

Revised Financial Information

On January 31, 2024, Core Laboratories, Inc. (the “Company”) issued a press release that reported the Company’s financial results of the Company for the quarter and year ended December 31, 2023 (the “Earnings Release”). A copy of the Earnings Release was attached as Exhibit 99.1 to the Company’s Current Report on Form 8-K that was furnished to the Securities and Exchange Commission (the “SEC”) on January 31, 2024.

Revised versions of the condensed consolidated balance sheets, condensed consolidated statement of operations and condensed consolidated statements of cash flows, as well as the non-GAAP reconciliation of net income and diluted earnings per share attributable to Core Laboratories Inc. appearing in the Earnings Release are provided below (with the revised information identified by a “^”):

CORE LABORATORIES INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Quarter Ended			% Variance	
	December 31, 2023	September 30, 2023	December 31, 2022	vs. Q3-2023	vs. Q4-2022
REVENUE	\$ 128,210	\$ 125,343	\$ 127,571	2.3%	0.5%
OPERATING EXPENSES:					
Costs of services and product sales	101,517	96,617	99,816	5.1%	1.7%
General and administrative expense	8,665	9,452	8,724	(8.3)%	(0.7)%
Depreciation and amortization	3,874	3,929	4,073	(1.4)%	(4.9)%
Other (income) expense, net	(427)	673	(660)	NM	NM
Total operating expenses	<u>113,629</u>	<u>110,671</u>	<u>111,953</u>	2.7%	1.5%
OPERATING INCOME	14,581	14,672	15,618	(0.6)%	(6.6)%
Interest expense	3,618	3,147	3,081	15.0%	17.4%
Income before income taxes	10,963	11,525	12,537	(4.9)%	(12.6)%
Income tax expense	<u>8,529</u>	[^] <u>2,305</u>	<u>5,847</u>	270.0%	45.9%
Net income	2,434	[^] 9,220	6,690	(73.6)%	(63.6)%
Net income (loss) attributable to non-controlling interest	<u>235</u>	<u>(37)</u>	<u>(61)</u>	NM	NM
Net income attributable to Core Laboratories Inc.	<u>\$ 2,199</u>	[^] <u>\$ 9,257</u>	<u>\$ 6,751</u>	(76.2)%	(67.4)%
Diluted earnings per share	<u>\$ 0.05</u>	[^] <u>\$ 0.19</u>	<u>\$ 0.14</u>	(73.7)%	(64.3)%
Diluted earnings per share attributable to Core Laboratories Inc.	<u>\$ 0.05</u>	[^] <u>\$ 0.19</u>	<u>\$ 0.14</u>	(73.7)%	(64.3)%
Diluted weighted average common shares outstanding	<u>47,557</u>	<u>47,604</u>	<u>46,826</u>	(0.1)%	1.6%
Effective tax rate	<u>78%</u>	[^] <u>20%</u>	<u>47%</u>	NM	NM
SEGMENT INFORMATION:					
Revenue:					
Reservoir Description	\$ 84,628	\$ 85,145	\$ 78,124	(0.6)%	8.3%
Production Enhancement	<u>43,582</u>	<u>40,198</u>	<u>49,447</u>	8.4%	(11.9)%
Total	<u>\$ 128,210</u>	<u>\$ 125,343</u>	<u>\$ 127,571</u>	2.3%	0.5%
Operating income:					
Reservoir Description	\$ 12,259	\$ 12,992	\$ 6,817	(5.6)%	79.8%
Production Enhancement	2,195	1,544	7,904	42.2%	(72.2)%
Corporate and Other	127	136	897	NM	NM
Total	<u>\$ 14,581</u>	<u>\$ 14,672</u>	<u>\$ 15,618</u>	(0.6)%	(6.6)%

"NM" means not meaningful

CORE LABORATORIES INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Year Ended December 31,		% Variance
	2023	2022	
REVENUE	\$509,790	\$489,735	4.1%
OPERATING EXPENSES:			
Costs of services and product sales	399,957	393,655	1.6%
General and administrative expense	40,259	38,117	5.6%
Depreciation and amortization	15,784	17,161	(8.0)%
Other (income) expense, net	(850)	(722)	NM
Total operating expenses	455,150	448,211	1.5%
OPERATING INCOME	54,640	41,524	31.6%
Interest expense	13,430	11,570	16.1%
Income before income taxes	41,210	29,954	37.6%
Income tax expense	4,185 [^]	10,296	(59.4)%
Net income	37,025 [^]	19,658	88.3%
Net income attributable to non-controlling interest	350	205	NM
Net income attributable to Core Laboratories Inc.	\$36,675 [^]	\$19,453	88.5%
Diluted earnings per share	<u>\$0.78[^]</u>	<u>\$0.42</u>	85.7%
Diluted earnings per share attributable to Core Laboratories Inc.	<u>\$0.77[^]</u>	<u>\$0.42</u>	83.3%
Diluted weighted average common shares outstanding	<u>47,523</u>	<u>46,813</u>	1.5%
Effective tax rate	<u>10%[^]</u>	<u>34%</u>	NM
SEGMENT INFORMATION:			
Revenue:			
Reservoir Description	\$333,345	\$307,691	8.3%
Production Enhancement	176,445	182,044	(3.1)%
Total	<u>\$509,790</u>	<u>\$489,735</u>	4.1%
Operating income:			
Reservoir Description	\$41,039	\$22,902	79.2%
Production Enhancement	12,519	16,351	(23.4)%
Corporate and Other	1,082	2,271	(52.4)%
Total	<u>\$54,640</u>	<u>\$41,524</u>	31.6%

"NM" means not meaningful

CORE LABORATORIES INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

(Unaudited)

	December 31, 2023	September 30, 2023	December 31, 2022	% Variance	
				vs. Q3- 2023	vs. Q4- 2022
ASSETS:					
Cash and cash equivalents	\$ 15,120	\$ 16,616	\$ 15,428	(9.0)%	(2.0)%
Accounts receivable, net	109,352	104,053	106,913	5.1%	2.3%
Inventories	71,702	75,060	60,445	(4.5)%	18.6%
Other current assets	<u>26,962</u> ^	<u>32,815</u>	<u>28,916</u>	(17.8)%	(6.8)%
Total current assets	223,136 ^	228,544	211,702	(2.4)%	5.4%
Property, plant and equipment, net	99,626	99,499	105,028	0.1%	(5.1)%
Right of use assets	53,842	53,101	52,379	1.4%	2.8%
Intangibles, goodwill and other long-term assets, net	<u>209,791</u> ^	<u>211,270</u>	<u>209,245</u>	(0.7)%	0.3%
Total assets	<u>\$ 586,395</u> ^	<u>\$ 592,414</u>	<u>\$ 578,354</u>	(1.0)%	1.4%
LIABILITIES AND EQUITY:					
Accounts payable	\$ 33,506	\$ 34,097	\$ 45,847	(1.7)%	(26.9)%
Operating lease liabilities	10,175	9,794	11,699	3.9%	(13.0)%
Other current liabilities	<u>44,416</u> ^	<u>40,359</u>	<u>45,589</u>	10.1%	(2.6)%
Total current liabilities	88,097 ^	84,250	103,135	4.6%	(14.6)%
Long-term debt, net	163,134	177,863	172,386	(8.3)%	(5.4)%
Long-term operating lease liabilities	42,076	40,903	38,305	2.9%	9.8%
Other long-term liabilities	63,281 ^	59,948	75,574	5.6%	(16.3)%
Total equity	<u>229,807</u> ^	<u>229,450</u>	<u>188,954</u>	0.2%	21.6%
Total liabilities and equity	<u>\$ 586,395</u> ^	<u>\$ 592,414</u>	<u>\$ 578,354</u>	(1.0)%	1.4%

CORE LABORATORIES INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 37,025	^ \$ 19,658
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	13,971	7,756
Depreciation and amortization	15,784	17,161
Deferred income taxes	(10,811) ^	433
Accounts receivable	(2,618)	(10,078)
Inventories	(12,976)	(14,860)
Accounts payable	(12,878)	15,374
Other adjustments to net income	(2,708) ^	(10,488)
Net cash provided by operating activities	<u>24,789</u>	<u>24,956</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(10,579)	(10,216)
Net proceeds from life insurance policies and from insurance recovery	3,375	4,260
Other investing activities	552	2,100
Net cash used in investing activities	<u>(6,652)</u>	<u>(3,856)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(211,000)	(131,000)
Proceeds from long-term debt	202,000	116,000
Equity related transaction costs	(4,068)	(411)
Dividends paid	(1,868)	(1,853)
Repurchase of common stock	(2,202)	(3,903)
Other financing activities	(1,307)	(2,208)
Net cash used in financing activities	<u>(18,445)</u>	<u>(23,375)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(308)	(2,275)
CASH AND CASH EQUIVALENTS, beginning of year	15,428	17,703
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 15,120</u>	<u>\$ 15,428</u>

Non-GAAP Information

Management believes that the exclusion of certain income and expenses enables it to evaluate more effectively the Company's operations period-over-period and to identify operating trends that could otherwise be masked by the excluded Items. For this reason, management uses certain non-GAAP measures that exclude these Items and believes that this presentation provides a clearer comparison with the results reported in prior periods. The non-GAAP financial measures should be considered in addition to, and not as a substitute for, the financial results prepared in accordance with GAAP, as more fully discussed in the Company's financial statements and filings with the Securities and Exchange Commission.

Reconciliation of Net Income and Diluted Earnings Per Share Attributable to Core Laboratories Inc.

(In thousands, except per share data)
(Unaudited)

	Net Income Attributable to Core Laboratories Inc.		
	Quarter Ended		
	December 31, 2023	September 30, 2023	December 31, 2022
GAAP reported	\$2,199 [^]	\$9,257	\$6,751
Stock compensation ⁽¹⁾	—	—	(1,494)
Loss on lease abandonment and assets write-down ⁽²⁾	—	505	—
ATM termination costs ⁽³⁾	—	364	—
Redomestication costs	—	—	197
Foreign exchange losses (gains)	374	190	552
Reversal of net deferred tax liabilities and effect of higher (lower) tax rate ⁽⁵⁾	6,336 [^]	—	3,341
Excluding specific items	<u>\$8,909</u>	<u>\$10,316</u>	<u>\$9,347</u>

	Diluted Earnings Per Share Attributable to Core Laboratories Inc.			
	Quarter Ended			Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023
GAAP reported	\$0.05 [^]	\$0.19	\$0.14	\$0.77 [^]
Stock compensation ⁽¹⁾	—	—	(0.03)	0.09
Loss on lease abandonment and assets write-down ⁽²⁾	—	0.01	—	0.04
ATM termination costs ⁽³⁾	—	0.01	—	0.01
Gain on life insurance policies ⁽⁴⁾	—	—	—	(0.03)
Redomestication costs	—	—	—	—
Foreign exchange losses (gains)	0.01	0.01	0.02	—
Reversal of net deferred tax liabilities and effect of higher (lower) tax rate ⁽⁵⁾	0.13 [^]	—	0.07	(0.08) [^]
Excluding specific items	<u>\$0.19</u>	<u>\$0.22</u>	<u>\$0.20</u>	<u>\$0.80</u>

⁽¹⁾ The year ended December 31, 2023 includes reversals of stock compensation expense previously recognized due to a change in probability of performance condition for certain executive's share awards and the acceleration of stock compensation expense associated with employees reaching eligible retirement age. The quarter ended December 31, 2022 includes adjustments associated with certain performance share awards that vested during the quarter.

⁽²⁾ Includes the write-down of right of use assets and leasehold improvements and other exit costs associated with consolidation of certain facilities.

⁽³⁾ Includes the write off of previously deferred costs upon termination of our "at-the-market offering" program ("ATM Program").

⁽⁴⁾ Includes gain on life insurance policies death benefit proceeds.

⁽⁵⁾ The quarter and year ended December 31, 2023 includes the reversal of certain net deferred tax liabilities which will not be realized as a result of the Redomestication Transaction and the effect to reflect tax expense at a normalized rate of 20%. The quarter ended December 31, 2022 includes the effect to reflect tax expense at a normalized rate of 20%.