CORE LABORATORIES N.V.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IAS 34, "INTERIM FINANCIAL REPORTING"

Semi-Annual Report for 30 June 2022

Van Heuven Goedhartlaan 7 B
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The Netherlands

CORE LABORATORIES N.V.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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SEMI-ANNUAL REPORT OF THE DIRECTORS

Currency - United States Dollars (“USD”, “$”)

Our Company

Core Laboratories N.V. (“Core Laboratories”, "Core Lab", the "Company" "we", "our" or, “us) is a Netherlands limited liability company and is publicly traded in the United States on the New York Stock Exchange (“NYSE”) and in the Netherlands on the Euronext Amsterdam Stock Exchange (“Euronext Amsterdam”). We were established in 1936 and are one of the world's leading providers of proprietary and patented reservoir description and production enhancement services and products to the oil and gas industry. These services and products can enable our clients to evaluate and improve reservoir performance and increase oil and gas recovery from their new and existing fields. As of 30 June 2022, we have over 70 offices in more than 50 countries and have approximately 3,600 employees.

At Core Laboratories we take our commitment to our employees, clients, shareholders, suppliers and the communities in which we operate very seriously. With our global presence and impact, we are committed and accountable for promoting a culture focused on the health and safety of people and the environment, and we take pro-active approaches in identifying and managing risks through recognition, evaluation and education. Our continued success depends on maintaining a high level of integrity, ethical and safety standards which is the foundation of our reputation in getting the right results the right way. Our Company culture and mission also drive our commitment to our Environmental, Social and Governance (“ESG”) sustainability efforts.

Industry Outlook and Expected Development

The events associated with the COVID-19 pandemic that began in 2020 continued in 2021 and 2022. Certain international countries continued mandated shut-downs, home sheltering and social distancing policies that initially caused uncertainty in the demand for crude oil and associated products, however demand for these products has recovered more quickly than global production causing crude-oil commodity prices to increase significantly. Although U.S. land drilling and completion activities continued to show improvement during 2021 and strengthened in the first six months of 2022, activity still remains well below pre-pandemic levels. Additionally, international activity continued to be adversely impacted by increasing infection rates associated with new variant strains of the COVID-19 virus during 2021 and 2022, which has continued to cause business disruptions associated with government mandated shut-downs, travel restrictions, quarantine protocols and worksite closures in various international regions.

The geopolitical conflict between Russia and Ukraine that erupted in February 2022, has also resulted in current disruptions to traditional supply chains associated with the movement of crude oil, primarily reducing the level of crude oil sourced from Russia and being imported into various European ports. However, the supply chains associated with the movement of crude oil have begun and are expected to continue realigning to new logistical patterns, as we expect Europe will find new suppliers of crude oil to import into the region. These events have resulted in elevated energy prices throughout Europe, and the current global demand for crude oil and natural gas has remained at a high level; thus, Core Lab expects supply lines to realign, and the Company's volume of associated laboratory services to increase commensurate with the trading and movement of crude-oil into Europe and across the globe. In March 2022, completion product sales delivered through our Production Enhancement segment into Ukraine were suspended and continue to be limited due to disruptions in freight transport services.

We are actively monitoring the situation in Ukraine and assessing its impact on our operations in the region, including our business partners and customers. We have not experienced any material interruptions in our infrastructure, supplies or networks needed to support our operations. However, the situation is rapidly evolving and the United States, the European Union, the United Kingdom and other countries may implement additional sanctions, export controls or other measures against Russia, Belarus and other countries, regions, officials, individuals or industries in the respective territories. We have no way to predict the progress or outcome of the conflict in Ukraine or its impacts in Ukraine, Russia or Belarus as the conflict, and any resulting government responses, are fluid and beyond our control.

Crude-oil commodity prices remain volatile and continued to increase significantly during the first six months of 2022, as a result of the Russia-Ukraine conflict and the additional uncertainty in supply of crude oil and natural gas. The activities associated with the production of oil and gas are expected to increase for the remainder of 2022, however growth may be moderated by limitations in personnel, equipment, supply chain disruptions, as well as the allocation of capital resources by oil and gas producing companies. As a result, it is anticipated that crude-oil commodity prices for the near term will remain elevated and supported by increasing demand with only moderate growth in production levels. If crude-oil commodity prices remain at current levels or increase, our clients' activities associated with the energy markets are also expected to increase for the remainder of 2022 depending on the outlook for the global economy, the pace of recovery from the COVID-19 pandemic and considerations associated with the Russia-Ukraine conflict.

Core Laboratories has continued to operate as an essential business with timely delivery of products and services to our clients during the COVID-19 pandemic. The disruptions described above have primarily been associated with operational workflows stemming from travel, product delivery, as well as suspensions and delays in client projects. The global supply chain challenges have resulted in certain disruptions to our workflow, however, the impact to our operations has been minimized by carrying higher levels of inventory, and currently, we do not anticipate significant disruption in our key supply chains for the remainder of 2022. We also continue to follow an established continuity plan across our global organization to protect the health of employees while servicing our clients. In addition, the continuing inflationary impact that began in 2021 and worsened in the first six months of 2022, which has resulted in increased costs of raw materials, transportation and shipping, and personnel, has negatively impacted profit margins on both product sales and services revenue.

Our major clients continue to focus on capital management, return on invested capital, free cash flow, and returning capital to their shareholders, as opposed to a focus on production growth. The companies adopting value versus volume metrics tend to be the more technologically sophisticated operators and form the foundation of Core Lab's worldwide client base. As oil and gas commodity prices are expected to remain elevated in the near to mid-term, the Company expects our clients' activities associated with increasing oil and gas reserves and production levels will continue to increase in the coming years. Additionally, some of our major clients have begun investing and developing other sources of energy, including renewables, and focusing on emission reduction initiatives. Some of these initiatives include deployment of technologies associated with hydrogen or lithium-based batteries, and carbon capturing and sequestration. Considering a longer-term strategy, we expect to be well positioned as our clients continue their focus on employing higher technological solutions in their efforts to optimize production and estimated ultimate recovery in the most cost efficient and environmentally responsible manner.

We believe some oil and gas operators will continue to manage their capital spending within free cash flow and maintain their focus on improving and maintaining a stronger balance sheet, which could constrain future growth in activities associated with the production of oil and gas.

As part of our long-term growth strategy, we continue to expand our market presence by opening or expanding facilities in strategic areas and realizing synergies within our business lines consistent with client demand and market conditions. More recently, we have expanded our laboratory capabilities in Qatar, Saudi Arabia and Brazil. We believe our market presence in strategic areas provides us a unique opportunity to serve our clients who have global operations, whether they are international oil companies, national oil companies, or independent oil companies.

Financial Performance

Results of Operations

Services Revenue

Services revenue is primarily tied to activities associated with the exploration and production of oil, gas and derived products outside the U.S. For the six months ended 30 June 2022, service revenue of $170.1 million remained flat compared to $170.2 million for the six months ended 30 June 2021. The moderate increase in activity levels in the U.S. market was substantially offset by the decline in activity levels in international markets impacted by the Russia-Ukraine geopolitical conflict and business disruptions associated with elevated levels of COVID cases, as discussed above.

We continue to focus on large-scale core analyses and reservoir fluids characterization studies in the Eagle Ford, the Permian Basin and the Gulf of Mexico, along with Guyana, Suriname, Malaysia and other international locations such as offshore South America, Australia, and the Middle East, including Kuwait and the United Arab Emirates. Analysis of crude oil derived products also occurs in every major producing region of the world.

Product Sales Revenue

For the six months ended 30 June 2022, product sales revenue of $66.1 million increased compared to $56.9 million from the six months ended 30 June 2021. Rig count is one indicator of activity levels associated with the exploration and production of oil and gas. For the six months ended 30 June 2022, the average rig count for U.S. land and international markets increased approximately 62% and 14%, respectively. Despite the increases in the average rig count in both the U.S. land and international markets, our sales revenue increased moderately by approximately 16% primarily due to the suspension of our products sales into Ukraine, as a result of the Russia-Ukraine conflict, and delays in freight transport services in delivery of our products.

Cost of Services

Cost of services increased to $141.5 million for the six months ended 30 June 2022 compared to $137.8 million for the six months ended 30 June 2021. Cost of services expressed as a percentage of services revenue increased to 83% for the six months ended 30 June 2022, compared to 81% for the six months ended 30 June 2021. The increase in cost of services during the six months ended 30 June 2022, was due primarily to restoring employees' compensation and benefit plans in 2022, from the cost reduction initiatives implemented during the last two years.

Cost of Product Sales

Cost of product sales of $59.8 million for the six months ended 30 June 2022 increased when compared to $47.2 million for the six months ended 30 June 2021. Cost of product sales expressed as a percentage of product sales revenue was 91% for the six months ended 30 June 2022, compared to 83% for the six months ended 30 June 2021. Higher cost of product sales as a percentage of products sales revenue in the six months ended 30 June 2022 was primarily due to the increased employees' compensation costs as discussed above and higher costs of materials and shipping costs caused by inflation.

Operating profit

Operating profit for the six-month period ended 30 June 2022 of $13.2 million compared to $27.1 million for the same period of 2021. In addition to the increase in cost of services and product sales discussed above, general and administrative expenses also included the acceleration of stock compensation expense of $3.9 million for the six months ended 30 June 2022 for retirement eligible employees compared to a charge of $0.8 million in the same period of 2021. General and administrative expenses for the six months ended 30 June 2022 were also impacted by the full restoration of employees' compensation cost and certain benefit plans, as discussed above. These increases in cost were partially offset by the reversal of $3.3 million in stock compensation expense previously recognized associated with unvested performance share awards which are scheduled to vest on 31 December 2022, as the associated performance conditions were determined to be unachievable. Other income (expense) for the six months ended 30 June 2022 included a charge of $3.3 million for severance and other charges for a reduction in workforce and a foreign exchange loss of $0.8 million. The six months ended 30 June 2021 included a gain of $1.0 million on the sale of one of our Malaysian subsidiaries and a foreign exchange gain of $0.1 million.

Segment Analysis

We operate our business in two reportable segments: Reservoir Description and Production Enhancement. These complementary segments provide different services and products and utilize different technologies for evaluating and improving reservoir performance and increasing oil and gas recovery from new and existing fields.

- ***Reservoir Description:*** Encompasses the characterization of petroleum reservoir rock and reservoir fluid samples to increase production and improve recovery of crude oil and natural gas from our clients' reservoirs. We provide laboratory based analytical and field services to characterize properties of crude oil and crude oil derived products to the oil and gas industry. We also provide proprietary and joint industry studies based on these types of analyses and manufacture associated laboratory equipment. In addition, we provide reservoir description capabilities that advance the energy transition, including services that support carbon capture, utilization and storage, hydrogen storage, geothermal projects, and the evaluation and appraisal of mining activities around lithium and other elements necessary for energy storage.
- ***Production Enhancement:*** Includes services and manufactured products relating to reservoir well completions, perforations, stimulation and production. We provide integrated diagnostic services to evaluate and monitor the effectiveness of well completions and to develop solutions aimed at increasing the effectiveness of enhanced oil recovery projects.

Results for these business segments are presented below and are consistent with the information which is reviewed by the Chief Operating Decision Maker. We use U.S. GAAP accounting policies to prepare our business segment results and adjustments are provided to reconcile these segment results to our consolidated financial statements which are prepared using IFRS accounting policies. We evaluate performance based on operating profit or loss.

The following table summarizes our results by segment (in thousands of USD):

	Six Months Ended 30 June			
	2022	**2021**	**Variance**	**% Change**
Revenue:				
Reservoir Description	$ 150,572	$ 154,738	$ (4,166)	(2.7)%
Production Enhancement	85,626	72,390	13,236	18.3%
Total revenue	$ 236,198	$ 227,128	$ 9,070	4.0%
Operating profit:				
Reservoir Description	$ 6,287	$ 17,317	$ (11,030)	(63.7)%
Production Enhancement	4,030	5,391	(1,361)	(25.2)%
Corporate and Other (1)	944	1,714	(770)	(44.9)%
Adjustments from US GAAP to IFRS	1,935	2,652	(717)	(27.0)%
Operating profit:	$ 13,196	$ 27,074	$ (13,878)	(51.3)%

(1) "Corporate and Other" represents those items that are not directly related to a particular segment
"NM" means not meaningful

Reservoir Description

Reservoir Description operations rely heavily on international and offshore activity levels, including existing producing fields and transportation of crude oil across the globe, with approximately 80% of its revenue sourced from producing fields, development projects and movement of crude oil products outside the U.S. The COVID-19 global pandemic and surge in new cases during the six months ended 30 June 2022, continues to adversely impact project activity from our oil and gas clients, causing disruptions and delays to project workflows, slowing the progress on longer-term international and offshore projects. Additionally, the Russia-Ukraine geopolitical conflict that erupted in February 2022 caused interruptions in the movement and logistical patterns for crude oil supply, primarily in Ukraine, Russia and the European Union.

Revenue from the Reservoir Description segment of $150.6 million for the six months ended 30 June 2022 decreased from $154.7 million for the six months ended 30 June 2021. The decrease in revenue in 2022 is primarily due to the adverse impact of the Russia-Ukraine geopolitical conflict and a higher level of COVID cases, as discussed above.

We continue to focus on large-scale core analysis and reservoir fluids characterization studies in the Asia-Pacific region, offshore Europe and Africa, offshore South America, North America, and the Middle East. We are also engaged in both newly developed fields and brownfield extensions in offshore areas such as Australia, Brazil, Guyana, the Gulf of Mexico, the Middle East and the North Sea. Analysis of crude oil derived products also occurs in every major producing region of the world. In particular, we anticipate increased demand for our proprietary laboratory technological services in the Middle East as a result of several factors, including Core Lab's completion of a comprehensive reservoir fluid laboratory in Doha, Qatar, resumption of production from the Wafra oilfield located within the onshore Partitioned Neutral Zone in the southern part of Kuwait, as well as expansion of the North Gas Field in Qatar. Additionally, in 2022, Core Lab, under the direction of The CarbonNet Project commenced the second phase of advanced rock property analysis of conventional core extracted from the Gular-1 appraisal well, which is associated with the assessment of a large prospective geologic subsurface structure located in the Gippsland Basin offshore the southeast coast of Australia which could be used for carbon capture and sequestration.

Operating profit of $6.3 million for the six months ended 30 June 2022 decreased 64% year-over-year compared to $17.3 million for the six months ended 30 June 2021. Operating margins were 4% for the six months ended 30 June 2022, which decreased from 11% for the six months ended 30 June 2021. The decrease in operating profit and operating margins is primarily due to restoration of employee's compensation and certain benefit plans in 2022, and changes in stock compensation expense, as discussed above.

Production Enhancement

Production Enhancement operations are largely focused on complex completions in unconventional, tight-oil reservoirs in the U.S. as well as conventional projects across the globe. Drilling and completion activity levels continued to increase during 2021 and 2022 in both the U.S. onshore and international markets. However, the pace of growth in the U.S. onshore market has decreased during 2022 from the accelerated pace experienced in 2021.

Revenue from the Production Enhancement segment of $85.6 million for the six months ended 30 June 2022 increased from $72.4 million for the six months ended 30 June 2021. The increase in revenue in 2022 is primarily driven by a significant increase in the drilling and completion of wells in the U.S. onshore and improved activity in international markets. The effect of the increase in international markets is partially offset by the disruption of product sales into Ukraine, as a result of the Russia-Ukraine conflict.

Our clients remain focused on using technological solutions for their projects to optimize and improve daily production and estimated ultimate recovery from their reservoirs. We continue to develop new technologies and benefit from our clients' acceptance of new services and products, led by HEROTM PerFRAC, GoGunTM, FLOWPROFILER EDSTM and ReFRAC technologies. Core Lab recently introduced GoTrace™. GoTrace™ is a new innovative technology that incorporates our diagnostic services into the Company's energetic system products, using Core Lab's Kodiak™ propellant-assisted perforating system with Core Lab's SpectraChem™ chemical diagnostic tracers.

Operating profit of $4.0 million for the six months ended 30 June 2022, decreased 25% year-over-year compared to $5.4 million for the six months ended 30 June 2021. Operating margins were 5% for the six months ended 30 June 2022, which decreased from 7% for the six months ended 30 June 2021. These decreases in operating profit and margins were primarily due to increased cost of materials and shipping cost caused by elevated inflation, restoration of employee's compensation and certain benefit plans in 2022, and changes in stock compensation expense, as discussed above.

Corporate and Other

Operating (income) expenses for Corporate and Other are (income) expenses not directly related to a particular segment but pertain to the operation of all of the segments as a combined group. The $0.8 million decrease in Corporate and other is primarily associated with the gain on the sale of one of our Malaysian subsidiaries recorded in 2021.

Liquidity and Capital Resources

We have historically financed our activities through cash on hand, cash flows from operations, bank credit facilities, equity financing and the issuance of debt. Cash flows from operating activities provide the primary source of funds to finance operating needs, capital expenditures and our dividend and share repurchase programs. We believe our future cash flows from operations, supplemented by our borrowing capacity under our Credit Facility and the ability to issue additional equity and debt, should be sufficient to fund our debt requirements, capital expenditures, working capital, dividend payments and future acquisitions.

As we are a holding company incorporated in the Netherlands, we conduct substantially all of our operations through subsidiaries. Our cash availability is largely dependent upon the ability of our subsidiaries to pay cash dividends or otherwise distribute or advance funds to us. There are no restrictions preventing any of our subsidiaries from repatriating earnings, and there are no restrictions or income taxes associated with distributing cash to the parent company through loans or advances.

The following table summarizes cash flows (in thousands of USD):

	Six Months Ended 30 June			
	2022	**2021**	**Variance**	**% Change**
Cash provided by (used in):				
Operating activities	$ 14,880	$ 25,671	$ (10,791)	(42.0)%
Investing activities	(2,357)	(3,378)	1,021	(30.2)%
Financing activities	(14,078)	(2,482)	(11,596)	467.2%
Net change in cash and cash equivalents	$ (1,555)	$ 19,811	$ (21,366)	(107.8)%

"NM" means not meaningful

Cash flows provided by operating activities for the six months ended 30 June 2022, decreased by approximately $10.8 million compared to the same period in 2021. The decrease in cash flow provided by operating activities is due primarily to a decrease in income generated from operating activities as discussed above.

Cash flows used in investing activities for the six months ended 30 June 2022, decreased by approximately $1.0 million compared to the same period in 2021. Changes in investing activities were primarily due to $2.1 million net cash proceeds received in 2022 from company owned life insurance policies to fund distributions from our deferred compensation program and post-employment benefit plans, compared to $1.6 million for the same period in 2021. Additionally, during the six months ended 30 June 2022, we received proceeds from insurance recovery of $0.6 million associated with the winter storm in 2021.

Cash flows used in financing activities of $14.1 million for the six months ended 30 June 2022 increased by approximately $11.6 million compared to the same period in 2021. Financing activities for the six months ended 30 June 2022, reflect higher repurchases of common shares of $1.1 million compared to the same period in 2021. Additionally, financing activities in 2021 included $59.1 million of net proceeds raised by issuing shares through the at-the-market (“ATM”) program, and $58.9 million net cash raised through the issuance of the 2021 Senior Notes. Proceeds from both the ATM program and the 2021 Senior Notes were used to reduce the Company's outstanding borrowings under the Credit Facility by $119.0 million, compared to a $2.0 million net repayment of the Company's borrowings under the Credit Facility in 2022.

During the six months ended 30 June 2022, we repurchased 83,995 of our common shares for $2.2 million, which includes those shares that were surrendered to us pursuant to the terms of a stock-based compensation plan in consideration of the participants' tax burdens that may result from the issuance of common shares under that plan. Such common shares, unless canceled, may be reissued for a variety of purposes such as future acquisitions, non-employee director stock awards or employee stock awards. We distributed 59,405 treasury shares upon vesting of stock-based awards during the six months ended 30 June 2022.

In February and May 2021, we paid a quarterly dividend of $0.01 per share of common stock.

On 9 June 2022, we entered into an Equity Distribution Agreement with certain banks (the “2022 Equity Distribution Agreement”) for the issuance and sale of up to $60.0 million of our ordinary shares. Under terms of the 2022 Equity Distribution Agreement, sales of our ordinary shares may be made by any method deemed to be an “at-the-market offering” as defined in Rule 415 under the Securities Act of 1933. The Company intends to use the net proceeds from any offerings for general corporate purposes. See Note 13 - *Equity* of the selected explanatory notes to the condensed interim consolidated financial statements for additional information.

On 25 July 2022, we, along with our wholly owned subsidiary Core Laboratories (U.S.) Interests Holdings, Inc. ("CLIH") entered into an Eighth Amended and Restated Credit Agreement (as amended, the "Amended Credit Facility") modifying and extending the existing Credit Facility for an aggregate borrowing commitment of $135 million with a $50 million "accordion" feature. The Amended Credit Facility is secured by the properties and assets of the Company. Under the Amended Credit Facility, the Secured Overnight Financing Rate ("SOFR") plus 2.00% to SOFR plus 3.00% will be applied to outstanding borrowings. The Amended Credit Facility does not substantially alter the calculation of the net leverage or interest coverage ratios. See Note 14 - *Borrowings, net* of the selected explanatory notes to the condensed interim consolidated financial statements for additional information.

Cautionary Statement Regarding Forward-Looking Statements

This Semi-Annual Report contains forward-looking statements. In addition, from time to time, we may publish forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological developments, new products, research and development activities and similar matters. Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "believe", "expect", "anticipate", "estimate", "continue", or other similar words, including statements as to the intent, belief, or current expectations of our directors, officers, and management with respect to our future operations, performance, or positions or which contain other forward-looking information. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, no assurances can be given that the future results indicated, whether expressed or implied, will be achieved. While we believe that these statements are and will be accurate, our actual results and experience may differ materially from the anticipated results or other expectations expressed in our statements due to a variety of risks and uncertainties. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Significant Business Risk Factors

In addition to the risk factors identified in our 2021 Annual Report, we updated the following risk factor:

Risk factors associated with our international presence

Our operations may be adversely affected by sanctions, export controls, and similar measures targeting Russia and other countries and territories as well as other responses to Russia's military conflict in Ukraine.

The recent geopolitical conflict between Russia and Ukraine has resulted in the U.S. government, European Union, the United Kingdom and other countries imposing broad-ranging and coordinated economic sanctions and export control measures against Russia, Belarus, the Crimea Region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic, including, among others:

- a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs;
- a prohibition on commercial activities in the so-called Donetsk People's Republic and the so-called Luhansk People's Republic;
- a commitment by certain countries and the European Union to remove selected Russian banks from the Society for Worldwide Interbank Financial Telecommunications ("SWIFT"), the electronic banking network that connects banks globally;
- a ban on imports of Russian crude oil, liquefied natural gas and coal to the United States;
- a ban on imports of Russian crude oil and certain refined petroleum products originating in or exported from Russia to the European Union, subject to limited exceptions;

- a ban on new investment in the Russian energy sector; and
- enhanced export controls and trade sanctions targeting Russia's importation of certain goods and technology, including restrictive measures on the export and re-export of dual-use goods, stricter licensing policy with respect to issuing export licenses, and increased use of "end-use" controls to block or impose licensing requirements on exports.

Due to the international scope of our operations, the Company is subject to various laws and regulations, including regulations issued by the U.S. Department of Treasury, the U.S. Department of State, the Bureau of Industry and Security ("BIS") and Office of Foreign Asset Control ("OFAC"), as well as the counterparts of these agencies in foreign countries. The Company actively monitors changes in these regulations as they pertain to the goods and services we provide and their impact on our business, including our business partners and customers.

As the conflict in Ukraine continues, these sanctions may change and be expanded, which could further hinder the Company's ability to do business in Russia or with certain Russian entities, which could have an adverse impact on the Company's financial condition and results of operations. Furthermore, in retaliation against new international sanctions and as part of measures to stabilize and support the volatile Russian financial and currency markets, Russian authorities imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products and other economic and financial restrictions.

The Company routinely screens existing business partners globally against Specially Designated National / Restricted Persons lists. All new engagements with business partners are screened prior to the beginning of any business relationship. Individuals or entities that become subject to applicable sanctions are immediately blocked from further commercial activity with the Company until confirmed by the Company's legal counsel whether permissible to proceed pursuant to a general or special license or other exemption, or a change in facts.

Furthermore, while we have policies, procedures and internal controls in place designed to ensure compliance with applicable sanctions and trade restrictions, and though the current effects from the Russia-Ukraine conflict have, thus far, not resulted in a material adverse impact to the Company's financial condition or results of operations, our employees, contractors, and agents may take actions in violation of such policies and applicable law and we could be held ultimately responsible. We rely on our employees to adhere to the policies, procedures and internal controls we have established to maintain compliance with evolving sanctions and export controls. To that end, we have implemented training programs, both in person and online, to educate our employees on applicable sanctions and export controls laws. If we are held responsible for a violation of U.S. or other countries' sanctions laws, we may be subject to various penalties, any of which could have a material adverse effect on our business, financial condition or results of operations.

Should future sanctions require us to cease or wind down our Russian operations, our assets located there may be impacted and could become subject to impairment. As of 30 June 2022, the Company's fixed assets in Russia were $4.4 million, or less than 4% of the Company's total fixed assets and less than 1% of the Company's total assets. Additionally, the Company leases its operating facilities in Russia, and as of 30 June 2022, the contractual obligation to exit these leased facilities is approximately $1.0 million. For the six months ended 30 June 2022, revenue attributable to our operations in Russia was $10.6 million, respectively, representing approximately 4% of the Company's total revenue in each such period. Additionally, for the six months ended 30 June 2022, we released $0.6 million of accrued withholding tax associated with $12.0 million of undistributed earnings from our Russian subsidiary, which are not expected to be distributed in the foreseeable future. Also, cessation of our Russian operations resulting from future sanctions may cause us to incur employee severance and other associated costs statutorily required under local labor laws.

During the six months ended 30 June 2022, revenue attributable to the Company's Ukraine operations and fixed assets located in Ukraine, were not significant to the Company's total revenue and total fixed assets.

We are actively monitoring the situation in Ukraine and assessing its impact on our operations in the region, including our business partners and customers. We have not experienced any material interruptions in our infrastructure, supplies or networks needed to support our operations. However, the situation is rapidly evolving and the United States, the European Union, the United Kingdom and other countries may implement additional sanctions, export controls or other measures against Russia, Belarus and other countries, regions, officials, individuals or industries in the respective territories. We have no way to predict the progress or outcome of the conflict in Ukraine or its impacts in Ukraine, Russia or Belarus as the conflict, and any resulting government responses, are fluid and beyond our control.

The Russia-Ukraine conflict may also heighten many other risks disclosed in our 2021 Annual Report, any of which could materially and adversely affect our business and results of operations. Such risks include, but are not limited to, adverse effects on global macroeconomic conditions, including increased inflation; increased volatility in the price and demand of oil and natural gas, increased exposure to cyberattacks; limitations in our ability to implement and execute our business strategy; risks to employees and contractors that we have in the region; disruptions in global supply chains; exposure to foreign currency fluctuations and potential nationalizations and assets seizures in Russia, constraints or disruption in the capital markets and our sources of liquidity; our potential inability to service our remaining performance obligations and potential contractual breaches and litigation.

European Taxonomy Regulation for Sustainable Activities

Refer to our 2021 Annual Report for a discussion and disclosure of information required by the European Taxonomy Regulation and related Delegated Regulations. There are no significant changes during the six months ended 30 June 2022. We will continue to monitor the legislative developments and update any additional analysis or disclosures as required.

Statement of Directors' Responsibilities

In accordance with the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht), section 5:25d, paragraph 2 sub c, we confirm that, to the best of our knowledge:

- the condensed interim consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as adopted by the European Union and give a true and fair view of the assets, the liabilities, the financial position and the profits or the loss of Core Laboratories N.V. and its consolidated companies; and

- the interim management report for the six months ended 30 June 2022 gives a true and fair view of the information required pursuant to section 5:25d, subsection 8 and, as far as applicable, subsection 9 of the Dutch Act on Financial Supervision.

Amsterdam, The Netherlands,
12 September 2022

/s/ Jacobus Schouten

Jacobus Schouten, on behalf of
Core Laboratories International B.V.,
Sole managing director of Core Laboratories N.V.

/s/ Christopher S. Hill

Christopher S. Hill
Senior Vice President and Chief Financial Officer

CORE LABORATORIES N.V.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(In thousands of USD)

	Ref.	30 June 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment, net		$ 109,176	$ 110,952
Right-of-use lease assets	8	54,511	59,282
Intangible assets, net		267,518	267,820
Investment in associates		4,270	4,156
Deferred tax assets, net		71,489	73,663
Other financial assets	10	25,127	32,511
Other assets		5,181	4,746
TOTAL NON-CURRENT ASSETS		537,272	553,130
CURRENT ASSETS			
Inventories	11	52,551	45,443
Prepaid expenses and other current assets		46,741	46,486
Income taxes receivable		12,319	9,911
Accounts receivable, net	12	99,180	96,830
Cash and cash equivalents		16,148	17,703
TOTAL CURRENT ASSETS		226,939	216,373
TOTAL ASSETS		$ 764,211	$ 769,503
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF CORE LABORATORIES N.V.		$ 345,715	$ 332,885
NON-CONTROLLING INTEREST		4,630	4,552
TOTAL EQUITY	13	350,345	337,437
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings, net	14	134,538	188,636
Long-term lease liabilities	8	44,231	49,286
Income taxes payable		8,509	8,861
Deferred tax liabilities, net		27,157	28,170
Post-employment benefit plans	15	44,154	54,399
Derivative financial liabilities	9	-	5,446
Other long-term liabilities	16	1,973	1,920
TOTAL NON-CURRENT LIABILITIES		260,562	336,718
CURRENT LIABILITIES			
Borrowings, net - current portion	14	52,441	-
Accounts payable		36,106	29,726
Lease liabilities	8	13,008	12,342
Income taxes payable		7,606	10,672
Other taxes payable		7,063	6,152
Payroll and social security contributions		23,004	21,008
Unearned revenues	12	6,527	7,765
Other accrued expenses		7,549	7,683
TOTAL CURRENT LIABILITIES		153,304	95,348
TOTAL LIABILITIES		413,866	432,066
TOTAL EQUITY AND LIABILITIES		$ 764,211	$ 769,503

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

CORE LABORATORIES N.V.
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(In thousands of USD, except per share data)

	Ref.	Six Months Ended 30 June 2022	2021
		(Unaudited)	
REVENUE:			
Services		$ 170,145	$ 170,246
Product sales		66,053	56,882
TOTAL REVENUE	21	236,198	227,128
OPERATING EXPENSES:			
Cost of services		141,510	137,813
Cost of product sales		59,781	47,161
Total cost of services and product sales		201,291	184,974
GROSS PROFIT		**34,907**	**42,154**
General and administrative expenses		19,878	18,877
Other (income) expense, net	18	1,833	(3,797)
OPERATING PROFIT		**13,196**	**27,074**
Finance costs, net		6,549	5,359
Share of profit (loss) of associates		114	(30)
PROFIT (LOSS) BEFORE INCOME TAX		**6,761**	**21,685**
Income tax expense (benefit)	19	1,307	1,837
PROFIT (LOSS) FOR THE PERIOD		**$ 5,454**	**$ 19,848**
Attributable to:			
Equity holders of Core Laboratories N.V.		$ 5,315	$ 19,589
Non-controlling interest		139	259
PROFIT (LOSS) FOR THE PERIOD		**$ 5,454**	$ 19,848
EARNINGS (LOSS) PER SHARE INFORMATION:			
Basic earnings (loss) per share attributable to Core Laboratories N.V.	20	$ 0.11	$ 0.43
Diluted earnings (loss) per share attributable to Core Laboratories N.V.	20	$ 0.11	$ 0.42
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (in thousands):			
Basic	20	46,309	45,751
Diluted	20	47,133	46,514

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

CORE LABORATORIES N.V.
INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (LOSS)
(In thousands of USD)

	Ref.	Six Months Ended 30 June 2022	Six Months Ended 30 June 2021
		(Unaudited)	
PROFIT (LOSS) FOR THE PERIOD		$ 5,454	$ 19,848
Items that will not be reclassified to profit or loss:			
Remeasurement of post-employment benefit obligations, net of income tax expense (benefit) of $250 and $127 for 2022 and 2021, respectively		895	465
Items that may be subsequently reclassified to profit or loss:			
Interest rate swaps		6,815	(3,549)
Income taxes on interest rate swaps		(1,430)	611
Other comprehensive income (loss) for the period		6,280	(2,473)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**$ 11,734**	**$ 17,375**
Attributable to:			
Equity holders of Core Laboratories N.V.		$ 11,595	$ 17,116
Non-controlling interest		139	259
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		$ 11,734	$ 17,375

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

CORE LABORATORIES N.V.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In thousands of USD, except share and per share data)

	Ref.	Six Months Ended 30 June 2022	2021
		(Unaudited)	
Common Shares			
Balance at Beginning of Period		$ 1,188	$ 1,148
New share issuance		-	40
Balance at End of Period		$ 1,188	$ 1,188
Additional Paid-In Capital			
Balance at Beginning of Period		$ 99,527	$ 38,137
New share issuance		-	59,099
Stock-based awards issued		(1,559)	(10,114)
Stock-based compensation		4,327	7,566
Reclassification from retained earnings		-	2,670
Balance at End of Period		$ 102,295	$ 97,358
Retained Earnings			
Balance at Beginning of Period		$ 255,207	$ 236,269
Dividends paid		(926)	(909)
Profit (loss) attributable to Core Laboratories N.V.		5,315	19,589
Reclassification to additional paid-in capital		-	(2,670)
Balance at End of Period		$ 259,596	$ 252,279
Accumulated Other Comprehensive Income (Loss)			
Balance at Beginning of Period		$ (18,962)	$ (16,115)
Remeasurement of post-employment benefit obligations		895	465
Interest rate swaps		5,385	(2,938)
Balance at End of Period		$ (12,682)	$ (18,588)
Treasury Shares			
Balance at Beginning of Period		$ (4,075)	$ (14,075)
Stock-based awards issued		1,559	10,114
Repurchase of common shares		(2,166)	(1,031)
Balance at End of Period		$ (4,682)	$ (4,992)
Non-Controlling Interest			
Balance at Beginning of Period		$ 4,552	$ 4,060
Non-controlling interest dividends		(61)	-
Profit attributable to non-controlling interest		139	259
Balance at End of Period		$ 4,630	$ 4,319
Total Equity			
Balance at Beginning of Period		$ 337,437	$ 249,424
New share issuance	13	-	59,139
Stock-based compensation		4,327	7,566
Repurchase of common shares	13	(2,166)	(1,031)
Dividends paid	13	(926)	(909)
Non-controlling interest dividends		(61)	-
Remeasurement of post-employment benefit obligations		895	465
Interest rate swaps	9	5,385	(2,938)
Profit (loss) for the period		5,454	19,848
Balance at End of Period		$ 350,345	$ 331,564
Cash Dividends per Share	13	**$ 0.02**	**$ 0.02**

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

CORE LABORATORIES N.V.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

(In thousands of USD, except share and per share data)

	Ref.	Six Months Ended 30 June 2022	2021
		(Unaudited)	
Common Shares - Number of shares issued			
Balance at Beginning of Period		46,454,264	44,796,252
New share issuance		-	1,658,012
Balance at End of Period	18	46,454,264	46,454,264
Treasury Shares - Number of shares repurchased			
Balance at Beginning of Period		(104,867)	(223,451)
Stock-based awards issued		59,405	128,580
Repurchase of common shares		(83,995)	(33,863)
Balance at End of Period	18	(129,457)	(128,734)
Common Shares - Number of shares outstanding			
Balance at Beginning of Period		46,349,397	44,572,801
New share issuance		-	1,658,012
Stock-based awards issued		59,405	128,580
Repurchases of common shares		(83,995)	(33,863)
Balance at End of Period	18	46,324,807	46,325,530

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

CORE LABORATORIES N.V.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands of USD)

	Ref.	Six Months Ended 30 June 2022	2021
		(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) for the period		$ 5,454	$ 19,848
Adjustments to reconcile profit (loss) for the period to net cash provided by operating activities:			
Depreciation and amortization, including intangibles		8,917	9,622
Amortization of leases	8	7,186	7,146
Stock-based compensation		4,327	7,464
Net provision for credit losses		(148)	(152)
Gain on sale of business		-	(1,012)
Fair value losses on other financial assets		6,205	1,806
Finance costs, including debt and leases		6,549	5,359
Deferred income taxes		1,161	1,494
Other non-cash items		260	(1,393)
Changes in assets and liabilities:			
Accounts receivable, net		(2,202)	(10,013)
Inventories		(6,827)	480
Other assets		(3,921)	(7,557)
Accounts payable		5,062	5,014
Other liabilities		(5,818)	(1,877)
Cash provided by operating activities		26,205	36,229
Interest paid		(4,359)	(5,489)
Income tax paid		(6,966)	(5,069)
Net cash provided by operating activities		14,880	25,671
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures		(5,493)	(5,657)
Intangible assets		(42)	(146)
Proceeds from sale of assets		281	276
Proceeds from sale of business, net of cash sold		240	513
Proceeds from insurance recovery	18	583	-
Net distribution (premiums) on life insurance policies		2,074	1,636
Net cash used in investing activities		(2,357)	(3,378)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		(31,000)	(119,000)
Proceeds from borrowings		29,000	68,000
Proceeds from issuance of common shares	13	-	60,000
Transaction costs related to issuance of common shares	13	-	(861)
Dividends paid	13	(926)	(909)
Repurchase of common shares	13	(2,166)	(1,031)
Payments of lease liabilities		(8,985)	(8,198)
Other financing activities		(1)	(483)
Net cash used in financing activities		(14,078)	(2,482)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,555)	19,811
CASH AND CASH EQUIVALENTS, beginning of period		17,703	13,806
CASH AND CASH EQUIVALENTS, end of period		$ 16,148	$ 33,617

Supplemental disclosures of cash flow information:

Non-cash investing and financing activities:			
Capital expenditures incurred but not paid for as of the end of the year		$ 1,361	$ -

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

CORE LABORATORIES N.V.
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
30 JUNE 2022

1. DESCRIPTION OF BUSINESS

Core Laboratories N.V. ("Core Laboratories", "Core Lab", the "Company", "we", "our" or "us") is a Netherlands limited liability company. The address of the registered office is Van Heuven Goedhartlaan 7 B, 1181LE Amstelveen, The Netherlands and our Netherlands Chamber of Commerce Trade Register Company Number is 33261158. We were established in 1936 and are one of the world's leading providers of proprietary and patented reservoir description and production enhancement services and products to the oil and gas industry. These services and products can enable our clients to evaluate and improve reservoir performance and increase oil and gas recovery from their new and existing fields. We have over 70 offices in more than 50 countries and have approximately 3,600 employees as of 30 June 2022. We are dual listed on the New York Stock Exchange and the Euronext Amsterdam Stock Exchange.

We operate our business in two reportable segments: (1) Reservoir Description and (2) Production Enhancement. These complementary segments provide different services and products and utilize different technologies for evaluating and improving reservoir performance and increasing oil and gas recovery from new and existing fields. For a description of products and types of services offered by these business segments, see Note 21 – *Segment Reporting and Other Disaggregated Information*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A complete list of our significant accounting policies is included in the notes to the annual consolidated financial statements for the year ended 31 December 2021 ("2021 Annual Report"). The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended 31 December 2021 and have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation

Our condensed interim consolidated financial statements for the six months ended 30 June 2022 include the accounts of Core Laboratories N.V. and its subsidiaries for which we have a controlling voting interest and/or a controlling financial interest (including structured entities). These financial statements have not been audited and have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") on a going concern basis. Accordingly, these financial statements do not include all of the information and footnote disclosures required for annual financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and with Part 9 Book 2 of the Dutch Civil Code and should be read in conjunction with the 2021 Annual Report. The condensed interim consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss unless otherwise stated.

Certain reclassifications were made to prior period amounts in order to conform to the current period presentation. These reclassifications had no impact on the reported profit or loss, financial position or cash flows for any of these prior periods.

IFRS Issued but Not Effective

In February 2021, the International Accounting Standards Board ("IASB") issued "Definition of Accounting Estimates (Amendments to IAS 8)" to clarify the difference between a change in accounting policy, which is applied retrospectively, and a change in accounting estimate, which is applied prospectively. The amendment replaces the definition of a change in accounting estimate with the definition of an accounting estimate, which is defined as monetary amounts in the financial statement that are subject to measurement uncertainty. The amendment also clarifies that a change in accounting estimate resulting from new information and new developments or a change in an input or measurement technique are changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The effects of the amendments on our financial statements may require increased disclosures provided by us.

In February 2021, the IASB issued "Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)" to require entities to disclose their material accounting policies rather than their significant accounting policies and provided guidance under a four-step materiality process to identify material accounting policies. An accounting policy may be material because of its nature even if related amounts are immaterial, or if users of the entity's financial statements would need it to understand other material information in the financial statements. The amendments are applied prospectively and are effective for annual reporting periods beginning on or after 1 January 2023. The effects of the amendments on our financial statements may require increased disclosures provided by us.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. We evaluate our estimates on an ongoing basis and utilize our historical experience, as well as various other assumptions that we believe are reasonable under the circumstances. By nature, these judgments are subject to an inherent degree of uncertainty. Actual results could differ from our estimates as assumptions and conditions change.

The significant judgments made by management in applying our accounting policies and the critical accounting estimates and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021 and included in the 2021 Annual Report, Additionally, we updated the following critical accounting estimates and key sources of estimation uncertainty during the six months ended 30 June 2022:

Income Taxes

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. See Note 19 – *Income Taxes*.

Long-lived Assets

We review our long-lived assets ("LLA") for impairment annually or when events or changes in circumstances indicate that their net book value may not be recovered over their remaining service lives. Indicators of possible impairment may include significant declines in activity levels in regions where specific assets or groups of assets are located, extended periods of idle use, declining revenue or cash flow or overall changes in general market conditions.

The geopolitical conflict between Russia and Ukraine, which began in February 2022 and has continued through 30 June 2022, has resulted in disruptions to our operations in Ukraine and Russia. The Company has assessed the need for impairment testing for LLA in Russia and Ukraine as of 30 June 2022. As of 30 June 2022, all laboratory facilities, offices, and locations in Russia continued to operate and remained profitable, which formed the basis of our projections for evaluating impairment, and no specific asset impairments were identified. With regard to the Company's operations and associated fixed assets in Ukraine, there is no damage to our facilities as of 30 June 2022. However, in March 2022, our operations were temporarily suspended out of concern for the safety of our employees. During May and June 2022, the Company has performed limited operations in Ukraine as the circumstances permit and intends to continue resuming operations in Ukraine at such time as we believe appropriate and safe for our local employees. Therefore, we determined there was no impairment for LLA in Ukraine as of 30 June 2022.

Derivative Instruments and Hedging Activities

U.S. financial regulators have issued supervisory guidance encouraging supervised institutions to cease entering into new contracts referencing the U.S. dollar London Interbank Offered Rate ("LIBOR"), with certain limited exceptions. We have applied the exceptions permitted under IFRS accounting guidance and consider the cash flow hedge to be effective and the forecasted transactions to be highly probable of occurring. See Note 9 – *Derivative Instruments and Hedging Activities* for additional information.

4. FINANCIAL RISKS AND RISK MANAGEMENT

The condensed interim consolidated financial statements do not include all financial risks and risk management information and disclosures required in the annual financial statements, and they should be read in conjunction with our 2021 Annual Report.

5. EFFECTS OF COVID-19 PANDEMIC

The coronavirus disease 2019 ("COVID-19") pandemic has caused significant business disruptions to the global economy. Efforts to minimize the spread of COVID-19 have included global government mandated shut-downs, travel restrictions, quarantines, home sheltering and social distancing policies and resulted in a significant decline in the demand for crude oil and associated products, and a high degree of uncertainty about future demand and the future price for crude oil. Core Laboratories has continued to operate as an essential business. Although these disruptions have caused our clients to delay some of their projects and have affected our operational workflows related to travel and product delivery, we have not experienced any significant disruptions in our supply chain, and we continue to deliver our products and services to our clients timely. We have implemented a continuity plan across our global organization to service our clients while protecting the health of our employees. Our 2021 Annual Report provides a summary of the financial accounts we believe have been most affected by COVID-19 and our assessment of the effect. There have been no significant changes during the six months ended 30 June 2022.

6. SEASONALITY OF OPERATIONS

Our operations are not materially impacted by seasonality effects from period to period.

7. ACQUISITIONS AND DIVESTITURES

We had no significant business acquisitions or divestitures during the six months ended 30 June 2022 and 2021.

8. LEASE ASSETS AND LIABILITIES

Right of Use Assets

Right-of-use lease assets activity consisted of the following (in thousands of USD):

	Land	Building	Equipment	Vehicles	Total
1 January 2021	$ 2,192	$ 55,732	$ 435	$ 5,767	$ 64,126
Additions	664	5,087	106	3,798	9,655
Amortization	(400)	(10,869)	(307)	(3,218)	(14,794)
Adjustments/(reductions)	38	63	219	(25)	295
31 December 2021	2,494	50,013	453	6,322	59,282
Additions	15	2,605	144	1,343	4,107
Amortization	(194)	(5,389)	(141)	(1,462)	(7,186)
Adjustments/(reductions)	(60)	(1,713)	2	79	(1,692)
30 June 2022	$ 2,255	$ 45,516	$ 458	$ 6,282	$ 54,511

Lease Liabilities

Lease liabilities consisted of the following (in thousands of USD):

	30 June 2022	31 December 2021
Current	$ 13,008	$ 12,342
Non-current	44,231	49,286
Total lease liabilities	$ 57,239	$ 61,628

Amounts recognized in profit or loss

Amounts recognized in profit or loss related to our leases are as follows (in thousands of USD):

	Six Months Ended 30 June	
	2022	2021
Amortization	$ 7,186	$ 7,146
Interest on lease liabilities	1,197	1,467
Expense relating to short-term leases	821	119
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	31	16

9. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In August 2014, we entered into a swap agreement with a notional amount of $25 million ("2014 Variable-to-Fixed Swap"), and the LIBOR portion of the interest rate was fixed at 2.5% through 29 August 2024. In February 2020, we entered into a second swap agreement with a notional amount of $25 million ("2020 Variable-to-Fixed Swap"), and the LIBOR portion of the interest rate was fixed at 1.3% through 28 February 2025. These interest rate swap agreements were terminated, dedesignated and settled in March 2021. As of 30 June 2022, the outstanding balance on the Credit Facility was $53 million. Gains and losses on these swaps continued to be recognized in accumulated other comprehensive income (loss), and approximately $0.2 million was reclassified to interest expense associated with the ineffective period of the hedging relationship, as it became probable that the drawdown of Credit Facility would not occur within the originally specified time period.

The hedging relationship is highly effective; therefore, gains and losses on these swaps will be reclassified into interest expense in accordance with the forecasted transactions or the scheduled interest payments on the Credit Facility. Net losses included in accumulated other comprehensive income (loss) as of 30 June 2022 are $1.5 million of which $0.9 million is expected to be reclassified into earnings within the next 12 months as interest payments are made on the Company's Credit Facility.

On 25 July 2022, the Company entered into the Amended Credit Facility, and under the Amended Credit Facility, the SOFR plus 2.00% to SOFR plus 3.00% will be applied to outstanding borrowings. See Note 14 - *Borrowings, net* for additional information. The Company has applied the exceptions for hedging relationships affected by reference rate reform under IFRS guidance. Accordingly, no outstanding balance on the Amended Credit Facility with a SOFR rate will preclude cash flow hedging with existing LIBOR hedging instruments.

In March 2020, we entered into two forward interest rate swap agreements for a total notional amount of $35 million to be effective beginning in September 2021. The purpose of these forward interest rate swap agreements was to fix the underlying risk-free rate that would be associated with the anticipated issuance of new long-term debt by the Company. These two forward interest rate swap agreements were terminated and settled in March 2021 and together with the settlement of the 2020 Variable-to-Fixed Swap resulted in a net gain of $1.4 million that was recognized directly in the consolidated statement of profit or loss.

In March 2021, we entered into a new forward interest rate swap agreement for a notional amount of $60 million and carried the fair value of the terminated 2014 and 2020 Variable-to-Fixed Swaps into the new agreement in a "blend and extend" structured transaction. The purpose of this forward interest rate swap agreement is to fix the underlying risk-free rate, that would be associated with the anticipated issuance of new long-term debt by the Company in future periods. The forward interest rate swap would hedge the risk-free rate on forecasted long-term debt for a maximum of 11 years. Risk associated with future changes in the 10-year LIBOR interest rates have been fixed up to a notional amount of $60 million with this instrument. The interest rate swap qualifies as a cash flow hedging instrument. Upon issuing new long-term debt in future periods, this forward interest rate swap agreement will be recognized as an increase or decrease to interest expense in the period in which the related cash flows being hedged are recognized in expense.

With the application of the exceptions permitted under IFRS accounting guidance regarding interest rate benchmark reform, the Company expects the hedging relationship to be effective, the forecasted transaction to be highly probable and the amount remaining in accumulated other comprehensive income will be reclassified into interest expense in accordance with the forecasted transactions or the scheduled interest payments on future long-term fixed rate debt. On 8 April 2022, the forward interest rate swap agreement was terminated and settled for a gain of $0.6 million. The gain on the termination of the forward interest rate swap is recognized in accumulated other comprehensive income (loss) until the issuance of new long-term fixed rate debt by the Company in the period specified in the hedging documentation. As of 30 June 2022, we had fixed rate long-term debt aggregating $135 million and variable rate long-term debt aggregating $53 million.

The fair values of outstanding derivative instruments are as follows (in thousands of USD):

	Fair Value of Derivatives		
	30 June 2022	**31 December 2021**	**Statement of Financial Position Classification**
Derivatives designated as hedges:			
10 year forward interest rate swap	$ —	$ (5,446)	Derivative financial liabilities
	$ —	$ (5,446)	

The fair value of all outstanding derivatives was determined using a model with inputs that are observable in the market or can be derived from or corroborated by observable data (Level 2).

The effect of the interest rate swaps on the consolidated statement of profit and loss was as follows (in thousands of USD):

	Six Months Ended 30 June		
	2022	**2021**	**Statement of Profit or Loss Classification**
Derivatives designated as hedges:			
5 year interest rate swap	$ 180	$ (831)	Increase (decrease) to finance costs
10 year interest rate swap	333	490	Increase to finance costs
	$ 513	$ (341)	

10. FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE

Our only financial assets and liabilities which are measured at fair value on a recurring basis relate to certain aspects of our post-employment benefit plans and derivative instruments. Other financial assets include life insurance policies purchased to assist in the funding of our supplemental executive retirement and deferred compensation plans.

We use the market approach to determine the fair value of these assets and liabilities using significant other observable inputs (Level 2) with the assistance of a third-party specialist. We do not have any assets or liabilities measured at fair value on a recurring basis using quoted prices in an active market (Level 1) or significant unobservable inputs (Level 3).

The following table summarizes the fair value balances (in thousands of USD):

	Total	Fair Value Measurement as of 30 June 2022 Level 1	Level 2	Level 3
Assets:				
Other financial assets	$ 25,127	$ -	$ 25,127	$ -
Liabilities:				
Deferred compensation plan liability	17,856	-	17,856	-
Derivative financial liabilities	-	-	-	-

	Total	Fair Value Measurement as of 31 December 2021 Level 1	Level 2	Level 3
Assets:				
Other financial assets	$ 32,511	$ -	$ 32,511	$ -
Liabilities:				
Deferred compensation plan liability	22,114	-	22,114	-
Derivative financial liabilities	5,446	-	5,446	-

During the six months ended 30 June 2022, the Company withdrew $2.4 million from the company owned life insurance policies and other financial assets. In addition, due to general economic conditions the deferred compensation plan incurred $3.9 million of investment losses.

11. INVENTORIES

Inventories consist of the following (in thousands of USD):

	30 June 2022	31 December 2021
Finished goods	$ 22,835	$ 21,527
Parts and materials	26,613	20,965
Work in progress	3,103	2,951
Inventories	$ 52,551	$ 45,443

The balances above are net of obsolescence reserves of $4.0 million and $5.2 million as of 30 June 2022 and 31 December 2021, respectively.

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

All advance payments are classified as unearned revenues until services are performed or control of the product is transferred. As of 30 June 2022 and 31 December 2021, we had $6.5 million and $7.8 million of unearned services revenue, respectively.

The balance of contract assets and contract liabilities consisted of the following (in thousands of USD):

	30 June 2022	31 December 2021
Contract assets		
Current	$ 1,461	$ 2,072
	$ 1,461	$ 2,072
Contract liabilities		
Current	$ 1,351	$ 1,300
Non-current	435	435
	$ 1,786	$ 1,735

	30 June 2022
Estimate of when contract liabilities will be recognized as revenue:	
Within 12 months	$ 1,351
Within 12 to 24 months	411
Greater than 24 months	24

The current portion of contract assets is included in accounts receivable, net. The current portion of contract liabilities is included in unearned revenue and the non-current portion of contract liabilities is included in other long-term liabilities.

We did not recognize any impairment losses on our receivables or contract assets for the six months ended 30 June 2022 and 2021.

13. EQUITY

Share Capital

The authorized share capital of the Company as of 30 June 2022 amounts to EUR 4.12 million and consists of 200,000,000 ordinary shares with a par value of EUR 0.02 each and 6,000,000 preferred shares with a par value of EUR 0.02 each.

As of 30 June 2022 and 31 December 2021, no preferred shares were issued or outstanding

In 2021, we completed the sale of 1,658,012 common shares through an at the market offering program pursuant to an Equity Distribution Agreement for the issuance and sale of up to $60.0 million of our common shares, which generated aggregate proceeds of $59.1 million, net of commissions and other associated costs. Proceeds were used to reduce outstanding debt on the Company’s Credit Facility in 2021.

On 9 June 2022, we entered into an Equity Distribution Agreement with certain banks (the “2022 Equity Distribution Agreement”) for the issuance and sale of up to $60.0 million of our ordinary shares. Under terms of the 2022 Equity Distribution Agreement, sales of our ordinary shares may be made by any method deemed to be an “at-the-market offering” as defined in Rule 415 under the Securities Act of 1933. The Company elects when to issue a placement notice which may, among other sales parameters, specify the number of shares to be sold, the minimum price per share to be accepted, the daily volume of shares that may be sold and the range of dates when shares may be sold. The Company intends to use the net proceeds from any offerings for general corporate purposes. Pending these uses, Core Lab intends to invest the net proceeds in investment-grade interest-bearing obligations, highly liquid cash equivalents, certificates of deposit or direct or guaranteed obligations of the United States of America. As of 30 June 2022 and through the issuance of these financial statements, the Company has not sold any shares under the 2022 Equity Distribution Agreement.

For the year ended 31 December 2021, we recorded an adjustment associated with a change in the method used to value stock-based compensation expenses of our restricted share award program (“RSAP”) which was considered to be understated in previous years. The change in valuation methodology was applied to applicable RSAP awards which were granted in previous years and resulted in $2.67 million being reclassified from retained earnings to additional paid-in capital.

Treasury Shares

During the six months ended 30 June 2022, we repurchased rights to 11,714 of our ordinary shares valued at $0.3 million, which were surrendered to us pursuant to the terms of a stock-based compensation plan in consideration of the participants' tax burdens that may result from the issuance of ordinary shares under that plan. Such ordinary shares, unless canceled, may be reissued for a variety of purposes such as future acquisitions, non-employee director stock awards or employee stock awards.

Dividends

In February and May 2022, we paid a quarterly dividend of $0.01 per share of common share. In addition, on 27 July 2022 we declared a quarterly dividend of $0.01 per common share for shareholders of record on 8 August 2022 and paid on 29 August 2022.

Other Reserves

Other reserves are comprised of adjustments directly to other comprehensive income. The balance of accumulated other comprehensive income, net of income tax, and its activity is as follows (in thousands of USD):

	Post-employment benefit Plans	Interest Rate Swaps	Total
1 January 2021	$ (14,289)	$ (1,826)	$ (16,115)
Remeasurement of post-employment benefit obligations	(134)	-	(134)
Interest rate swaps	-	(2,713)	(2,713)
31 December 2021	(14,423)	(4,539)	(18,962)
Remeasurement of post-employment benefit obligations	895	-	895
Interest rate swaps	-	5,385	5,385
30 June 2022	$ (13,528)	$ 846	$ (12,682)

14. BORROWINGS, net

Borrowings, net are summarized in the following table (in thousands of USD):

	Interest Rate	Maturity Date	30 June 2022	31 December 2021
2011 Senior Notes Series B (1)	4.11 %	30 September 2023	$ 75,000	$ 75,000
2021 Senior Notes Series A (2)	4.09 %	12 January 2026	45,000	45,000
2021 Senior Notes Series B (2)	4.38 %	12 January 2028	15,000	15,000
Credit Facility			53,000	55,000
Total borrowings			188,000	190,000
Less: Debt issuance costs			(1,021)	(1,364)
Borrowings, net			186,979	188,636
Less: Current portion			(52,441)	-
Borrowings, net			$ 134,538	$ 188,636

(1) Interest is payable semi-annually on March 30 and September 30.
(2) Interest is payable semi-annually on June 30 and December 30.

We have three series of senior notes outstanding with an aggregate principal amount of $135 million that were issued through private placement transactions. Series B of the 2011 Senior Notes was issued in 2011 (the "2011 Senior Notes"). Series A and Series B of the 2021 Senior Notes were issued and funded on January 12, 2021 (the "2021 Senior Notes"). The 2021 Senior Notes and the 2011 Senior Notes, collectively, are the "Senior Notes".

In 2020, we entered into Amendment No. 1 (the "Amendment") to the Seventh Amended and Restated Credit Agreement, dated 19 June 2018 (as amended, the "Credit Facility") for an aggregate borrowing commitment of $225 million and the amount by which we may elect to increase the facility size, known as the "accordion" feature, of $50 million, subject to the satisfaction of certain conditions.

Under the Amendment, the London Interbank Offered Rate ("LIBOR") plus 1.500% to LIBOR plus 2.875% is applied to outstanding borrowings under the Credit Facility, with a 0.500% floor on LIBOR. Interest payment terms are variable depending upon the specific type of borrowing under the Credit Facility.

Any outstanding balance under the Credit Facility is due at maturity on 19 June 2023. As of 30 June 2022, the balance of outstanding borrowings was $53 million and, net of its associated debt issuance cost, is classified as borrowings, net – current portion. The Credit Facility was modified and extended after the reporting date as described below. The available capacity at any point in time is reduced by outstanding borrowings and outstanding letters of credit which totaled $10.7 million as of 30 June 2022, resulting in an available borrowing capacity under the Credit Facility of $161.3 million. In addition to indebtedness under the Credit Facility, we had $5.3 million of outstanding letters of credit and performance guarantees and bonds from other sources as of 30 June 2022. The Credit Facility is unsecured, and contains customary representations, warranties, terms and conditions for similar types of facilities.

The terms of the Credit Facility and Senior Notes require us to meet certain covenants, including, but not limited to, an interest coverage ratio (calculated as consolidated EBITDA divided by interest expense) and a leverage ratio (calculated as consolidated net indebtedness divided by consolidated EBITDA), where consolidated EBITDA (as defined in each agreement) and interest expense are calculated using the most recent four fiscal quarters. The Credit Facility and Senior Notes each include a cross-default provision, whereby a default under one agreement may trigger a default in the other agreement. The Credit Facility has more restrictive covenants with a minimum interest coverage ratio of 3.00 to 1.00 and permits a maximum leverage ratio permitted of 2.50 to 1.00 up to the quarter ending 31 March 2022, and the maximum leverage ratio was revised for the subsequent quarters under the extended and amended Credit Facility as described below. The Credit Facility allows non-cash charges such as impairment of assets, stock compensation and other non-cash charges to be added back in the calculation of consolidated EBITDA. The terms of our Credit Facility also allow us to negotiate in good faith to amend any ratio or requirement to preserve the original intent of the agreement if any change in accounting principles would affect the computation of any financial ratio or covenant of the Credit Facility. In accordance with the terms of the Credit Facility, our leverage ratio is 2.47, and our interest coverage ratio is 6.55, each for the period ended 30 June 2022. We believe that we are in compliance with all covenants contained in our Credit Facility and Senior Notes. Certain of our material, wholly-owned subsidiaries are guarantors or co-borrowers under the Credit Facility and Senior Notes.

On 25 July 2022, we, along with our wholly owned subsidiary Core Laboratories (U.S.) Interests Holdings, Inc. ("CLIH") entered into an Eighth Amended and Restated Credit Agreement (as amended, the "Amended Credit Facility") modifying and extending the existing Credit Facility for an aggregate borrowing commitment of $135 million with a $50 million "accordion" feature. The Amended Credit Facility is secured by first priority interests in (1) substantially all of the tangible and intangible personal property, and equity interest of CLIH and certain of the Company's U.S. and foreign subsidiary companies; and (2) instruments evidencing intercompany indebtedness owing to the Company, CLIH and certain of the Company's U.S. and foreign subsidiary companies. Under the Amended Credit Facility, the Secured Overnight Financing Rate ("SOFR") plus 2.00% to SOFR plus 3.00% will be applied to outstanding borrowings. Any outstanding balance under the Amended Credit Facility is due at maturity on 25 July 2026, subject to springing maturity on 12 July 2025 if any portion of the Company's 2021 Senior Notes Series A due 12 January 2026, in the aggregate principal amount of $45 million, remain outstanding on 12 July 2025, unless the Company's liquidity equals or exceeds the principal amount of the 2021 Senior Notes Series A outstanding on such date. The available capacity at any point in time is reduced by outstanding borrowing and outstanding letters of credit. The Amended Credit Facility does not substantially alter the calculation of the net leverage or interest coverage ratios. Pursuant to the terms of the Amended Credit Facility, the maximum leverage ratio permitted is as follows:

Quarter ending	Maximum leverage ratio permitted
30 June 2022 and 30 September 2022	2.75
31 December 2022 and thereafter	2.50

See Note 9 – *Derivative Instruments and Hedging Activities* for additional information regarding interest rate swap agreements we have entered to fix the underlying risk-free rate on our Credit Facility and Senior Notes.

The estimated fair value of total debt as of 30 June 2022 and 31 December 2021 approximated the book value of total debt. The fair value was estimated using Level 2 inputs by calculating the sum of the discounted future interest and principal payments through the maturity date.

15. POST-EMPLOYMENT BENEFIT PLANS

The balance of post-employment benefit plans liability is as follows (in thousands of USD):

	30 June 2022	31 December 2021
Post-employment benefits - Dutch Plan	$ 3,799	$ 4,104
Post-employment benefits - SERP	14,714	17,954
Post-employment benefits - Employee severance arrangements	7,405	7,381
Post-employment benefits - Deferred Compensation Plan	18,236	24,960
Post-employment benefits plan liability	$ 44,154	$ 54,399

The components of post-employment obligation cost under the Dutch Plan, the SERP, and the employee severance arrangements included in the consolidated statement of profit or loss is as follows (in thousands of USD):

	Six Months Ended 30 June	
	2022	2021
Service cost	$ —	$ 381
Net interest cost	1,376	519
Administrative expenses	(44)	(461)
Post-employment obligation cost	$ 1,332	$ 439

16. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consisted of the following (in thousands of USD):

	30 June 2022	31 December 2021
Other long-term payables	$ 955	$ 1,049
Contract liabilities	435	435
Provisions	583	436
Other long-term liabilities	$ 1,973	$ 1,920

Provisions represent accrued amounts related to claims from clients. Claims from clients occur from disputes that may arise from the providing of services. These are investigated and resolved once a determination is made. The timing of any potential settlement varies for each claim. The movement of provisions is as follows (in thousands of USD):

	Six Months Ended 30 June	
	2022	2021
1 January	$ 436	$ 1,250
Additional provisions charged (reversed) to the statement of profit or loss	147	(921)
30 June	$ 583	$ 329

17. COMMITMENTS AND CONTINGENCIES

We have been and may from time to time be named as a defendant in legal actions that arise in the ordinary course of business. These include, but are not limited to, employment-related claims and contractual disputes and claims for personal injury or property damage which occur in connection with the provision of our services and products. A liability is accrued when a loss is both probable and can be reasonably estimated. Management does not currently believe that any of our pending employment-related, contractual, personal injury or property damage claims and disputes will have a material effect on our future results of operations, financial position or cash flow.

We do not maintain any off-balance sheet debt or other similar financing arrangements nor have we formed any special purpose entities for the purpose of maintaining off-balance sheet debt.

See Note 14– *Borrowings, net,* for amounts committed under letters of credit and performance guarantees and bonds.

18. OTHER (INCOME) EXPENSE, NET

The components of other (income) expense, net, are as follows (in thousands of USD):

	Six Months Ended 30 June	
	2022	2021
Gain on sale of assets	$ (268)	$ (119)
Foreign exchange (gain) loss	841	(56)
Rents and royalties	(297)	(281)
Return on pension assets and other pension costs	(281)	(155)
Gain on sale of business	-	(1,012)
Severance and other charges	3,332	-
Insurance and other settlements	(669)	(750)
Other, net	(825)	(1,424)
Total other (income) expense, net	$ 1,833	$ (3,797)

The North America mid-continent winter storm in February 2021 caused business interruptions and property losses to certain facilities, and we received partial insurance settlement of $0.8 million in 2021.

19. INCOME TAXES

The Company recorded income tax expense $1.3 million for the six months ended 30 June 2022 compared to $1.8 million for the six months ended 30 June 2021.

The effective tax rate for the six months ended 30 June 2022 and 2021 was 19.3% and 8.5%, respectively. The effective tax rate for the six months ended 30 June 2022 was largely impacted by the release of withholding tax of $0.6 million related to unrepatriated earnings of our Russian subsidiary amounting to $12.0 million, which are not expected to be distributed in the foreseeable future.

20. EARNINGS PER SHARE

Weighted average common shares outstanding included in the computation of basic and diluted earnings per share are as follows:

	Six Months Ended 30 June	
	2022	2021
Profit for the period, attributable to equity holders of Core Laboratories N.V. (in thousands of USD)	$ 5,315	$ 19,589
Weighted average common shares outstanding - basic (in thousands)	46,309	45,751
Effect of dilutive securities:		
Performance shares	701	566
Restricted shares	123	197
Weighted average common shares outstanding - diluted	47,133	46,514
In USD:		
Basic earnings per share	$ 0.11	$ 0.43
Diluted earnings per share	$ 0.11	$ 0.42

21. SEGMENT REPORTING AND OTHER DISAGGREGATED INFORMATION

Segment Reporting

We operate our business in two reportable segments. These complementary segments provide different services and products and utilize different technologies for evaluating and improving reservoir performance and increasing oil and gas recovery from new and existing fields.

- *Reservoir Description:* Encompasses the characterization of petroleum reservoir rock and reservoir fluids samples to increase production and improve recovery of crude oil and natural gas from our clients' reservoirs. We provide laboratory based analytical and field services to characterize properties of crude oil and crude oil derived products to the oil and gas industry. We also provide proprietary and joint industry studies based on these types of analyses and manufacture associated laboratory equipment. In addition, we provide reservoir description capabilities that advance the energy transition, including services that support carbon capture, utilization and storage, hydrogen storage, geothermal projects, and the evaluation and appraisal of mining activities around lithium and other elements necessary for energy storage.

- *Production Enhancement:* Includes services and manufactured products relating to reservoir well completions, perforations, stimulation and production. We provide integrated diagnostic services to evaluate and monitor the effectiveness of well completions and to develop solutions aimed at increasing the effectiveness of enhanced oil recovery projects.

Results for these business segments are presented below and are consistent with the information which is reviewed by the Chief Operating Decision Maker. We use U.S. GAAP accounting policies to prepare our segment results and adjustments are provided to reconcile these segment results to our consolidated financial statements which are prepared using IFRS accounting policies. All interest and other non-operating income (expense) is attributable to Corporate & Other and is not allocated to specific segments.

We evaluate performance based on profit or loss from operations before income tax, interest and other non-operating income (expense).

Summarized financial information concerning our segments is shown in the following table (in thousands of USD):

	Reservoir Description	Production Enhancement	Corporate & Other (1)	U.S. GAAP Consolidated	U.S. GAAP to IFRS Adjustments	IFRS Consolidated
Six Months Ended 30 June 2022						
Revenue from unaffiliated clients	$ 150,572	$ 85,626	$ -	$ 236,198	$ -	$ 236,198
Inter-segment revenue	321	94	(415)	-	-	-
Segment operating profit (loss)	6,287	4,030	944	11,261	1,935	13,196
Finance costs	-	-	5,351	5,351	1,198	6,549
Share of profit (loss) of associates	-	-	-	-	114	114
Total assets (at end of period)	303,222	158,469	115,849	577,540	186,671	764,211
Capital expenditures	4,131	888	474	5,493	-	5,493
Intangible asset expenditures	5	36	1	42	-	42
Depreciation and amortization	5,932	2,506	479	8,917	7,186	16,103
Six Months Ended 30 June 2021						
Revenue from unaffiliated clients	$ 154,738	$ 72,390	$ -	$ 227,128	$ -	$ 227,128
Inter-segment revenue	127	77	(204)	-	-	-
Segment operating profit (loss)	17,317	5,391	1,714	24,422	2,652	27,074
Finance costs	-	-	3,892	3,892	1,467	5,359
Share of profit (loss) of associates	-	-	-	-	(30)	(30)
Total assets (at end of period)	335,617	134,146	128,662	598,425	186,437	784,862
Capital expenditures	5,053	518	86	5,657	-	5,657
Intangible asset expenditures	(2)	194	(46)	146	-	146
Depreciation and amortization	6,187	2,891	544	9,622	7,146	16,768

(1) "Corporate and other" represents those items that are not directly related to a particular segment and eliminations.

For segment operating profit (loss), (1) we recognize stock compensation expense on a more accelerated basis under IFRS as compared with U.S. GAAP, (2) for post-employment benefits, we recognize all actuarial gains and losses in other comprehensive income, which are not amortized to profit (loss) in the consolidated statement of profit or loss under IFRS, and

(3) we classify leases under U.S. GAAP primarily as operating leases, and under IFRS as finance leases, resulting in a difference of total expense and the classification of those expenses under the two methods.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Segment total assets consist primarily of cash and cash equivalents, accounts receivables, net, inventories, property, plant and equipment, right-of-use lease assets and goodwill. Total assets in Corporate & Other are primarily comprised of tax related assets, other financial assets and intangible assets related to the corporate function. The following adjustments were recorded: (1) we recognized an adjustment to goodwill upon adoption of IFRS for prior acquisitions recorded under the pooling of interest method for U.S. GAAP, (2) in March 2020, we recorded an impairment charge of $114.0 million for goodwill, which was associated with our Production Enhancement segment, in our U.S. GAAP financial statements. Subsequently, the outlook for the global economies and the energy industry improved and the value of the Company's share price increased approximately 100% and 150% as of 30 June 2020 and 31 December 2020, respectively. As such, the Company determined there was no impairment to the goodwill for IFRS reporting purposes as of 30 June 2020 and 31 December 2020, and (3) we recognize deferred tax assets related to timing differences for stock-based compensation and post-employment benefits, as noted above. Reclassification adjustments are also recorded between liabilities and assets to conform to IFRS presentation requirements.

Capital expenditures comprise cash paid for additions to property, plant and equipment.

Our general and administrative costs are allocated to the segments on a proportional basis relative to each segment's cost of revenue.

Disaggregation of Revenue

We derive our revenue from services and products sales contracts with clients primarily in the oil and gas industry. No single client accounted for 10% or more of revenue in any of the periods presented.

The following table shows the disaggregation of services and product sales by reportable segment (in thousands of USD):

	Six Months Ended 30 June	
	2022	**2021**
Reservoir Description services	$ 145,250	$ 148,484
Production Enhancement services	24,895	21,762
Total Revenue - Services	170,145	170,246
Reservoir Description product sales	5,322	6,254
Production Enhancement product sales	60,731	50,628
Total Revenue - Product sales	66,053	56,882
Total Revenue	$ 236,198	$ 227,128

22. RELATED PARTIES

For the six months ended 30 June 2022 and 2021, 11,714 shares valued at $0.3 million and 33,863 shares valued at $1.0 million, respectively, were surrendered to us pursuant to the terms of a stock-based compensation plan in consideration of the participants' tax burdens that may result from the issuance of ordinary shares under this arrangement. These shares were surrendered at the then current market price on the date of settlement.

In 2022 and 2021, we granted a total of 32,910 and 25,842 shares of our common stock, respectively, to our non-employee Directors. These shares vest(ed) without performance obligations on 31 March 2023 and 2022, respectively.

We had no other significant related party transactions for the six months ended 30 June 2022 and 2021.

23. SUBSEQUENT EVENTS

For subsequent events to 30 June 2022, see Note 13 – *Equity*, regarding the declaration of dividends in July 2022 and Note 14 – *Borrowings, net* regarding the modification and extension of our Credit Facility.