

EBITDA and Adjusted EBITDA Reconciliation

(U.S. Dollars in millions)



The term EBITDA is defined as net income (loss) attributable to Civeo Corporation plus interest, taxes, depreciation and amortization. The term Adjusted EBITDA is defined as EBITDA adjusted to exclude impairment charges and certain costs associated with Civeo's acquisitions of Noralta and Action. EBITDA and Adjusted EBITDA are not measures of financial performance under generally accepted accounting principles and should not be considered in isolation from or as a substitute for net income or cash flow measures prepared in accordance with generally accepted accounting principles or as a measure of profitability or liquidity. Additionally, EBITDA and Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Civeo has included EBITDA and Adjusted EBITDA as supplemental disclosures because its management believes that EBITDA and Adjusted EBITDA provide useful information regarding its ability to service debt and to fund capital expenditures and provide investors a helpful measure for comparing the Civeo's operating performance with the performance of other companies that have different financing and capital structures or tax rates. Civeo uses EBITDA and Adjusted EBITDA to compare and to monitor the performance of its business segments to other comparable public companies and as a benchmark for the award of incentive compensation under its annual incentive compensation plan.

The following table sets forth a reconciliation of EBITDA and Adjusted EBITDA to net loss attributable to Civeo Corporation, which is the most directly comparable measure of financial performance calculated under generally accepted accounting principles (unaudited):

	4Q19	1Q20	2Q20	3Q20	LTM 9/30/2020
Net Income (Loss) attributable to Civeo Corporation	\$ (31.6)	\$ (146.1)	\$ 6.6	\$ 7.0	\$ (164.1)
Plus: Interest expense, net	6.7	5.6	3.9	3.6	19.8
Plus: Depreciation and amortization	30.8	25.5	22.2	24.8	103.3
Plus: Loss on extinguishment of debt	-	-	-	0.4	0.4
Plus: Tax provision	3.2	(8.8)	0.1	0.2	(5.3)
EBITDA, as defined	\$ 9.1	\$ (123.8)	\$ 32.8	\$ 36.0	\$ (45.9)
Adjustments to EBITDA					
Impairment of fixed assets	\$ 0.7	\$ 50.5	\$ -	\$ -	\$ 51.2
Impairment of goodwill	19.9	93.6	-	-	113.5
Noralta representation & warranties settlement	-	-	(4.7)	-	(4.7)
Transaction costs	0.2	-	-	-	0.2
Adjusted EBITDA	\$ 29.9	\$ 20.3	\$ 28.1	\$ 36.0	\$ 114.3

Free Cash Flow Reconciliation

(U.S. Dollars in millions)



The term Free Cash Flow is defined as net cash flows provided by operating activities less capital expenditures plus proceeds from asset sales. Free Cash Flow is not a measure of financial performance under generally accepted accounting principles and should not be considered in isolation from or as a substitute for cash flow measures prepared in accordance with generally accepted accounting principles or as a measure of profitability or liquidity. Additionally, Free Cash Flow may not be comparable to other similarly titled measures of other companies. Civeo has included Free Cash Flow as a supplemental disclosure because its management believes that Free Cash Flow provides useful information regarding the cash flow generating ability of its business relative to its capital expenditure and debt service obligations. Civeo uses Free Cash Flow to compare and to understand, manage, make operating decisions and evaluate Civeo's business.

The following table sets forth a reconciliation of Free Cash Flow to Net Cash Flows Provided by Operating Activities, which is the most directly comparable measure of financial performance calculated under generally accepted accounting principles (unaudited):

	4Q19	1Q20	2Q20	3Q20	LTM 9/30/2020
Net Cash Flows Provided by Operating Activities	\$ 41.0	\$ 20.8	\$ 24.5	\$ 35.4	\$ 121.6
Capital expenditures	(4.3)	(2.7)	(1.2)	(2.4)	(10.5)
Proceeds from disposition of property, plant and equipment	0.4	0.1	1.8	1.4	3.8
Free Cash Flow	\$ 37.1	\$ 18.2	\$ 25.1	\$ 34.4	\$ 114.9