



AUGUST 3, 2022
Second Quarter 2022 Earnings Presentation

Important Information

Forward-Looking Statements

The information in this presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “goal,” “plan,” “target” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management’s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the development, production, gathering and sale of oil and natural gas. These risks include, but are not limited to, commodity price volatility, the COVID-19 pandemic and governmental responses thereto, inflation, lack of availability of drilling and production equipment and services, environmental and weather risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating oil and gas reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures and the other risks described in our filings with the Securities and Exchange Commission. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

Additional Information and Where to Find It

This press release discusses the proposed Merger between Centennial and Colgate. In connection with the proposed Merger, Centennial has filed with the SEC a proxy statement on Schedule 14A (the “Proxy Statement”). Centennial will also file other documents regarding the proposed Merger with the SEC. The Proxy Statement will be sent or given to the Centennial Stockholders and contains important information about the Merger and related matters. **INVESTORS ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION WITH RESPECT TO THE MERGER AND THE OTHER TRANSACTIONS CONTEMPLATED BY THE BUSINESS COMBINATION AGREEMENT.** You may obtain a free copy of the Proxy Statement (if and when it becomes available) and other relevant documents filed by Centennial with the SEC at the SEC’s website at www.sec.gov. You may also obtain Centennial’s documents on its website at www.cdevinc.com.

Participants in Solicitation

Centennial, Colgate and certain of their respective directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in connection with certain matters related to the Merger and may have direct or indirect interests in the Merger. Information about Centennial’s directors and executive officers is set forth in Centennial’s Proxy Statement on Schedule 14A for its 2022 Annual Meeting of Stockholders, filed with the SEC on March 15, 2022, its Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on February 24, 2022, and its other documents filed with the SEC. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, are contained in the Proxy Statement and other relevant materials to be filed with the SEC regarding the proposed transaction when they become available. Investors should read the Proxy Statement carefully before making any voting or investment decisions. Investors may obtain free copies of these documents using the sources indicated above.

Use of Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures, such as Adjusted EBITDAX, free cash flow, net debt, net debt to last twelve months (“LTM”) EBITDAX and net debt to last quarter annualized (“LQA”) EBITDAX. Please refer to slide 12 for a reconciliation of Adjusted EBITDAX to net income, the most comparable GAAP measure. We believe Adjusted EBITDAX is useful as it allows us to more effectively evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to financing methods or capital structure. We exclude the items listed on slide 12 from net income (loss) in arriving at Adjusted EBITDAX because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDAX should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDAX are significant components in understanding and assessing a company’s financial performance, such as a company’s cost of capital and tax structure, as well as the historic cost of depreciable assets, none of which are components of Adjusted EBITDAX. Our presentation of Adjusted EBITDAX should not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Our computations of Adjusted EBITDAX may not be comparable to other similarly titled measures of other companies.

Please refer to slide 13 for a reconciliation of free cash flow to net cash provided by operating activities, the most comparable GAAP measure. We believe free cash flow is a useful indicator of the Company’s ability to internally fund its exploration and development activities and to service or incur additional debt, without regard to the timing of settlement of either operating assets and liabilities or accounts payable related to capital expenditures. The Company believes that this measure, as so adjusted, presents a meaningful indicator of the Company’s actual sources and uses of capital associated with its operations conducted during the applicable period. Our computations of free cash flow may not be comparable to other similarly titled measures of other companies. Free cash flow should not be considered as an alternative to, or more meaningful than, cash provided by operating activities as determined in accordance with GAAP or as indicator of our operating performance or liquidity.

The Company defines net debt (reconciled on slide 14) as the aggregate principal amount of the Company’s long-term debt, minus cash and cash equivalents. The Company presents this metric to help evaluate its capital structure and financial leverage and believes that it is widely used by professional research analysts, including credit analysts, and others in the evaluation of total leverage.

The Company defines net debt to LTM EBITDAX (reconciled on slide 14) as net debt (defined above) divided by Adjusted EBITDAX (reconciled on slide 12) for the prior twelve-month period. The Company defines net debt to LQA EBITDAX as net debt divided by Adjusted EBITDAX for the prior quarter multiplied by four. The Company presents these metrics to show trends that investors may find useful in understanding the Company’s ability to service its debt. These metrics are widely used by professional research analysts, including credit analysts, in the valuation and comparison of companies in the oil and gas exploration and production industry.



Q2'22 Company Highlights

- Generated record free cash flow of \$137 million, a 55% increase compared to the prior quarter
- Ended the quarter with ~\$200 million of cash
- Increased daily total production and oil production by 14% and 12%, respectively, compared to the prior quarter
- Delivered four out of the top ten wells in Company history
- Reduced LOE per unit costs by 13% compared to the prior quarter
- Acheived Net Debt / LTM EBITDAX of 0.7x
- Announced transformational merger of equals with Colgate Energy



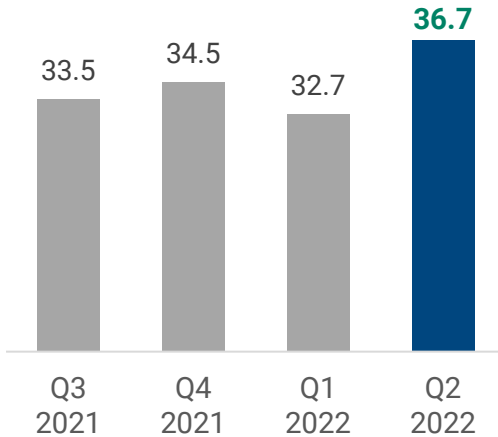
"Centennial's second quarter was highlighted by outstanding well results, strong production growth, record free cash flow and an attractive leverage profile. This provides us with significant momentum headed into the merger with Colgate Energy."

- Sean R. Smith (CEO)

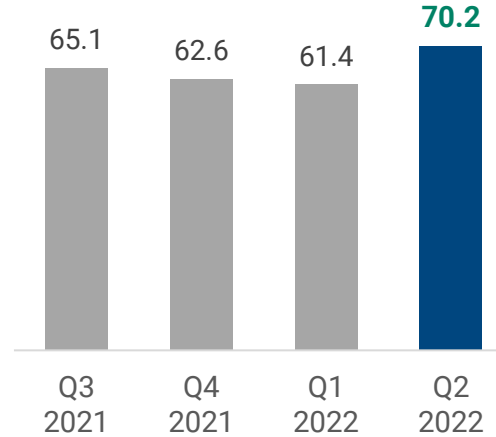


Strong Operational & Financial Momentum

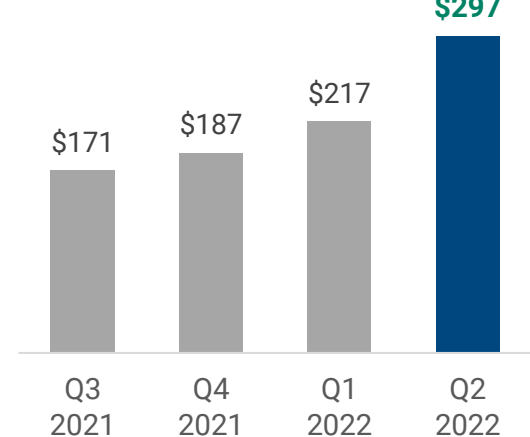
Oil Production (MBo/d)



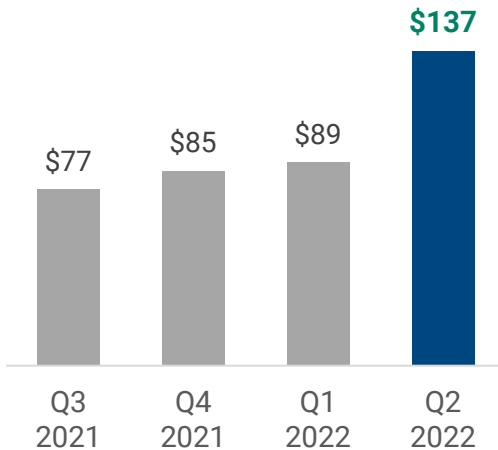
Total Production (MBoe/d)



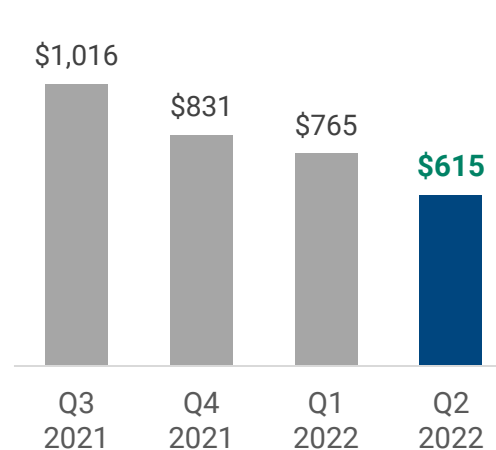
EBITDAX¹ (\$ mm)



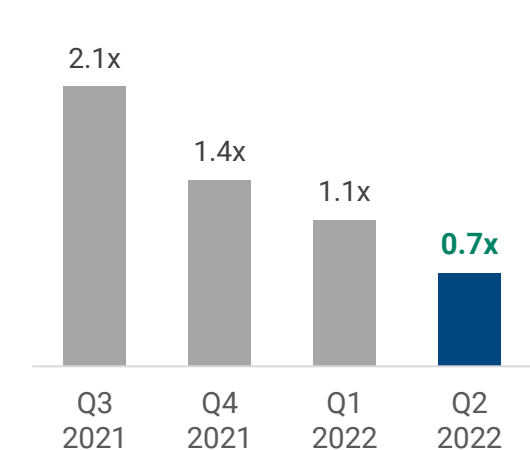
Free Cash Flow¹ (\$ mm)



Net Debt^{1,2} (\$ mm)



Net Debt / LTM EBITDAX¹



1) Represents non-GAAP financial measures; please see Appendix of this presentation for related disclosures and reconciliations to the most directly comparable financial measures calculated and presented in accordance with GAAP

2) Reflects the aggregate principal amount of debt and is not adjusted for unamortized debt issuance costs and discounts

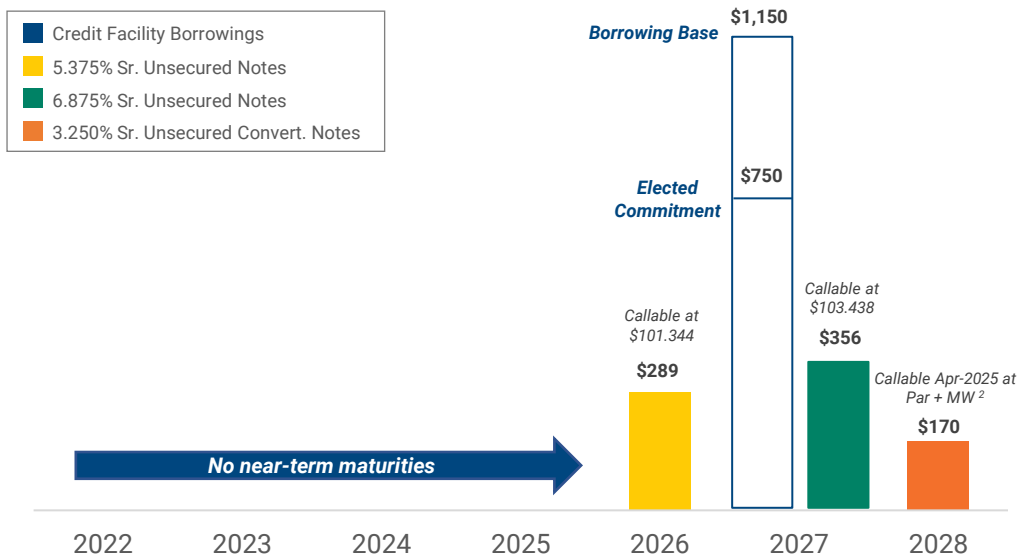


CDEV Capital Structure & Liquidity Overview

CAPITAL STRUCTURE OVERVIEW (AS OF 6/30/22)

- Credit Facility currently undrawn
- ~\$200mm of cash on hand
 - Increased quarterly cash balance by ~\$150mm, driven by strong free cash flow generation
- Net Debt / LTM EBITDAX of 0.7x
- Net Debt / LQA EBITDAX of 0.5x

DEBT MATURITY PROFILE (\$MM)



	Actual 6/30/22
<i>(\$mm, unless otherwise noted)</i>	
Cash and cash equivalents	\$201.1
Revolving Credit Facility	--
Senior Unsecured Notes due 2026 ¹	289.4
Senior Unsecured Notes due 2027 ¹	356.4
Senior Unsecured Convertible Notes due 2028 ¹	170.0
Total Debt	\$815.8
Net Debt	\$614.7
Book Equity	2,969.6
Total Capitalization	\$3,785.4

Credit Statistics

Net Debt / LTM EBITDAX	0.7x
Net Debt / LQA EBITDAX	0.5x

Standalone Liquidity (\$mm)

Elected Commitments	\$750.0
Less: RCF Borrowings	--
Less: Letters of Credit	(5.8)
Plus: Cash	201.1
Pro Forma Liquidity	\$945.3
Borrowing base utilization	0%

1) Reflects the aggregate principal amount and is not adjusted for unamortized debt issuance costs and discounts

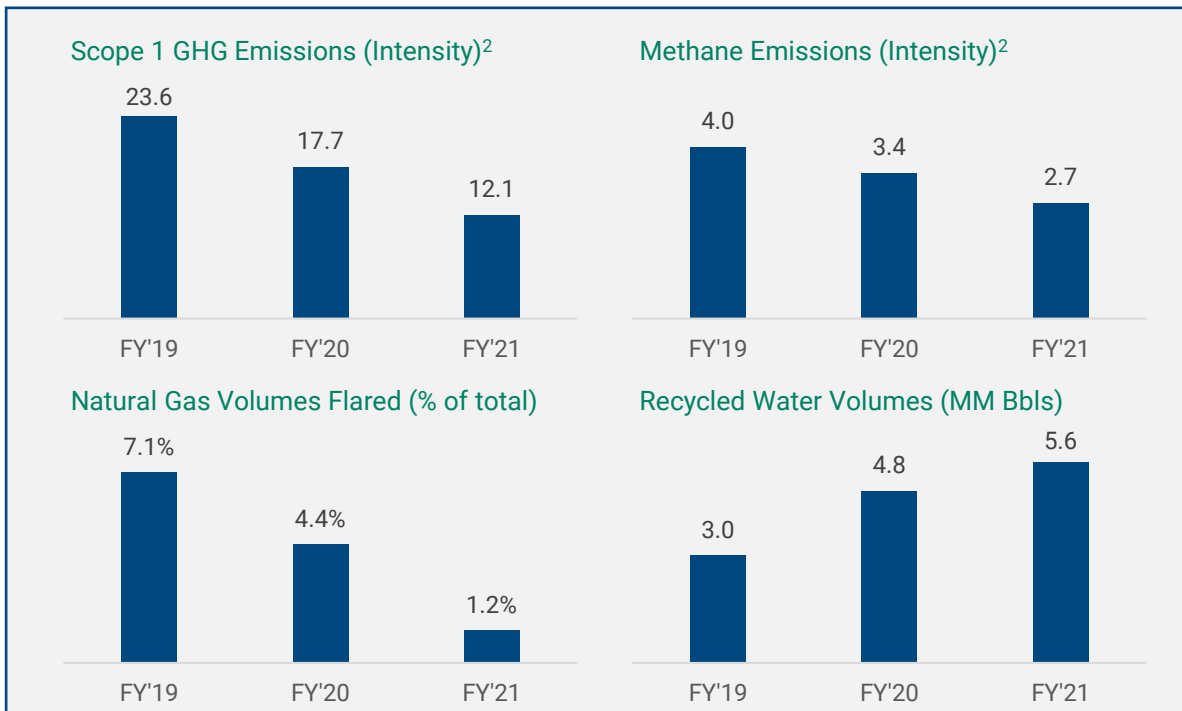
2) Convertible note call price is par plus a make-whole on the convertible portion of the note. CDEV only has right to redeem 2028 notes after April 7th, 2025 if last reported sale price of common stock exceeds 130% of exchange price (~\$8.16 / share) on at least twenty trading days of the last thirty trading days



Key Environmental Initiatives

2021 ESG HIGHLIGHTS¹

- Reduced Scope 1 GHG intensity rate by **>30%**
- Decreased methane intensity rate by **~20%**
- Reported natural gas flaring rate of **~1.2%**
- Increased recycled water volumes by **>15%**
- Limited both oil and produced water spills to **0.006%** of total produced
- Disclosed Scope 2 emissions and implemented TCFD reporting framework



CENTENNIAL
RESOURCE DEVELOPMENT INC.

2022 Corporate Sustainability Report

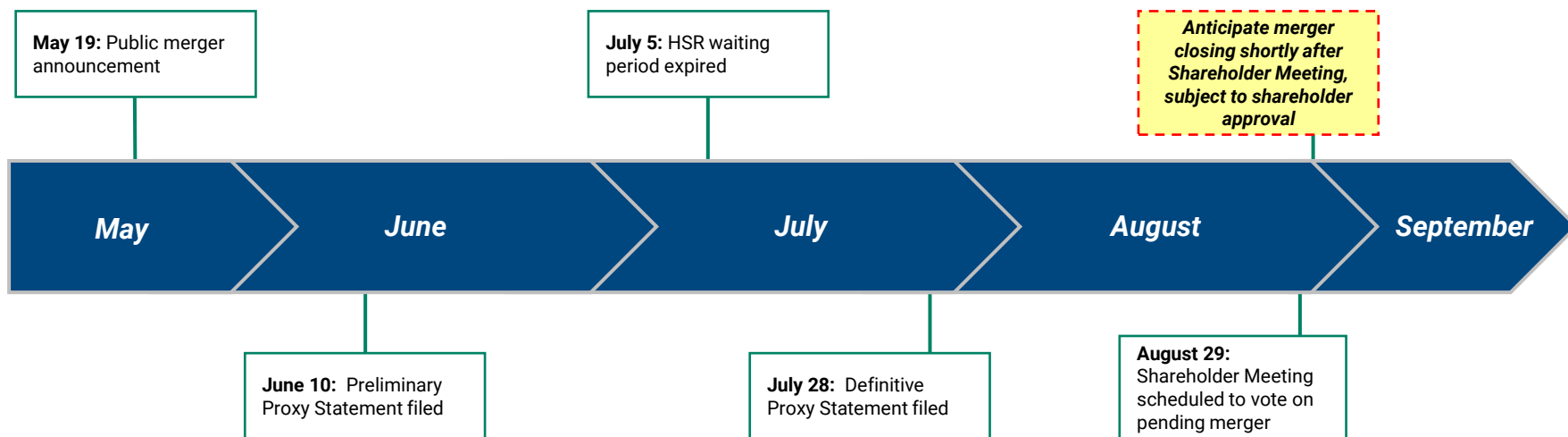
- Recently published 2nd Annual Corporate Sustainability Report
- Report based upon Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) and Task Force on Climate-Related Financial Disclosures (TCFD) standards

1) Percentage change represents a FY 2021 vs FY 2020 comparison
 2) Intensity represented by Metric Tons CO₂e / MBoe



Centennial - Colgate Merger Update

- Announced merger of equals transaction on May 19
- Cleared Hart-Scott-Rodino (HSR) requirements
- Preliminary Proxy Statement filed on June 10
- Definitive Proxy Statement filed on July 28
- Shareholder Meeting scheduled for August 29
- Merger expected to close shortly thereafter, subject to Centennial shareholder approval

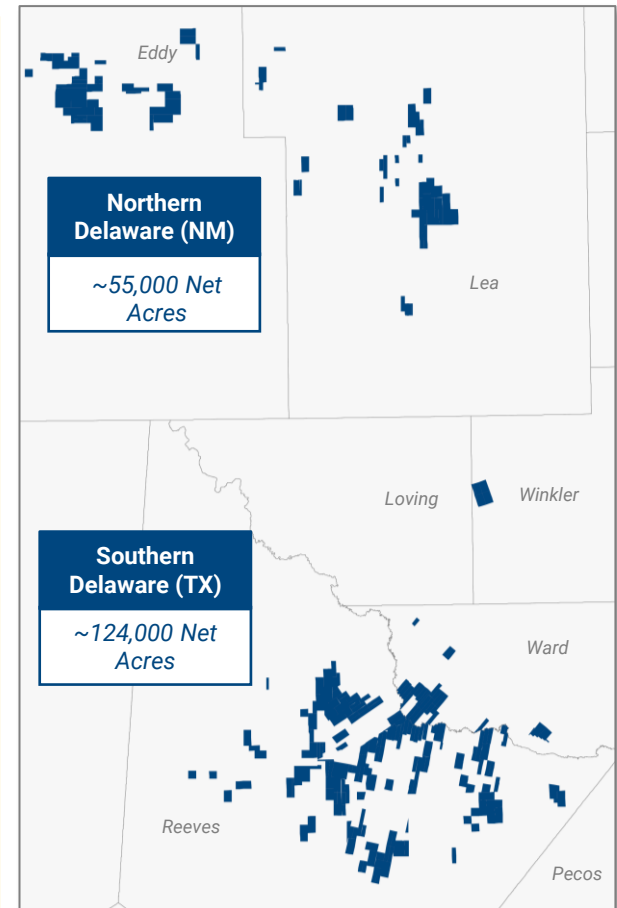


Establishing a Premier Permian Pure-Play



On May 19, Centennial and Colgate Energy announced a merger of equals, creating the largest Delaware Basin pure-play E&P company

- ✓ Highly-aligned management team, with a track record of execution and strong returns
- ✓ High-quality, complementary asset base and differentiated inventory depth support free cash flow profile
- ✓ Strong balance sheet, well positioned to establish shareholder return framework
- ✓ Commitment to ESG and sustainability with shared focus on best practices



~180,000 Net Acres in the Delaware Basin Core



Appendix



Quarterly Financial Results

Financial Summary (\$mm, unless otherwise noted)¹

(\$ in millions, unless specified)	FY 2021				FY 2021	FY 2022	
	Q1	Q2	Q3	Q4		Q1	Q2
Average Daily Production (Boe/d)	54,202	61,647	65,121	62,649	60,939	61,359	70,240
Average Daily Oil Production (Bo/d)	28,239	31,912	33,529	34,468	32,058	32,741	36,696
% Oil	52%	52%	51%	55%	53%	53%	52%
Financial highlights							
Total Revenue	\$192.4	\$232.6	\$288.5	\$316.4	\$1,029.9	\$347.3	\$472.7
Pre-Hedge Realized Oil Price (\$/Bbl)	\$52.62	\$60.99	\$65.31	\$72.78	\$63.50	\$89.17	\$104.69
Adjusted EBITDAX ²	\$99.8	\$126.8	\$170.9	\$187.1	\$584.6	\$217.1	\$297.3
Net Income (loss)	(\$34.6)	(\$25.1)	\$37.1	\$160.8	\$138.2	\$15.8	\$191.8
Unit Costs (\$/Boe)							
Lease Operating Expense	\$5.30	\$4.10	\$4.79	\$5.01	\$4.78	\$5.20	\$4.52
Gathering, Processing & Transportation	4.23	3.47	4.03	3.75	3.86	3.96	4.03
Severance & Ad Valorem Taxes	2.58	2.81	2.97	3.64	3.02	4.54	5.43
Cash G&A	2.18	1.81	2.08	2.61	2.17	2.13	1.95
Depreciation, Depletion & Amortization	13.08	13.09	12.69	13.16	13.00	12.86	12.85
Capital Expenditures Incurred							
Drilling, Completion & Facilities	\$70.6	\$82.3	\$74.9	\$85.2	\$313.0	\$111.6	\$136.8
Infrastructure, Land & Other	2.3	0.9	4.0	1.3	8.5	3.1	3.8
Total Capital Expenditures	\$72.9	\$83.2	\$78.9	\$86.5	\$321.5	\$114.7	\$140.6
Cash and Cash Equivalents	\$10.9	\$4.7	\$5.0	\$9.4	\$9.4	\$50.6	\$201.1
Total Debt Outstanding ³	\$1,102.9	\$1,070.8	\$1,020.8	\$840.8	\$840.8	\$815.8	\$815.8
Net Debt	\$1,091.9	\$1,066.1	\$1,015.8	\$831.4	\$831.4	\$765.2	\$614.7
Liquidity	\$514.8	\$445.7	\$493.5	\$678.6	\$678.6	\$794.8	\$945.3

1) Amounts may not sum due to rounding

2) Adjusted EBITDAX is not presented in accordance with generally accepted accounting principles in the United States

3) Reflects the aggregate principal amount



Hedge Position Overview (as of July 31, 2022)

	FY 2022			FY 2023					FY 2024	
	Q3	Q4	Bal. 2022	Q1	Q2	Q3	Q4	2023	Q1	2024
WTI Fixed Price Swaps										
Total Volume (Bbl)	782,000	690,000	1,472,000	225,000	227,500	92,000	92,000	636,500	0	0
Daily Volume (Bbl/d)	8,500	7,500	8,000	2,500	2,500	1,000	1,000	1,744	0	0
Weighted Average Price (\$ / Bbl)	\$65.46	\$65.63	\$65.54	\$73.51	\$73.25	\$72.98	\$72.98	\$73.26	\$0.00	\$0.00
WTI Collars										
Total Volume (Bbl)	460,000	644,000	1,104,000	810,000	819,000	644,000	644,000	2,917,000	0	0
Daily Volume (Bbl/d)	5,000	7,000	6,000	9,000	9,000	7,000	7,000	7,992	0	0
Weighted Average Ceiling (\$ / Bbl)	\$107.13	\$104.17	\$105.40	\$91.15	\$91.15	\$92.70	\$92.70	\$91.83	\$0.00	\$0.00
Weighted Average Floor (\$ / Bbl)	\$78.00	\$80.00	\$79.17	\$75.56	\$75.56	\$76.43	\$76.43	\$75.94	\$0.00	\$0.00
Mid-Cush Basis Swaps										
Total Volume (Bbl)	552,000	552,000	1,104,000	0	0	0	0	0	0	0
Daily Volume (Bbl/d)	6,000	6,000	6,000	0	0	0	0	0	0	0
Weighted Average Price (\$ / Bbl)	\$0.29	\$0.29	\$0.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WTI Roll Fixed Price Swaps										
Total Volume (Bbl)	920,000	920,000	1,840,000	0	0	0	0	0	0	0
Daily Volume (Bbl/d)	10,000	10,000	10,000	0	0	0	0	0	0	0
Weighted Average Price (\$ / Bbl)	\$0.71	\$0.71	\$0.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Henry Hub Fixed Price Swaps										
Total Volume (MMBtu)	2,760,000	1,540,000	4,300,000	0	0	0	0	0	0	0
Daily Volume (MMBtu/d)	30,000	16,739	23,370	0	0	0	0	0	0	0
Weighted Average Price (\$ / MMBtu)	\$3.24	\$3.15	\$3.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Henry Hub Collars										
Total Volume (MMBtu)	1,840,000	2,450,000	4,290,000	4,950,000	4,095,000	4,140,000	4,140,000	17,325,000	1,820,000	1,820,000
Daily Volume (MMBtu/d)	20,000	26,630	23,315	55,000	45,000	45,000	45,000	47,466	20,000	4,973
Weighted Average Ceiling (\$ / MMBtu)	\$3.97	\$5.06	\$4.59	\$7.47	\$7.32	\$7.32	\$7.69	\$7.45	\$5.31	\$5.31
Weighted Average Floor (\$ / MMBtu)	\$3.50	\$3.87	\$3.71	\$4.09	\$3.72	\$3.72	\$3.76	\$3.84	\$3.25	\$3.25
Waha Differential Basis Swaps										
Total Volume (MMBtu)	1,840,000	1,840,000	3,680,000	2,250,000	2,275,000	2,300,000	2,300,000	9,125,000	0	0
Daily Volume (MMBtu/d)	20,000	20,000	20,000	25,000	25,000	25,000	25,000	25,000	0	0
Weighted Average Price (\$ / MMBtu)	(\$0.45)	(\$0.45)	(\$0.45)	(\$1.11)	(\$1.11)	(\$1.11)	(\$1.11)	(\$1.11)	\$0.00	\$0.00



Reconciliation of Adjusted EBITDAX to Net Income (Loss)

Adjusted EBITDAX Reconciliation (\$ thousands)¹

(\$ in thousands, unless specified)	FY 2021				FY 2021	FY 2022	
	Q1	Q2	Q3	Q4		Q1	Q2
Net income (loss) attributable to Class A Common Stock	(\$34,645)	(\$25,055)	\$37,124	\$160,751	\$138,175	\$15,802	\$191,826
Interest expense	17,485	15,182	14,690	13,931	61,288	13,154	14,326
Income tax expense (benefit)	0	0	0	569	569	6,776	41,487
Depreciation, depletion and amortization	63,783	73,429	76,047	75,863	289,122	71,009	82,117
Impairment and abandonment expense	9,200	9,199	7,712	6,400	32,511	2,627	506
(Gain) loss on extinguishment of debt	0	22,156	0	0	22,156	0	0
Non-cash derivative (gain) loss	28,313	17,446	15,731	(44,790)	16,700	86,645	(39,514)
Stock-based compensation expense ²	14,624	18,681	17,421	5,594	56,320	18,834	(2,487)
Exploration and other expenses	1,095	1,764	1,839	3,185	7,883	2,307	1,954
Merger and intergration expense	0	0	0	0	0	0	5,685
(Gain) loss on sale of long-lived assets	(44)	8	290	(34,422)	(34,168)	(82)	1,406
Proceeds from terminated sale of assets	0	(5,983)	0	0	(5,983)	0	0
Adjusted EBITDAX	\$99,811	\$126,827	\$170,854	\$187,081	\$584,573	\$217,072	\$297,306

¹) Adjusted EBITDAX is a non-GAAP financial measure

²) Includes stock-based compensation for equity awards and also for cash-based liability awards that have not yet been settled in cash, both of which relate to general and administrative employees only. Stock-based compensation amounts for geographical and geophysical personnel are included within the Exploration and other expenses line item



Reconciliation of Free Cash Flow to Operating Cash Flow

Free Cash Flow Reconciliation (\$ thousands)¹

(\$ in thousands)	Three Months Ended June 30,	
	2022	2021
Net cash provided by operating activities	\$294,979	\$107,279
Changes in working capital:		
Accounts receivable	\$8,927	\$18,486
Prepaid and other assets	\$5,786	(\$255)
Accounts payable and other liabilities	(\$31,666)	(\$8,147)
Operating cash flow before working capital changes	\$278,026	\$117,363
Less: total capital expenditures incurred	(\$140,600)	(\$83,200)
Free cash flow	\$137,426	\$34,163

¹) Free cash flow is a non-GAAP financial measure



Reconciliation of Net Debt-to-LTM EBITDAX

Net Debt-to-LTM EBITDAX Reconciliation (\$ thousands)¹

(\$ in thousands)	June 30, 2022	March 31, 2022
Long-term debt, net	\$801,849	\$801,203
Unamortized debt discount and debt issuance costs on senior notes	13,950	14,596
Long-term debt	815,799	815,799
Less: cash and cash equivalents	(201,092)	(50,624)
Net debt (Non-GAAP)	614,707	765,175
LTM EBITDAX ²	\$872,313	\$701,834
Net debt-to-LTM EBITDAX	0.7x	1.1x

1) Net debt-to-LTM EBITDAX, also referred to as "leverage" in this presentation, is a non-GAAP financial measure

2) Represents adjusted EBITDAX (reconciled on slide 12) for the last twelve months

