6)
		(1,193.4)	(269.0)
FINANCING ACTIVITIES			
Issue of shares, net of issue costs		**(0.7)**	(0.2)
Common shares repurchased	15	**(17.5)**	(12.7)
Decrease in bank debt, net	29	**(34.6)**	(408.1)
Repayment of senior guaranteed notes	29	**(217.6)**	(224.4)
Realized gain on cross currency swap maturity	21	**—**	49.3
Payments on principal portion of lease liability	12, 29	**(21.2)**	(30.0)
Cash dividends	29	**(47.8)**	(9.4)
Change in non-cash working capital	29	**42.2**	(4.0)
		(297.2)	(639.5)
Impact of foreign currency on cash balances		**(0.5)**	(0.1)
INCREASE (DECREASE) IN CASH		**4.7**	(48.1)
CASH AT BEGINNING OF YEAR		**8.8**	56.9
CASH AT END OF YEAR		**13.5**	8.8

See accompanying notes to the consolidated financial statements.

Supplementary Information:

Cash taxes paid	—	(0.2)
Cash interest paid	**(93.1)**	(98.0)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

1. STRUCTURE OF THE BUSINESS

The principal undertaking of Crescent Point Energy Corp. (the “Company” or “Crescent Point”) is to carry on the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets related thereto through a general partnership and wholly owned subsidiaries.

Crescent Point is the ultimate parent and is amalgamated in Alberta, Canada under the Alberta Business Corporations Act. The address of the principal place of business is 2000, 585 - 8th Ave S.W., Calgary, Alberta, Canada, T2P 1G1.

These annual consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on March 2, 2022.

2. BASIS OF PREPARATION

a) Preparation

These consolidated financial statements are presented under International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of March 2, 2022, the date the Board of Directors approved the statements.

The Company’s presentation currency is Canadian dollars and all amounts reported are Canadian dollars unless noted otherwise. References to “US$” and "US dollars" are to United States ("U.S.") dollars. Crescent Point's Canadian and U.S. operations are aggregated into one reportable segment based on similar economic characteristics and the similar nature of the assets, products, production processes and customers.

b) Basis of measurement, functional and presentation currency

The Company’s presentation currency is Canadian dollars. The accounts of the Company’s foreign operations that have a functional currency different from the Company’s presentation currency are translated into the Company’s presentation currency at period end exchange rates for assets and liabilities and at the average rate over the period for revenues and expenses. Translation gains and losses relating to the foreign operations are recognized in other comprehensive income as cumulative translation adjustments.

c) Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

The COVID-19 pandemic, and actions taken in response, have resulted in a significant disruption to the global economy, in particular the oil and gas industry. Although demand for and pricing of energy products has stabilized, the pandemic has, in the past, impacted the demand for and pricing of energy products, including crude oil and condensate, NGLs and natural gas produced by the Company.

As there are many variables and uncertainties regarding the COVID-19 pandemic, as well as its impact on the economic environment, including the duration and magnitude of any further disruption in the oil and gas industry, it is not possible to precisely estimate the potential long-term impact of the COVID-19 pandemic on the Company's financial condition and operations. There may also be effects that are not currently known as the full impact of the COVID-19 pandemic is still uncertain and the situation continues to evolve. This presents various risks and uncertainty, including to management's judgments, estimates and assumptions that affect the application of accounting policies.

The Company also faces uncertainties related to future environmental laws and climate-related regulations, which could affect the Company's financial position and future earnings. This transition to a lower-carbon society, as well as the physical impacts of climate change, could result in increased operating costs and reduced demand for oil and gas products. As a result, this could change a number of variables and assumptions used to determine the estimated recoverable amounts of the Company's oil and gas assets. The unpredictable nature, timing and extent of climate-related initiatives presents various risks and uncertainties, including to management's judgements, estimates and assumptions that affect the application of accounting policies. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below.

Oil and gas activities

Reserves estimates, although not reported as part of the Company’s consolidated financial statements, can have a significant effect on net income, assets and liabilities as a result of their impact on depletion, depreciation and amortization (“DD&A”), decommissioning liability, deferred taxes, asset impairments and impairment reversals, and business combinations. Independent petroleum reservoir engineers perform evaluations of the Company’s oil and gas reserves on an annual basis. The estimation of reserves is an inherently complex process requiring significant judgment. Estimates of economically recoverable oil and gas reserves are based upon a number of variables and assumptions such as geoscientific interpretation, production forecasts, commodity prices, costs and related future cash flows, all of which may vary considerably from actual results. These estimates are expected to be revised upward or downward over time, as additional information such as reservoir performance becomes available, or as economic conditions change.

For purposes of impairment testing, property, plant and equipment (“PP&E”) is aggregated into cash-generating units (“CGUs”), based on separately identifiable and largely independent cash inflows. The determination of the Company’s CGUs is subject to judgment. Factors considered in the classification of CGUs include the integration between assets, shared infrastructures, the existence of common sales points, geography, geologic structure and the manner in which management monitors and makes decisions regarding operations.

The determination of technical feasibility and commercial viability, based on the presence of reserves and which results in the transfer of assets from exploration and evaluation ("E&E") to PP&E, is subject to judgment.

The Company conducted an analysis of its CGUs to determine if their composition was still reflective of the Company's core operating areas after major property acquisitions and dispositions in the first half of 2021. The Company conducted its analysis on July 1, 2021, and determined that its Dodsland Viking assets better align with the Southwest Saskatchewan CGU. Previously, these assets were included in the Southern Alberta CGU, now referred to as the Alberta CGU. At the time of realignment, the Company estimated recoverable amounts of its new CGUs and compared them to the recoverable amounts of its previous CGUs and the respective carrying amounts and noted that no incremental impairment or impairment reversal would arise as a result of the realignment.

Decommissioning liability

Upon retirement of its oil and gas assets, the Company anticipates incurring substantial costs associated with decommissioning. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the expense are impacted by estimates with respect to the cost and timing of decommissioning.

Business combinations

Business combinations are accounted for using the acquisition method of accounting. The determination of fair value often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of PP&E and E&E assets acquired generally require the most judgment and include estimates of reserves acquired, forecast benchmark commodity prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill. Future net earnings can be affected as a result of changes in future DD&A, asset impairment or goodwill impairment.

Fair value measurement

The estimated fair value of derivative instruments resulting in derivative assets and liabilities, by their very nature, are subject to measurement uncertainty. Estimates included in the determination of the fair value of derivative instruments include forward benchmark prices, discount rates, share price, forward foreign exchange rates and forward interest rates.

Joint control

Judgment is required to determine when the Company has joint control over an arrangement, which requires an assessment of the capital and operating activities of the projects it undertakes with partners and when the decisions in relation to those activities require unanimous consent.

Share-based compensation

Compensation costs recorded pursuant to share-based compensation plans are subject to estimated fair values, forfeiture rates and the future attainment of performance criteria.

Income taxes

Tax regulations and legislation and the interpretations thereof are subject to change. In addition, deferred income tax assets and liabilities recognize the extent that temporary differences will be receivable and payable in future periods. The calculation of the asset and liability involves a significant amount of estimation including an evaluation of when the temporary differences will reverse, an analysis of the amount of future taxable earnings, expected cash flows from estimated proved plus probable reserves and the application of tax laws. Changes in tax regulations and legislation and the other assumptions listed are subject to measurement uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company and its subsidiaries for all periods presented in these annual consolidated financial statements.

a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries and any reference to the "Company" throughout these consolidated financial statements refers to the Company and its subsidiaries. All transactions between the Company and its subsidiaries have been eliminated.

The Company conducts some of its oil and gas production activities through jointly controlled operations and the financial statements reflect only the Company's proportionate interest in such activities. Joint control exists for contractual arrangements governing the Company's assets whereby the Company has less than 100 percent working interest, all the partners have control of the arrangement collectively, and share the associated risks. The Company does not have any joint arrangements that are material to the Company or that are structured through joint venture arrangements.

b) Property, Plant and Equipment

Items of PP&E, which primarily consist of oil and gas development and production assets, are measured at cost less accumulated depletion, depreciation and any accumulated impairment losses. Development and production assets are accumulated into CGUs and account for the cost of developing the commercial reserves and initiating production.

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of PP&E are recognized as development and production assets only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in net income as incurred. Capitalized development and production assets generally represent costs incurred in developing reserves and initiating or enhancing production from such reserves. The carrying amount of any sold component is derecognized.

Depletion and Depreciation

Development and production assets are depleted using the unit-of-production method based on estimated proved plus probable reserves before royalties, as determined by independent petroleum reservoir engineers. Natural gas reserves and production are converted to equivalent barrels of oil based upon the relative energy content (6:1). The depletion base includes capitalized costs, plus future costs to be incurred in developing proved plus probable reserves.

Corporate assets are depreciated on a straight line basis over the estimated useful lives of the related assets, ranging from 5 to 16 years.

Impairment

The carrying amounts of PP&E, which takes into account the discounted abandonment and reclamation costs on proved plus probable undeveloped oil and gas reserves, are grouped into CGUs and reviewed quarterly for indicators of impairment. Indicators are events or changes in circumstances that indicate the carrying amount may not be recoverable. If indicators of impairment exist, the recoverable amount of the CGU is estimated. If the carrying amount of the CGU exceeds the recoverable amount, the CGU is written down with an impairment recognized in net income.

Assets are grouped into CGUs based on the integration between assets, shared infrastructure, the existence of common sales points, geography, geological structure and the manner in which management monitors and makes decisions regarding operations. Estimates of future cash flows used in the calculation of the recoverable amount are based on reserve evaluation reports prepared by independent petroleum reservoir engineers. The recoverable amount is the higher of fair value less costs of disposal and the value-in-use. Fair value less costs of disposal is derived by estimating the discounted after-tax future net cash flows from proved plus probable oil and gas reserves. Discounted future net cash flows are based on forecasted commodity prices and costs over the expected economic life of the reserves and discounted using market-based rates to reflect a market participant's view of the risks associated with the assets. Value-in-use is assessed using the expected future cash flows from proved plus probable oil and gas reserves discounted at a pre-tax rate. The fair value less costs of disposal and value in use estimates are categorized as Level 3 according to the IFRS 13 fair value hierarchy.

Impairment losses recognized in prior periods, other than goodwill impairments, are assessed at each reporting date for any indicators that the impairment losses may no longer exist or may have decreased. In the event that an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the amount that would have been determined, net of depletion, had no impairment loss been recognized on the asset in prior periods. The amount of the reversal is recognized in net income.

c) Exploration and Evaluation

Exploration and evaluation assets are comprised of the accumulated expenditures incurred in an area where technical feasibility and commercial viability has not yet been determined. Exploration and evaluation assets include undeveloped land and any drilling costs thereon.

Technical feasibility and commercial viability are considered to be determinable when reserves are discovered. Upon determination of reserves, E&E assets attributable to those reserves are first tested for impairment and then reclassified from E&E assets to PP&E.

Costs incurred prior to acquiring the legal rights to explore an area are expensed as incurred.

Amortization

Undeveloped land classified as E&E assets is amortized by major area over the average primary lease term and recognized in net income. Drilling costs classified as E&E assets are not amortized, but are subject to impairment.

Impairment

Exploration and evaluation assets are reviewed quarterly for indicators of impairment and upon reclassification from E&E assets to PP&E. Exploration and evaluation assets are tested for impairment at the operating segment level by combining E&E assets with PP&E. The recoverable amount is the greater of fair value less costs of disposal or value-in-use. Fair value less costs of disposal is derived by estimating the discounted after-tax future net cash flows from proved plus probable oil and gas reserves, plus the fair market value of undeveloped land. Value-in-use is assessed using the expected future cash flows from proved plus probable oil and gas reserves discounted at a pre-tax rate.

Impairments of E&E assets are reversed when there has been a subsequent increase in the recoverable amount, but only to the extent of what the carrying amount would have been, net of amortization, had no impairment been recognized.

d) Decommissioning Liability

The Company recognizes the present value of a decommissioning liability in the period in which it is incurred. The obligation is recorded as a liability on a discounted basis using the relevant risk free rate, with a corresponding increase to the carrying amount of the related asset. Over time, the liabilities are accreted for the change in their present value and the capitalized costs are depleted on a unit-of-production basis over the life of the underlying proved plus probable reserves. Accretion expense is recognized in net income. Revisions to the discount rate, estimated timing or amount of future cash flows would also result in an increase or decrease to the decommissioning liability and related asset.

e) Goodwill

The Company records goodwill relating to business combinations when the purchase price exceeds the fair value of the net identifiable assets and liabilities of the acquired business. The goodwill balance is assessed for impairment annually or as events occur that could result in impairment. Goodwill is tested for impairment at an operating segment level by combining the carrying amounts of PP&E, E&E assets and goodwill and comparing this to the recoverable amount. Any excess of the carrying amount over the recoverable amount is the impairment amount. The recoverable amount estimates is categorized as Level 3 according to the IFRS 13 fair value hierarchy. Impairment charges, which are not tax affected, are recognized in net income. Goodwill is reported at cost less any accumulated impairment. Goodwill impairments are not reversed.

f) Share-based Compensation

Restricted shares granted under the Restricted Share Bonus Plan are accounted for at fair value and vest on terms up to three years from the grant date determined by the Board of Directors. Share-based compensation expense is determined based on the estimated fair value of shares on the date of grant. Forfeitures are estimated at the grant date and recognized when they occur. The expense is recognized over the service period, with a corresponding increase to contributed surplus. The Company capitalizes the portion of share-based compensation directly attributable to development activities, with a corresponding decrease to share-based compensation expense. At the time the restricted shares vest, the issuance of shares is recorded as an increase to shareholders’ capital and a corresponding decrease to contributed surplus.

Employee Share Value Plan ("ESVP") awards are accounted for at fair value and vest on terms of up to three years from the grant date as determined by the Board of Directors. Share-based compensation expense is determined based on the estimated fair value of the ESVP awards on the date of grant and subsequently adjusted to reflect the fair value at each period end. The expense is recognized over the service period, with a corresponding increase to long-term compensation liability. ESVP awards are settled in cash upon vesting based on the prevailing Crescent Point share price and the aggregate amount of dividends paid from the grant date.

Performance share units ("PSUs") are accounted for at fair value and vest on terms of up to three years from the grant date as determined by the Board of Directors. Share-based compensation expense is determined based on the estimated fair value of the PSUs on the date of the grant and subsequently adjusted to reflect the fair value at each period end. Market performance conditions are factored into the fair value and the best estimate of non-market performance conditions is used to determine an estimate of the number of units that will vest. Fair value is based on the expected cash payment per PSU and the expected number of PSUs to vest, calculated from multipliers based on internal and external performance metrics. The expense is recognized over the service period, with a corresponding increase to long-term compensation liability. PSUs are settled in cash upon vesting based on the prevailing Crescent Point share price, accrued dividends and the performance multipliers.

Deferred share units (“DSUs”) are accounted for at fair value. Share-based compensation expense is determined based on the estimated fair value of the DSUs on the date of the grant and subsequently adjusted to reflect the fair value at each period end. Fair value is based on the prevailing Crescent Point share price.

Stock Options are accounted for at fair value and have a maximum term of seven years and vest on terms as determined by the Board of Directors. Share-based compensation expense is determined based on the estimated fair value of the stock options on the date of the grant. Upon vest, the stock option holder may either exercise their stock options to purchase one common share per option at the exercise price or, at the Company's discretion, surrender their stock options for a cash payment in an amount equal to the aggregate positive difference, if any, between the market price and the exercise price of the number of common shares associated with the stock options surrendered. Alternatively, the stock option holder may also, at the Company's discretion, surrender their stock options for common shares having a value equivalent to the cash payment.

g) Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recognized for the estimated effect of any differences between the accounting and tax basis of assets and liabilities, using enacted or substantively enacted income tax rates expected to apply when the deferred tax asset or liability is settled. The effect of a change in income tax rates on deferred income taxes is recognized in net income in the period in which the change occurs.

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The Company is able to deduct certain settlements under its Restricted Share Bonus Plan. To the extent the tax deduction exceeds the cumulative remuneration cost for a particular restricted share grant recorded in net income, the tax benefit related to the excess is recorded directly within equity.

Deferred income tax assets and liabilities are presented as non-current.

h) Financial Instruments

The Company uses financial derivative instruments and physical delivery commodity contracts from time to time to reduce its exposure to fluctuations in commodity prices, share price, foreign exchange rates and interest rates. The Company also makes investments in companies from time to time in connection with the Company’s acquisition and divestiture activities.

Financial derivative instruments

Financial derivative instruments are included in current assets/liabilities except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets/liabilities.

The Company has not designated any of its financial derivative contracts as effective accounting hedges and, accordingly, fair values its financial derivative contracts with the resulting gains and losses recorded in net income.

The fair value of a financial derivative instrument on initial recognition is normally the transaction price. Subsequent to initial recognition, the fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated based on market prices at the reporting date for similar assets or liabilities with similar terms and conditions, or by discounting future payments of interest and principal at estimated interest rates that would be available to the Company at the reporting date.

Financial assets and liabilities

Financial assets and liabilities are measured at fair value on initial recognition. For non-equity instruments, measurement in subsequent periods depends on the classification of the financial asset or liability as “fair value through profit or loss” or “amortized cost”.

Financial assets and liabilities classified as fair value through profit or loss are subsequently carried at fair value, with changes recognized in net income.

Financial assets and liabilities classified as amortized cost are subsequently carried at amortized cost using the effective interest rate method.

Currently, the Company classifies all non-equity financial instruments which are not financial derivative instruments as amortized cost.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset carried at amortized cost is impaired. If such evidence exists, the Company recognizes an impairment loss in net income. Impairment losses are reversed in subsequent periods if the impairment loss decrease can be related objectively to an event occurring after the impairment was recognized.

For investments in equity instruments, the subsequent measurement is dependent on the Company’s election to classify such instruments as fair value through profit or loss or fair value through other comprehensive income. Currently, the Company classifies all investments in equity instruments as fair value through profit or loss, whereby the Company recognizes movements in the fair value of the investment (adjusted for dividends) in net income. If the fair value through other comprehensive income classification is selected, the Company would recognize any dividends from the investment in net income and would recognize fair value re-measurements of the investment in other comprehensive income.

Impairment of Financial Assets

Impairment losses are recognized using an expected credit loss model. The Company has adopted the simplified expected credit loss model for its accounts receivable, which permits the use of the lifetime expected loss provision.

To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and days past due. The Company uses judgment in making these assumptions and selecting the inputs into the expected loss calculation based on past history, existing market conditions and forward looking estimates at the end of each reporting period.

i) Business Combinations

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the fair value of the acquired assets by estimating the discounted after-tax future net cash flows, the fair value of equity instruments issued and the fair value of liabilities incurred or assumed at the acquisition date. The excess of the cost of the acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets acquired, the difference is recognized immediately in net income. Transaction costs associated with business combinations are expensed as incurred.

j) Foreign Currency Translation

Foreign operations

The Company has operations in the U.S. transacted via U.S. subsidiaries. The assets and liabilities of foreign operations are restated to Canadian dollars at exchange rates in effect at the balance sheet date. The income and expenses of foreign operations are translated to Canadian dollars using average exchange rates for the period. The resulting unrealized gain or loss is included in other comprehensive income.

Foreign transactions

Transactions in foreign currencies not incurred by the Company’s U.S. subsidiaries are translated to Canadian dollars at exchange rates in effect at the transaction dates. Foreign currency assets and liabilities are restated to Canadian dollars at exchange rates in effect at the balance sheet date and income and expenses are restated to Canadian dollars using average exchange rates for the period. Both realized and unrealized gains and losses resulting from the settlement or restatement of foreign currency transactions are included in net income.

k) Revenue Recognition

The Company’s major revenue sources are comprised of sales from the production of crude oil and condensate, natural gas liquids ("NGLs") and natural gas. Revenue is recognized when control of the product transfers to the customer and the collection is reasonably probable, generally upon delivery of the product. Sales of crude oil and condensate, NGLs and natural gas production are based on variable pricing as the transaction prices are based on benchmark commodity prices and other variable factors, including quality differentials and location.

Each contract is evaluated based on the nature of the performance obligations, including the Company’s role as either principal or agent. Where the Company acts as principal, revenue is recognized on a gross basis. Where the Company acts as agent, revenue is recognized on a net basis.

l) Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with original maturities of three months or less.

m) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, the lease liability is recognized at the present value of the future lease payments and discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate. A corresponding right-of-use ("ROU") asset will be recognized at the amount of the lease liability, adjusted for any lease incentives received and initial direct costs incurred. Over the term of the lease, financing expense is recognized on the lease liability using the effective interest rate method and charged to net income, lease payments are applied against the lease liability and depreciation on the ROU asset is recorded by class of underlying asset.

The lease term is the non-cancellable period of a lease and includes periods covered by an optional lease extension option if reasonably certain the Company will exercise the option to extend. Conversely, periods covered by an option to terminate are included if the Company does not expect to end the lease during that time frame. Leases with a term of less than twelve months or leases for underlying low value assets are recognized as an expense in net income on a straight-line basis over the lease term.

A lease modification will be accounted for as a separate lease if it materially changes the scope of the lease. For a modification that is not a separate lease, on the effective date of the lease modification, the Company will remeasure the lease liability and corresponding ROU asset using the interest rate implicit in the lease or the Company's incremental borrowing rate. Any variance between the remeasured ROU asset and lease liability will be recognized as a gain or loss in net income to reflect the change in scope.

The Company also acts as an intermediate lessor for office space sub-leased to other companies. As a lessor, the Company will evaluate whether a lease is a finance or operating lease. Leases where the Company transfers substantially all the risks and rewards of ownership are classified as finance leases. Conversely, leases where the risks and rewards of ownership are retained by the Company are operating leases. The head lease between the Company and the building, and the sub-lease between the Company and tenants, are accounted for separately. The lease classification of the sub-lease is based upon the head lease and not the underlying asset.

n) Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net income for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to dilutive instruments, being restricted shares issued under the Company's Restricted Share Bonus Plan and stock options under the Company's Stock Option Plan, is computed using the treasury stock method. The treasury stock method assumes that the deemed proceeds related to unrecognized share-based compensation are used to repurchase shares at the average market price during the period.

o) Government Grants

The Company may receive government grants which provide immediate financial assistance as compensation for costs or expenditures to be incurred. Government grants are accounted for when there is reasonable assurance that conditions attached to the grants are met and that the grants will be received. The Company recognizes government grants in net income on a systematic basis and in line with recognition of the expense that the grants are intended to compensate.

4. CHANGES IN ACCOUNTING POLICIES

Intangible Assets

IAS 38 *Intangible Assets* was amended in March 2021 to revise how to recognize costs in relation to the configuration or customization of application software. The Company adopted the amendment in 2021 and the adoption did not have an impact on the Company's consolidated financial statements.

New accounting standards and amendments not yet adopted

Presentation of Financial Statements

IAS 1 *Presentation of Financial Statements* was amended in January 2020 by the IASB to clarify the presentation requirements of liabilities as either current or non-current within the statement of financial position. This amendment is effective for fiscal years beginning on or after January 1, 2023 with earlier adoption permitted.

5. OTHER LONG-TERM ASSETS

($ millions)	**2021**	2020
Long-term investments	**—**	2.5
Other receivables	**6.4**	15.7
Other long-term assets	**6.4**	18.2

a) Long-term investments

($ millions)	**2021**	2020
Investments in public companies, beginning of year	**2.5**	6.7
Gain (loss) recognized in other income	**10.1**	(4.2)
Dispositions	**(12.6)**	—
Investments in public companies, end of year	**—**	2.5

Public companies

During the year ended December 31, 2021, the Company disposed of its common shares in a publicly traded oil and gas company. The investment was classified as financial assets at fair value through profit or loss and was fair valued at each period with the resulting gain or loss recorded in net income. At December 31, 2020, the investment was recorded at a fair value of $2.5 million which was $3.1 million less than the original cost of the investments.

b) Other receivables

At December 31, 2021, the Company had investment tax credits of $6.4 million (December 31, 2020 - $15.7 million).

6. EXPLORATION AND EVALUATION ASSETS

($ millions)	**2021**	2020
Exploration and evaluation assets at cost	**1,613.3**	1,736.1
Accumulated amortization	**(1,564.5)**	(1,649.7)
Net carrying amount	**48.8**	86.4
Reconciliation of movements during the year		
Cost, beginning of year	**1,736.1**	1,848.1
Accumulated amortization, beginning of year	**(1,649.7)**	(1,602.6)
Net carrying amount, beginning of year	**86.4**	245.5
Net carrying amount, beginning of year	**86.4**	245.5
Acquisitions through business combinations	**18.6**	1.3
Additions	**57.8**	108.2
Dispositions	**(5.4)**	(0.2)
Transfers to property, plant and equipment	**(57.5)**	(198.0)
Amortization	**(51.0)**	(71.9)
Foreign exchange	**(0.1)**	1.5
Net carrying amount, end of year	**48.8**	86.4

Impairment test of exploration and evaluation assets

There were no indicators of impairment at December 31, 2021 or December 31, 2020.

At March 31, 2020, the value of the Company's market capitalization as compared to shareholders' equity as well as the indication that potential further development of E&E assets may not be currently economical was an indicator of impairment. As a result, impairment testing was required and the Company prepared estimates of future cash flows and fair market values of undeveloped land to determine the recoverable amount of the respective assets. As a result of these tests, the Company concluded that the estimated recoverable amounts exceeded the carrying amounts and no impairments were recorded.

7. CAPITAL ACQUISITIONS AND DISPOSITIONS

In the year ended December 31, 2021, the Company incurred $12.5 million (year ended December 31, 2020 - $5.4 million) of transaction costs related to acquisitions through business combinations and dispositions that were recorded as general and administrative expenses.

a) Major property acquisitions and dispositions

Kaybob Duvernay acquisition

On April 1, 2021, the Company closed the acquisition of Shell Canada Energy's Kaybob Duvernay assets in Alberta for total consideration of $940.6 million including closing adjustments, consisting of $676.1 million in cash and the issuance of 50.0 million common shares.

Oil and gas sales and oil and gas sales less royalties, transportation and operating expenses from the acquisition date to December 31, 2021 includes $499.8 million and $393.8 million, respectively, attributable to the Kaybob Duvernay acquisition. Had the business combination occurred on January 1, 2021, estimated oil and gas sales of $629.8 million and oil and gas sales less royalties, transportation and operating expenses of $496.8 million would have been recognized for the year ended December 31, 2021. This pro-forma information is not necessarily indicative of the results should the acquisition have actually occurred on January 1, 2021.

Southeast Saskatchewan disposition

In the second quarter of 2021, the Company disposed of its remaining non-core southeast Saskatchewan conventional assets for consideration of $85.9 million. These assets had a net carrying value of $11.9 million, resulting in a gain of $74.0 million.

b) Minor property acquisitions and dispositions

In the year ended December 31, 2021, the Company completed minor property acquisitions and dispositions for net consideration received of $11.3 million. These assets had a net carrying value of $26.9 million, resulting in a loss of $15.6 million.

The following table summarizes the major and minor property acquisitions and dispositions:

($ millions)	Kaybob Duvernay Acquisition	Southeast Saskatchewan Disposition	Other minor dispositions, net
Cash	(676.1)	85.9	11.3
Common shares	(264.5)	—	—
Consideration (paid) received	**(940.6)**	**85.9**	**11.3**
Exploration and evaluation	18.5	—	(5.3)
Property, plant and equipment	951.7	(219.6)	(22.0)
Goodwill	—	(10.6)	(1.2)
Decommissioning liability	(29.6)	218.3	1.6
Fair value of net assets acquired (Carrying value of net assets disposed)	**940.6**	**(11.9)**	**(26.9)**
Gain (loss) on capital dispositions	**—**	**74.0**	**(15.6)**

8. PROPERTY, PLANT AND EQUIPMENT

($ millions)	**2021**	2020
Development and production assets	**23,402.9**	23,584.1
Corporate assets	**123.2**	120.7
Property, plant and equipment at cost	**23,526.1**	23,704.8
Accumulated depletion, depreciation and impairment	**(15,838.8)**	(19,332.8)
Net carrying amount	**7,687.3**	4,372.0
Reconciliation of movements during the year		
Development and production assets		
Cost, beginning of year	**23,584.1**	23,038.6
Accumulated depletion and impairment, beginning of year	**(19,265.2)**	(15,251.0)
Net carrying amount, beginning of year	**4,318.9**	7,787.6
Net carrying amount, beginning of year	**4,318.9**	7,787.6
Acquisitions through business combinations	**953.8**	0.2
Additions	**736.5**	504.2
Dispositions	**(243.7)**	(28.0)
Transfers from exploration and evaluation assets	**57.5**	198.0
Depletion	**(708.5)**	(611.6)
Impairment reversal (impairment)	**2,514.4**	(3,557.8)
Foreign exchange	**11.4**	26.3
Net carrying amount, end of year	**7,640.3**	4,318.9
Cost, end of year	**23,402.9**	23,584.1
Accumulated depletion and impairment, end of year	**(15,762.6)**	(19,265.2)
Net carrying amount, end of year	**7,640.3**	4,318.9
Corporate assets		
Cost, beginning of year	**120.7**	117.2
Accumulated depreciation, beginning of year	**(67.6)**	(63.2)
Net carrying amount, beginning of year	**53.1**	54.0
Net carrying amount, beginning of year	**53.1**	54.0
Additions	**2.5**	3.5
Depreciation	**(8.6)**	(4.4)
Net carrying amount, end of year	**47.0**	53.1
Cost, end of year	**123.2**	120.7
Accumulated depreciation, end of year	**(76.2)**	(67.6)
Net carrying amount, end of year	**47.0**	53.1

At December 31, 2021, future development costs of $4.58 billion (December 31, 2020 - $4.18 billion) were included in costs subject to depletion.

Direct general and administrative costs capitalized by the Company during the year ended December 31, 2021 were $45.1 million (year ended December 31, 2020 - $37.7 million), including $14.3 million of share-based compensation costs (year ended December 31, 2020 - $5.4 million).

Impairment test of property, plant and equipment

2021 Impairment Reversal

At December 31, 2021, there were no indicators of impairment or impairment reversal.

At June 30, 2021, the significant increase in forecast benchmark commodity prices and the increase in the Company's market capitalization since the last impairment test at March 31, 2020 were indicators of impairment reversal. As a result, a test for impairment reversal was conducted and the Company prepared estimates of future cash flows to determine the recoverable amount of the respective assets.

The following table outlines the forecast benchmark commodity prices and the exchange rate used in the impairment calculation of PP&E at June 30, 2021:

	2021 (1)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031 (3)
WTI ($US/bbl) (2)	71.33	67.20	63.95	63.23	64.50	65.79	67.10	68.44	69.81	71.21	72.63
Exchange Rate ($US/$Cdn)	0.803	0.802	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
WTI ($Cdn/bbl)	88.83	83.79	79.94	79.04	80.63	82.24	83.88	85.55	87.26	89.01	90.79
AECO ($Cdn/mmbtu) (2)	3.46	3.13	2.72	2.71	2.76	2.82	2.88	2.94	2.99	3.05	3.12

(1) Effective July 1, 2021.

(2) The forecast benchmark commodity prices listed above are adjusted for quality differentials, heat content, distance to market and other factors in performing the impairment tests.

(3) Forecast benchmark commodity prices are assumed to increase by 2.0% in each year after 2031 to the end of the reserve life. Exchange rates are assumed to be constant at 0.800.

At June 30, 2021, the Company determined that the recoverable amount of the Southeast Saskatchewan, Southwest Saskatchewan, Southern Alberta and Northern U.S. CGUs exceeded their carrying amount. The full amounts of the impairment reversals were attributed to PP&E and, as a result, impairment reversals of $2.51 billion were recognized in net income. The impairment reversal was due to the significant increase in forecast benchmark commodity prices used in impairment testing at June 30, 2021 compared to March 31, 2020.

At December 31, 2021, the after tax impairments that can be reversed in future periods for each CGU, net of depletion had no impairment loss been recognized in prior periods, were $1.76 billion for Southeast Saskatchewan, $1.19 billion for Southwest Saskatchewan, $244.0 million for Alberta and $53.6 million for Northern U.S.

The following table summarizes the impairment reversal for the six months ended June 30, 2021 by CGU:

CGU ($ millions, except %)	**Operating segment**	**Recoverable amount**	**Discount rate**	**Impairment reversal**	**Impairment reversal, net of tax**
Southeast Saskatchewan	Canada	2,941.0	15.00 %	917.7	688.1
Southwest Saskatchewan	Canada	1,422.6	15.00 %	604.1	453.0
Southern Alberta (1)	Canada	1,911.9	15.00 %	555.6	416.6
Northern U.S.	U.S.	861.9	15.00 %	437.0	326.0
Total impairment reversal		7,137.4		2,514.4	1,883.7

(1) Subsequently referred to as the Alberta CGU. See Note 2 - “Basis of Preparation” for additional information.

Changes in any of the key judgments, such as a revision in reserves, changes in forecast benchmark commodity prices, foreign exchange rates, discount rates, capital or operating costs would impact the recoverable amounts of assets and any recoveries or impairment charges would affect net income. The following sensitivities show the resulting impact on income before tax of the changes in discount rate and forecast benchmark commodity price estimates at June 30, 2021, with all other variables held constant:

CGU	Discount Rate		Commodity Prices	
($ millions)	Increase 1%	Decrease 1%	Increase 5%	Decrease 5%
Southeast Saskatchewan	(181.1)	199.2	350.7	(349.9)
Southwest Saskatchewan	(89.1)	97.9	183.4	(182.7)
Southern Alberta (1)	(89.4)	97.2	189.9	(190.3)
Northern U.S.	(57.1)	62.9	124.0	(124.1)
Increase (decrease)	(416.7)	457.2	848.0	(847.0)

(1) Subsequently referred to as the Alberta CGU. See Note 2 - “Basis of Preparation” for additional information.

2020 Impairment

At December 31, 2020, there were no indicators of impairment or impairment recovery.

At March 31, 2020, the significant decrease in forecast benchmark commodity prices and the value of the Company's market capitalization as compared to shareholders' equity were indicators of impairment. As a result, impairment and recovery testing were required and the Company prepared estimates of future cash flows to determine the recoverable amount of the respective assets.

The following table outlines the forecast benchmark commodity prices and the exchange rate used in the impairment calculation of PP&E at March 31, 2020:

	2020 (1)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030 (3)
WTI ($US/bbl) (2)	29.17	40.45	49.17	53.28	55.66	56.87	58.01	59.17	60.35	61.56	62.79
Exchange Rate ($US/$Cdn)	0.707	0.728	0.745	0.747	0.748	0.750	0.750	0.750	0.750	0.750	0.750
WTI ($Cdn/bbl)	41.26	55.56	66.00	71.33	74.41	75.83	77.35	78.89	80.47	82.08	83.72
AECO ($Cdn/mmbtu) (2)	1.74	2.20	2.38	2.45	2.53	2.60	2.66	2.72	2.79	2.85	2.92

(1) Effective April 1, 2020.

(2) The forecast benchmark commodity prices listed above are adjusted for quality differentials, heat content, distance to market and other factors in performing the impairment tests.

(3) Forecast benchmark commodity prices are assumed to increase by 2.0% in each year after 2030 to the end of the reserve life. Exchange rates are assumed to be constant at 0.750.

At March 31, 2020, the Company determined that the carrying amount of the Southeast Saskatchewan, Southwest Saskatchewan, Northern U.S. and Southern Alberta CGUs exceeded their recoverable amount. The full amount of the impairments were attributed to PP&E and, as a result, impairment losses of $3.56 billion were recorded in net income. The impairment loss was due to the significant decrease in forecast benchmark commodity prices used in impairment testing at March 31, 2020 compared to December 31, 2019.

The following table summarizes the impairment expense for the year ended December 31, 2020 by CGU:

CGU ($ millions, except %)	**Operating segment**	**Recoverable amount**	**Discount rate**	**Impairment**	**Impairment, net of tax**
Southeast Saskatchewan	Canada	2,500.0	15.00 %	1,726.1	1,286.7
Southwest Saskatchewan	Canada	940.9	15.00 %	866.7	646.1
Northern U.S.	U.S.	465.8	15.00 %	549.7	410.0
Southern Alberta (1)	Canada	489.2	15.00 %	415.3	309.6
Total impairment		4,395.9		3,557.8	2,652.4

(1) Subsequently referred to as the Alberta CGU. See Note 2 - “Basis of Preparation” for additional information.

Changes in any of the key judgments, such as a revision in reserves, changes in forecast benchmark commodity prices, foreign exchange rates, capital or operating costs would impact the recoverable amounts of assets and any recoveries or impairment charges would affect net income. The following sensitivities show the resulting impact on income before tax of the changes in discount rate and forecast benchmark commodity price estimates at March 31, 2020, with all other variables held constant:

CGU	Discount Rate		Commodity Prices	
($ millions)	Increase 1%	Decrease 1%	Increase 5%	Decrease 5%
Southeast Saskatchewan	(139.3)	153.9	255.8	(251.4)
Southwest Saskatchewan	(55.5)	61.3	109.8	(108.9)
Northern U.S.	(35.8)	39.8	77.7	(79.4)
Southern Alberta (1)	(31.6)	35.0	60.8	(64.0)
Increase (decrease)	(262.2)	290.0	504.1	(503.7)

(1) Subsequently referred to as the Alberta CGU. See Note 2 - “Basis of Preparation” for additional information.

9. GOODWILL

($ millions)	**2021**	2020
Goodwill, beginning of year	**223.3**	230.9
Southeast Saskatchewan asset disposition	**(10.6)**	—
Saskatchewan gas infrastructure asset disposition	**—**	(6.4)
Other dispositions	**(1.2)**	(1.2)
Goodwill, end of year	**211.5**	223.3

Goodwill has been assigned to the Canadian operating segment.

Impairment test of goodwill

The impairment tests of goodwill compared the recoverable amount of the Company's PP&E and E&E to the carrying amount of the combined PP&E, E&E and goodwill at December 31, 2021 and December 31, 2020. The recoverable amount of the Company's PP&E and E&E was estimated using independent reserve evaluator forecast benchmark commodity prices, proved plus probable reserve estimates and management's estimate of the fair market value of undeveloped land. See to Note 6 - "Exploration and Evaluation Assets" and Note 8 - "Property, Plant and Equipment" for additional information. As a result of these tests, the Company concluded that the estimated recoverable amounts exceeded the carrying amounts and no impairments were recorded.

10. OTHER CURRENT LIABILITIES

($ millions)	**2021**	2020
Long-term compensation liability	**40.6**	10.0
Lease liability	**25.5**	26.4
Decommissioning liability	**34.2**	57.4
Other current liabilities	**100.3**	93.8

11. LONG-TERM DEBT

($ millions)	**2021**	2020
Bank debt [(1)]	**331.4**	388.2
Senior guaranteed notes	**1,638.8**	1,871.4
Long-term debt	**1,970.2**	2,259.6
Long-term debt due within one year	**278.1**	221.6
Long-term debt due beyond one year	**1,692.1**	2,038.0

(1) The Company has London Inter-bank Offered Rate ("LIBOR") loans under its bank credit facilities. The US dollar amounts of the LIBOR loans were fixed for purposes of interest and principal repayments. At December 31, 2021, the total notional amount due upon bank debt maturity was $332.3 million (December 31, 2020 - $399.1 million). The Interest Rate Benchmark Reform Phase II amendments, effective January 1, 2021, is not expected to have a financial impact on the Company's results. Upon cessation of LIBOR rates, the Company will transition to alternative benchmark rates.

Bank debt

The Company has combined facilities of $2.30 billion, including a $2.20 billion syndicated unsecured credit facility with eleven banks and a $100.0 million unsecured operating credit facility with one Canadian chartered bank. The current maturity dates of the facilities is November 26, 2025. Both of these facilities constitute revolving credit facilities and are extendible annually.

The credit facilities bear interest at the applicable market rate plus a margin based on a sliding scale ratio of the Company's senior debt to earnings before interest, taxes, depletion, depreciation, amortization, impairment and impairment reversals, adjusted for payments on lease liability and certain non-cash items including unrealized derivatives, translation of US dollar long-term debt, equity-settled share-based compensation expense and accretion and financing expense ("adjusted EBITDA").

The credit facilities and senior guaranteed notes have covenants which restrict the Company's ratio of senior debt to adjusted EBITDA to a maximum of 3.5:1.0, the ratio of total debt to adjusted EBITDA to a maximum of 4.0:1.0 and the ratio of senior debt to capital, adjusted for certain non-cash items as noted above, to a maximum of 0.55:1.0. The Company was in compliance with all debt covenants at December 31, 2021.

The Company had letters of credit in the amount of $1.0 million outstanding at December 31, 2021 (December 31, 2020 - $10.4 million).

Senior guaranteed notes

At December 31, 2021, the Company has senior guaranteed notes of US$1.12 billion and Cdn$220.0 million outstanding. The notes are unsecured and rank *pari passu* with the Company's bank credit facilities and carry a bullet repayment on maturity. The senior guaranteed notes have financial covenants similar to those of the combined credit facilities described above. The Company's senior guaranteed notes are detailed below:

Principal ($ millions)	Coupon Rate	Hedged Equivalent (1) (Cdn$ millions)	Interest Payment Dates	Maturity Date	Financial statement carrying value 2021	2020
Cdn$50.0	5.53%	—	October 14 and April 14	April 14, 2021	**—**	50.0
US$82.0	5.13%	—	October 14 and April 14	April 14, 2021	**—**	104.6
US$52.5	3.29%	—	December 20 and June 20	June 20, 2021	**—**	67.0
Cdn$25.0	4.76%	25.0	November 22 and May 22	May 22, 2022	**25.0**	25.0
US$200.0	4.00%	199.1	November 22 and May 22	May 22, 2022	**253.1**	255.1
US$61.5	4.12%	80.3	October 11 and April 11	April 11, 2023	**77.8**	78.4
Cdn$80.0	3.58%	80.0	October 11 and April 11	April 11, 2023	**80.0**	80.0
Cdn$10.0	4.11%	10.0	December 12 and June 12	June 12, 2023	**10.0**	10.0
US$270.0	3.78%	274.7	December 12 and June 12	June 12, 2023	**341.7**	344.4
Cdn$40.0	3.85%	40.0	December 20 and June 20	June 20, 2024	**40.0**	40.0
US$257.5	3.75%	276.4	December 20 and June 20	June 20, 2024	**325.9**	328.4
US$82.0	4.30%	107.0	October 11 and April 11	April 11, 2025	**103.8**	104.6
Cdn$65.0	3.94%	65.0	October 22 and April 22	April 22, 2025	**65.0**	65.0
US$230.0	4.08%	291.1	October 22 and April 22	April 22, 2025	**291.1**	293.4
US$20.0	4.18%	25.3	October 22 and April 22	April 22, 2027	**25.4**	25.5
Senior guaranteed notes		1,473.9			**1,638.8**	1,871.4
Senior guaranteed notes due within one year					**278.1**	221.6
Senior guaranteed notes due beyond one year					**1,360.7**	1,649.8

(1) Includes underlying derivatives which manage the Company's foreign exchange exposure on its US dollar senior guaranteed notes. The Company considers this to be the economic amount due at maturity instead of the financial statement carrying amount.

Concurrent with the issuance of US$1.09 billion senior guaranteed notes, the Company entered into CCS to manage the Company's foreign exchange risk. The CCS fix the US dollar amount of the individual tranches of notes for purposes of interest and principal repayments at a notional amount of $1.22 billion. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a foreign exchange swap which fixed the principal repayment at a notional amount of $32.2 million. See Note 25 - “Financial Instruments and Derivatives” for additional information.

12. LEASES

Right-of-use asset

($ millions)	Office (1)	Fleet Vehicles	Other	Total
Right-of-use asset at cost	121.6	25.2	11.7	158.5
Accumulated depreciation	(44.3)	(16.1)	(6.7)	(67.1)
Net carrying amount	77.3	9.1	5.0	91.4
Reconciliation of movements during the year				
Cost, beginning of year	121.0	20.4	11.6	153.0
Accumulated depreciation, beginning of year	(32.5)	(12.0)	(4.8)	(49.3)
Net carrying amount, beginning of year	88.5	8.4	6.8	103.7
Net carrying amount, beginning of year	88.5	8.4	6.8	103.7
Additions	0.6	4.8	0.5	5.9
Dispositions	—	—	(0.2)	(0.2)
Depreciation	(11.8)	(4.1)	(2.1)	(18.0)
Net carrying amount, end of year	77.3	9.1	5.0	91.4

(1) A portion of the Company's office space is subleased. During the year ended December 31, 2021, the Company recorded sublease income of $5.4 million (year ended December 31, 2020 - $5.6 million) as a component of other income.

Lease liability

($ millions)	**2021**	2020
Lease liability, beginning of year	**156.5**	181.2
Additions	**5.9**	4.8
Financing	**6.5**	7.1
Payments on lease liability	**(27.7)**	(37.1)
Other	**0.2**	0.5
Lease liability, end of year	**141.4**	156.5
Expected to be incurred within one year	**25.5**	26.4
Expected to be incurred beyond one year	**115.9**	130.1

Some leases contain variable payments that are not included within the lease liability as they are based on amounts determined by the lessor annually and not dependent on an index or rate. For the year ended December 31, 2021, variable lease payments of $1.5 million were included in general and administrative expenses relating to property tax payments on office leases (December 31, 2020 - $2.2 million).

During the year ended December 31, 2021, the Company recorded $0.6 million in general and administrative expenses related to short-term leases and leases for low dollar value underlying assets (December 31, 2020 - $0.6 million).

The undiscounted cash flows relating to the lease liability are as follows:

($ millions)	**December 31, 2021**
1 year	**26.0**
2 to 3 years	**44.7**
4 to 5 years	**35.2**
More than 5 years	**59.3**
Total (1)	**165.2**

(1) Includes both the principal and amounts representing interest.

13. OTHER LONG-TERM LIABILITIES

At December 31, 2021, the Company had a long-term compensation liability of $35.8 million (December 31, 2020 - $17.3 million) related to share-based compensation. See Note 23 - "Share-based Compensation" for additional information.

14. DECOMMISSIONING LIABILITY

($ millions)	2021	2020
Decommissioning liability, beginning of year	**1,022.7**	1,144.0
Liabilities incurred	**13.6**	17.2
Liabilities acquired through capital acquisitions	**30.0**	0.1
Liabilities disposed through capital dispositions	**(220.3)**	(31.1)
Liabilities settled (1)	**(48.9)**	(19.8)
Revaluation of acquired decommissioning liabilities (2)	**36.1**	0.3
Change in estimated future costs	**74.2**	(105.8)
Change in discount and inflation rate estimates	**(3.8)**	4.6
Accretion	**15.4**	13.6
Foreign exchange	**(0.2)**	(0.4)
Decommissioning liability, end of year	**918.8**	1,022.7
Expected to be incurred within one year	**34.2**	57.4
Expected to be incurred beyond one year	**884.6**	965.3

(1) Includes $28.7 million received from government subsidy programs during the year ended December 31, 2021 (year ended December 31, 2020 - $5.1 million).

(2) These amounts relate to the revaluation of acquired decommissioning liabilities at the end of the period using a risk-free discount rate. At the date of acquisition, acquired decommissioning liabilities are fair valued.

Upon retirement of its oil and gas assets, the Company anticipates substantial costs associated with decommissioning. The total future decommissioning liability was estimated by management based on the Company's net ownership in all wells and facilities. This includes all estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. The Company has estimated the net present value of its total decommissioning liability to be $918.8 million at December 31, 2021 (December 31, 2020 - $1.02 billion) based on total estimated undiscounted and uninflated cash flows to settle the obligation of $896.6 million (December 31, 2020 - $976.5 million). These obligations are expected to be settled through 2053, with the majority expected after 2039. The estimated cash flows have been discounted using a risk-free rate of 1.68 percent and a derived inflation rate of 1.82 percent (December 31, 2020 - risk-free rate of 1.21 percent and inflation rate of 1.49 percent).

15. SHAREHOLDERS' CAPITAL

Crescent Point has an unlimited number of common shares authorized for issuance.

	2021		2020	
	Number of shares	**Amount ($ millions)**	Number of shares	Amount ($ millions)
Common shares, beginning of year	**530,035,922**	**16,707.6**	529,399,923	16,705.1
Issued on capital acquisitions	**50,000,000**	**264.5**	—	—
Issued on redemption of restricted shares	**2,109,241**	**8.5**	2,801,599	15.2
Issued on exercise of stock options	**155,869**	**0.3**	—	—
Common shares repurchased	**(2,817,000)**	**(17.5)**	(2,165,600)	(12.7)
Common shares, end of year	**579,484,032**	**16,963.4**	530,035,922	16,707.6
Cumulative share issue costs, net of tax	**—**	**(256.5)**	—	(256.1)
Total shareholders' capital, end of year	**579,484,032**	**16,706.9**	530,035,922	16,451.5

Normal Course Issuer Bid ("NCIB")

On March 5, 2021, the Company announced the approval by the Toronto Stock Exchange of its notice to implement a NCIB. The NCIB allows the Company to purchase, for cancellation, up to 26,462,509 common shares, or five percent of the Company's public float, as at February 26, 2021. The NCIB commenced on March 9, 2021 and is due to expire on March 8, 2022. The Company continues to evaluate returns to shareholders as market conditions permit in the context of its capital allocation framework, leverage targets and adjusted funds flow generation.

In December 2021, the Company purchased and cancelled 2.8 million common shares for total consideration of $17.5 million. The total cost paid, including commissions and fees, was recognized directly as a reduction in shareholders' equity. Under the NCIB, all common shares purchased are cancelled.

16. DEFICIT

($ millions)	**2021**	2020
Accumulated earnings (deficit)	**(4,184.0)**	(6,548.1)
Accumulated gain on shares issued pursuant to DRIP (1) and SDP (2)	**8.4**	8.4
Accumulated tax effect on redemption of restricted shares	**13.2**	12.1
Accumulated dividends	**(7,686.3)**	(7,638.5)
Deficit	**(11,848.7)**	(14,166.1)

(1) Premium Dividend TM and Dividend Reinvestment Plan – suspended in 2015.

(2) Share Dividend Plan – suspended in 2015.

17. CAPITAL MANAGEMENT

($ millions)	**2021**	2020
Long-term debt (1)	**1,970.2**	2,259.6
Adjusted working capital deficiency (2)	**201.6**	93.4
Unrealized foreign exchange on translation of US dollar long-term debt	**(166.8)**	(203.8)
Net debt	**2,005.0**	2,149.2
Shareholders' equity	**5,405.3**	2,822.8
Total capitalization	**7,410.3**	4,972.0

(1) Includes current portion of long-term debt.

(2) Adjusted working capital deficiency is calculated as accounts payable and accrued liabilities, dividends payable and long-term compensation liability net of equity derivative contracts, less cash, accounts receivable, prepaids and deposits and long-term investments.

The following table reconciles cash flow from operating activities to adjusted funds flow from operations for the year ended December 31, 2021 and December 31, 2020:

($ millions)	**2021**	2020
Cash flow from operating activities	**1,495.8**	860.5
Changes in non-cash working capital	**(51.6)**	(6.2)
Transaction costs	**12.5**	5.4
Decommissioning expenditures	**20.2**	14.7
Adjusted funds flow from operations	**1,476.9**	874.4

Crescent Point's objective for managing its capital structure is to maintain a strong balance sheet and capital base to provide financial flexibility, position the Company to fund future development projects and provide returns to shareholders.

Crescent Point manages its capital structure and short-term financing requirements using a measure not defined in IFRS, or standardized, the ratio of net debt to adjusted funds flow from operations. Net debt to adjusted funds flow from operations is used to measure the Company's overall debt position and to measure the strength of the Company's balance sheet and might not be comparable to similar financial measures disclosed by other issuers. Crescent Point's objective is to manage this metric to be well positioned to execute its business objectives during periods of volatile commodity prices. Crescent Point monitors this ratio and uses this as a key measure in making decisions regarding capital allocation priorities. The Company's net debt to adjusted funds flow from operations ratio for the trailing four quarters at December 31, 2021 was 1.4 times (December 31, 2020 - 2.5 times).

Crescent Point is subject to certain financial covenants on its credit facilities and senior guaranteed notes agreements and was in compliance with all financial covenants as at December 31, 2021. See Note 11 - "Long-term Debt" for additional information regarding the Company's financial covenant requirements.

Crescent Point retains financial flexibility with significant liquidity on its credit facilities and no material near-term debt maturities. The Company is continuously monitoring the commodity price environment and actively manages its counterparty exposure to mitigate credit losses and will make adjustments as needed to protect its balance sheet.

18. COMMODITY DERIVATIVE GAINS (LOSSES)

($ millions)	**2021**	2020
Realized gains (losses)	**(360.8)**	245.7
Unrealized losses	**(128.1)**	(52.4)
Commodity derivative gains (losses)	**(488.9)**	193.3

19. OTHER INCOME

($ millions)	**2021**	2020
Unrealized gain (loss) on long-term investments	**3.1**	(4.2)
Realized gain on sale of long-term investments	**7.0**	—
Gain on capital dispositions	**58.4**	316.4
Government subsidy for decommissioning expenditures	**28.7**	5.1
Lease modification	**—**	(0.4)
Sublease income	**5.4**	5.6
Other	**(3.2)**	(0.2)
Other income	**99.4**	322.3

20. INTEREST EXPENSE

($ millions)	**2021**	2020
Interest expense on long-term debt	**88.9**	94.6
Unrealized loss on interest derivative contracts	**1.7**	14.5
Interest expense	**90.6**	109.1

21. FOREIGN EXCHANGE GAIN

($ millions)	**2021**	2020
Realized gain on CCS - principal	**—**	49.3
Translation of US dollar long-term debt	**37.0**	12.8
Unrealized loss on CCS - principal and foreign exchange swaps	**(34.4)**	(56.6)
Other	**1.8**	(1.2)
Foreign exchange gain	**4.4**	**4.3**

22. INCOME TAXES

The provision for income taxes is as follows:

($ millions)	**2021**	2020
Current tax:		
Canada	**—**	—
Luxembourg	**—**	0.2
Current tax expense	**—**	0.2
Deferred tax expense (recovery):		
Canada	**715.5**	(678.5)
United States	**84.2**	50.7
Deferred tax expense (recovery)	**799.7**	(627.8)
Income tax expense (recovery)	**799.7**	(627.6)

The following table reconciles income taxes calculated at the Canadian statutory rate with the recorded income taxes:

($ millions, except percentages)	**2021**	2020
Net income (loss) before tax	**3,163.8**	(3,147.5)
Statutory income tax rate	**25.16 %**	25.98 %
Expected provision for income taxes	**796.0**	(817.7)
Change in corporate tax rates and tax rate variance	**21.9**	8.4
Tax rates in foreign jurisdictions	**5.8**	(1.0)
Restricted share bonus plan	**(1.6)**	3.9
Recognition of deferred tax assets	**(70.7)**	—
Derecognition of deferred tax assets	**37.5**	203.7
Non-taxable capital gains	**(2.5)**	(18.4)
Non-deductible impairment of goodwill	**3.0**	2.0
Other	**10.3**	(8.5)
Income tax expense (recovery)	**799.7**	(627.6)

The net deferred income tax assets (liabilities) are expected to be settled in the following periods:

($ millions)	**2021**	2020
Deferred income tax:		
To be settled within one year	**60.1**	19.8
To be settled beyond one year	**510.0**	1,348.1
Deferred income tax	**570.1**	1,367.9

The movement in deferred income tax assets (liabilities) are as follows:

($ millions)	At January 1, 2021	(Charges) / credits due to acquisitions & other	(Charged) / credited to earnings	**At December 31, 2021**
Deferred income tax assets:				
Property, plant and equipment	248.9	—	(248.9)	**—**
Decommissioning liability	262.2	—	(32.6)	**229.6**
Income tax losses carried forward	833.1	—	(18.9)	**814.2**
Share issue costs	1.1	0.1	(0.6)	**0.6**
Risk management contracts	11.6	—	29.5	**41.1**
Lease liabilities	40.1	—	(4.8)	**35.3**
Other	7.4	1.8	9.7	**18.9**
	1,404.4	1.9	(266.6)	**1,139.7**
Deferred income tax liabilities:				
Property, plant and equipment	—	—	(533.4)	**(533.4)**
Risk management contracts	(9.9)	—	(3.5)	**(13.4)**
ROU asset	(26.6)	—	3.8	**(22.8)**
Other	—	—	—	**—**
	(36.5)	—	(533.1)	**(569.6)**
Net deferred income tax assets (liabilities)	1,367.9	1.9	(799.7)	**570.1**

($ millions)	At January 1, 2020	(Charges) / credits due to acquisitions & other	(Charged) / credited to earnings	At December 31, 2020
Deferred income tax assets:				
Property, plant and equipment	—	—	248.9	248.9
Decommissioning liability	291.2	—	(29.0)	262.2
Income tax losses carried forward	932.6	—	(99.5)	833.1
Share issue costs	2.5	—	(1.4)	1.1
Risk management contracts	4.7	—	6.9	11.6
Lease liabilities	46.5	—	(6.4)	40.1
Other	6.6	(5.2)	6.0	7.4
	1,284.1	(5.2)	125.5	1,404.4
Deferred income tax liabilities:				
Property, plant and equipment	(475.9)	—	475.9	—
Risk management contracts	(16.0)	—	6.1	(9.9)
ROU asset	(31.7)	—	5.1	(26.6)
Other	(15.2)	—	15.2	—
	(538.8)	—	502.3	(36.5)
Net deferred income tax assets (liabilities)	745.3	(5.2)	627.8	1,367.9

The approximate amounts of tax pools available as at December 31, 2021 and 2020 are as follows:

($ millions)	**2021**	2020
Tax pools:		
Canada	**7,012.5**	6,981.1
United States	**2,855.5**	3,021.0
Total	**9,868.0**	10,002.1

The movement in the deferred tax asset in 2021 was primarily a result of the impairment reversal recognized during the year ended December 31, 2021. In 2020, the movement in the deferred tax asset was a result of the impairment expense recognized during the year ended December 31, 2020. Deferred tax assets are recognized to the extent of expected utilization of tax attributes, based on estimated undiscounted future cashflows included in the Company's independent reserve report.

The above tax pools include estimated Canadian non-capital losses carried forward of $1.99 billion (December 31, 2020 - $2.22 billion) that expire in the years 2027 through 2040, and U.S. net operating losses of $2.22 billion (December 31, 2020 - $2.30 billion) of which $1.53 billion will expire in the years 2032 through 2037, while the remaining $696.6 million will not expire. A deferred income tax asset has not been recognized for U.S. net operating losses of $861.0 million (December 31, 2020 - $1.21 billion) or for other temporary differences of $69.0 million (December 31, 2020 - $69.0 million) as there is not sufficient certainty regarding future utilization.

At December 31, 2021, a deferred tax asset has not been recognized in respect of temporary differences associated with investments in subsidiaries as it is not likely that the temporary differences will reverse in the foreseeable future. The deductible temporary differences associated with investments in subsidiaries is approximately $1.72 billion (December 31, 2020 - $2.22 billion).

The Company received notices of reassessment from the Canada Revenue Agency in 2014 and 2015 disallowing $149.3 million of tax pools and $12.6 million of investment tax credits relating to an acquired entity. The Company has filed notices of objections, however, the benefit of these tax pools and investment tax credits have been derecognized due to the uncertainty of being successful in defending its position. A $37.5 million deferred income tax expense has been recognized as a result of removing the tax pools in the year ended December 31, 2021.

23. SHARE-BASED COMPENSATION

The following table reconciles the number of restricted shares, ESVP awards, PSUs and DSUs for the year ended December 31, 2021:

	Restricted Shares	ESVP	PSUs (1)	DSUs
Balance, beginning of year	4,704,129	10,449,383	3,789,689	1,278,263
Granted	1,230,133	2,570,746	2,053,574	278,517
Redeemed	(2,146,716)	(3,417,496)	(2,221,058)	—
Forfeited	(519,829)	(1,273,342)	(407,585)	—
Balance, end of year	3,267,717	8,329,291	3,214,620	1,556,780

(1) Based on underlying units before any effect of performance multipliers.

The following table reconciles the number of restricted shares, ESVP awards, PSUs and DSUs for the year ended December 31, 2020:

	Restricted Shares	ESVP	PSUs (1)	DSUs
Balance, beginning of year	3,636,194	—	2,920,444	319,891
Granted	4,614,158	11,635,961	1,736,055	958,372
Redeemed	(2,889,030)	—	(615,577)	—
Forfeited	(657,193)	(1,186,578)	(251,233)	—
Balance, end of year	4,704,129	10,449,383	3,789,689	1,278,263

(1) Based on underlying units before any effect of performance multipliers.

The following table provides summary information regarding stock options outstanding as at December 31, 2021:

	Stock Options (number of units)	Weighted average exercise price ($)
Balance, beginning of year	5,940,871	3.92
Granted	534,264	5.23
Exercised	(261,486)	2.23
Forfeited	(285,047)	3.46
Expired	(89,138)	10.06
Balance, end of year	5,839,464	4.04

The following table provides summary information regarding stock options outstanding as at December 31, 2020:

	Stock Options (number of units)	Weighted average exercise price ($)
Balance, beginning of year	2,833,342	7.59
Granted	3,345,412	1.10
Forfeited	(102,832)	7.16
Expired	(135,051)	8.66
Balance, end of year	5,940,871	3.92

The following table summarizes information regarding stock options outstanding as at December 31, 2021:

Range of exercise prices ($)	Number of stock options outstanding	Weighted average remaining term for options outstanding (years)	Weighted average exercise price per share for options outstanding ($)	Number of stock options exercisable	Weighted average exercise price per share for options exercisable ($)
1.09 - 1.65	2,992,178	5.25	1.09	507,332	1.09
1.66 - 5.16	904,376	4.23	3.94	314,640	3.96
5.17 - 9.86	648,441	5.83	5.77	61,448	8.56
9.87 - 10.06	1,294,469	3.02	10.06	776,683	10.06
	5,839,464	4.66	4.04	1,660,103	6.11

The volume weighted average trading price of the Company's common shares was $5.14 per share during the year ended December 31, 2021.

The Company estimates the fair value of stock options on the date of the grant using a Black-Scholes option pricing model. The following weighted average assumptions were used to estimate the fair value of the stock options at their grant date:

	2021 (1)	2020
Grant date share price ($)	**5.23**	1.10
Exercise price ($)	**5.23**	1.10
Expected annual dividends ($)	**0.01**	0.01
Expected volatility (%)	**59.45 %**	51.93 %
Risk-free interest rate (%)	**0.94 %**	0.59 %
Expected life of stock option (years)	**4.9**	4.9
Fair value per stock option ($)	**2.58**	0.45

(1) Options were granted in January and April 2021.

For the year ended December 31, 2021, the Company calculated total share-based compensation of $77.7 million (year ended December 31, 2020 - $17.7 million), net of estimated forfeitures, of which $14.3 million was capitalized (year ended December 31, 2020 - $5.4 million).

At December 31, 2021, the current portion of long-term compensation liability of $40.6 million was included in other current liabilities (December 31, 2020 - $10.0 million) and $35.8 million was included in other long-term liabilities (December 31, 2020 - $17.3 million).

24. PER SHARE AMOUNTS

The following table summarizes the weighted average shares used in calculating net income per share:

	2021	2020
Weighted average shares – basic	**569,203,428**	529,339,710
Dilutive impact of share-based compensation	**5,895,220**	—
Weighted average shares – diluted (1)	**575,098,648**	529,339,710

(1) Excludes the impact of nil weighted average shares related to share-based compensation that were anti-dilutive for the year ended December 31, 2021 (year ended December 31, 2020 - 2,413,733).

25. FINANCIAL INSTRUMENTS AND DERIVATIVES

The Company's financial assets and liabilities are comprised of cash, accounts receivable, long-term investments, derivative assets and liabilities, accounts payable and accrued liabilities, dividends payable and long-term debt.

Crescent Point's derivative assets and liabilities are transacted in active markets. Crescent Point's long-term investments can be transacted in active and non-active markets. The Company classifies the fair value of these transactions according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 - Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 - Values are based on prices or valuation techniques that are not based on observable market data.

Accordingly, Crescent Point's derivative assets and liabilities are classified as Level 2. Long-term investments are classified as Level 1, Level 2 or Level 3 depending on the valuation methods and inputs used and whether the applicable company is publicly traded or private. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Discussions of the fair values and risks associated with financial assets and liabilities, as well as summarized information related to derivative positions are detailed below:

a) Carrying amount and fair value of financial instruments

The fair value of cash, accounts receivable, accounts payable and accrued liabilities and dividends payable approximate their carrying amount due to the short-term nature of those instruments. The fair value of the amounts drawn on bank credit facilities is equal to its carrying amount as the facilities bear interest at floating rates and credit spreads that are indicative of market rates. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

Crescent Point's derivative assets and liabilities and long-term investments are transacted in active markets, classified as financial assets and liabilities at fair value through profit or loss and fair valued at each period with the resulting gain or loss recorded in net income.

The following table summarizes the carrying value of the Company's remaining financial assets and liabilities as compared to their respective fair values as at December 31, 2021:

($ millions)	2021 Carrying Value	2021 Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Derivatives	220.5	220.5	—	220.5	—
	220.5	220.5	—	220.5	—
Financial liabilities					
Derivatives	164.9	164.9	—	164.9	—
Senior guaranteed notes (1)	1,638.8	1,618.4	—	1,618.4	—
	1,803.7	1,783.3	—	1,783.3	—

(1) The senior guaranteed notes are classified as financial liabilities at amortized cost and are reported at amortized cost. The notes denominated in US dollars are translated to Canadian dollars at the period end exchange rate. The fair value of the notes is calculated based on current interest rates and is not recorded in the financial statements.

The following table summarizes the carrying value of the Company's remaining financial assets and liabilities as compared to their respective fair values as at December 31, 2020:

($ millions)	2020 Carrying Value	2020 Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Derivatives	242.4	242.4	—	242.4	—
Long-term investments (1)	2.5	2.5	2.5	—	—
	244.9	244.9	2.5	242.4	—
Financial liabilities					
Derivatives	45.4	45.4	—	45.4	—
Senior guaranteed notes (2)	1,871.4	1,847.7	—	1,847.7	—
	1,916.8	1,893.1	—	1,893.1	—

(1) Long-term investments are comprised of equity securities in public oil and gas companies.

(2) The senior guaranteed notes are classified as financial liabilities at amortized cost and are reported at amortized cost. The notes denominated in US dollars are translated to Canadian dollars at the period end exchange rate. The fair value of the notes is calculated based on current interest rates and is not recorded in the financial statements.

Derivative assets and liabilities

Derivative assets and liabilities arise from the use of derivative contracts. Crescent Point's derivative assets and liabilities are classified as Level 2 with values based on inputs including quoted forward prices for commodities, time value and volatility factors. Accordingly, the Company's derivative financial instruments are classified as fair value through profit or loss and are reported at fair value with changes in fair value recorded in net income.

The following table summarizes the fair value as at December 31, 2021 and the change in fair value for the year ended December 31, 2021:

($ millions)	Commodity (1)	Interest (2)	Foreign exchange (3)	Equity	Total
Derivative assets (liabilities), beginning of year	(26.3)	7.3	205.0	11.0	197.0
Unrealized change in fair value	(128.1)	(1.7)	(34.4)	22.8	(141.4)
Derivative assets (liabilities), end of year	(154.4)	5.6	170.6	33.8	55.6
Derivative assets, end of year	5.4	5.7	175.6	33.8	220.5
Derivative liabilities, end of year	(159.8)	(0.1)	(5.0)	—	(164.9)

(1) Includes crude oil, crude oil differentials, propane, natural gas and natural gas differential contracts.

(2) Includes interest payments on CCS and interest derivative contracts.

(3) Includes principal portion of CCS and foreign exchange contracts.

The following table summarizes the fair value as at December 31, 2020 and the change in fair value for the year ended December 31, 2020:

($ millions)	Commodity (1)	Interest (2)	Foreign exchange (3)	Equity	Total
Derivative assets, beginning of year	26.1	21.8	261.6	—	309.5
Unrealized change in fair value	(52.4)	(14.5)	(56.6)	11.0	(112.5)
Derivative assets (liabilities), end of year	(26.3)	7.3	205.0	11.0	197.0
Derivative assets, end of year	3.5	9.8	218.1	11.0	242.4
Derivative liabilities, end of year	(29.8)	(2.5)	(13.1)	—	(45.4)

(1) Includes oil and gas contracts.

(2) Includes interest payments on CCS and interest derivative contracts.

(3) Includes principal portion of CCS and foreign exchange contracts.

Offsetting financial assets and liabilities

Financial assets and liabilities are only offset if the Company has the legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously. The Company offsets derivative assets and liabilities when the counterparty, commodity, currency and timing of settlement are the same. The following table summarizes the gross asset and liability positions of the Company's financial derivatives by contract that are offset on the balance sheet as at December 31, 2021 and December 31, 2020:

			2021			2020
($ millions)	Asset	Liability	Net	Asset	Liability	Net
Gross amount	218.9	(163.3)	55.6	248.4	(51.4)	197.0
Amount offset	1.6	(1.6)	—	(6.0)	6.0	—
Net amount	220.5	(164.9)	55.6	242.4	(45.4)	197.0

b) Risks associated with financial assets and liabilities

The Company is exposed to financial risks from its financial assets and liabilities. The financial risks include market risk relating to commodity prices, interest rates, foreign exchange rates and equity price as well as credit and liquidity risk.

Commodity price risk

The Company is exposed to commodity price risk on crude oil and condensate, NGLs and natural gas revenues as well as power on electricity consumption. To manage a portion of this risk, the Company has entered into various derivative agreements.

The following table summarizes the unrealized gains (losses) on the Company's commodity financial derivative contracts and the resulting impact on income before tax due to fluctuations in commodity prices or differentials, with all other variables held constant:

($ millions)	Impact on Income Before Tax Year ended December 31, 2021		Impact on Income Before Tax Year ended December 31, 2020	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Commodity price				
Crude oil and condensate	(148.5)	141.2	(73.7)	72.6
Natural gas	(1.1)	1.1	(1.8)	1.8
Propane	(0.8)	0.8	—	—
Differential				
Crude oil	0.4	(0.4)	0.1	(0.1)
Natural gas	1.9	(1.9)	—	—

Interest rate risk

The Company is exposed to interest rate risk on bank credit facilities to the extent of changes in market interest rates. Based on the Company's floating rate debt position, as at December 31, 2021, a 1 percent increase or decrease in the interest rate on floating rate debt would amount to an impact on income before tax of $3.3 million (December 31, 2020 - $0.9 million) on an annualized basis.

Foreign exchange risk

The Company is exposed to foreign exchange risk in relation to its US dollar denominated long-term debt, investment in U.S. subsidiaries and in relation to its crude oil sales. Crescent Point utilizes foreign exchange derivatives to hedge its foreign exchange exposure on its US dollar denominated long-term debt. To partially mitigate foreign exchange risk relating to crude oil sales, the Company utilizes fixed price WTI crude oil contracts that settle in Canadian dollars and foreign exchange swaps.

The following table summarizes the resulting unrealized gains (losses) impacting income before tax due to the respective changes in the period end and applicable foreign exchange rates, with all other variables held constant:

($ millions)	Exchange Rate	Impact on Income Before Tax Year ended December 31, 2021		Impact on Income Before Tax Year ended December 31, 2020	
Cdn$ relative to US$		Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
US dollar long-term debt	Period End	162.8	(162.8)	197.8	(197.8)
Cross currency swaps	Forward	(168.2)	168.2	(210.7)	210.7
Foreign exchange swaps	Forward	(0.9)	0.9	(4.6)	4.6

Equity price risk

The Company is exposed to equity price risk on its own share price in relation to certain share-based compensation plans detailed in Note 23 - "Share-based Compensation". The Company has entered into total return swaps to mitigate its exposure to fluctuations in its share price by fixing the future settlement cost on a portion of the cash settled plan.

The following table summarizes the unrealized gains (losses) on the Company's equity derivative contracts and the resulting impact on income before tax due to the respective changes in the applicable share price, with all other variables held constant:

($ millions)	Impact on Income Before Tax Year ended December 31, 2021		Impact on Income Before Tax Year ended December 31, 2020	
Share price	Increase 50%	Decrease 50%	Increase 50%	Decrease 50%
Total return swaps	27.4	(27.4)	13.3	(13.3)

Credit risk

The Company is exposed to credit risk in relation to its physical oil and gas sales, financial counterparty and joint venture receivables. A substantial portion of the Company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks. To mitigate credit risk associated with its physical sales portfolio, Crescent Point obtains financial assurances such as parental guarantees, letters of credit, prepayments and third party credit insurance. Including these assurances, approximately 96 percent of the Company's oil and gas sales are with entities considered investment grade.

At December 31, 2021, approximately 3 percent (December 31, 2020 - 5 percent) of the Company's accounts receivable balance was outstanding for more than 90 days and the Company's average expected credit loss was 0.92 percent (December 31, 2020 - 0.90 percent) on a portion of the Company's accounts receivable balance relating to joint venture receivables.

Liquidity risk

The Company manages its liquidity risk through managing its capital structure and continuously monitoring forecast cash flows and available credit under existing banking arrangements as well as other potential sources of capital.

At December 31, 2021, the Company had available unused borrowing capacity on bank credit facilities of approximately $1.98 billion, including $1.0 million outstanding letters of credit and cash of $13.5 million.

The timing of undiscounted cash outflows relating to the financial liabilities outstanding as at December 31, 2021, is outlined in the table below:

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	450.7	—	—	—	450.7
Dividends payable	43.5	—	—	—	43.5
Derivative liabilities (1)	249.0	1.1	0.3	—	250.4
Senior guaranteed notes (2)	280.3	829.2	474.6	25.9	1,610.0
Bank credit facilities (3)	11.7	23.5	346.3	—	381.5

(1) These amounts exclude undiscounted cash outflows pursuant to the CCS and foreign exchange swaps.

(2) These amounts include the notional principal and interest payments pursuant to the CCS and foreign exchange swap related to the senior guaranteed notes, which fix the amounts due in Canadian dollars.

(3) These amounts include interest based on debt outstanding and interest rates effective as at December 31, 2021 and includes undiscounted cash outflows pursuant to the CCS related to LIBOR loans. The current maturity date of the Company's facilities is November 26, 2025. The Company expects that the facilities will continue to be renewed and extended prior to their maturity dates.

The timing of undiscounted cash outflows relating to the financial liabilities outstanding as at December 31, 2020 is outlined in the table below:

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	310.3	—	—	—	310.3
Dividends payable	1.3	—	—	—	1.3
Derivative liabilities (1)	30.3	1.3	—	—	31.6
Senior guaranteed notes (2)	251.9	767.0	816.2	26.9	1,862.0
Bank credit facilities (3)	13.1	413.0	—	—	426.1

(1) These amounts exclude undiscounted cash outflows pursuant to the CCS and foreign exchange swaps.

(2) These amounts include the notional principal and interest payments pursuant to the CCS and foreign exchange swap related to the senior guaranteed notes, which fix the amounts due in Canadian dollars.

(3) These amounts include interest based on debt outstanding and interest rates effective as at December 31, 2020 and includes undiscounted cash outflows pursuant to the CCS related to LIBOR loans.

c) Derivative contracts

The following is a summary of the derivative contracts in place as at December 31, 2021**:**

Financial WTI Crude Oil Derivative Contracts – Canadian Dollar (1)

	Swap		Collar			Three-way Collar			
Term	Volume (bbls/d)	Average Price ($/bbl)	Volumes (bbls/d)	Average Sold Call Price ($/bbl)	Average Bought Put Price ($/bbl)	Volume (bbls/d)	Average Sold Call Price ($/bbl)	Average Bought Put Price ($/bbl)	Average Sold Put Price ($/bbl)
2022	19,856	80.81	16,894	87.66	75.09	10,000	88.18	77.25	66.40
2023 January - March	5,500	90.04	5,500	95.23	83.17	—	—	—	—

(1) The volumes and prices reported are the weighted average volumes and prices for the period.

Financial WTI Crude Oil Differential Derivative Contracts – Canadian Dollar (1)

Term	Volume (bbls/d)	Contract	Basis	Fixed Differential ($/bbl)
2022 January - March	2,000	Basis Swap	WCS (2)	(15.00)
2022 January - March	3,311	Basis Swap	MSW (3)	(4.88)

(1) The volumes and prices reported are the weighted average volumes and prices for the period.

(2) WCS refers to Western Canadian Select crude oil differential.

(3) MSW refers to Mixed Sweet Blend crude oil differential.

Financial Conway Propane Derivative Contracts – Canadian Dollar (1)			
Term	Contract	Volume (gals/d)	Average Price ($/gal)
2022 January - October	Swap	21,000	1.32

(1) The volumes and prices reported are the weighted average volumes and prices for the period.

Financial AECO Natural Gas Derivative Contracts – Canadian Dollar (1)					
	Swap		Collar		
Term	Volume (GJ/d)	Average Price ($/GJ)	Volume (GJ/d)	Average Sold Call Price ($/GJ)	Average Bought Put Price ($/GJ)
2022 January - March	20,000	2.94	20,000	6.20	4.05

(1) The volumes and prices reported are the weighted average volumes and prices for the period.

Financial NYMEX Natural Gas Differential Derivative Contracts – US Dollar (1)				
Term	Volume (mmbtu/d)	Contract	Basis	Fixed Differential (US$/mmbtu)
2022 April - December	15,000	Basis Swap	AECO	(0.94)
2023	15,000	Basis Swap	AECO	(0.94)
2024	15,000	Basis Swap	AECO	(0.94)
2025 January - March	15,000	Basis Swap	AECO	(0.94)

(1) The volumes and prices reported are the weighted average volumes and prices for the period.

Financial Cross Currency Derivative Contracts					
Term	Contract	Receive Notional Principal (US$ millions)	Fixed Rate (US%)	Pay Notional Principal (Cdn$ millions)	Fixed Rate (Cdn%)
January 2022	Swap	165.0	2.05	209.7	1.86
January 2022 - May 2022	Swap	170.0	4.00	166.9	5.03
January 2022 - April 2023	Swap	61.5	4.12	80.3	3.71
January 2022 - June 2023	Swap	270.0	3.78	274.7	4.32
January 2022 - June 2024	Swap	257.5	3.75	276.4	4.03
January 2022 - April 2025	Swap	82.0	4.30	107.0	3.98
January 2022 - April 2025	Swap	230.0	4.08	291.1	4.13
January 2022 - April 2027	Swap	20.0	4.18	25.3	4.25

Financial Foreign Exchange Forward Derivative Contracts					
Settlement Date	Contract	Receive Currency	Receive Notional Principal ($ millions)	Pay Currency	Pay Notional Principal ($ millions)
January 2022	Swap	US$	17.0	Cdn$	21.8
January 2022	Swap	Cdn$	19.2	US$	15.0
January 2022	Swap (1)	Cdn$	32.0	US$	25.0
February 2022	Swap (1)	Cdn$	19.2	US$	15.0
May 2022	Swap	US$	30.0	Cdn$	32.2

(1) Based on an average floating exchange rate.

Financial Equity Derivative Contracts			
Term	Contract	Notional Principal ($ millions)	Number of shares
January 2022 - April 2022	Swap	9.1	3,717,846
January 2022 - April 2023	Swap	8.3	3,674,746
January 2022 - April 2024	Swap	3.6	717,846

26. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel of the Company include its directors and executive officers. In 2021, the Company recorded $6.1 million (2020 - $5.5 million) relating to compensation of key management personnel and $2.8 million (2020 - nil) for severance relating to key management personnel. In 2021, share-based compensation costs relating to compensation of key management personnel and severance were $23.4 million (2020 - $4.9 million) and $1.8 million (2020 - nil), respectively.

27. COMMITMENTS

At December 31, 2021, the Company had contractual obligations and commitments as follows:

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Operating (1)	4.1	14.3	9.2	16.1	43.7
Gas processing	63.1	116.3	88.3	324.3	592.0
Transportation	38.6	65.6	48.8	9.6	162.6
Capital	12.1	—	—	—	12.1
Total contractual commitments (2)	117.9	196.2	146.3	350.0	810.4

(1) Includes operating costs on the Company's office space, net of $18.9 million recoveries from subleases.

(2) Excludes contracts accounted for under IFRS 16. See Note 12 - "Leases" for additional information.

28. SIGNIFICANT SUBSIDIARIES

The Company has the following significant subsidiaries, each owned 100% directly and indirectly, at December 31, 2021:

Subsidiary Name	**Country of Incorporation**
Crescent Point Resources Partnership	Canada
Crescent Point Holdings Ltd.	Canada
Crescent Point Energy U.S. Corp.	United States of America
Crescent Point U.S. Holdings Corp.	United States of America

29. SUPPLEMENTAL DISCLOSURES

Comprehensive income statement presentation

The Company’s statements of comprehensive income are prepared primarily by nature of expense, with the exception of compensation expenses which are included in the operating, general and administrative and share-based compensation line items, as follows:

($ millions)	**2021**	2020
Operating	**59.7**	58.4
General and administrative	**65.2**	64.0
Share-based compensation	**53.7**	12.3
Total compensation expenses	**178.6**	134.7

Cash flow statement presentation

($ millions)	**2021**	2020
Operating activities		
Changes in non-cash working capital:		
Accounts receivable	**(111.8)**	86.7
Prepaids and deposits	**15.3**	(15.7)
Accounts payable and accrued liabilities	**99.0**	(79.0)
Other current liabilities	**30.6**	7.7
Other long-term liabilities	**18.5**	6.5
	51.6	6.2
Investing activities		
Changes in non-cash working capital:		
Accounts receivable	**(2.1)**	9.4
Other long-term receivable	**9.3**	—
Accounts payable and accrued liabilities	**41.8**	(88.0)
	49.0	(78.6)
Financing activities		
Changes in non-cash working capital:		
Dividends payable	**42.2**	(4.0)

Supplementary financing cash flow information

The Company's reconciliation of cash flow from financing activities is outlined in the table below:

($ millions)	Dividends payable	Long-term debt (1)	Lease liability (2)
December 31, 2019	5.3	2,905.1	181.2
Changes from cash flow from financing activities:			
Decrease in bank debt, net		(408.1)	
Repayment of senior guaranteed notes		(224.4)	
Realized gain on cross currency swap maturity		49.3	
Cash dividends paid	(13.4)		
Payments on principal portion of lease liability			(30.0)
Non-cash changes:			
Cash dividends declared	9.4		
Additions			4.8
Other			0.5
Foreign exchange		(62.3)	
December 31, 2020	1.3	2,259.6	156.5
Changes from cash flow from financing activities:			
Decrease in bank debt, net		**(34.6)**	
Repayment of senior guaranteed notes		**(217.6)**	
Cash dividends paid	**(5.6)**		
Payments on principal portion of lease liability			**(21.2)**
Non-cash changes:			
Cash dividends declared	**47.8**		
Additions			**5.9**
Other			**0.2**
Foreign exchange		**(37.2)**	
December 31, 2021	**43.5**	**1,970.2**	**141.4**

(1) Includes current portion of long-term debt.

(2) Includes current portion of lease liability.

30. GEOGRAPHICAL DISCLOSURE

The following table reconciles oil and gas sales by country:

($ millions) (1)	2021	2020
Canada		
Crude oil and condensate sales	**2,361.8**	1,307.5
NGL sales	**213.5**	74.2
Natural gas sales	**160.0**	64.8
Total Canada	**2,735.3**	1,446.5
U.S.		
Crude oil and condensate sales	**381.9**	218.6
NGL sales	**61.0**	17.3
Natural gas sales	**28.3**	9.8
Total U.S.	**471.2**	245.7
Total oil and gas sales	**3,206.5**	1,692.2

(1) Oil and gas sales are reported before realized derivatives.

The following table reconciles non-current assets by country:

($ millions)	**2021**	2020
Canada	**7,551.0**	5,520.6
U.S.	**1,209.3**	846.6
Total	**8,760.3**	6,367.2

Directors

Barbara Munroe, Chair [6]

Laura Cillis [1] [2]

James Craddock [2] [3] [5]

John Dielwart [3] [4]

Ted Goldthorpe [1] [5]

Mike Jackson [1] [5]

Jennifer Koury [2] [5]

Francois Langlois [1] [3] [4]

Myron Stadnyk [2] [3] [4]

Craig Bryksa [4]

[1] Member of the Audit Committee of the Board of Directors

[2] Member of the Human Resources and Compensation Committee of the Board of Directors

[3] Member of the Reserves Committee of the Board of Directors

[4] Member of the Environment, Safety and Sustainability Committee of the Board of Directors

[5] Member of the Corporate Governance and Nominating Committee

[6] Chair of the Board serves in an *ex officio* capacity on each Committee

Officers

Craig Bryksa
President and Chief Executive Officer

Ken Lamont
Chief Financial Officer

Ryan Gritzfeldt
Chief Operating Officer

Mark Eade
Senior Vice President, General Counsel and Corporate Secretary

Garret Holt
Senior Vice President, Corporate Development

Michael Politeski
Vice President, Finance and Treasurer

Shelly Witwer
Vice President, Business Development

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Banker

The Bank of Nova Scotia
Calgary, Alberta

Auditor

PricewaterhouseCoopers LLP
Calgary, Alberta

Legal Counsel

Norton Rose Fulbright Canada LLP
Calgary, Alberta

Evaluation Engineers

McDaniel & Associates Consultants Ltd.
Calgary, Alberta

Registrar and Transfer Agent

Investors are encouraged to contact Crescent Point's Registrar and Transfer Agent for information regarding their security holdings:

Computershare Trust Company of Canada
600, 530 - 8th Avenue S.W.
Calgary, Alberta T2P 3S8
Tel: (403) 267-6800

Stock Exchanges

Toronto Stock Exchange - TSX
New York Stock Exchange - NYSE

Stock Symbol

CPG

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