MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's discussion and analysis (“MD&A”) is dated February 23, 2021 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020 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, 2020 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 report are in Canadian dollars unless noted otherwise. References to “US$” are to United States (“U.S.”) dollars.

Overview

Crescent Point‘s 2020 results demonstrate its execution capabilities in one of the most challenging periods the Company has ever faced. With the global COVID-19 pandemic and resulting collapse in crude oil demand and pricing, the Company took decisive action and reduced its capital spending budget by approximately 40 percent to $665 million, voluntarily shut-in uneconomic production, increased its 2020 hedge protection and improved its cost structures with lower operating expenses, general and administrative ("G&A") expenses and capital well costs. With strong operational execution and capital discipline, the Company’s annual production of 121,642 boe/d exceeded its guidance of 121,000 boe/d and its development capital spending of $654.8 million came in under guidance of $665 million.

Crescent Point continued to prioritize its balance sheet during 2020 with a $616.1 million reduction in net debt. The Company generated excess cash flow of $122.0 million which was applied against debt, in addition to proceeds of $500.2 million on it’s Saskatchewan gas infrastructure asset divestment early in 2020. At December 31, 2020, the Company had $2.15 billion of net debt, or 2.5 times trailing adjusted funds flow from operations.

The significant volatility in commodity prices in 2020 impacted the Company's financial results with a reported net loss of $2.52 billion, adjusted funds flow from operations of $874.4 million and adjusted net earnings from operations of $177.4 million. The Company's adjusted funds flow and net earnings were both down more than 50 percent from 2019, largely due to the significant decrease in crude oil prices. The Company’s hedging program mitigated some of the commodity price weakness as it generated cash gains of $245.7 million during 2020. The net loss for the year was driven primarily by a before tax non-cash impairment charge of $3.56 billion in the first quarter of 2020 resulting from lower forecast commodity prices. Impairment charges may be reversed in future periods if there are indications of a change in value, including higher forecast commodity prices.

On February 17, 2021, Crescent Point entered into an agreement with Shell Canada Energy to acquire its Kaybob Duvernay assets in Alberta for total consideration of $900.0 million, consisting of $700.0 million in cash and 50.0 million common shares of Crescent Point. The assets include production of approximately 30,000 boe/d, weighted 65 percent towards condensate and liquids, and approximately 500 net sections of land in the Kaybob area. Including the impact of the acquisition which is anticipated to close in April 2021, the Company’s 2021 guidance includes $610 to $660 million of capital expenditures, including development capital and capitalized G&A, and annual average production of 132,000 to 136,000 boe/d. Based on its current hedging contracts in place, the Company will have approximately 30 percent of its oil and liquids production, net of royalty interest, hedged through the remainder of 2021 upon closing of the acquisition. Crescent Point continues to focus on enhancing its balance sheet and sustainability, and will remain disciplined in its plans aligned with its returns based capital allocation framework.

Results of Operations

Production

	2020	2019	% Change
Crude oil (bbls/d)	**95,859**	126,219	(24)
NGLs (bbls/d)	**14,542**	20,746	(30)
Natural gas (mcf/d)	**67,447**	91,592	(26)
Total (boe/d)	**121,642**	162,230	(25)
Crude oil and NGLs (%)	**91**	91	—
Natural gas (%)	**9**	9	—
Total (%)	**100**	100	—

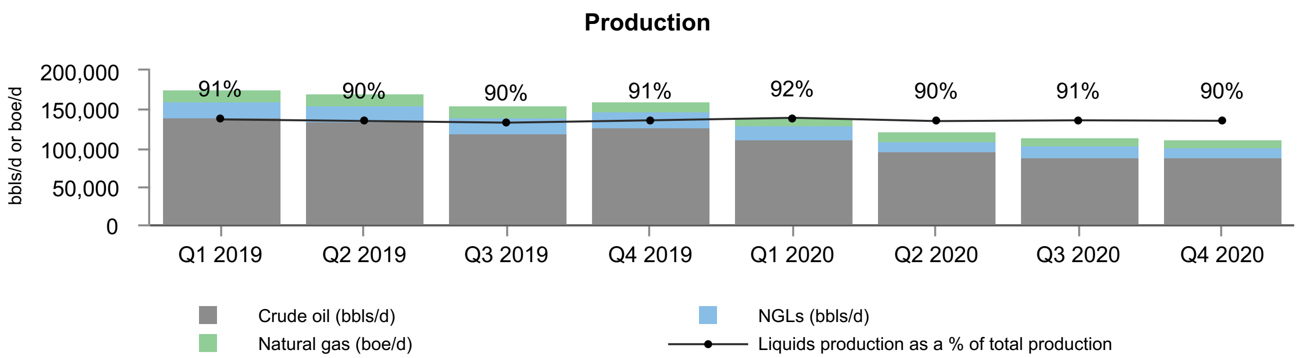
The following is a summary of Crescent Point's production by area:

Production By Area (boe/d)	2020	2019	% Change
Saskatchewan	**88,293**	108,552	(19)
Alberta	**14,851**	17,561	(15)
United States	**18,498**	36,117	(49)
Total	**121,642**	162,230	(25)

Total production averaged 121,642 boe/d during 2020 compared to 162,230 boe/d in 2019. The 25 percent decrease was primarily due to asset dispositions completed in the second half of 2019 and a significantly reduced 2020 development capital program. The decrease in production also reflects the impact of the voluntary shut-in production volumes from the second quarter of 2020, which were subsequently reactivated in the third quarter.

The Company's weighting to crude oil and natural gas liquids ("NGLs") production has remained consistent with the comparative period.

Exhibit 1



Marketing and Prices

Average Selling Prices (1)	2020	2019	% Change
Crude oil ($/bbl)	**43.50**	67.14	(35)
NGLs ($/bbl)	**17.19**	19.94	(14)
Natural gas ($/mcf)	**3.02**	2.75	10
Total ($/boe)	**38.01**	56.34	(33)

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

Benchmark Pricing	2020	2019	% Change
Crude Oil Prices			
WTI crude oil (US$/bbl) (1)	**39.40**	57.04	(31)
WTI crude oil (Cdn$/bbl)	**52.82**	75.65	(30)
Crude Oil Differentials			
LSB crude oil (Cdn$/bbl) (2)	**(7.08)**	(6.03)	17
FOS crude oil (Cdn$/bbl) (3)	**(13.03)**	(12.79)	2
UHC crude oil (US$/bbl) (4)	**(2.48)**	(0.66)	276
Natural Gas Prices			
AECO daily spot natural gas (Cdn$/mcf) (5)	**2.23**	1.75	27
AECO monthly index natural gas (Cdn$/mcf)	**2.24**	1.62	38
NYMEX natural gas (US$/mmbtu) (6)	**2.08**	2.63	(21)
Foreign Exchange Rate			
Exchange rate (US$/Cdn$)	**0.746**	0.754	(1)

(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) AECO refers to the Alberta Energy Company natural gas price.

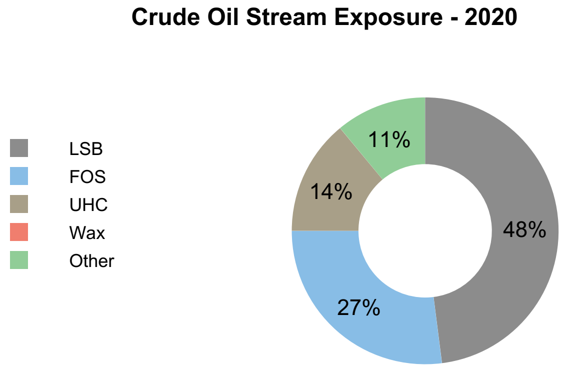
(6) NYMEX refers to the New York Mercantile Exchange natural gas price.

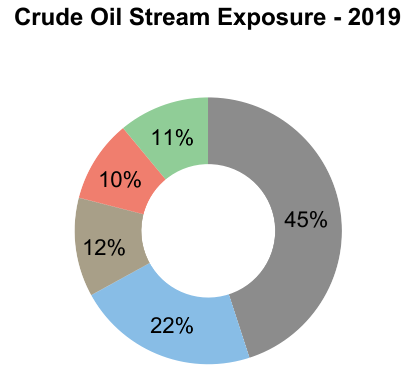
The US$ WTI benchmark price decreased 31 percent on average for the year ended December 31, 2020, compared to 2019. WTI prices were significantly weaker in 2020 due to the COVID-19 pandemic, resulting in global economic contraction that decreased demand worldwide for crude oil and crude oil products. WTI prices began to stabilize in the second half of 2020 with market optimism generated by COVID-19 vaccinations in addition to the continuation of OPEC supply cuts, closing the year at US$48.52/bbl.

Canadian natural gas prices strengthened in 2020, with the AECO daily benchmark price increasing 27 percent, compared to 2019. Pipeline capacity increases, lower storage levels and reduced production in 2020 improved the supply-demand balance at AECO and provided support to prices.

U.S. natural gas prices were 21 percent lower on average in 2020, compared to 2019 due to global demand decreases resulting from the COVID-19 pandemic, along with the shutdown of LNG export facilities amid hurricane activity in the Gulf of Mexico.

Exhibit 2





Canadian crude oil differentials widened in 2020, compared to 2019, primarily due to demand destruction caused by the COVID-19 pandemic, increasing inventory levels and lower mandatory production curtailments in Alberta. In 2019, mandatory production curtailments in Alberta, extensive upgrader outages and stronger demand helped to tighten differentials. In the second half of 2020, differentials began to improve as supply fell due to industry wide production shut-ins and reduced capital activity.

For the year ended December 31, 2020, the Company's average selling price for crude oil decreased 35 percent from 2019, primarily due to the 31 percent decrease in the US$ WTI benchmark price and a wider corporate oil price differential. Crescent Point's corporate oil differential relative to Cdn$ WTI for the year ended December 31, 2020 was $9.32 per bbl compared to $8.51 per bbl in 2019.

In 2020, the Company's average selling price for NGL's decreased 14 percent from $19.94 per bbl to $17.19 per bbl. Average selling prices for NGLs were impacted by the weakening of US$ WTI and propane prices, partially offset by stronger differentials on butane and condensate.

The Company's average selling price for natural gas in 2020 increased 10 percent from $2.75 per mcf to $3.02 per mcf, primarily as a result of the increase in the AECO daily benchmark price, partially offset by gas production in the U.S. which is exposed to NYMEX based pricing.

Exhibit 3

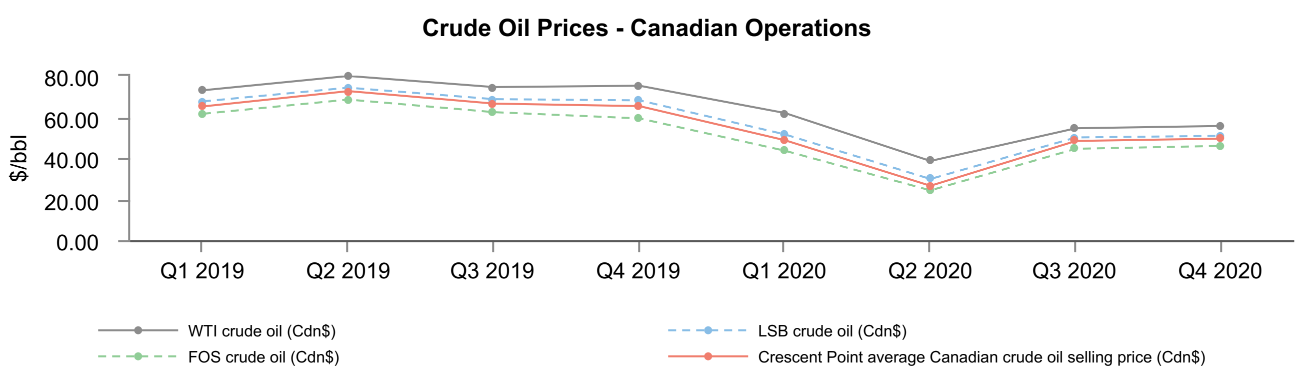
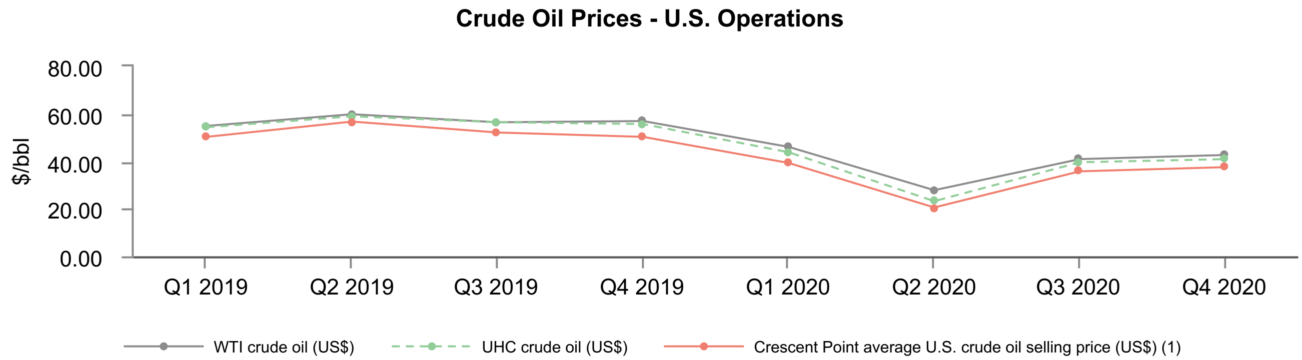


Exhibit 4



(1) Excludes Uinta Basin assets sold in October 2019.

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, 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 and natural gas derivatives are referenced to WTI and the 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, 2020 for additional information on the Company's derivatives.

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

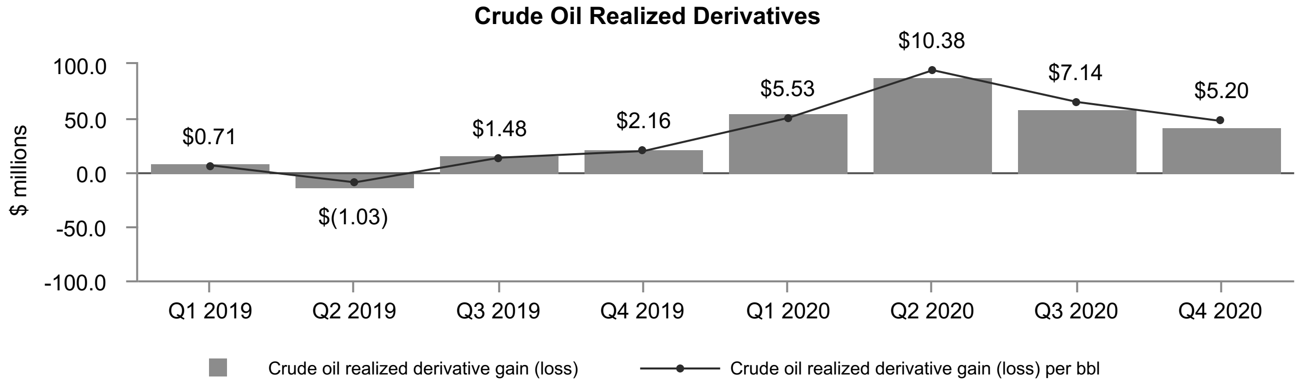
($ millions, except volume amounts)	**2020**	2019	% Change
Average crude oil volumes hedged (bbls/d)	**62,733**	62,926	—
Crude oil realized derivative gain	**246.4**	34.7	610
per bbl	**7.02**	0.75	836
Average natural gas volumes hedged (GJ/d) (1)	**4,167**	19,948	(79)
Natural gas realized derivative gain (loss)	**(0.7)**	8.7	(108)
per GJ	**(0.03)**	0.26	(112)
Average barrels of oil equivalent hedged (boe/d)	**63,392**	66,077	(4)
Total realized derivative gains	**245.7**	43.4	466
per boe	**5.52**	0.73	656

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

The Company's realized derivative gain for crude oil was $246.4 million for the year ended December 31, 2020, compared to $34.7 million in 2019. The realized derivative gain in 2020 was largely attributable to the decrease in the Cdn$ WTI benchmark price, partially offset by the decrease in the Company's average derivative crude oil price. During the year ended December 31, 2020, the Company's average derivative crude oil price decreased by 18 percent, or $13.61 per bbl, from $77.16 per bbl in 2019 to $63.55 per bbl in 2020.

Crescent Point's realized derivative loss for gas was $0.7 million for the year ended December 31, 2020, compared to a realized derivative gain of $8.7 million in 2019. The realized derivative loss in 2020 was primarily due to an increase in the AECO monthly index price and a decrease in the Company's average derivative gas price. During the year ended December 31, 2020, the Company's average derivative gas price decreased by 39 percent, or $1.06 per GJ, from $2.73 per GJ in 2019 to $1.67 per GJ in 2020. The decrease was primarily due to lower average volumes hedged and reflects only fourth quarter volumes in 2020 hedged at an average derivative price of $2.17 per GJ.

Exhibit 5



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

($ millions)	**2020**	2019	% Change
Crude oil	**(53.0)**	(94.0)	(44)
Natural gas	**0.6**	(10.4)	(106)
Total unrealized commodity derivative losses	**(52.4)**	(104.4)	(50)

For the year ended December 31, 2020, the Company recognized a total unrealized derivative loss of $52.4 million on its commodity contracts compared to $104.4 million in 2019. The unrealized derivative loss in 2020 was primarily attributable to crude oil contracts and reflects the maturity of in-the-money contract months and the change in Cdn$ WTI forward benchmark prices at December 31, 2020 relative to the average derivative price on contracts entered into during the year.

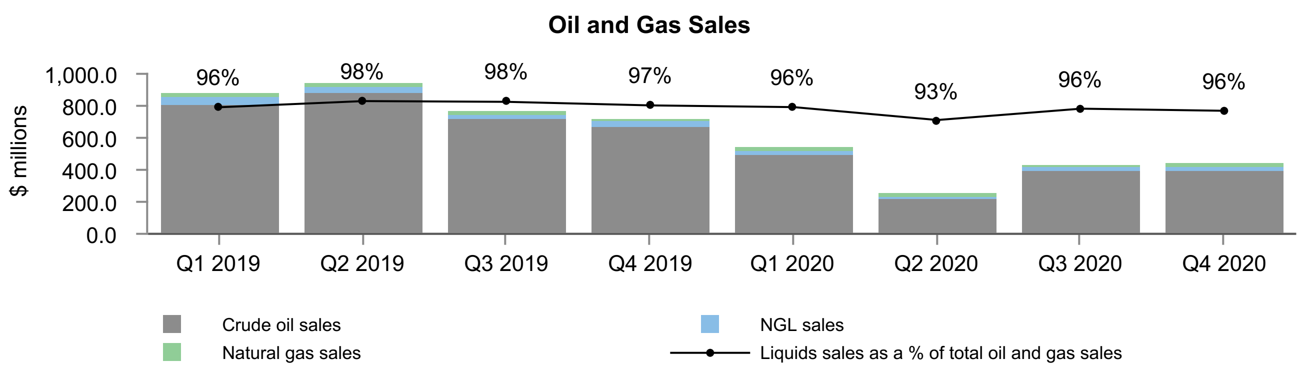
Oil and Gas Sales

($ millions) (1)	**2020**	2019	% Change
Crude oil sales	**1,526.1**	3,093.2	(51)
NGL sales	**91.5**	151.0	(39)
Natural gas sales	**74.6**	91.8	(19)
Total oil and gas sales	**1,692.2**	3,336.0	(49)

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

Total oil and gas sales were $1.69 billion, a decrease of 49 percent from $3.34 billion in 2019. The decrease is primarily due to the decrease in realized crude oil prices and lower production levels.

Exhibit 6

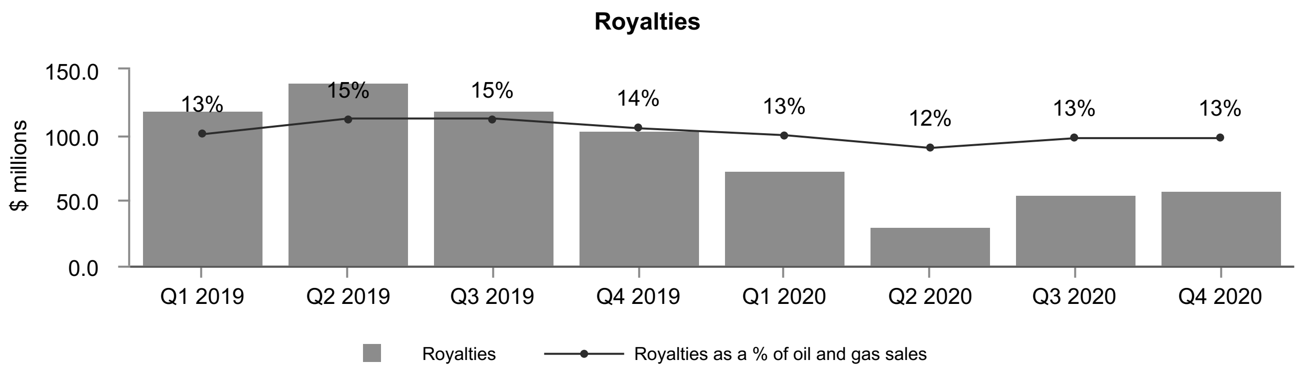


Royalties

($ millions, except % and per boe amounts)	**2020**	2019	% Change
Royalties	**217.1**	482.8	(55)
As a % of oil and gas sales	**13**	14	(1)
Per boe	**4.88**	8.15	(40)

Royalties decreased 55 percent in 2020, largely due to the 49 percent decrease in oil and gas sales. Royalties as a percentage of oil and gas sales decreased by 1 percent in 2020, reflecting lower benchmark oil prices which reduced Canadian crown royalty rates, coupled with the Uinta Basin asset disposition in the fourth quarter of 2019, which had higher associated royalty rates.

Exhibit 7



Operating Expenses

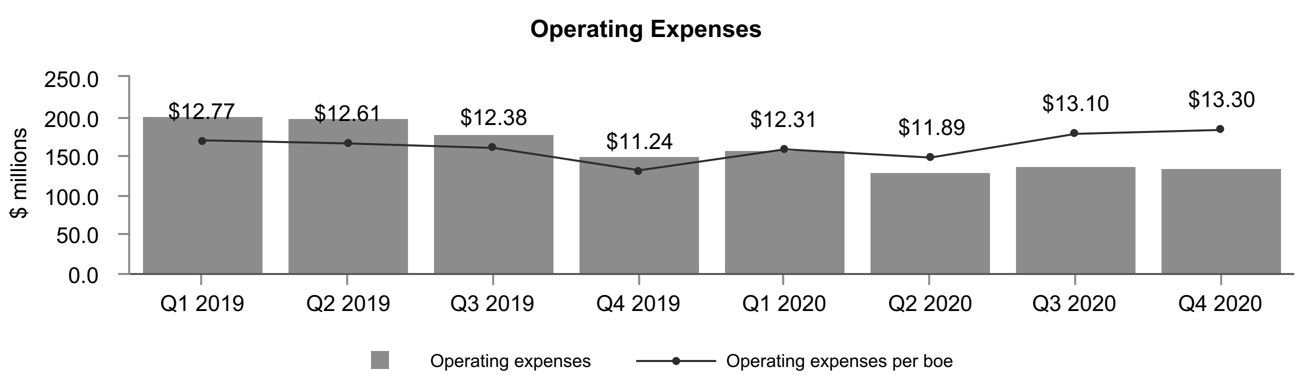
($ millions, except per boe amounts)	**2020**	2019	% Change
Operating expenses	**561.8**	727.6	(23)
Per boe	**12.62**	12.29	3

Operating expenses decreased 23 percent in 2020, compared to 2019. The decrease reflects reduced activity levels, the impact of the Southeast Saskatchewan and Uinta Basin asset dispositions in the second half of 2019, production shut-ins during 2020, and cost savings recognized as a result of the Company's operational technology ("OT") platform. These decreases were partially offset by the Saskatchewan gas infrastructure disposition early in 2020, which resulted in an increase in processing fees.

Operating expenses per boe increased slightly to $12.62 in 2020 due to an increase in processing fees as a result of the disposition of the Company's gas infrastructure assets early in the year. This was mostly offset by cost savings recognized from the improved workflows and operational technology implemented throughout the Company's asset portfolio. The Company also saw higher operating expenses per boe in the second half of 2020 due to the reactivation of economic, higher cost production volumes and costs associated with resuming field activity that was deferred earlier in the year with the collapse in pricing.

Crescent Point continues to focus on field efficiencies and cost control and has implemented additional health and safety protocols within its field operations in response to the COVID-19 pandemic. Operations have continued without material disruption and the Company will continue with responsible measures to protect the health and safety of its employees and communities.

Exhibit 8

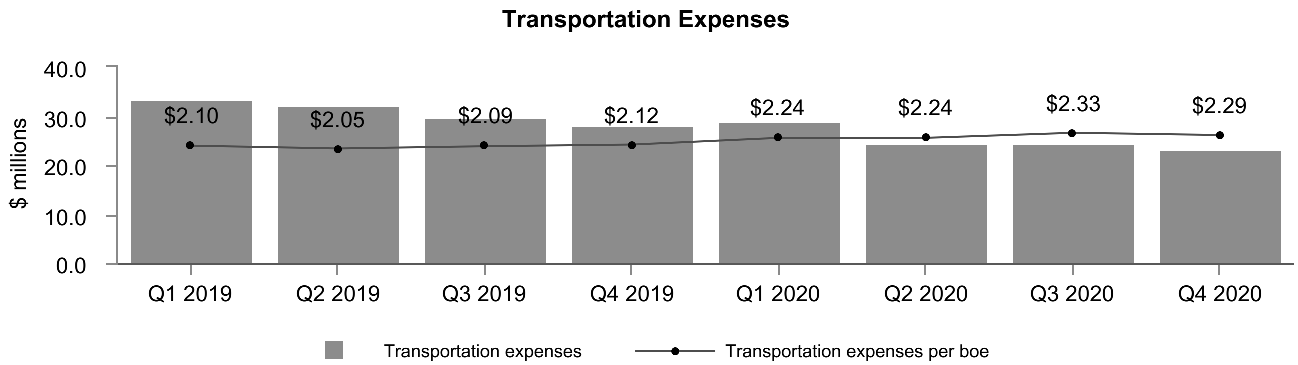


Transportation Expenses

($ millions, except per boe amounts)	**2020**	2019	% Change
Transportation expenses	**101.1**	123.7	(18)
Per boe	**2.27**	2.09	9

Transportation expenses decreased 18 percent in 2020 primarily due to lower production volumes. Transportation expenses per boe increased by $0.18 per boe or 9 percent in 2020 primarily due to the divestment of assets completed in the second half of 2019 that had lower associated transportation costs and new transportation fees resulting from the Company's infrastructure disposition that closed early in 2020.

Exhibit 9



Netback

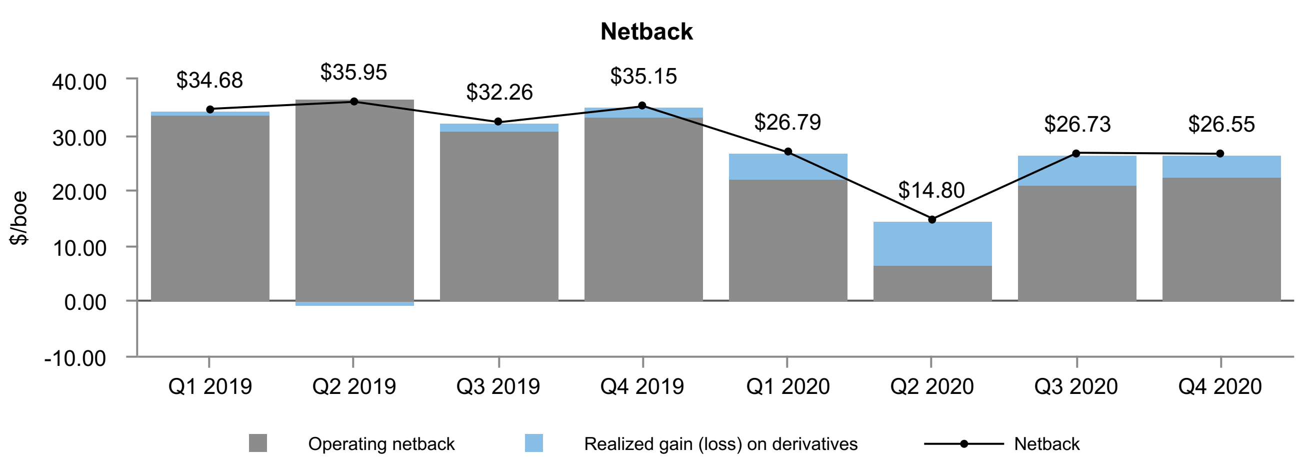
	2020	2019	
	Total [2] ($/boe)	Total [2] ($/boe)	% Change
Average selling price	**38.01**	56.34	(33)
Royalties	**(4.88)**	(8.15)	(40)
Operating expenses	**(12.62)**	(12.29)	3
Transportation expenses	**(2.27)**	(2.09)	9
Operating netback [1]	**18.24**	33.81	(46)
Realized gain on commodity derivatives	**5.52**	0.73	656
Netback [1]	**23.76**	34.54	(31)

(1) Non-GAAP 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 *Non-GAAP Financial Measures* section in this MD&A for further information.

(2) The dominant production category for the Company's properties is crude oil. 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, 2020 decreased 46 percent to $18.24 per boe from $33.81 per boe in 2019. The decrease in the Company's operating netback was primarily due to the decrease in average selling price, partially offset by lower royalties. The decrease in the Company's netback was the result of the decrease in the operating netback, partially offset by an increase in the realized gain on commodity derivatives.

Exhibit 10



General and Administrative Expenses

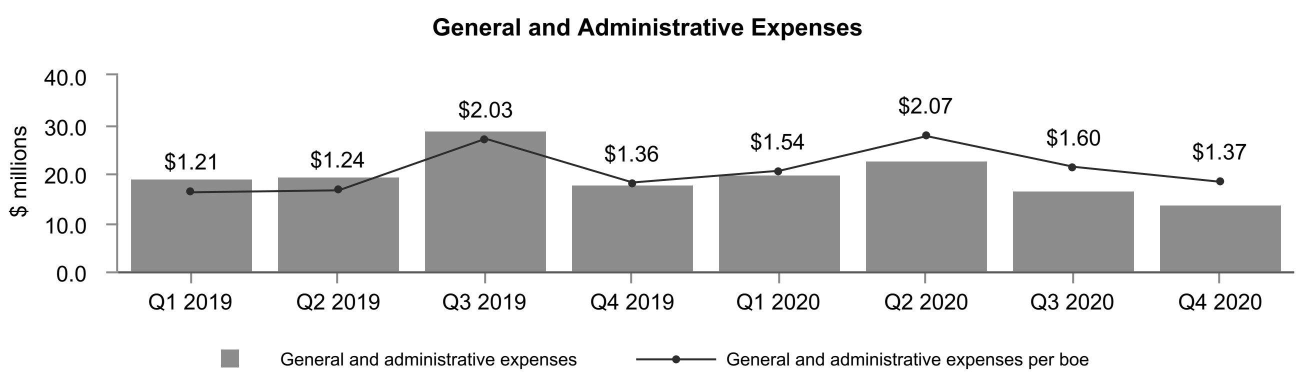
($ millions, except per boe amounts)	**2020**	2019	% Change
Gross general and administrative expenses	**131.3**	159.5	(18)
Overhead recoveries	**(20.3)**	(31.9)	(36)
Capitalized	**(32.3)**	(35.7)	(10)
Total general and administrative expenses	**78.7**	91.9	(14)
Transaction costs	**(5.4)**	(6.3)	(14)
General and administrative expenses	**73.3**	85.6	(14)
Per boe	**1.65**	1.45	14

General and administrative ("G&A") expenses decreased to $73.3 million in 2020 from $85.6 million in 2019. The decrease was primarily attributable to lower employee related costs and lower professional fees, partially offset by lower overhead recoveries resulting from lower production and reduced capital spending levels. Severance charges have also caused G&A to fluctuate with $6.3 million recorded in 2020, compared to $10.2 million in 2019. Lower G&A expenses in 2020 are also attributable to remuneration received from the Canadian Emergency Wage Subsidy. In the year ended December 31, 2020, the Company recognized $9.8 million from the program in G&A.

G&A expenses per boe increased 14 percent in 2020 due to lower production volumes, partially offset by the reduction in total G&A discussed above.

Transaction costs incurred in 2020 relate primarily to the Saskatchewan gas infrastructure asset disposition. Refer to *Capital Acquisitions and Dispositions* section in this MD&A for further information.

Exhibit 11



Interest Expense

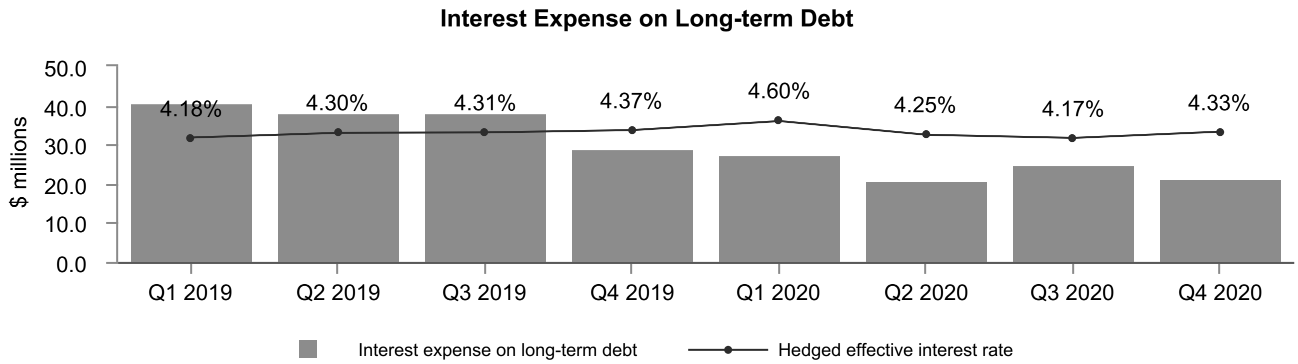
($ millions, except per boe amounts)	**2020**	2019	% Change
Interest expense on long-term debt	**94.6**	146.8	(36)
Unrealized loss on CCS - interest and interest derivative contracts	**14.5**	23.6	(39)
Interest expense	**109.1**	170.4	(36)
Per boe	**2.45**	2.88	(15)

Interest expense on long-term debt decreased 36 percent in 2020 primarily due to lower debt balances with the Company's ongoing focus on balance sheet strength.

During the year ended December 31, 2020, the Company recognized a $14.5 million unrealized loss on interest rate derivatives compared to $23.6 million in 2019. The unrealized derivative loss was primarily due to the impact of the stronger Canadian dollar at December 31, 2020 as compared to December 31, 2019 on the interest payments related to the Company's cross currency swaps ("CCS"). The unrealized derivative loss was also impacted by a lower floating interest rate on Company's interest derivative contracts at December 31, 2020 compared to December 31, 2019.

Crescent Point actively 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, 2020, 96 percent of the Company's long-term debt, including the impact of CCS and the foreign exchange swap on its US dollar senior guaranteed notes, had fixed interest rates.

Exhibit 12



Foreign Exchange Gain

($ millions)	**2020**	2019	% Change
Realized gain on CCS - principal	**49.3**	32.4	52
Translation of US dollar long-term debt	**12.8**	175.3	(93)
Unrealized loss on CCS - principal and foreign exchange swaps	**(56.6)**	(141.6)	(60)
Other	**(1.2)**	(5.0)	(76)
Foreign exchange gain	**4.3**	61.1	(93)

Crescent Point has US dollar denominated debt, including 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, 2020, the Company realized a $49.3 million gain on CCS, primarily related to senior guaranteed note maturities.

The Company records foreign exchange gains or losses on the period end translation of US dollar long-term debt and related accrued interest. Crescent Point recorded a foreign exchange gain of $12.8 million on the translation of US dollar long-term debt and accrued interest in the year ended December 31, 2020, compared to $175.3 million in 2019. The foreign exchange gain from the translation of US dollar long-term debt and accrued interest in 2020 was attributable to a stronger Canadian dollar at December 31, 2020 as compared to December 31, 2019.

The Company recognized an unrealized loss on foreign exchange derivatives of $56.6 million for the year ended December 31, 2020 compared to $141.6 million in the same period in 2019. The unrealized loss in 2020 reflects the impact of the stronger forward Canadian dollar at December 31, 2020 as compared to December 31, 2019 on the Company's CCS.

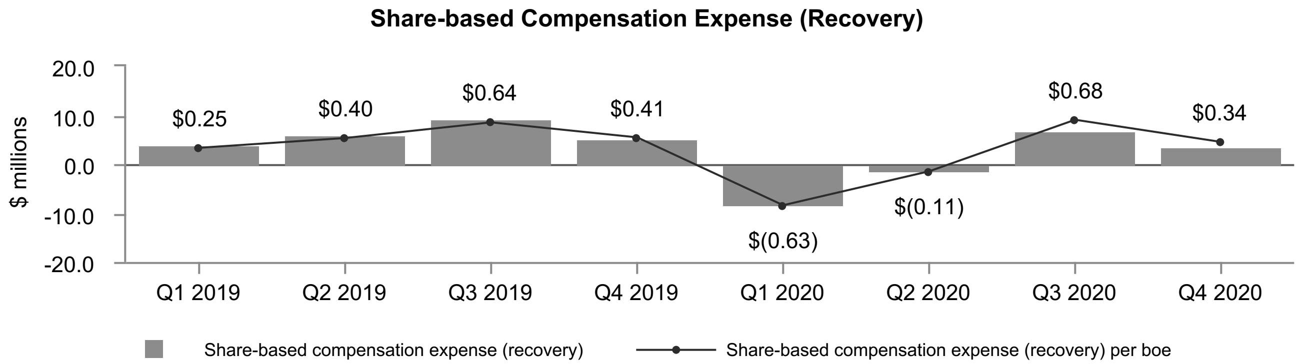
Share-based Compensation Expense

($ millions, except per boe amounts)	**2020**	2019	% Change
Share-based compensation costs	**17.7**	29.2	(39)
Unrealized gain on equity derivative contracts	**(11.0)**	—	—
Capitalized	**(5.4)**	(4.3)	26
Share-based compensation expense	**1.3**	24.9	(95)
Per boe	**0.03**	0.42	(93)

The Company recorded share-based compensation ("SBC") costs of $17.7 million in 2020 compared to $29.2 million in 2019. The 39 percent decrease was primarily due to the decrease in the Company's share price, along with forfeitures recognized from a workforce reduction during the second quarter of 2020.

In the second quarter of 2020, the Company entered into equity derivative contracts to mitigate equity price risk on the Employee Share Value Plan ("ESVP") which was adopted by the Company in April 2020. Refer to the *Employee Share Value Plan* section below for further information. The equity derivatives mitigate exposure to fluctuations in share price by fixing the future settlement cost on a portion of the cash-settled plan. During the year ended December 31, 2020, the Company recognized an unrealized derivative gain of $11.0 million on equity derivative contracts due to the increase in the Company's share price at December 31, 2020.

Exhibit 13



Employee Share Value Plan

In April 2020, the Company approved an ESVP for certain employees and consultants in lieu of grants that would have previously been made under the Restricted Share Bonus Plan. Awards under the ESVP vest on terms of up to three years from the grant date as determined by the Board of Directors and 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.

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

	December 31, 2020	December 31, 2019
Restricted Share Bonus Plan (1)	**4,704,129**	3,636,194
Employee Share Value Plan	**10,449,383**	—
Performance Share Unit Plan (2)	**3,789,689**	2,920,444
Deferred Share Unit Plan	**1,278,263**	319,891
Stock Option Plan (3)	**5,940,871**	2,833,342

(1) At December 31, 2020, the Company was authorized to issue up to 15,033,521 common shares (December 31, 2019 - 10,935,120 common shares).

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

(3) At December 31, 2020, the weighted average exercise price is $3.92 per share (December 31, 2019 - $7.59 per share).

As of the date of this report, the Company had 4,350,299 restricted shares, 10,319,530 ESVP awards, 5,843,263 PSUs, 1,313,581 DSUs and 5,943,185 stock options outstanding.

Depletion, Depreciation, Amortization and Impairment

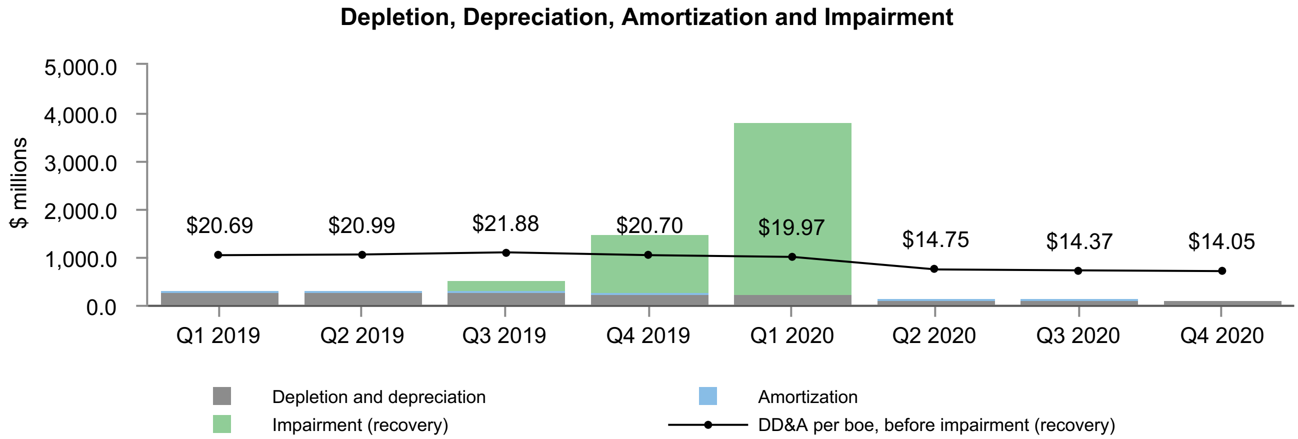
($ millions, except per boe amounts)	**2020**	2019	% Change
Depletion and depreciation	**640.8**	1,117.8	(43)
Amortization of exploration and evaluation undeveloped land	**71.9**	129.1	(44)
Depletion, depreciation and amortization	**712.7**	1,246.9	(43)
Impairment	**3,557.8**	1,466.4	143
Depletion, depreciation, amortization and impairment	**4,270.5**	2,713.3	57
Per boe, before impairment	**16.01**	21.06	(24)
Per boe	**95.92**	45.82	109

The Company's depletion, depreciation and amortization (“DD&A”) rate before impairment for the year ended December 31, 2020 was $16.01 per boe, compared to $21.06 per boe in 2019. The 24 percent decrease in the DD&A rate per boe in 2020 was primarily due to the impairment expense booked in the fourth quarter of 2019 and first quarter of 2020, which reduced the value of the Company's property, plant and equipment ("PP&E") in addition to dispositions completed in the second half of 2019.

During the year ended December 31, 2020, the Company recorded impairment expense of $3.56 billion on its development and production assets primarily due to the significant decrease in forecast benchmark commodity prices at March 31, 2020 compared to December 31, 2019. The value of the Company’s assets was estimated based on independent evaluator pricing, proved plus probable reserves and a discount rate of 15 percent. The impairment charge does not impact the Company's adjusted funds flow, adjusted net earnings from operations or the amount of credit available under our bank credit facilities. The impairment can be reversed in future periods up to the original carrying value less any associated depletion, should there be indicators that the value of the assets has increased.

During the year ended December 31, 2019, the Company recognized impairment expense of $1.21 billion on PP&E, primarily as a result of the decrease in forecast benchmark prices. The Company also recognized an impairment loss of $241.4 million on PP&E related to the disposition of its Uinta Basin assets and $8.5 million of impairment related to the disposal of other non-core assets.

Exhibit 14



Other Income (Loss)

The Company recorded other income of $322.3 million in 2020, compared to other losses of $159.9 million in 2019. Other income in 2020 was primarily due to the gain recognized from the Company's sale of gas infrastructure assets in the first quarter of 2020. The other losses in 2019 were comprised primarily of losses on asset dispositions, partially offset by proceeds received from a legal settlement and a gain recognized on lease modifications.

Taxes

($ millions)	**2020**	2019	% Change
Current tax expense	**0.2**	0.4	(50)
Deferred tax recovery	**(627.8)**	(159.4)	294

Current Tax Expense

In the year ended December 31, 2020, the Company recorded current tax expense of $0.2 million, compared to $0.4 million in 2019. Refer to the Company's Annual Information Form for the year ended December 31, 2020 for information on the Company's expected tax horizon.

Deferred Tax Recovery

In the year ended December 31, 2020, the Company recorded a deferred tax recovery of $627.8 million compared to $159.4 million in 2019. 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.

The deferred tax recovery for 2019 primarily relates to the net loss before income tax and a change in estimate regarding future usable U.S. tax pools as a result of the Uinta Basin asset disposition.

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

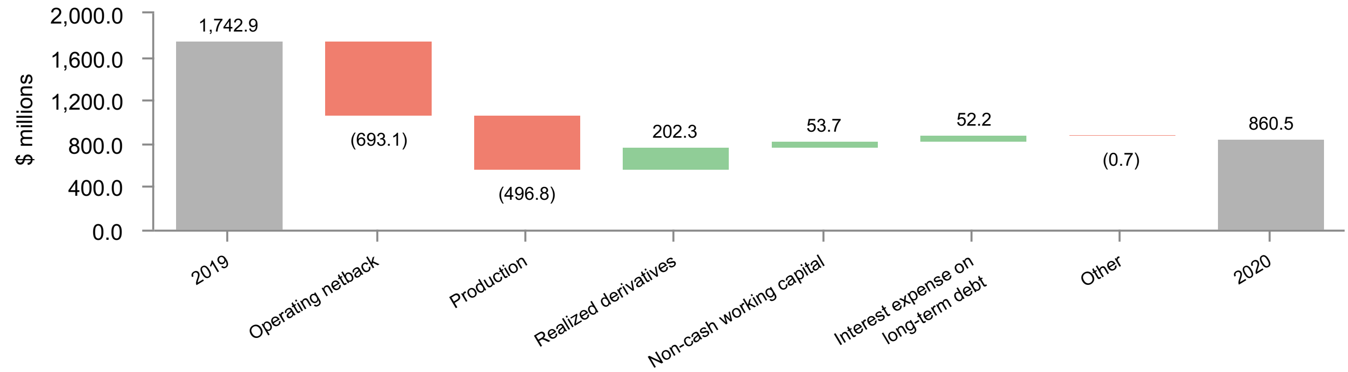
($ millions, except per share amounts)	**2020**	2019	% Change
Cash flow from operating activities	**860.5**	1,742.9	(51)
Adjusted funds flow from operations (1)	**874.4**	1,825.4	(52)
Net income (loss)	**(2,519.9)**	(1,033.3)	144
Net income (loss) per share - diluted	**(4.76)**	(1.89)	152
Adjusted net earnings from operations (1)	**177.4**	386.8	(54)
Adjusted net earnings from operations per share - diluted (1)	**0.33**	0.71	(54)

(1) Non-GAAP 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 *Non-GAAP Financial Measures* section in this MD&A for further information.

Cash flow from operating activities decreased from $1.74 billion in 2019 to $860.5 million in 2020. Changes in cash flow from operating activities were due to fluctuations in adjusted funds flow from operations ("FFO"), working capital, decommissioning expenditures and transaction costs.

Exhibit 15

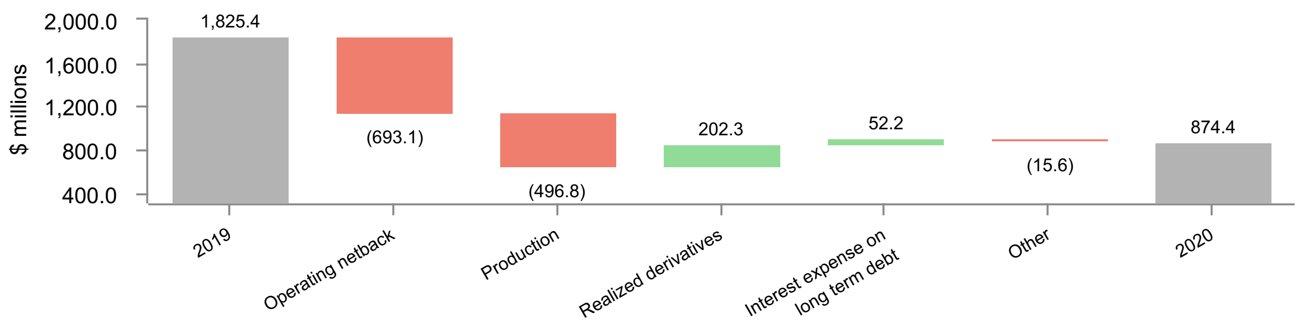
Change in Cash Flow from Operating Activities



The Company's adjusted FFO decreased in the year ended December 31, 2020 to $874.4 million, compared to $1.83 billion in 2019. The decrease is primarily the result of the decreases in the Cdn$ WTI benchmark price and production volumes, partially offset by the increase in realized derivative gains and lower interest expense on long-term debt.

Exhibit 16

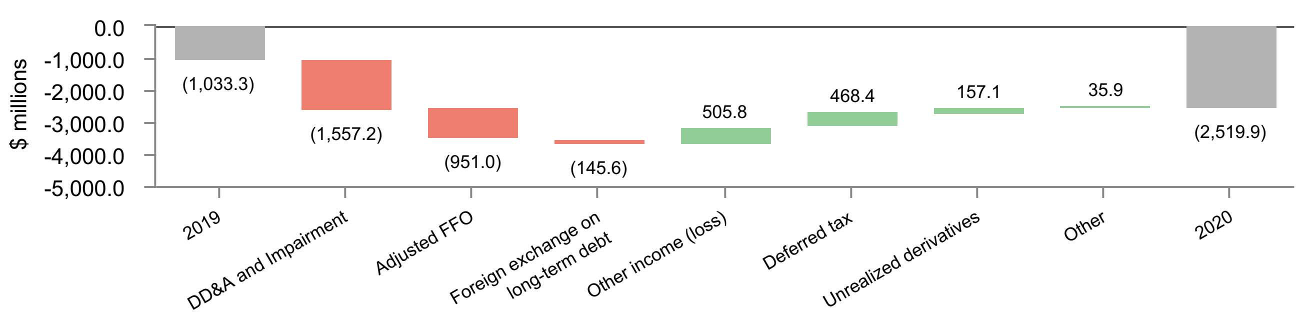
Change in Adjusted Funds Flow from Operations



In the year ended December 31, 2020, the Company reported a net loss of $2.52 billion compared to $1.03 billion in 2019, primarily as a result of the increase in impairment expense recorded in 2020, the decrease in adjusted FFO and the decrease in foreign exchange gain on long-term debt, partially offset by fluctuations in other income and deferred taxes and a decrease in unrealized derivative losses. In 2020, the Company recorded a net loss per share - diluted of $4.76 compared to a net loss per share - diluted of $1.89 in 2019.

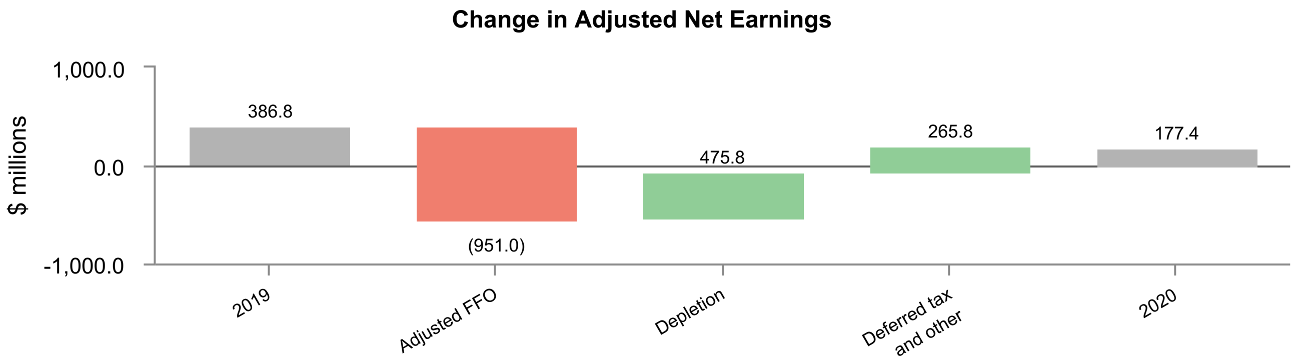
Exhibit 17

Change in Net Income (Loss)



The Company's adjusted net earnings from operations for the year ended December 31, 2020 was $177.4 million compared to $386.8 million in 2019, primarily due to the decrease in adjusted FFO, partially offset by the decrease in depletion and fluctuations in deferred taxes. Adjusted net earnings from operations per share - diluted for the year ended December 31, 2020 decreased from $0.71 in 2019 to $0.33.

Exhibit 18



Dividends

The following table provides a reconciliation of dividends:

($ millions, except per share amounts)	**2020**	2019	% Change
Dividends declared to shareholders	**9.4**	22.0	(57)
Dividends declared to shareholders per share	**0.0175**	0.0400	(56)

On March 16, 2020, the Company announced a reduction to its dividend, moving to a quarterly dividend that equates to $0.01 per share per year. The Company was previously paying a quarterly dividend of $0.01 per share, which equated to $0.04 per share per year.

Other Long-Term Assets

At December 31, 2020, other long-term assets consist of $15.7 million of investment tax credits and $2.5 million of long-term investments.

Long-Term Investments

The Company holds common shares in a publicly traded oil and gas company, which were acquired through previous corporate acquisitions. The investment is recorded at fair value at each reporting 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 investment.

Related Party Transactions

Key management personnel of the Company include its directors and executive officers. In 2020, the Company recorded $5.5 million (2019 - $5.8 million) relating to compensation of key management personnel and nil (2019 - $2.3 million) for severance relating to key management personnel. In 2020, share-based compensation costs relating to compensation of key management personnel was $4.9 million (2019 – $10.3 million).

Capital Expenditures

($ millions)	**2020**	2019	% Change
Capital acquisitions	**1.4**	15.9	(91)
Capital dispositions	**(508.2)**	(940.0)	(46)
Development capital expenditures	**654.8**	1,252.1	(48)
Land expenditures	**3.6**	15.5	(77)
Capitalized administration [(1)]	**36.9**	35.7	3
Corporate assets	**3.5**	2.9	21
Total	**192.0**	382.1	(50)

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

Capital Acquisitions and Dispositions

Minor Property Acquisitions and Dispositions

In the year ended December 31, 2020, the Company completed minor property acquisitions and dispositions for total net consideration of $6.6 million, resulting in a gain of $14.5 million.

Major Property Dispositions

Saskatchewan Gas Infrastructure Asset Disposition

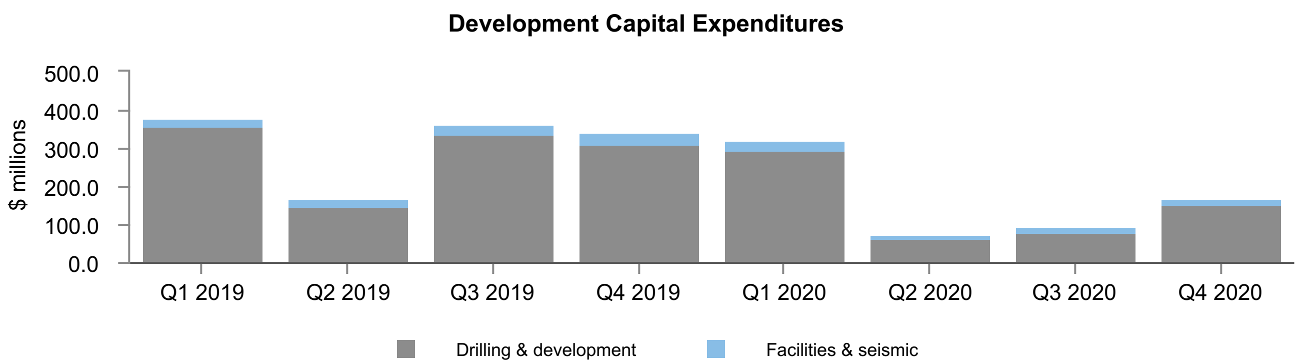
In the year ended December 31, 2020, the Company disposed of certain Saskatchewan gas infrastructure assets for consideration of $500.2 million. These assets were classified as held for sale at December 31, 2019, and had a net carrying value of $198.3 million, resulting in a gain of $301.9 million.

Development Capital Expenditures

The Company's development capital expenditures for the year ended December 31, 2020 were $654.8 million, compared to $1.25 billion in 2019. In 2020, 271 (254.8 net) wells were drilled and $68.3 million was spent on facilities and seismic. The Company reduced its spending levels in 2020 to protect the balance sheet given the significant drop in revenues that resulted from the collapse in crude oil prices.

Refer to the *Guidance* section in this MD&A for Crescent Point's development capital expenditure guidance for 2021.

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, 2020 was $223.3 million compared to $230.9 million at December 31, 2019. The decrease of $7.6 million is attributable to the disposition of the Saskatchewan gas infrastructure assets as well as other minor asset dispositions.

Other Current Liabilities

At December 31, 2020, other current liabilities consist of $10.0 million related to the current portion of long-term share-based compensation, $26.4 million related to the current portion of lease liabilities, and $57.4 million related to decommissioning liability.

Other Long-Term Liabilities

At December 31, 2020, other long-term liabilities consist of $17.3 million of long-term compensation liability related to share-based compensation.

Lease Liability

At December 31, 2020, the Company had $156.5 million of lease liabilities for contracts related to office space, fleet vehicles and equipment.

Decommissioning Liability

The decommissioning liability decreased by $121.3 million during 2020 from $1.14 billion at December 31, 2019 to $1.02 billion at December 31, 2020. The decrease primarily relates to a change in estimated future costs. The liability was based on estimated undiscounted and uninflated cash flows to settle the obligation of $976.5 million.

Liquidity and Capital Resources

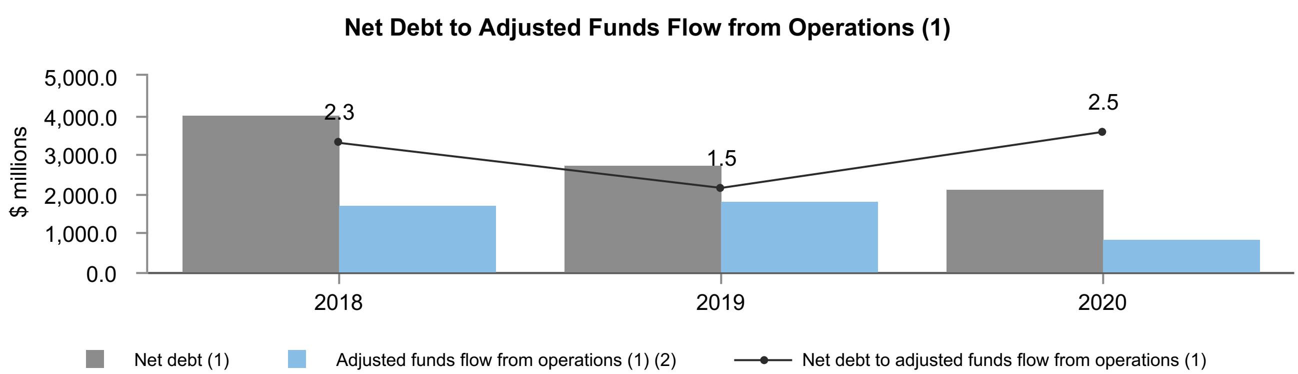
Capitalization Table ($ millions, except share, per share, ratio and percent amounts)	**December 31, 2020**	December 31, 2019
Net debt [1]	**2,149.2**	2,765.3
Shares outstanding	**530,035,922**	529,399,923
Market price at end of period (per share)	**2.97**	5.79
Market capitalization [1]	**1,574.2**	3,065.2
Enterprise value [1]	**3,723.4**	5,830.5
Net debt as a percentage of enterprise value	**58**	47
Adjusted funds flow from operations [1] [2]	**874.4**	1,825.4
Net debt to adjusted funds flow from operations [1]	**2.5**	1.5

(1) Non-GAAP 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 *Non-GAAP Financial Measures* section in this MD&A for further information.

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

At December 31, 2020, Crescent Point's enterprise value was $3.72 billion and the Company was capitalized with 42 percent equity compared to $5.83 billion and 53 percent at December 31, 2019, respectively. The Company's net debt to adjusted funds flow from operations ratio at December 31, 2020 increased to 2.5 times compared to 1.5 times at December 31, 2019, largely due to lower adjusted funds flow from operations, primarily as a result of the decrease in the Cdn$ WTI benchmark price, partially offset by the reduction in net debt.

Exhibit 20



(1) Non-GAAP 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 *Non-GAAP Financial Measures* section in this MD&A for further information.

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

The Company has combined revolving credit facilities of $3.00 billion, including a $2.90 billion syndicated unsecured credit facility with fourteen banks and a $100.0 million unsecured operating credit facility with one Canadian chartered bank. The current maturity date of the facilities is October 25, 2023. As at December 31, 2020, the Company had approximately $401.0 million drawn on bank credit facilities, including $10.4 million outstanding pursuant to letters of credit, leaving unutilized borrowing capacity of approximately $2.61 billion including cash of $8.8 million.

The Company has made private offerings of senior guaranteed notes raising total gross proceeds of US$1.26 billion and Cdn$270.0 million. 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.

The Company is in compliance with all debt covenants at December 31, 2020 which are listed in the table below:

Covenant Description	Maximum Ratio	**December 31, 2020**
Senior debt to adjusted EBITDA (1) (2)	3.5	**2.3**
Total debt to adjusted EBITDA (1) (3)	4.0	**2.3**
Senior debt to capital (2) (4)	0.55	**0.46**

(1) Adjusted EBITDA is calculated as earnings before interest, taxes, depletion, depreciation, amortization and impairment, 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 global COVID-19 pandemic has significantly impacted the global economy and has resulted in extremely volatile crude oil prices. This has impacted Crescent Point's financial condition and 2020 results with a decrease in adjusted net earnings from operations and adjusted cash flow from operating activities, increased leverage levels, a reduction in the Company's market capitalization and a significant net loss mainly from an impairment charge in the first quarter of 2020. Crescent Point retains financial flexibility with significant liquidity on its credit facilities and no material near-term debt maturities. The Company will continue to monitor the commodity price environment and will make further adjustments as needed to protect its balance sheet. Crescent Point has hedged over 30 percent of its forecast 2021 oil and liquids production, net of royalty interest, providing further balance sheet protection should commodity prices weaken.

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. The Company actively manages its counterparty exposure and has procedures to mitigate credit losses given the heightened risk exposure in the current environment.

Shareholders' Equity

At December 31, 2020, Crescent Point had 530.0 million common shares issued and outstanding compared to 529.4 million common shares at December 31, 2019. The increase of 0.6 million shares is due to shares issued pursuant to the Restricted Share Bonus Plan, partially offset by shares repurchased and cancelled under the Normal Course Issuer Bid ("NCIB").

As of the date of this report, the Company had 530,364,516 common shares outstanding.

Normal Course Issuer Bid

In January 2020, the Company purchased and cancelled 2.2 million common shares for total consideration of $12.7 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.

On March 5, 2020, the Company announced the acceptance by the Toronto Stock Exchange of its notice to implement a NCIB. The NCIB allows the Company to purchase, for cancellation, up to 36,884,438 common shares, or seven percent of the Company's public float, as at February 28, 2020. The NCIB commenced on March 9, 2020 and is due to expire on March 8, 2021. The Company suspended share repurchases in March 2020 given the weak and volatile commodity price environment and will evaluate providing additional returns to shareholders as market conditions permit.

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, 2020, 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)	5.1	9.9	13.1	30.6	58.7
Gas processing	39.4	80.5	82.2	369.8	571.9
Transportation	14.8	24.8	24.3	1.2	65.1
Total contractual commitments (2)	59.3	115.2	119.6	401.6	695.7

(1) Includes operating costs on the Company's office space, net of $10.4 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, 2020 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)	251.9	767.0	816.2	26.9	1,862.0
Bank credit facilities (2)	13.1	413.0	—	—	426.1
Total contractual commitments	265.0	1,180.0	816.2	26.9	2,288.1

(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, 2020. The current maturity date of the Company's facilities is October 25, 2023. The Company expects that the facilities will be renewed and extended prior to their maturity dates.

Subsequent Events

Acquisition of Kaybob Duvernay Assets

On February 17, 2021, Crescent Point announced that it had entered into an agreement with Shell Canada Energy, to acquire Kaybob Duvernay assets in Alberta for consideration of $900.0 million. The total consideration consists of $700.0 million in cash and 50.0 million common shares of Crescent Point, and is expected to close in April 2021.

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, 2020. 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, 2020.

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 annual consolidated financial statements for the year ended December 31, 2020. 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 depletion, depreciation and amortization, decommissioning liability, deferred taxes, asset impairments, asset recoveries 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 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 E&E to PP&E.

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 Company previously recorded the liability using estimated inflation and the relevant risk free rate to discount cash flows. At December 31, 2020, the Company used a derived inflation from the real-return rate and discounted using the relevant risk free rate. This change in accounting estimate is applied on a prospective basis. 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, the availability of cash flows and the application of tax laws. Changes in tax regulations and legislation and the other assumptions listed are subject to measurement uncertainty.

Saskatchewan gas infrastructure asset disposition

Significant judgments were involved in assessing the economic benefit under the purchase and sale agreement in determining the right to control the assets for the conditions of a sale. Judgments were also involved in forecasting future cash flows to determine the Company's expected utilization of the asset under lease accounting. If one or a combination of the underlying assumptions were materially different than the assumptions used in the Company’s analysis, this could potentially impact the underlying accounting treatment for the transaction.

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; 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, rail 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 resulted in a significant contraction in the global economy. This caused an unprecedented disruption in the oil and gas industry and negatively impacted the demand for and pricing of energy products, including crude oil, NGLs and natural gas produced by the Company, as discussed in this MD&A. Although commodity prices rebounded in the third quarter of 2020, there remain many variables and uncertainties regarding COVID-19 and its continuing impact on the economic environment, including the duration and magnitude of potential further disruptions in the oil and gas industry. It is not possible to precisely estimate the ongoing potential impact of the COVID-19 pandemic on the Company's financial condition and operations. There may be continued 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 reducing its capital program, voluntary shut-ins, 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, 2020, and 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: aboriginal 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, 2020 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 low cost exploitation and development objectives; utilizing the latest 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 of commodity prices, interest and foreign exchange rates; adhering to conservative borrowing guidelines; monitoring counterparty creditworthiness and obtaining counterparty credit insurance.

Changes in Accounting Policies

In the current accounting period, the Company adopted the amendment to IFRS 3 *Business Combinations.*

Business Combinations

IFRS 3 *Business Combinations* was amended in October 2018 to revise the definition of the term 'business'. The amendments narrowed the definitions of a business and outputs and includes an optional concentration test. The adoption of this amendment did not have a material impact on the Company's consolidated financial statements.

Selected Annual Information

($ millions, except per share amounts)	**2020**	2019	2018
Oil and gas sales	**1,692.2**	3,336.0	3,887.5
Average daily production			
Crude oil (bbls/d)	**95,859**	126,219	140,298
NGLs (bbls/d)	**14,542**	20,746	19,805
Natural gas (mcf/d)	**67,447**	91,592	108,376
Total (boe/d)	**121,642**	162,230	178,166
Net income (loss) (1) (2)	**(2,519.9)**	(1,033.3)	(2,616.9)
Net income (loss) per share (1) (2)	**(4.76)**	(1.89)	(4.77)
Net income (loss) per share - diluted (1) (2)	**(4.76)**	(1.89)	(4.77)
Adjusted net earnings from operations (1) (3)	**177.4**	386.8	234.6
Adjusted net earnings from operations per share (1) (3)	**0.34**	0.71	0.43
Adjusted net earnings from operations per share – diluted (1) (3)	**0.33**	0.71	0.43
Cash flow from operating activities (1)	**860.5**	1,742.9	1,748.0
Adjusted funds flow from operations (1) (3)	**874.4**	1,825.4	1,741.2
Adjusted working capital (deficiency) (4)	**(93.4)**	(126.1)	(208.2)
Total assets (1)	**6,645.9**	10,091.8	12,730.4
Total liabilities (1)	**3,823.1**	4,749.1	6,117.6
Net debt (3)	**2,149.2**	2,765.3	4,011.3
Weighted average shares - diluted (millions)	**531.8**	546.0	550.2
Capital acquisitions	**1.4**	15.9	15.4
Capital dispositions	**(508.2)**	(940.0)	(355.9)
Development capital expenditures	**654.8**	1,252.1	1,736.6
Dividends declared	**9.4**	22.0	198.5
Dividends declared per share	**0.0175**	0.0400	0.3600

(1) On initial adoption of IFRS 16, the Company elected to use the modified retrospective approach; therefore, comparative information has not been restated.

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

(3) Non-GAAP 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 *Non-GAAP Financial Measures* section in this MD&A for further information.

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

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 2018 through 2020, 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 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 net impairments to PP&E 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

($ millions, except per share amounts)	**2020**				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Oil and gas sales	**447.8**	437.0	259.0	548.4	729.3	769.1	945.2	892.4
Average daily production								
Crude oil (bbls/d)	**87,512**	89,260	94,900	111,928	111,394	119,011	134,951	139,911
NGLs (bbls/d)	**13,033**	13,458	14,210	17,493	21,406	20,627	20,841	20,097
Natural gas (mcf/d)	**64,033**	63,988	70,391	71,451	74,347	96,422	100,101	95,679
Total (boe/d)	**111,217**	113,383	120,842	141,330	145,191	155,708	172,476	175,955
Net income (loss)	**(51.2)**	0.5	(145.1)	(2,324.1)	(932.1)	(301.7)	198.6	1.9
Net income (loss) per share	**(0.10)**	—	(0.27)	(4.40)	(1.73)	(0.55)	0.36	—
Net income (loss) per share – diluted	**(0.10)**	—	(0.27)	(4.40)	(1.73)	(0.55)	0.36	—
Adjusted net earnings (loss) from operations [(1)]	**85.6**	71.0	(27.9)	48.7	49.9	32.6	146.0	158.3
Adjusted net earnings (loss) from operations per share [(1)]	**0.16**	0.13	(0.05)	0.09	0.09	0.06	0.27	0.29
Adjusted net earnings (loss) from operations per share – diluted [(1)]	**0.16**	0.13	(0.05)	0.09	0.09	0.06	0.27	0.29
Cash flow from operating activities	**245.1**	219.5	66.6	329.3	396.5	402.2	527.4	416.8
Adjusted funds flow from operations [(1)]	**220.2**	235.7	109.0	309.5	418.4	389.2	503.8	514.0
Adjusted working capital (deficiency) [(2)]	**(93.4)**	(65.5)	(38.7)	(190.5)	(126.1)	(100.2)	(124.7)	(139.8)
Total assets	**6,645.9**	6,864.2	7,022.8	7,209.7	10,091.8	12,073.3	12,430.7	12,824.2
Total liabilities	**3,823.1**	3,952.3	4,093.0	4,097.6	4,749.1	5,685.2	5,751.7	6,288.8
Net debt [(1)]	**2,149.2**	2,189.2	2,308.6	2,327.9	2,765.3	3,360.0	3,553.5	3,905.5
Weighted average shares – diluted (millions)	**534.4**	532.9	531.2	528.3	538.7	548.0	548.2	550.3
Capital acquisitions	**—**	—	—	1.4	13.5	0.1	—	2.3
Capital dispositions	**1.1**	(0.9)	(1.5)	(506.9)	(677.3)	(199.3)	(58.3)	(5.1)
Development capital expenditures	**169.4**	93.3	72.0	320.1	343.4	362.3	166.2	380.2
Dividends declared	**1.4**	1.3	1.4	5.3	5.4	5.5	5.5	5.6
Dividends declared per share	**0.0025**	0.0025	0.0025	0.0100	0.0100	0.0100	0.0100	0.0100

(1) Non-GAAP 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 *Non-GAAP Financial Measures* section in this MD&A for further information.

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

Over the past eight quarters, the Company's oil and gas sales have fluctuated due to movement 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, dispositions, voluntary shut-ins and natural declines.

Net income (loss) has fluctuated primarily due to changes in adjusted funds flow from operations, unrealized derivative gains and losses, which fluctuate with the changes in forward market prices and foreign exchange rates, PP&E impairments recorded in the first quarter of 2020 and fourth quarter of 2019, 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 fluctuated through this period as a result of timing of acquisitions, dispositions and the Company's development capital program.

Fourth Quarter 2020 Review

- Crescent Point's production averaged 111,217 boe/d in the fourth quarter of 2020, weighted 90 percent towards crude oil and liquids.
- Adjusted funds flow from operations totaled $220.2 million in the fourth quarter of 2020, a 7 percent decrease from $235.7 million in the third quarter. The decrease was primarily driven by lower realized hedging gains and higher share based compensation as a result of an increase in the Company's share price.
- During the fourth quarter of 2020, the Company spent $152.3 million on drilling and development activities, drilling 90 (88.8 net) wells. Crescent Point also spent $17.1 million on facilities and seismic, for total development capital expenditures of $169.4 million.
- Net debt was reduced by $40.0 million in the fourth quarter of 2020, ending at $2.15 billion or 2.5 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, 2020.

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, 2020, 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, 2020 based on the COSO Framework. Based on this evaluation, Management concluded that as of December 31, 2020, Crescent Point maintained effective ICFR.

The effectiveness of Crescent Point's ICFR as of December 31, 2020 was audited by PricewaterhouseCoopers LLP, as reflected in their report for 2020. There were no changes in Crescent Point's ICFR during the year ended December 31, 2020 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 2021 is as follows:

Total Annual Average Production (boe/d) (1)	132,000 - 136,000
Capital Expenditures	
Development capital expenditures ($ million)	$575 - $625
Capitalized G&A ($ million)	$35
Total ($ million) (2)	$610 - $660
Other Information for 2021 Guidance	
Reclamation activities ($ million) (3)	$15
Capital lease payments ($ million)	$20
Annual operating expenses	$625 - $645 million ($12.75 - $13.25/boe)
Royalties	11.5% - 12.5%

(1) Total annual average production (boe/d) is comprised of ~87% Oil & NGLs and 13% Natural Gas.

(2) Land expenditures and net property acquisitions and dispositions are not included. Development capital expenditures is allocated as follows: 87% drilling & development and 13% facilities & seismic.

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

Crescent Point will continue to seek opportunities to further optimize its portfolio, while focusing on returns, capital discipline and cost saving initiatives to enhance value for shareholders.

Additional information relating to Crescent Point, including the Company's December 31, 2020 Annual Information Form, is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.shtml.

Non-GAAP Financial Measures

Throughout this MD&A, the Company uses the terms “operating netback”, “netback”, “adjusted funds flow from operations”, "excess cash flow", “adjusted net earnings from operations”, “adjusted net earnings from operations per share”, “adjusted net earnings from operations per share - diluted”, “net debt”, “net debt to adjusted funds flow from operations”, “market capitalization” and “enterprise value”. 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.

Operating netback is calculated on a per boe basis as oil and gas sales, less royalties, operating and transportation expenses. Netback is calculated on a per boe basis as operating netback plus realized commodity derivative gains and losses. Operating netback and netback are common metrics used in the oil and gas industry and are used by management to measure operating results on a per boe basis to better analyze performance against prior periods on a comparable basis. The calculations of operating netback and netback are shown in the *Results of Operations* section in this MD&A.

Adjusted funds flow from operations 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. Management utilizes adjusted funds flow from operations as a key measure to assess 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.

Excess cash flow is calculated as free cash flow less dividends. Free cash flow is calculated as adjusted funds flow from operations less capital expenditures, payments on lease liability, asset retirement obligations and other cash items (excluding net acquisitions and dispositions). Management utilizes free cash flow and excess cash flow as key measures to assess the ability of the Company to finance dividends, potential share repurchases, debt repayments and returns-based growth.

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

($ millions)	**2020**	2019	% Change
Cash flow from operating activities	**860.5**	1,742.9	(51)
Changes in non-cash working capital	**(6.2)**	47.5	(113)
Transaction costs	**5.4**	6.3	(14)
Decommissioning expenditures (1)	**14.7**	28.7	(49)
Adjusted funds flow from operations	**874.4**	1,825.4	(52)
Capital expenditures	**(698.8)**	(1,306.2)	(47)
Payments on lease liability	**(30.0)**	(34.1)	(12)
Decommissioning expenditures	**(14.7)**	(28.7)	(49)
Other cash items (2)	**0.5**	10.1	(95)
Dividends	**(9.4)**	(22.0)	(57)
Excess cash flow	**122.0**	444.5	(73)

(1) Excludes amounts received from government subsidy programs.

(2) Excluding net acquisitions and dispositions.

Adjusted net earnings from operations is calculated based on net income before amortization of exploration and evaluation ("E&E") undeveloped land, impairment or impairment recoveries, 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 and gains or losses on capital acquisitions and dispositions. Adjusted net earnings from operations per share and adjusted net earnings from operations per share - diluted are calculated as adjusted net earnings from operations divided by the number of weighted average basic and diluted shares outstanding, respectively. Management utilizes adjusted net earnings from operations to present 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.

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

($ millions)	**2020**	2019	% Change
Net income (loss)	**(2,519.9)**	(1,033.3)	144
Amortization of E&E undeveloped land	**71.9**	129.1	(44)
Impairment	**3,557.8**	1,466.4	143
Unrealized derivative losses	**112.5**	269.6	(58)
Unrealized foreign exchange gain on translation of hedged US dollar long-term debt	**(62.1)**	(207.7)	(70)
Unrealized loss on long-term investments	**4.2**	2.0	110
Net (gain) loss on capital dispositions	**(316.4)**	199.2	(259)
Deferred tax relating to adjustments	**(670.6)**	(438.5)	53
Adjusted net earnings from operations	**177.4**	386.8	(54)

Net debt is calculated as long-term debt plus accounts payable and accrued liabilities and long-term compensation liability net of equity derivative contracts, less cash, accounts receivable, prepaids and deposits, long-term investments, excluding the unrealized foreign exchange on translation of US dollar long-term debt. Management utilizes net debt as a key measure to assess the liquidity of the Company.

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

($ millions)	**2020**	2019	% Change
Long-term debt (1)	**2,259.6**	2,905.1	(22)
Accounts payable and accrued liabilities	**311.6**	479.4	(35)
Long-term compensation liability (2)	**16.3**	13.1	24
Cash	**(8.8)**	(56.9)	(85)
Accounts receivable	**(200.5)**	(295.9)	(32)
Prepaids and deposits	**(22.7)**	(6.9)	229
Long-term investments	**(2.5)**	(6.7)	(63)
Excludes:			
Unrealized foreign exchange on translation of US dollar long-term debt	**(203.8)**	(265.9)	(23)
Net debt	**2,149.2**	2,765.3	(22)

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

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

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

Market capitalization is calculated by applying the period end closing share trading price to the number of shares outstanding. Market capitalization is an indication of equity valuation. Refer to the *Liquidity and Capital Resources* section in this MD&A for further information.

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

Management believes the presentation of the Non-GAAP 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 report, 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”, “Changes in Accounting Policies” and “Guidance”.

In particular, forward-looking statements include:

- 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;
- Crescent Point’s focus on enhanced balance sheet and sustainability and plans aligned with its returns based capital allocation framework;
- The extent and effectiveness of hedges;
- Crescent Point’s 2021 production and development capital expenditures guidance;
- Other information for Crescent Point’s 2021 Outlook, including capitalized G&A, reclamation activities, capital lease payments, operating expenses and royalties;
- The expected decrease in future forecasted cash flows and earnings from prior levels as a result of the material weakening of crude oil prices in 2020;
- The Company's liquidity and financial flexibility;
- NCIB expectations;
- The Company seeking opportunities to further optimize its portfolio, while focusing on returns, capital discipline and cost saving initiatives to enhance value for shareholders;
- How the Company expects to finance its working capital deficiency and ongoing working capital requirements;
- Estimated undiscounted cash flows to settle decommissioning liability;
- Further adjustments in light of the commodity price environment to protect the Company's balance sheet as necessary;
- Expected production, timing of close and other attributes of the Kaybob Duvernay assets; 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; 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 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, 2020, 2019, 2018, 2017 and 2016 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 trailing 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 can 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 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.

The Company retained McDaniel & Associates Consultants Ltd. ("McDaniel") to evaluate the reserves associated with the Kaybob Duvernay assets and prepare the related independent evaluators report (the "McDaniel Report").

The statement of reserves data and other oil and gas information, associated with the Kaybob Duvernay assets, set forth in this MD&A is dated February 11, 2021. The effective date of the reserves information provided for the Kaybob Duvernay assets herein is December 31, 2020, unless otherwise indicated, and the preparation date is February 11, 2021. McDaniel prepared the McDaniel Report in accordance with the standards contained in NI 51-101 and the COGE Handbook that were in effect at the relevant time. Production of approximately 30,000 boe/d associated with the Kaybob Duvernay assets consists of 57% condensate, 8% NGL and 35% shale gas. NI 51-101 includes condensate within the product type of natural gas liquids. The Company has disclosed condensate 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 presenting the two commodities separately provides a more accurate description of its operations and results therefrom.

The Company’s annual aggregate production for 2020 and 2019, the aggregate average production for each quarter of 2020 and 2019, and the references to “natural gas” and “crude oil”, 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:

	2020					2019				
	Annual	Q4	Q3	Q2	Q1	Annual	Q4	Q3	Q2	Q1
Light & Medium Crude Oil (bbl/d)	20,842	21,025	18,846	18,952	24,566	30,094	25,366	29,265	32,420	33,423
Heavy Crude Oil (bbl/d)	4,380	4,276	4,223	4,269	4,752	4,749	4,819	4,722	4,633	4,824
Tight Oil (bbl/d)	70,637	62,211	66,191	71,679	82,610	91,376	81,209	85,024	97,898	101,664
Total Crude Oil (bbl/d)	95,859	87,512	89,260	94,900	111,928	126,219	111,394	119,011	134,951	139,911
NGLs (bbl/d)	14,542	13,033	13,458	14,210	17,493	20,746	21,406	20,627	20,841	20,097
Shale Gas (Mcf/d)	53,666	52,370	50,776	57,254	54,312	71,749	56,446	76,979	79,284	74,425
Conventional Natural Gas (Mcf/d)	13,781	11,663	13,212	13,137	17,139	19,843	17,901	19,443	20,817	21,254
Total Natural Gas (Mcf/d)	67,447	64,033	63,988	70,391	71,451	91,592	74,347	96,422	100,101	95,679
Total (boe/d)	121,642	111,217	113,383	120,842	141,330	162,230	145,191	155,708	172,476	175,955

Directors

Barbara Munroe, Chair [6]

Laura Cillis [1] [2]

James Craddock [1] [3] [5]

John Dielwart [3] [4]

Ted Goldthorpe [1] [5]

Mike Jackson [1] [2] [5]

Jennifer Koury [2] [4]

Francois Langlois [3] [4] [5]

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

Brad Borggard
Senior Vice President, Corporate Planning and Capital Markets

Mark Eade
Senior Vice President, General Counsel and Corporate Secretary

Garret Holt
Senior Vice President, Corporate 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

GLJ Ltd.
Calgary, Alberta

Sproule Associates 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

Brad Borggard
Senior Vice President, Corporate Planning and Capital Markets
(403) 693-0020

Shant Madian
Vice President, Investor Relations and Corporate Communications
(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, 2020. 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, 2020. 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, 2020, has audited the effectiveness of the Company's internal control over financial reporting as at December 31, 2020.

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

February 23, 2021

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, 2020 and 2019, 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, 2020, 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, 2020 and 2019, 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, 2020, based on criteria established in Internal Control – Integrated Framework (2013) issued by the COSO.

Change in Accounting Principle
As discussed in Note 3 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019 due to the adoption of IFRS 16, Leases.

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 Controls 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 $4,318.9 million for development and production assets and deferred tax asset net balance of $1,367.9 million at December 31, 2020. Management also recorded a depletion expense of $611.6 million and impairment expense of $3,557.8 million for the year ended December 31, 2020. 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 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 infrastructures, the existence of common sales points, geography, geologic 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 includes 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. The recoverable amount is the higher of fair value less costs of disposal and the value-in-use. Management determined the recoverable amounts 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 judgement 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 used for the recoverable amounts of the CGUs as well as the recognition of deferred tax assets, and the after-tax discount rate used for the recoverable amount of the CGUs. 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 recoverability analysis, including the discount rate used within the recoverability calculations 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.

Accounting for the Saskatchewan gas infrastructure asset disposition

As described in Notes 2, 7 and 27 to the consolidated financial statements, on January 20, 2020 the Company closed the sale of certain gas infrastructure assets in Saskatchewan for consideration of $500.2 million. These assets had a net carrying value of $198.3 million, which resulted in a gain on disposal of $301.9 million. In connection with the sale, the Company entered into a gas handling agreement that includes a long-term commitment to utilize the infrastructure assets and for which an aggregate commitment to pay gas handling tolls over the remaining term of the agreement of $571.9 million remains at December 31, 2020. When evaluating whether the conditions of a sale were met, management applied significant judgement in assessing the economic benefit under the purchase and sale agreement and in determining the right to control the assets. Management also applied judgments in forecasting future cash flows to determine the Company's expected utilization of the assets to determine if it met the definition of a lease.

The principal considerations for our determination that accounting for the Saskatchewan gas infrastructure asset disposition is a critical audit matter are the significant judgements and estimates made by management in determining whether control of the assets transferred to the purchaser and whether the Company retained substantially all the economic benefits of the disposed assets through the gas handling agreement. This led to a high degree of auditor judgement and effort in (i) understanding the contractual terms of the underlying agreements, (ii) evaluating whether management obtained the ability to direct the use of and retained substantially all of the economic benefits of the assets, and (iii) evaluating management's determination of the Company's expected utilization of these assets incorporated in the cash flow forecasts related to the gas infrastructure assets.

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 the disposition accounting, including controls over management’s analysis of complex transactions. These procedures also included, among others, reading the purchase agreement and gas handling agreement, evaluating the accounting analysis prepared by management and testing management’s process for determining anticipated utilization of the assets to assess (i) whether the significant risks and rewards of ownership transferred to the buyer and (ii) whether the Company retained substantially all of the economic benefits from continued use of these assets. Testing management’s process included evaluating the appropriateness of the methods used by management in forming these conclusions, and testing the completeness and accuracy of underlying data used in management’s cash flow forecast. We also assessed (i) whether the gas handling agreement was entered into at market rates, (ii) whether the Company’s expected future utilization of the assets supported that the Company did not retain substantially all of the economic benefits of the gas infrastructure assets, and (iii) evaluated management’s determination of the carrying amount of the gas infrastructure assets disposed of.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Canada
February 23, 2021

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

CONSOLIDATED BALANCE SHEETS

As at December 31 (Cdn$ millions)	Notes	**2020**	2019
ASSETS			
Cash		**8.8**	56.9
Accounts receivable		**200.5**	295.9
Prepaids and deposits		**22.7**	6.9
Derivative asset	25	**46.7**	76.8
Assets held for sale		**—**	195.0
Total current assets		**278.7**	631.5
Derivative asset	25	**195.7**	251.1
Other long-term assets	5	**18.2**	22.4
Exploration and evaluation	6, 7	**86.4**	245.5
Property, plant and equipment	7, 8	**4,372.0**	7,841.6
Right-of-use asset	12	**103.7**	123.5
Goodwill	9	**223.3**	230.9
Deferred income tax	22	**1,367.9**	745.3
Total assets		**6,645.9**	10,091.8
LIABILITIES			
Accounts payable and accrued liabilities		**311.6**	479.4
Current portion of long-term debt	11	**221.6**	201.0
Derivative liability	25	**42.2**	18.4
Other current liabilities	10	**93.8**	68.6
Liabilities associated with assets held for sale		**—**	7.9
Total current liabilities		**669.2**	775.3
Long-term debt	11	**2,038.0**	2,704.1
Derivative liability	25	**3.2**	—
Other long-term liabilities	13	**17.3**	10.8
Lease liability	12	**130.1**	149.9
Decommissioning liability	7, 14	**965.3**	1,109.0
Total liabilities		**3,823.1**	4,749.1
SHAREHOLDERS' EQUITY			
Shareholders' capital	15	**16,451.5**	16,449.0
Contributed surplus		**19.7**	35.1
Deficit	16	**(14,166.1)**	(11,636.9)
Accumulated other comprehensive income		**517.7**	495.5
Total shareholders' equity		**2,822.8**	5,342.7
Total liabilities and shareholders' equity		**6,645.9**	10,091.8

Commitments (Note 27)

Subsequent Events (Note 31)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors:

Laura A. Cillis
Director

Mike Jackson
Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31 (Cdn$ millions, except per share amounts)	Notes	**2020**	2019
REVENUE AND OTHER INCOME			
Oil and gas sales	30	**1,692.2**	3,336.0
Purchased product sales		**12.9**	23.9
Royalties		**(217.1)**	(482.8)
Oil and gas revenue		**1,488.0**	2,877.1
Commodity derivative gains (losses)	18, 25	**193.3**	(61.0)
Other income (loss)	19	**322.3**	(159.9)
		2,003.6	2,656.2
EXPENSES			
Operating		**561.8**	727.6
Purchased product		**12.2**	25.4
Transportation		**101.1**	123.7
General and administrative		**78.7**	91.9
Interest	20	**109.1**	170.4
Foreign exchange gain	21	**(4.3)**	(61.1)
Share-based compensation	23	**1.3**	24.9
Depletion, depreciation, amortization and impairment	6, 8, 12	**4,270.5**	2,713.3
Accretion and financing	12, 14	**20.7**	32.4
		5,151.1	3,848.5
Net income (loss) before tax		**(3,147.5)**	(1,192.3)
Tax expense (recovery)			
Current	22	**0.2**	0.4
Deferred	22	**(627.8)**	(159.4)
Net income (loss)		**(2,519.9)**	(1,033.3)
Other comprehensive income (loss)			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation of foreign operations		**22.2**	(96.2)
Comprehensive income (loss)		**(2,497.7)**	(1,129.5)
Net income (loss) per share	24		
Basic		**(4.76)**	(1.89)
Diluted		**(4.76)**	(1.89)

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	**15.2**	**(15.3)**	**0.1**		**—**
Common shares repurchased	15	**(12.7)**				**(12.7)**
Share-based compensation	23		**(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**
December 31, 2018		16,546.9	41.4	(10,567.2)	591.7	6,612.8
Adoption of accounting policy				(14.4)		(14.4)
Redemption of restricted shares		24.7	(25.5)			(0.8)
Common shares repurchased		(122.6)				(122.6)
Share-based compensation			19.2			19.2
Net income (loss)				(1,033.3)		(1,033.3)
Dividends ($0.0400 per share)				(22.0)		(22.0)
Foreign currency translation adjustment					(96.2)	(96.2)
December 31, 2019		16,449.0	35.1	(11,636.9)	495.5	5,342.7

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31 (Cdn$ millions)	Notes	**2020**	2019
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Net income (loss)		**(2,519.9)**	(1,033.3)
Items not affecting cash			
Other (income) loss	19	**(316.9)**	189.0
Deferred tax recovery	22	**(627.8)**	(159.4)
Share-based compensation	23	**(0.9)**	14.9
Depletion, depreciation, amortization and impairment	6, 8, 12	**4,270.5**	2,713.3
Accretion	14	**13.6**	32.4
Unrealized losses on derivatives	25	**112.5**	269.6
Translation of US dollar long-term debt	21	**(12.8)**	(175.3)
Other		**—**	0.3
Realized gain on cross currency swap maturity	21	**(49.3)**	(32.4)
Decommissioning expenditures	14	**(14.7)**	(28.7)
Change in non-cash working capital	29	**6.2**	(47.5)
		860.5	1,742.9
INVESTING ACTIVITIES			
Development capital and other expenditures	6, 8	**(698.8)**	(1,306.2)
Capital acquisitions	7	**(1.4)**	(15.9)
Capital dispositions	7	**509.8**	917.1
Other long-term assets	5	**—**	18.8
Change in non-cash working capital	29	**(78.6)**	41.2
		(269.0)	(345.0)
FINANCING ACTIVITIES			
Issue of shares, net of issue costs		**(0.2)**	(0.8)
Common shares repurchased	15	**(12.7)**	(122.6)
Decrease in bank debt, net	29	**(408.1)**	(1,099.2)
Repayment of senior guaranteed notes	29	**(224.4)**	(98.2)
Realized gain on cross currency swap maturity	21	**49.3**	32.4
Payments on principal portion of lease liability	12, 29	**(30.0)**	(34.1)
Cash dividends	29	**(9.4)**	(22.0)
Change in non-cash working capital	29	**(4.0)**	(11.2)
		(639.5)	(1,355.7)
Impact of foreign currency on cash balances		**(0.1)**	(0.6)
INCREASE (DECREASE) IN CASH		**(48.1)**	41.6
CASH AT BEGINNING OF YEAR		**56.9**	15.3
CASH AT END OF YEAR		**8.8**	56.9

See accompanying notes to the consolidated financial statements.

Supplementary Information:

Cash taxes paid	**(0.2)**	(0.5)
Cash interest paid	**(98.0)**	(159.1)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019

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 February 23, 2021.

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 February 23, 2021, 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$” 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 contraction in the global economy. This has caused an unprecedented disruption in the oil and gas industry and negatively impacted the demand for and pricing of energy products, including crude oil, 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 the 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. This presents various risks and uncertainty, including to management's judgments, 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, asset recoveries, 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.

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. The Company previously recorded the liability using estimated inflation and the relevant risk-free rate to discount cash flows. At December 31, 2020, the Company used a derived inflation from the real-return rate and discounted using the relevant risk-free rate. This change in accounting estimate is applied on a prospective basis.

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, the availability of cash flows including proved plus probable reserve estimates and the application of tax laws. Changes in tax regulations and legislation and the other assumptions listed are subject to measurement uncertainty.

Saskatchewan gas infrastructure asset disposition

Significant judgments were involved in assessing the economic benefit under the purchase and sale agreement to determine the right to control the assets for the conditions of a sale. Judgments were also involved in forecasting future cash flows to determine the Company's expected utilization of the asset under lease accounting. If one or a combination of the underlying assumptions were materially different than the assumptions used in the Company's analysis, this could potentially impact the underlying accounting treatment for the transaction.

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

Impairment

The carrying amounts of PP&E, which includes 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 infrastructures, the existence of common sales points, geography, geologic 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. 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. 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. 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. 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.

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 assets given, equity instruments issued and 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, 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, 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

On January 1, 2019, the Company adopted IFRS 16 Leases ("IFRS 16") using the modified retrospective approach.

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) Assets Held for Sale

PP&E and E&E assets are classified as held for sale if it is highly probable their carrying amounts will be recovered through a capital disposition rather than through future operating cash flows. Before PP&E and E&E assets are classified as held for sale, they are assessed for indicators of impairment or reversal of previously recorded impairments and are measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment charges or recoveries are recognized in net income. Assets held for sale are classified as current assets and are not subject to DD&A. Decommissioning liabilities associated with assets held for sale are classified as current liabilities.

p) 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

In the current accounting period, the Company adopted the amendment to IFRS 3 *Business Combinations.*

Business Combinations

IFRS 3 *Business Combinations* was amended in October 2018 to revise the definition of the term 'business'. The amendments narrowed the definitions of a business and outputs and includes an optional concentration test. The adoption of this amendment did not have a material impact on the Company's consolidated financial statements.

New accounting standards and amendments not yet adopted

The Company has not adopted any new standards or amendments to standards that are effective beginning on or after January 1, 2021 as the Company's consolidated financial statements are not expected to be materially impacted.

5. OTHER LONG-TERM ASSETS

($ millions)	**2020**	2019
Long-term investments	**2.5**	6.7
Other receivables	**15.7**	15.7
Other long-term assets	**18.2**	22.4

a) Long-term investments

($ millions)	**2020**	2019
Investments in public companies, beginning of year	**6.7**	8.7
Unrealized loss recognized in other income (loss)	**(4.2)**	(2.0)
Investments in public companies, end of year	**2.5**	6.7

Public companies

The Company holds common shares in a publicly traded oil and gas company. The investment is classified as financial assets at fair value through profit or loss and is 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 investment. At December 31, 2019, the investments were recorded at a fair value of $6.7 million which was $0.6 million more than the original cost of the investments.

b) Other receivables

At December 31, 2020, the Company had investment tax credits of $15.7 million (December 31, 2019 - $15.7 million).

6. EXPLORATION AND EVALUATION ASSETS

($ millions)	**2020**	2019
Exploration and evaluation assets at cost	**1,736.1**	1,848.1
Accumulated amortization	**(1,649.7)**	(1,602.6)
Net carrying amount	**86.4**	245.5
Reconciliation of movements during the year		
Cost, beginning of year	**1,848.1**	2,325.0
Accumulated amortization, beginning of year	**(1,602.6)**	(1,852.4)
Net carrying amount, beginning of year	**245.5**	472.6
Net carrying amount, beginning of year	**245.5**	472.6
Acquisitions through business combinations, net	**1.3**	7.3
Additions	**108.2**	384.9
Dispositions	**(0.2)**	(101.9)
Transfers to property, plant and equipment	**(198.0)**	(380.6)
Amortization	**(71.9)**	(129.1)
Foreign exchange	**1.5**	(7.7)
Net carrying amount, end of year	**86.4**	245.5

Impairment test of exploration and evaluation assets

There were no indicators of impairment at 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, 2020, the Company incurred $5.4 million (year ended December 31, 2019 - $6.3 million) of transaction costs related to acquisitions through business combinations and dispositions that were recorded as general and administrative expenses.

a) Major Property Dispositions

Saskatchewan gas infrastructure asset disposition

In the year ended December 31, 2020, the Company disposed of certain Saskatchewan gas infrastructure assets for consideration of $500.2 million. These assets were classified as held for sale at December 31, 2019, and had a net carrying value of $198.3 million, resulting in a gain of $301.9 million.

b) Minor property acquisitions and dispositions

In the year ended December 31, 2020, the Company completed minor property acquisitions and dispositions for net consideration of $6.6 million, resulting in a gain of $14.5 million.

($ millions)	Saskatchewan gas infrastructure	Other minor, net
Dispositions		
Consideration		
Cash	500.2	8.2
Working capital	—	(1.6)
	500.2	6.6
Carrying Value		
Exploration and evaluation	—	1.1
Property, plant and equipment	(199.4)	(23.4)
Goodwill	(6.4)	(1.2)
Decommissioning liability	7.5	31.4
	(198.3)	7.9
Gain on capital dispositions	301.9	14.5

8. PROPERTY, PLANT AND EQUIPMENT

($ millions)	**2020**	2019
Development and production assets	**23,584.1**	23,038.6
Corporate assets	**120.7**	117.2
Property, plant and equipment at cost	**23,704.8**	23,155.8
Accumulated depletion, depreciation and impairment	**(19,332.8)**	(15,314.2)
Net carrying amount	**4,372.0**	7,841.6

Reconciliation of movements during the year

Development and production assets		
Cost, beginning of year	**23,038.6**	26,635.3
Accumulated depletion and impairment, beginning of year	**(15,251.0)**	(16,262.2)
Net carrying amount, beginning of year	**7,787.6**	10,373.1
Net carrying amount, beginning of year	**7,787.6**	10,373.1
Acquisitions through business combinations, net	**0.2**	8.7
Additions	**504.2**	1,075.7
Dispositions, net	**(28.0)**	(1,230.9)
Transfers from exploration and evaluation assets	**198.0**	380.6
Reclassified as assets held for sale	**—**	(195.0)
Depletion	**(611.6)**	(1,087.4)
Impairment	**(3,557.8)**	(1,466.4)
Foreign exchange	**26.3**	(70.8)
Net carrying amount, end of year	**4,318.9**	7,787.6
Cost, end of year	**23,584.1**	23,038.6
Accumulated depletion and impairment, end of year	**(19,265.2)**	(15,251.0)
Net carrying amount, end of year	**4,318.9**	7,787.6
Corporate assets		
Cost, beginning of year	**117.2**	114.6
Accumulated depreciation, beginning of year	**(63.2)**	(57.5)
Net carrying amount, beginning of year	**54.0**	57.1
Net carrying amount, beginning of year	**54.0**	57.1
Additions	**3.5**	2.9
Depreciation	**(4.4)**	(5.9)
Foreign exchange	**—**	(0.1)
Net carrying amount, end of year	**53.1**	54.0
Cost, end of year	**120.7**	117.2
Accumulated depreciation, end of year	**(67.6)**	(63.2)
Net carrying amount, end of year	**53.1**	54.0

At December 31, 2020, future development costs of $4.18 billion (December 31, 2019 - $5.15 billion) were included in costs subject to depletion.

Direct general and administrative costs capitalized by the Company during the year ended December 31, 2020 were $37.7 million (year ended December 31, 2019 - $40.0 million), including $5.4 million of share-based compensation costs (year ended December 31, 2019 - $4.3 million).

Impairment test of property, plant and equipment

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 as a component of DD&A and impairment expense. 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.

In future periods, the impairment can be reversed up to the original carrying value less any associated DD&A if the estimated recoverable amounts of the CGUs exceed their carrying amount. At December 31, 2020, the after tax impairment losses that can be reversed for the Canada and U.S. operating segments were $5.57 billion and $410.4 million, respectively.

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	Canada	489.2	15.00 %	415.3	309.6
Total impairment		4,395.9		3,557.8	2,652.4

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	(31.6)	35.0	60.8	(64.0)
Increase (decrease)	(262.2)	290.0	504.1	(503.7)

2019 Impairment

For the year ended December 31, 2019, the decrease in forecast benchmark commodity prices in addition to losses recognized on dispositions during the year 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 December 31, 2019:

	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030 (2)**
WTI ($US/bbl) (1)	61.00	63.75	66.18	67.91	69.48	71.07	72.68	74.24	75.73	77.24	78.79
Exchange Rate ($US/$Cdn)	0.760	0.770	0.785	0.785	0.785	0.785	0.785	0.785	0.785	0.785	0.785
WTI ($Cdn/bbl)	80.26	82.79	84.31	86.51	88.51	90.54	92.59	94.57	96.47	98.39	100.37
AECO ($Cdn/MMbtu) (1)	2.04	2.32	2.62	2.71	2.81	2.89	2.96	3.03	3.09	3.16	3.24

(1) 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.

(2) 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 0.785.

At December 31, 2019, the Company determined that the carrying amount of the Southeast Saskatchewan, Southwest Saskatchewan, Southern Alberta and Northern Alberta CGUs exceeded their recoverable amount. The full amount of the impairments were attributed to PP&E and, as a result, impairment losses of $1.21 billion were recorded as a component of DD&A and impairment expense. The impairment loss was largely due to the decrease in forecast benchmark commodity prices used in impairment testing at December 31, 2019 compared to December 31, 2018.

The following table summarizes the impairment expense for the year ended December 31, 2019 by CGU:

CGU ($ millions, except %)	**Operating segment**	**Recoverable amount**	**Discount rate**	**Impairment**	**Impairment, net of tax**
Southeast Saskatchewan	Canada	4,087.0	15.00 %	811.7	594.1
Southwest Saskatchewan	Canada	1,704.1	15.00 %	333.5	244.1
Southern Alberta	Canada	858.0	15.00 %	56.0	41.0
Northern Alberta	Canada	1.1	15.00 %	6.6	4.8
Total impairment		6,650.2		1,207.8	884.0

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 December 31, 2019, with all other variables held constant:

	Discount Rate		Commodity Prices	
CGU ($ millions)	Increase 1%	Decrease 1%	Increase 5%	Decrease 5%
Southeast Saskatchewan	(265.1)	291.8	489.8	(486.7)
Southwest Saskatchewan	(113.2)	124.7	215.7	(215.2)
Southern Alberta	(61.1)	67.3	118.2	(118.3)
Northern Alberta	(0.3)	0.3	0.6	(0.6)
Increase (decrease)	(439.7)	484.1	824.3	(820.8)

9. GOODWILL

($ millions)	**2020**	2019
Goodwill, beginning of year	**230.9**	244.0
Saskatchewan gas infrastructure asset disposition	**(6.4)**	—
Southeast Saskatchewan asset dispositions	**—**	(13.1)
Other dispositions	**(1.2)**	—
Goodwill, end of year	**223.3**	230.9

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, 2020 and December 31, 2019. As a result of these tests, the Company concluded that the estimated recoverable amounts exceeded the carrying amounts and no impairments were recorded.

At March 31, 2020, the value of the Company's market capitalization as compared to shareholders' equity was an indicator of impairment. As a result, an impairment test was required and the Company prepared estimates of future cash flows to determine the recoverable amount 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 March 31, 2020. As a result of these tests, the Company concluded that the estimated recoverable amounts exceeded the carrying amounts and no impairments were recorded.

The recoverable amount of the Company's PP&E at December 31, 2020 was estimated using forecast benchmark commodity prices at December 31, 2020, which changed by approximately one percent on average, from the forecast prices used in the impairment test at March 31, 2020. Refer to Note 8 - "Property, Plant and Equipment" for additional information.

10. OTHER CURRENT LIABILITIES

($ millions)	**2020**	2019
Long-term compensation liability	**10.0**	2.3
Lease liability	**26.4**	31.3
Decommissioning liability	**57.4**	35.0
Other current liabilities	**93.8**	68.6

11. LONG-TERM DEBT

($ millions)	**2020**	2019
Bank debt (1)	**388.2**	806.3
Senior guaranteed notes (2)	**1,871.4**	2,098.8
Long-term debt	**2,259.6**	2,905.1
Long-term debt due within one year	**221.6**	201.0
Long-term debt due beyond one year	**2,038.0**	2,704.1

(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, 2020, the total notional amount due upon bank debt maturity was $399.1 million (December 31, 2019 - $824.2 million).

(2) The Company entered into cross currency swaps ("CCS") and a foreign exchange swap concurrent with the issuance of the US dollar senior guaranteed notes to fix the US dollar amount of the notes for the purpose of principal repayment at Canadian dollar notional amounts. At December 31, 2020, the total notional principal due on the maturity of the senior guaranteed notes was $1.66 billion (December 31, 2019 - $1.82 billion) of which $185.3 million (December 31, 2019 - $158.3 million) was due within one year.

Bank debt

The Company has combined facilities of $3.00 billion, including a $2.90 billion syndicated unsecured credit facility with fourteen banks and a $100.0 million unsecured operating credit facility with one Canadian chartered bank. The current maturity dates of the facilities is October 25, 2023. 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 and impairment, 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, 2020.

The Company had letters of credit in the amount of $10.4 million outstanding at December 31, 2020 (December 31, 2019 - $6.5 million).

Senior guaranteed notes

The Company has closed private offerings of senior guaranteed notes raising total gross proceeds of US$1.26 billion and Cdn$270.0 million. 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	
					2020	2019
US$155.0	6.03%	—	September 24 and March 24	March 24, 2020	**—**	201.0
Cdn$50.0	5.53%	50.0	October 14 and April 14	April 14, 2021	**50.0**	50.0
US$82.0	5.13%	79.0	October 14 and April 14	April 14, 2021	**104.6**	106.3
US$52.5	3.29%	56.3	December 20 and June 20	June 20, 2021	**67.0**	68.1
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	**255.1**	259.3
US$61.5	4.12%	80.3	October 11 and April 11	April 11, 2023	**78.4**	79.7
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	**344.4**	350.1
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	**328.4**	333.8
US$82.0	4.30%	107.0	October 11 and April 11	April 11, 2025	**104.6**	106.3
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	**293.4**	298.2
US$20.0	4.18%	25.3	October 22 and April 22	April 22, 2027	**25.5**	26.0
Senior guaranteed notes		1,659.2			**1,871.4**	2,098.8
Senior guaranteed notes due within one year					**221.6**	201.0
Senior guaranteed notes due beyond one year					**1,649.8**	1,897.8

(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$1.23 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 notes for purposes of interest and principal repayments at a notional amount of $1.36 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	121.0	20.4	11.6	153.0
Accumulated depreciation	(32.5)	(12.0)	(4.8)	(49.3)
Net carrying amount	88.5	8.4	6.8	103.7
Reconciliation of movements during the year				
Cost, beginning of year	120.1	17.0	10.9	148.0
Accumulated depreciation, beginning of year	(14.8)	(7.0)	(2.7)	(24.5)
Net carrying amount, beginning of year	105.3	10.0	8.2	123.5
Net carrying amount, beginning of year	105.3	10.0	8.2	123.5
Additions	0.8	3.3	0.7	4.8
Depreciation	(17.7)	(5.0)	(2.1)	(24.8)
Lease modification	0.1	—	—	0.1
Foreign exchange	—	0.1	—	0.1
Net carrying amount, end of year	88.5	8.4	6.8	103.7

(1) A portion of the Company's office space is subleased. During the year ended December 31, 2020, the Company recorded sublease income of $5.6 million (year ended December 31, 2019 - $6.2 million) as a component of other income (loss).

Lease liability

($ millions)	**2020**	2019
Lease liability, beginning of year	**181.2**	223.8
Additions	**4.8**	5.5
Dispositions	**—**	(3.0)
Financing	**7.1**	8.9
Payments on lease liability	**(37.1)**	(34.1)
Lease modification	**0.5**	(19.7)
Foreign exchange	**—**	(0.2)
Lease liability, end of year	**156.5**	181.2
Expected to be incurred within one year	**26.4**	31.3
Expected to be incurred beyond one year	**130.1**	149.9

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, 2020, variable lease payments of $2.2 million were included in general and administrative expenses relating to property tax payments on office leases.

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

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

($ millions)	**December 31, 2020**
1 year	**27.0**
2 to 3 years	**46.3**
4 to 5 years	**36.6**
More than 5 years	**75.9**
Total [(1)]	**185.8**

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

13. OTHER LONG-TERM LIABILITIES

At December 31, 2020, the Company had a long-term compensation liability of $17.3 million (December 31, 2019 - $10.8 million) related to share-based compensation. See Note 23 - "Share-based Compensation" for additional information.

14. DECOMMISSIONING LIABILITY

($ millions)	**2020**	2019
Decommissioning liability, beginning of year	**1,144.0**	1,230.7
Liabilities incurred	**17.2**	30.7
Liabilities acquired through capital acquisitions	**0.1**	0.7
Liabilities disposed through capital dispositions	**(31.1)**	(223.6)
Liabilities settled (1)	**(19.8)**	(28.7)
Revaluation of acquired decommissioning liabilities (2)	**0.3**	0.9
Change in estimated future costs	**(105.8)**	6.2
Change in discount and inflation rate estimates	**4.6**	115.3
Accretion expense	**13.6**	23.5
Reclassified as liabilities associated with assets held for sale	**—**	(7.9)
Foreign exchange	**(0.4)**	(3.8)
Decommissioning liability, end of year	**1,022.7**	1,144.0
Expected to be incurred within one year	**57.4**	35.0
Expected to be incurred beyond one year	**965.3**	1,109.0

(1) Includes $5.1 million received from government subsidy programs during the year ended December 31, 2020 (year ended December 31, 2019 - nil).

(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 $1.02 billion at December 31, 2020 (December 31, 2019 - $1.14 billion) based on total estimated undiscounted and uninflated cash flows to settle the obligation of $976.5 million (December 31, 2019 - $1.09 billion). These obligations are expected to be settled through 2053, with the majority expected after 2036. The estimated cash flows have been discounted using a risk-free rate of 1.21 percent and a derived inflation rate of 1.49 percent (December 31, 2019 - risk-free rate of 1.75 percent and inflation rate of 2 percent). Refer to Note 2 - "Basis of Preparation" for additional information.

15. SHAREHOLDERS' CAPITAL

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

		2020		2019
	Number of shares	**Amount ($ millions)**	Number of shares	Amount ($ millions)
Common shares, beginning of year	**529,399,923**	**16,705.1**	550,151,561	16,803.0
Issued on redemption of restricted shares	**2,801,599**	**15.2**	3,321,362	24.7
Common shares repurchased	**(2,165,600)**	**(12.7)**	(24,073,000)	(122.6)
Common shares, end of year	**530,035,922**	**16,707.6**	529,399,923	16,705.1
Cumulative share issue costs, net of tax	**—**	**(256.1)**	—	(256.1)
Total shareholders’ capital, end of year	**530,035,922**	**16,451.5**	529,399,923	16,449.0

Normal Course Issuer Bid ("NCIB")

In January 2020, the Company purchased and cancelled 2.2 million common shares for total consideration of $12.7 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.

On March 5, 2020, 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 36,884,438 common shares, or seven percent of the Company's public float, as at February 28, 2020. The NCIB commenced on March 9, 2020 and is due to expire on March 8, 2021. The Company suspended share repurchases in March 2020 given the weak and volatile commodity price environment and will evaluate providing additional return to shareholders as market conditions permit.

16. DEFICIT

($ millions)	2020	2019
Accumulated earnings (deficit)	**(6,548.1)**	(4,028.3)
Accumulated gain on shares issued pursuant to DRIP [(1)] and SDP [(2)]	**8.4**	8.4
Accumulated tax effect on redemption of restricted shares	**12.1**	12.1
Accumulated dividends	**(7,638.5)**	(7,629.1)
Deficit	**(14,166.1)**	(11,636.9)

(1) Premium Dividend TM and Dividend Reinvestment Plan.

(2) Share Dividend Plan.

17. CAPITAL MANAGEMENT

($ millions)	2020	2019
Long-term debt [(1)]	**2,259.6**	2,905.1
Adjusted working capital deficiency [(2)]	**93.4**	126.1
Unrealized foreign exchange on translation of US dollar long-term debt	**(203.8)**	(265.9)
Net debt	**2,149.2**	2,765.3
Shareholders' equity	**2,822.8**	5,342.7
Total capitalization	**4,972.0**	8,108.0

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

(2) Adjusted working capital deficiency is calculated as accounts payable and accrued liabilities 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, 2020 and December 31, 2019:

($ millions)	2020	2019
Cash flow from operating activities	**860.5**	1,742.9
Changes in non-cash working capital	**(6.2)**	47.5
Transaction costs	**5.4**	6.3
Decommissioning expenditures	**14.7**	28.7
Adjusted funds flow from operations	**874.4**	1,825.4

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 and monitors its capital structure and short-term financing requirements using a measure not defined in IFRS, 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. 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 financing, capital spending and dividend levels. The Company's net debt to adjusted funds flow from operations ratio at December 31, 2020 was 2.5 times (December 31, 2019 - 1.5 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, 2020. 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 will make adjustments as needed to protect its balance sheet. The Company actively manages its counterparty exposure and has procedures to mitigate credit losses given the heightened risk exposure in the current environment.

18. COMMODITY DERIVATIVE GAINS (LOSSES)

($ millions)	2020	2019
Realized gains	**245.7**	43.4
Unrealized losses	**(52.4)**	(104.4)
Commodity derivative gains (losses)	**193.3**	(61.0)

19. OTHER INCOME (LOSS)

($ millions)	**2020**	2019
Long-term investments	**(4.2)**	(2.0)
Gain (loss) on capital dispositions	**316.4**	(199.2)
Government subsidy for decommissioning expenditures	**5.1**	—
Lease modification	**(0.4)**	12.2
Settlement proceeds	**—**	22.9
Other	**5.4**	6.2
Other income (loss)	**322.3**	(159.9)

20. INTEREST EXPENSE

($ millions)	**2020**	2019
Interest expense on long-term debt	**94.6**	146.8
Unrealized loss on CCS - interest and interest derivative contracts	**14.5**	23.6
Interest expense	**109.1**	170.4

21. FOREIGN EXCHANGE GAIN

($ millions)	**2020**	2019
Realized gain on CCS - principal	**49.3**	32.4
Translation of US dollar long-term debt	**12.8**	175.3
Unrealized loss on CCS - principal and foreign exchange swaps	**(56.6)**	(141.6)
Other	**(1.2)**	(5.0)
Foreign exchange gain	**4.3**	61.1

22. INCOME TAXES

The provision for income taxes is as follows:

($ millions)	**2020**	2019
Current tax:		
Canada	**—**	0.2
Luxembourg	**0.2**	0.2
Current tax expense	**0.2**	0.4
Deferred tax expense (recovery):		
Canada	**(678.5)**	(225.6)
United States	**50.7**	66.2
Deferred tax recovery	**(627.8)**	(159.4)
Income tax recovery	**(627.6)**	(159.0)

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

($ millions, except percentages)	**2020**	2019
Net loss before tax	**(3,147.5)**	(1,192.3)
Statutory income tax rate	**25.98 %**	26.81 %
Expected provision for income taxes	**(817.7)**	(319.7)
Change in corporate tax rates and tax rate variance	**8.4**	18.6
Tax rates in foreign jurisdictions	**(1.0)**	(5.3)
Restricted share bonus plan	**3.9**	3.9
Change in recognition of deferred tax assets	**203.7**	108.3
Recognition of capital gain on intercompany debt	**—**	18.5
(Non-taxable capital gains)/ non-deductible capital losses	**(18.4)**	4.3
Non-deductible impairment of goodwill	**2.0**	3.5
Other	**(8.5)**	8.9
Income tax recovery	**(627.6)**	(159.0)

The statutory combined federal and provincial income tax rate decreased from 26.81 percent in 2019 to 25.98 percent in 2020, primarily due to the decrease in the Alberta corporate tax rate from 10 percent to 8 percent, effective July 1, 2020.

On June 28, 2019, the Alberta government enacted legislation which reduces the Alberta corporate income tax rate from 12 percent to 8 percent over the period of July 1, 2019 through January 1, 2022. As a result of these changes in tax rates, the Company recognized a reduction of $5.0 million in its deferred income tax asset in 2019. In June 2020, the Alberta government announced an acceleration in the timing of the rate reduction to reduce the tax rate to 8 percent effective July 1, 2020. The rate reduction was substantively enacted on October 20, 2020 and the impact to the Company's deferred tax asset was negligible.

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

($ millions)	**2020**	2019
Deferred income tax:		
To be settled within one year	**19.8**	3.5
To be settled beyond one year	**1,348.1**	741.8
Deferred income tax	**1,367.9**	745.3

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

($ 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**

($ millions)	At January 1, 2019	(Charges) / credits due to acquisitions & other	(Charged) / credited to earnings	At December 31, 2019
Deferred income tax assets:				
Decommissioning liability	329.6	—	(38.4)	291.2
Income tax losses carried forward	918.1	—	14.5	932.6
Share issue costs	5.3	—	(2.8)	2.5
Risk management contracts	—	—	4.7	4.7
Lease liabilities	—	58.4	(11.9)	46.5
Other	16.3	(35.3)	25.6	6.6
	1,269.3	23.1	(8.3)	1,284.1
Deferred income tax liabilities:				
Property, plant and equipment	(633.9)	—	158.0	(475.9)
Risk management contracts	(33.1)	—	17.1	(16.0)
ROU asset	—	(39.5)	7.8	(31.7)
Other	—	—	(15.2)	(15.2)
	(667.0)	(39.5)	167.7	(538.8)
Net deferred income tax assets (liabilities)	602.3	(16.4)	159.4	745.3

The approximate amounts of tax pools available as at December 31, 2020 and 2019 are as follows:

($ millions)	**2020**	2019
Tax pools:		
Canada	**6,981.1**	7,691.8
United States	**3,021.0**	2,975.9
Total	**10,002.1**	10,667.7

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 $2.22 billion (December 31, 2019 - $1.95 billion) that expire in the years 2026 through 2040, and U.S. net operating losses of $2.30 billion (December 31, 2019 - $2.26 billion) of which $1.60 billion will expire in the years 2029 through 2037, while the remaining $694.5 million will not expire. A deferred income tax asset has not been recognized for U.S. net operating losses of $1.21 billion (December 31, 2019 - $341.4 million) or for other temporary differences of $69.0 million (December 31, 2019 - $69.0 million) as there is not sufficient certainty regarding future utilization.

At December 31, 2020, 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 $2.2 billion (December 31, 2019 - $1.6 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 in response to these reassessments and management believes that it will be successful in defending its positions. Therefore, no provision for the potential income tax liability was recorded at December 31, 2020 and December 31, 2019.

23. SHARE-BASED COMPENSATION

Restricted Share Bonus Plan

The Company has a Restricted Share Bonus Plan pursuant to which the Company may grant restricted shares to directors, officers, employees and consultants. The restricted shares vest on terms up to three years from the grant date as determined by the Board of Directors. Restricted shares are settled upon vesting, at the Company's discretion, in common shares or cash. The expense is recognized over the service period and is included in shareholder's equity.

Employee Share Value Plan

In April 2020, the Company approved an Employee Share Value Plan for certain employees and consultants in lieu of grants that would have previously been made under the Restricted Share Bonus Plan. Awards under the ESVP vest on terms of up to three years from the grant date as determined by the Board of Directors and 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. The expense is recognized over the service period and is included in long-term compensation liability.

Performance Share Unit Plan

The Company has a PSU Plan for designated employees. The PSUs vest on terms up to three years from the grant date as determined by the Board of Directors. PSUs are settled in cash upon vesting based on the prevailing Crescent Point share price, accrued dividends and performance multipliers. The expense is recognized over the service period and is included in long-term compensation liability.

Deferred Share Unit Plan

The Company has a DSU Plan for directors. Each DSU vests on the date of the grant, however, the settlement of the DSU occurs following a change of control or when the individual ceases to be a director of the Company. DSUs are settled in cash based on the prevailing Crescent Point share price. The expense is recognized at fair value at each period end and is included in long-term compensation liability.

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 reconciles the number of restricted shares, PSUs and DSUs for the year ended December 31, 2019:

	Restricted Shares	PSUs (1)	DSUs
Balance, beginning of year	3,241,684	2,246,314	301,614
Granted	4,482,755	2,607,826	239,030
Redeemed	(3,504,004)	(1,630,736)	(220,753)
Forfeited	(584,241)	(302,960)	—
Balance, end of year	3,636,194	2,920,444	319,891

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

Stock Option Plan

The Company has a Stock Option Plan for designated employees. The Options 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.

The following tables provide 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 tables provide summary information regarding stock options outstanding as at December 31, 2019:

	Stock Options (number of units)	Weighted average exercise price ($)
Balance, beginning of year	2,048,115	10.03
Granted	1,221,025	4.03
Forfeited	(374,673)	8.94
Expired	(61,125)	10.06
Balance, end of year	2,833,342	7.59

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

Number of stock options outstanding	Weighted average exercise price per share for options outstanding ($)	Vest year	Weighted average remaining term (years)	Number of stock options exercisable	Weighted average exercise price per share for options exercisable ($)
303,458	10.04	2019	4.02	303,458	10.04
519,092	7.55	2020	4.54	519,092	7.55
1,198,126	3.95	2021	5.50	—	—
1,486,191	5.14	2022	5.21	—	—
1,095,838	2.24	2023	5.87	—	—
1,338,166	1.10	2024	6.25	—	—

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:

	2020	2019
Grant date share price ($)	**1.10**	4.03
Exercise price ($)	**1.10**	4.03
Expected annual dividends ($)	**0.01**	0.04
Expected volatility (%)	**51.93 %**	40.11 %
Risk-free interest rate (%)	**0.59 %**	1.64 %
Expected life of stock option (years)	**4.9**	4.9
Fair value per stock option ($)	**0.45**	1.36

For the year ended December 31, 2020, the Company calculated total share-based compensation of $17.7 million (year ended December 31, 2019 - $29.2 million), net of estimated forfeitures, of which $5.4 million was capitalized (year ended December 31, 2019 - $4.3 million).

At December 31, 2020, the current portion of long-term compensation liability of $10.0 million was included in other current liabilities (December 31, 2019 - $2.3 million) and $17.3 million was included in other long-term liabilities (December 31, 2019 - $10.8 million).

24. PER SHARE AMOUNTS

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

	2020	2019
Weighted average shares – basic	**529,339,710**	545,674,158
Dilutive impact of share-based compensation	**—**	—
Weighted average shares – diluted (1)	**529,339,710**	545,674,158

(1) Excludes the impact of 2,413,733 weighted average shares related to share-based compensation that were anti-dilutive for the year ended December 31, 2020 (year ended December 31, 2019 - 310,288).

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 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, and accounts payable and accrued liabilities 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, 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.

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, 2019:

($ millions)	2019 Carrying Value	2019 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	327.9	327.9	—	327.9	—
Long-term investments (1)	6.7	6.7	6.7	—	—
	334.6	334.6	6.7	327.9	—
Financial liabilities					
Derivatives	18.4	18.4	—	18.4	—
Senior guaranteed notes (2)	2,098.8	2,120.1	—	2,120.1	—
	2,117.2	2,138.5	—	2,138.5	—

(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, 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.

The following table summarizes the fair value as at December 31, 2019 and the change in fair value for the year ended December 31, 2019:

($ millions)	Commodity (1)	Interest (2)	Foreign exchange (3)	Total
Derivative assets, beginning of year	147.0	45.4	403.2	595.6
Disposed	(16.2)	—	—	(16.2)
Unrealized change in fair value	(104.4)	(23.6)	(141.6)	(269.6)
Foreign exchange	(0.3)	—	—	(0.3)
Derivative assets, end of year	26.1	21.8	261.6	309.5
Derivative assets, end of year	26.1	21.8	280.0	327.9
Derivative liabilities, end of year	—	—	(18.4)	(18.4)

(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, 2020 and December 31, 2019:

			2020			2019
($ millions)	Asset	Liability	Net	Asset	Liability	Net
Gross amount	248.4	(51.4)	197.0	334.5	(25.0)	309.5
Amount offset	(6.0)	6.0	—	(6.6)	6.6	—
Net amount	242.4	(45.4)	197.0	327.9	(18.4)	309.5

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, 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, 2020		Impact on Income Before Tax Year ended December 31, 2019	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Commodity price				
Crude oil	(73.7)	72.6	(117.1)	104.2
Natural gas	(1.8)	1.8	—	—
Differential				
Crude oil	0.1	(0.1)	—	—

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 net of interest rate swaps, as at December 31, 2020, a 1 percent increase or decrease in the interest rate on floating rate debt would amount to an impact on income before tax of $0.9 million (December 31, 2019 - $5.1 million) on an annualized basis.

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

($ millions)	Impact on Income Before Tax Year ended December 31, 2020		Impact on Income Before Tax Year ended December 31, 2019	
Forward interest rates	Increase 50 basis points	Decrease 50 basis points	Increase 50 basis points	Decrease 50 basis points
Interest rate swaps	4.4	(4.4)	1.1	(1.1)

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 enters into various CCS and foreign exchange swaps to hedge its foreign exchange exposure on its US dollar denominated long-term debt. To partially mitigate the foreign exchange risk relating to crude oil sales, the Company has fixed crude oil contracts to settle in Cdn$ WTI.

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, 2020		Impact on Income Before Tax Year ended December 31, 2019	
Cdn$ relative to US$		Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
US dollar long-term debt	Period End	197.8	(197.8)	254.8	(254.8)
Cross currency swaps	Forward	(210.7)	210.7	(264.6)	264.6
Foreign exchange swaps	Forward	(4.6)	4.6	(2.0)	2.0

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, 2020		Impact on Income Before Tax Year ended December 31, 2019	
Share price	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Total return swaps	2.7	(2.7)	—	—

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 and third party credit insurance. Including these assurances, approximately 98 percent of the Company's oil and gas sales are with entities considered investment grade.

At December 31, 2020, approximately 5 percent (December 31, 2019 - 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 0.90 percent (December 31, 2019 - 0.60 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, 2020, the Company had available unused borrowing capacity on bank credit facilities of approximately $2.61 billion, including $10.4 million outstanding letters of credit and cash of $8.8 million.

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	311.6	—	—	—	311.6
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. The current maturity date of the Company's facilities is October 25, 2023. 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, 2019 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	479.4	—	—	—	479.4
Senior guaranteed notes (1)	234.6	532.3	829.2	500.5	2,096.6
Bank credit facilities (2)	39.9	916.8	—	—	956.7

(1) 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.

(2) These amounts include interest based on debt outstanding and interest rates effective as at December 31, 2019 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, 2020**:**

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

	Swap		Three-way Collar			
Term	Volume (bbls/d)	Average Price ($/bbl)	Volume (bbls/d)	Average Sold Call Price ($/bbl)	Average Bought Put Price ($/bbl)	Average Sold Put Price ($/bbl)
2021	31,486	59.17	1,986	73.74	68.38	58.38

(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)
2021 January - March	500	Basis Swap	WCS (2)	(16.30)

(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.

Financial AECO Natural Gas Derivative Contracts – Canadian Dollar (1)

Term	Average Volume (GJ/d)	Average Swap Price ($/GJ)
2021 January - October	23,310	2.38

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

Financial Interest Rate Derivative Contracts – Canadian Dollar

Term	Contract	Notional Principal ($ millions)	Fixed Rate (%)
January 2021 - March 2023	Swap	50.0	0.92
January 2021 - August 2023	Swap	50.0	0.81
January 2021 - August 2023	Swap	50.0	0.95
January 2021 - September 2023	Swap	50.0	0.95
January 2021 - August 2024	Swap	100.0	0.87

Financial Cross Currency Derivative Contracts					
Term	Contract	Receive Notional Principal (US$ millions)	Fixed Rate (US%)	Pay Notional Principal (Cdn$ millions)	Fixed Rate (Cdn%)
January 2021	Swap	295.0	2.01	387.2	1.89
January 2021 - April 2021	Swap	82.0	5.13	79.0	5.83
January 2021 - June 2021	Swap	52.5	3.29	56.3	3.59
January 2021 - May 2022	Swap	170.0	4.00	166.9	5.03
January 2021 - April 2023	Swap	61.5	4.12	80.3	3.71
January 2021 - June 2023	Swap	270.0	3.78	274.7	4.32
January 2021 - June 2024	Swap	257.5	3.75	276.4	4.03
January 2021 - April 2025	Swap	82.0	4.30	107.0	3.98
January 2021 - April 2025	Swap	230.0	4.08	291.1	4.13
January 2021 - April 2027	Swap	20.00	4.18	25.3	4.25

Financial Foreign Exchange Forward Derivative Contracts			
Settlement Date	Contract	Receive Notional Principal (US$ millions)	Pay Notional Principal (Cdn$ millions)
January 2021	Swap	6.0	7.7
May 2022	Swap	30.0	32.2

Financial Equity Derivative Contracts			
Term	Contract	Notional Principal ($ millions)	Number of shares
January 2021 - April 2021	Swap	5.5	3,000,000
January 2021 - April 2022	Swap	5.5	3,000,000
January 2021 - April 2023	Swap	4.7	2,956,900

26. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel of the Company include its directors and executive officers. In 2020, the Company recorded $5.5 million (2019 - $5.8 million) relating to compensation of key management personnel and nil (2019 - $2.3 million) for severance relating to key management personnel. In 2020, share-based compensation costs relating to compensation of key management personnel was $4.9 million (2019 - $10.3 million).

27. 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 that includes a long-term volume commitment.

At December 31, 2020, 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)	5.1	9.9	13.1	30.6	58.7
Gas Processing	39.4	80.5	82.2	369.8	571.9
Transportation	14.8	24.8	24.3	1.2	65.1
Total contractual commitments (2)	59.3	115.2	119.6	401.6	695.7

(1) Includes operating costs on the Company's office space, net of $10.4 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, 2020:

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

On June 30, 2020, Crescent Point Holdings Inc. transferred its interest in the Partnership to Crescent Point Holdings Ltd., a newly incorporated and wholly-owned subsidiary of Crescent Point. Crescent Point Energy Lux S.à r.l. was dissolved effective July 13, 2020.

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)	**2020**	2019
Operating	**58.4**	76.6
General and administrative	**64.0**	72.8
Share-based compensation	**12.3**	24.9
Total compensation expenses	**134.7**	174.3

Cash flow statement presentation

($ millions)	**2020**	2019
Operating activities		
Changes in non-cash working capital:		
Accounts receivable	**86.7**	(31.8)
Prepaids and deposits	**(15.7)**	(2.4)
Accounts payable and accrued liabilities	**(79.0)**	(16.5)
Other current liabilities	**7.7**	(4.1)
Other long-term liabilities	**6.5**	7.3
	6.2	(47.5)
Investing activities		
Changes in non-cash working capital:		
Accounts receivable	**9.4**	54.1
Accounts payable and accrued liabilities	**(88.0)**	(12.9)
	(78.6)	41.2
Financing activities		
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	**(4.0)**	(11.2)

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**
Lease modification			**0.5**
Foreign exchange		**(62.3)**	
December 31, 2020	**1.3**	**2,259.6**	**156.5**
December 31, 2018 [(3)]	16.5	4,276.7	223.8
Changes from cash flow from financing activities:			
Decrease in bank debt, net		(1,099.2)	
Repayment of senior guaranteed notes		(98.2)	
Realized gain on cross currency swap maturity		32.4	
Cash dividends paid	(33.2)		
Payments on principal portion of lease liability			(34.1)
Non-cash changes:			
Cash dividends declared	22.0		
Financing			8.9
Additions			5.5
Lease modification			(19.7)
Dispositions			(3.0)
Foreign exchange		(206.6)	(0.2)
December 31, 2019	5.3	2,905.1	181.2

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

(2) Includes current portion of lease liability.

(3) Lease liability is as at January 1, 2019.

30. GEOGRAPHICAL DISCLOSURE

The following table reconciles oil and gas sales by country and product type:

($ millions) (1)	**2020**	2019
Canada		
Crude oil sales	**1,307.5**	2,425.3
NGL sales	**74.2**	116.8
Natural gas sales	**64.8**	63.9
Total Canada	**1,446.5**	2,606.0
U.S.		
Crude oil sales	**218.6**	667.9
NGL sales	**17.3**	34.2
Natural gas sales	**9.8**	27.9
Total U.S.	**245.7**	730.0
Total oil and gas sales	**1,692.2**	3,336.0

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

The following table reconciles non-current assets by country:

($ millions)	**2020**	2019
Canada	**5,520.6**	8,121.9
U.S.	**846.6**	1,338.4
Total	**6,367.2**	9,460.3

31. SUBSEQUENT EVENTS

Acquisition of Kaybob Duvernay Assets

On February 17, 2021, Crescent Point announced that it had entered into an agreement with Shell Canada Energy, to acquire Kaybob Duvernay assets in Alberta for consideration of $900.0 million. The total consideration consists of $700.0 million in cash and 50.0 million common shares of Crescent Point, and is expected to close in April 2021.

Directors

Barbara Munroe, Chair [6]

Laura Cillis [1] [2]

James Craddock [1] [3] [5]

John Dielwart [3] [4]

Ted Goldthorpe [1] [5]

Mike Jackson [1] [2] [5]

Jennifer Koury [2] [4]

Francois Langlois [3] [4] [5]

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

Brad Borggard
Senior Vice President, Corporate Planning and Capital Markets

Mark Eade
Senior Vice President, General Counsel and Corporate Secretary

Garret Holt
Senior Vice President, Corporate 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

GLJ Ltd.
Calgary, Alberta

Sproule Associates 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

Brad Borggard
Senior Vice President, Corporate Planning and Capital Markets
(403) 693-0020

Shant Madian
Vice President, Investor Relations and Corporate Communications
(403) 693-0020