



Stay Well. Work Well.



Investor Presentation

November 2021

Forward Looking Statements



This presentation contains forward-looking statements within the meaning of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those that do not state historical facts and are, therefore, inherently subject to risks and uncertainties. The forward-looking statements herein include the statements regarding Civeo's future plans and outlook, including guidance, current trends and liquidity needs, are based on then current expectations and entail various risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Such risks and uncertainties include, among other things, risks associated with global health concerns and pandemics, including the COVID-19 pandemic and the risk that room occupancy may decline if our customers are limited or restricted in the availability of personnel who may become ill or be subjected to quarantine, risks associated with the general nature of the accommodations industry, risks associated with the level of supply and demand for oil, coal, iron ore and other minerals, including the level of activity, spending and developments in the Canadian oil sands, the level of demand for coal and other natural resources from, and investments and opportunities in, Australia, and fluctuations or sharp declines in the current and future prices of oil, natural gas, coal, iron ore and other minerals, risks associated with failure by our customers to reach positive final investment decisions on, or otherwise not complete, projects with respect to which we have been awarded contracts, which may cause those customers to terminate or postpone contracts, risks associated with currency exchange rates, risks associated with the company's ability to integrate acquisitions, risks associated with labor shortages, risks associated with the development of new projects, including whether such projects will continue in the future, risks associated with the trading price of the company's common shares, availability and cost of capital, risks associated with general global economic conditions, global weather conditions, natural disasters and security threats and changes to government and environmental regulations, including climate change, and other factors discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of Civeo's annual report on Form 10-K for the year ended December 31, 2020 and other reports the company may file from time to time with the U.S. Securities and Exchange Commission. Each forward-looking statement contained herein speaks only as of the date of this presentation. Except as required by law, Civeo expressly disclaims any intention or obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

Civeo at a Glance

Leading provider of hospitality services for key resource industries in North America and Australia



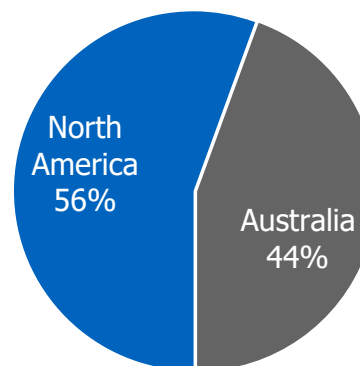
| | |
|---------------------------|---|
| Ticker | NYSE: CVEO |
| Valuation | Share price: \$22.71 (as of 11/8/21) FD Equity value ¹ : \$376 million Enterprise value: \$567 million |
| Business | Provider of a full suite of hospitality services for our guests including lodging, food services, housekeeping and maintenance of accommodations facilities that we or our customers own |
| Markets | Natural resource producers in some of the world's most active oil, met coal, LNG and iron ore producing regions in Canada, Australia and the U.S. |
| Activity Catalysts | Capital spending driven by oil and steel demand as well as turnaround/maintenance in Canada and Australia, pipeline activity in Canada, Canadian LNG, and U.S. drilling and completion activity |



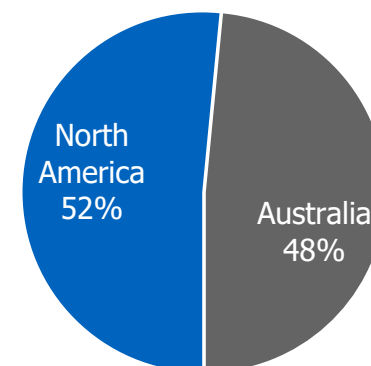
LTM September 30, 2021

Revenue

Adjusted EBITDA ⁽²⁾⁽³⁾



U.S. \$568.0 million



U.S. \$98.3 million

(1) Fully diluted shares include common shares outstanding as well as common shares assumed to be converted from preferred shares on an as converted basis

(2) Adjusted EBITDA is a non-GAAP financial measure and is reconciled to the nearest GAAP financial measure in the Appendix

(3) Negative Adjusted EBITDA contributions from Corporate and Eliminations allocated to North America and Australia

Key Civeo Investor Themes



Focus on:

- Operating safely
- Generating cash flow from diverse asset base
- Reducing leverage



Diverse Asset Base

- Diversified activity drivers across multiple commodities and geographic markets with less than 40% of Civeo's LTM gross profit tied to oil activity



Diverse Asset Base – Australia

- Australian occupancy supported by current customer production and maintenance spending
- Integrated services business recently awarded several key contract renewals – focused on continuing to gain market share in the “capital light” catering and managed services sector



Diverse Asset Base - Canada

- Supporting Canadian LNG pipeline markets in British Columbia:
 - Continued occupancy at Sitka Lodge through FY2021 and beyond
 - Mobile camp revenues expected through 2022 related to the Coastal Gaslink Pipeline
- Supporting TMX pipeline expansion



Reducing Leverage

- Free cash flow positive each year from 2014 to 2020
- Expect to remain cash flow positive in 2021
- No significant debt maturities until September 2025
- Decreased net leverage ratio to 1.86x at September 30, 2021

Civeo Overview

Where We Operate | Geography

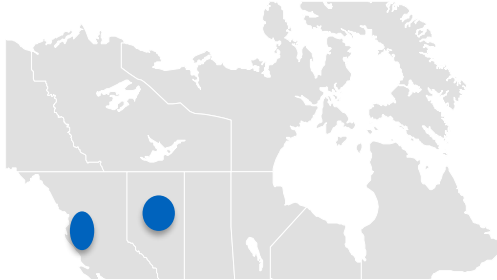
Broad sector and geographic exposure with ~30,000 rooms and leading positions in key industries



Canada: 52% of LTM Revenue⁽¹⁾

Exposure to long-life, stable oil sands and LNG resource development projects

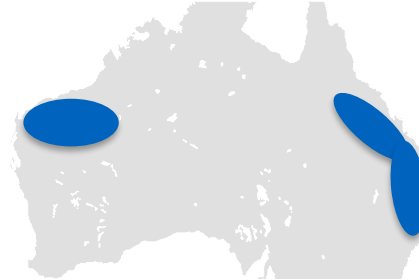
16 lodges with >19,000 rooms



Australia: 44% of LTM Revenue⁽¹⁾

Diverse exposure to key resource industries (met coal, iron ore, gold, lithium, LNG etc)

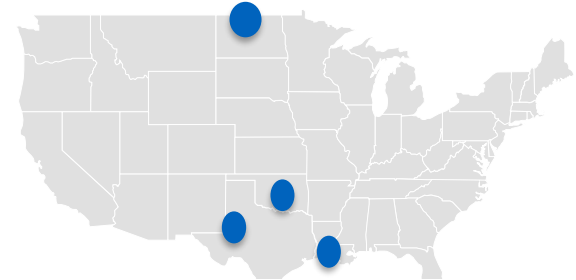
9 villages with >9,000 rooms



USA: 4% of LTM Revenue⁽¹⁾

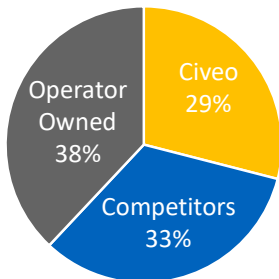
Growing presence in key plays driven by Permian and Mid-Continent activity

3 lodges with >900 rooms

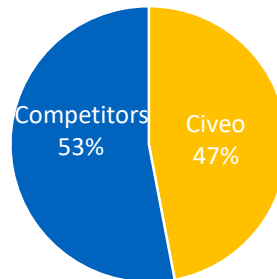


Canadian Oil Sands Market Share⁽²⁾

Total Market Share



3rd Party Market Share

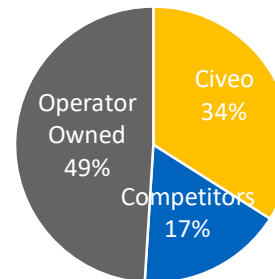


Estimated ~75k Total Rooms⁽²⁾

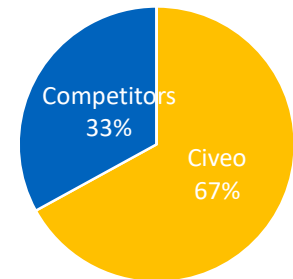
Dominant Canadian Oil Sands hospitality position, accounting for nearly half of 3rd party market share

Australian Bowen Basin Market Share⁽²⁾

Total Market Share



3rd Party Market Share



Estimated ~27k Total Rooms⁽²⁾

Largest third party accommodation provider in Australia

(1) As of September 30, 2021

(2) Management Data

Exposure to Full Project Life Cycle

Primarily focused on supporting ongoing operations and seasonal / annual maintenance activity

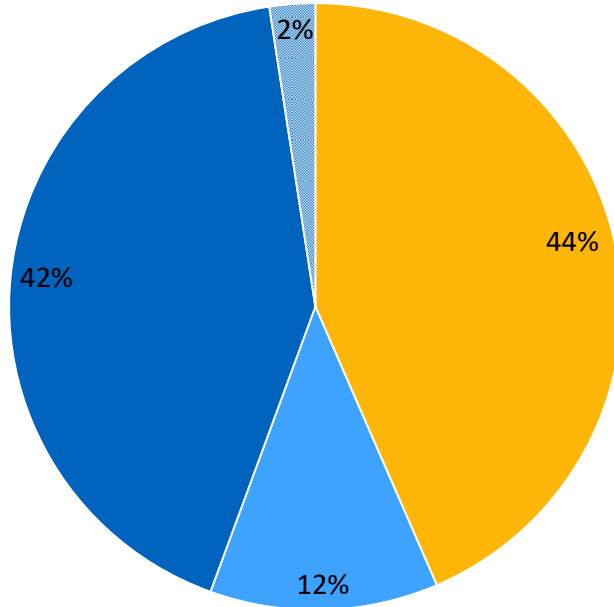
| | | |
|---|---|--|
| <p>Operations</p> <p><i>Recurring Revenue</i></p> | <ul style="list-style-type: none">▪ Room demand: Stable, reoccurring personnel needs for ongoing operations and production▪ Commercial opportunities: Increases ability to service operator-owned facilities<ul style="list-style-type: none">— Enhances ability to scale up and down to meet the needs of customers, while providing wider variety of accommodation options for workforces |  |
| <p>Maintenance & Turnaround</p> | <ul style="list-style-type: none">▪ Room demand: Planned/unplanned maintenance can drive temporary increases in manpower requirements<ul style="list-style-type: none">— Customers manage timing of turnarounds to avoid labor scarcity▪ Commercial opportunities: Turnaround cycles generate 45-90 day surges in demand for 3rd party accommodations<ul style="list-style-type: none">— Customer management of turnaround timing creates more consistent demand profile (typically during Q2 & Q3 each year) for rooms over full-cycle |  |
| <p>Construction</p> | <ul style="list-style-type: none">▪ Room demand: Current demand primarily supported by Canadian LNG-related activity<ul style="list-style-type: none">— Next customer expansion spending cycle potentially in 2022 in Australia and 3-7 years out in Canada▪ Commercial opportunity: Established customers plan to deploy significant incremental capital on debottlenecking and optimization of existing facilities |  |

Exposure to Multiple Commodity Markets

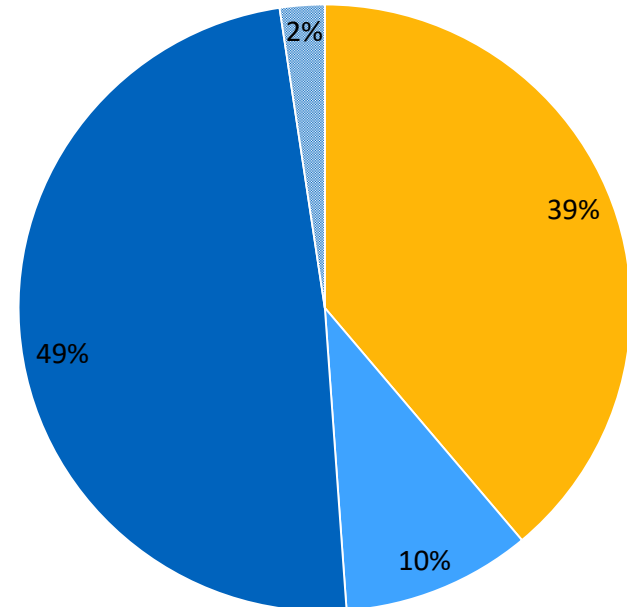
Civeo supports key projects in the Canadian oil sands, Canadian LNG, Australian met coal and Australian iron ore markets



Revenue By Activity Driver



Gross Profit By Activity Driver



Oil & Gas Steel
LNG Other

Civeo's activity drivers are diversified across multiple commodities and geographic markets, with less than 40% of the LTM 9/30/21 gross profit related to oil activity

Blue-Chip Customer Base

Large, long-term projects supported by multi-year contracts with large, well-capitalized clients



Critical supplier of hospitality and infrastructure services to oil sands, LNG, met coal, and other resource developments in Canada and Australia

North America: 56% of LTM Revenue

Key North American Customers⁽¹⁾



Australia: 44% of LTM Revenue

Key Australian Customers⁽¹⁾



Lodges & Villages

86% LTM Gross Profit⁽²⁾

- Permanent infrastructure supporting multi-year projects
- Size range from 200 rooms to 5,000 rooms
- Asset life matches customer demand: designed to serve long-term needs of clients through the project lifecycle
- Located in areas of significant resource development to support multiple customers

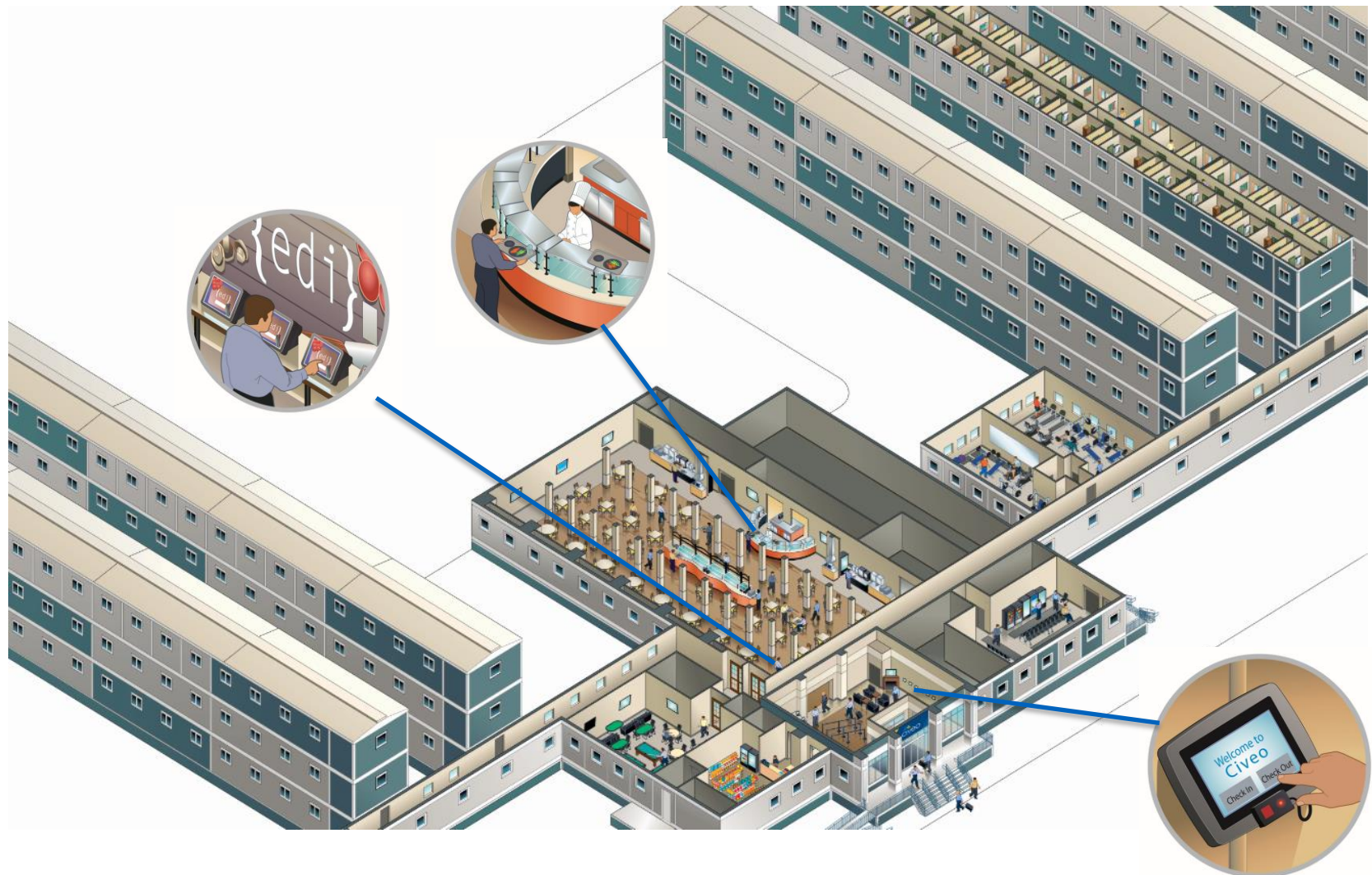
Contract Structure

- Typical “take-or-pay” or exclusivity contract structure
- May contain minimum occupancy requirement
- Annual price escalation provisions in multi-year contracts cover increases in labor and consumables costs
- Contracts can have termination provisions, where customers incur large termination fees
- “Services only” contracts at customer-owned locations based on a per guest per day basis

(1) Ratings as of September 30, 2021

(2) LTM as of September 30, 2021. Lodge & Village gross profit calculation burdened with pro rata allocation of indirect costs

The Civeo Lodge Experience



The Civeo Lodge Experience



Innovation in Service Delivery



- EDI system allows guests to order dinner entrées a la carte
- Guests use iPads and room keys to order from over 25 entrée items and three daily chef's specials including vegetables and side dishes, allowing guests to make requests and input allergies
- EDI system in place at multiple Civeo lodges in the Canadian oil sands
- Improves guest experience from legacy buffet service and reduces overall food waste



Lodge Amenities



- Civeo is known as the provider of hospitality services and accommodations for natural resource developers and producers

Villages in Australia



Village Environment & Facilities

- Guest Commuter Bus
- Kinetic Gym
- Outside Facilities
- Swimming Pools
- Tennis Courts
- Work-out Circuits
- Running Track
- Storage Rooms
- Storage Containers
- Crew Rooms
- Meeting Space
- Locker Management
- Guest Transit Service – Village to Township



3Q21 Update

Key Third Quarter 2021 Themes



From Third Quarter Earnings Conference Call

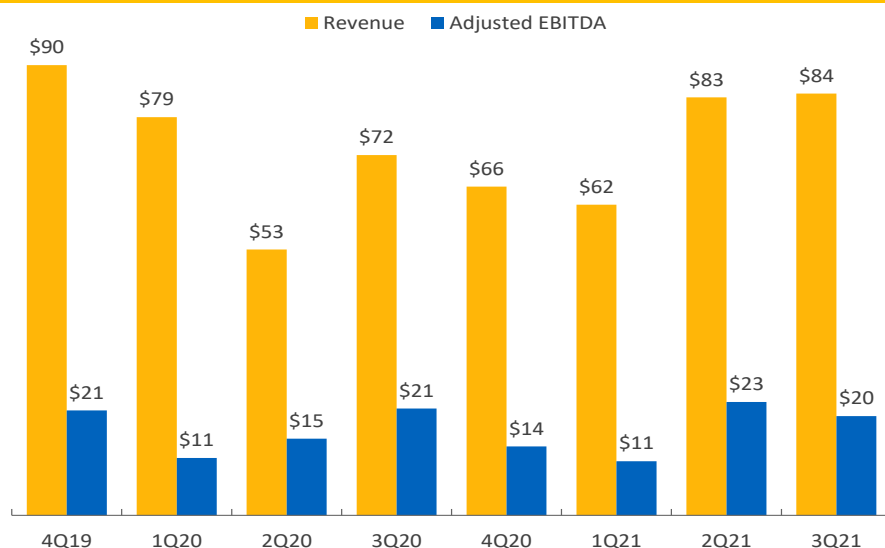
- The Company's first and most important priority in this tumultuous climate is to protect the health and wellbeing of its employees, guests and contractors
- Despite the global economic disruption and subdued activity as a result of COVID-19, the Company's diversified business model remains resilient and continues to generate cash. During the third quarter, the Company reported:
 - Revenues of \$155.1 million, up modestly from 2Q21
 - Adjusted EBITDA of \$26.2 million, down 19% from 2Q21
- The Company generated \$31.0 million of free cash flow, facilitating further debt reduction
 - Total debt outstanding was reduced by \$31.6 million, consisting of \$25.1 million in debt payments and \$6.5 million in favorable foreign currency translation
 - Reported a 1.86x Net Leverage Ratio as of September 30, 2021
 - De-leveraging our balance sheet remains among our most important strategic mandates and we expect continued reduction of our leverage ratio throughout 2021
- Increased the lower bound of both revenue and adjusted EBITDA guidance ranges for full year 2021 to \$570 million to \$580 million and \$95 million to \$100 million, respectively

Canadian Segment 3Q21 Performance

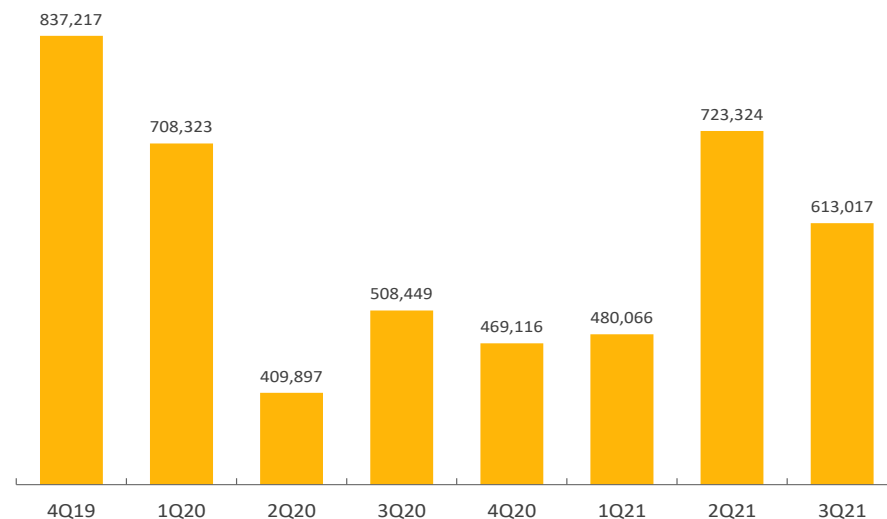


- Revenues up by \$0.8 million from 2Q21 at \$84.1 million
- Adjusted EBITDA down \$2.8 million from 2Q21 to \$19.8 million, primarily due to:
 - Lower turnaround-related occupancy
- COVID-19 and the resulting dramatic decrease in oil demand has continued to negatively impact Civeo Canada operations in 2021, especially in the oil sands region
 - Most oil sands customers removed all “non-essential” workforce and cut spending and production due to depressed oil prices during 2020. As COVID-19 continued to be a major issue, specifically in Canada, in early 2021, oil sands activity remained at depressed levels
 - The COVID-19 case count dropped dramatically and turnaround activity began in 2Q21, continuing through 3Q21, albeit at sequentially lower levels

Quarterly Financial Performance (USD in millions)



Quarterly Billed Rooms

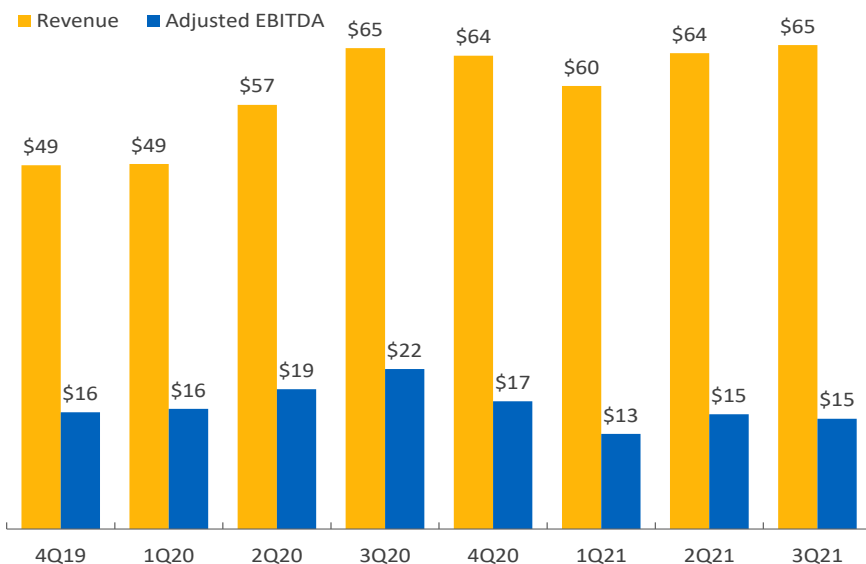


Australian Segment 3Q21 Performance

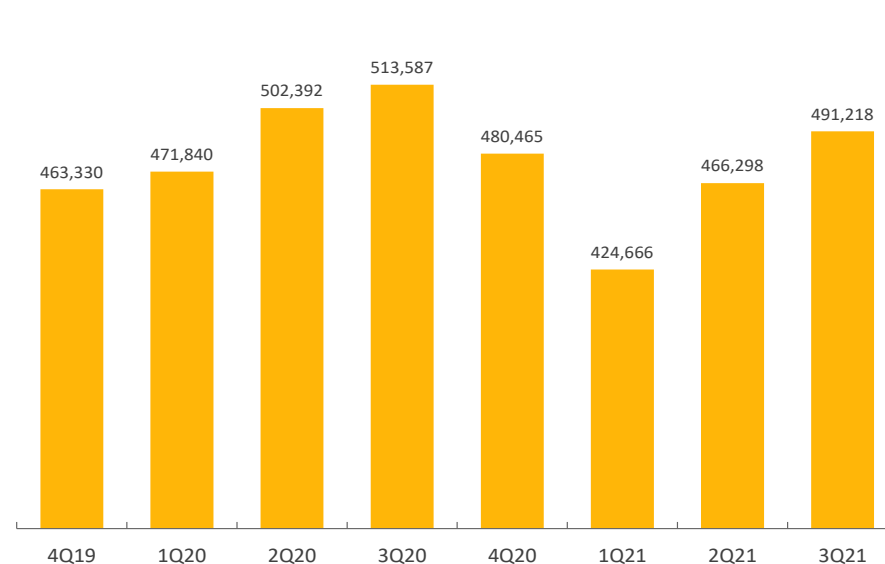


- Revenues up by \$1.1 million from 2Q21 at \$65.1 million
- Adjusted EBITDA down \$0.6 million from 2Q21 to \$14.8 million, primarily due to increased labor costs
- The China/Australia trade dispute continues to impact business
 - Civeo Australian villages are currently experiencing lower billed rooms compared to 2020 due to the ongoing trade dispute
 - However, met coal prices strengthened in 3Q21 due to increased global steel demand and Australian producers finding other trade partners for their met coal exports
- Iron ore prices continued to decrease in 3Q21, but remain at very healthy levels
- Management remains committed to managing labor costs, particularly in the integrated services business where COVID-19 related travel restrictions have necessitated the use of more expensive temporary labor

Quarterly Financial Performance (USD in millions)



Quarterly Billed Rooms (Owned lodges only)

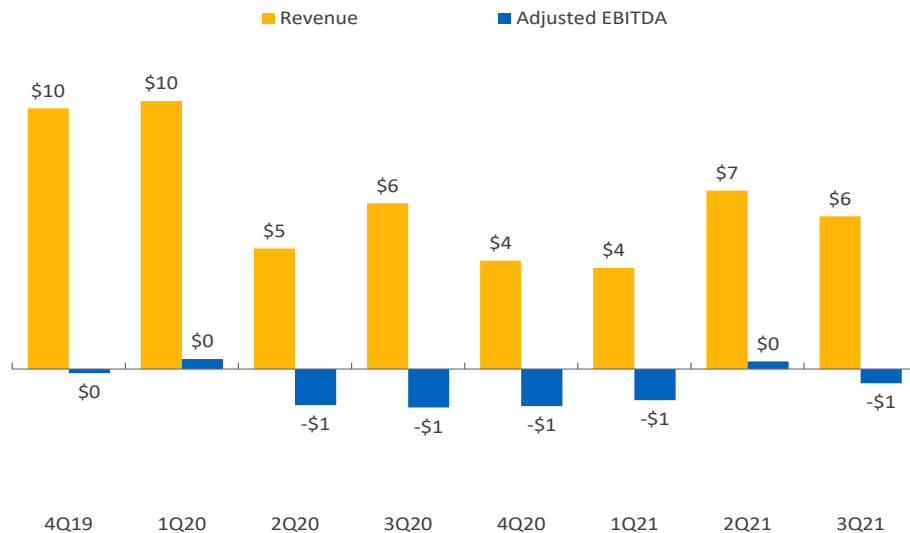


U.S. Segment 3Q21 Performance

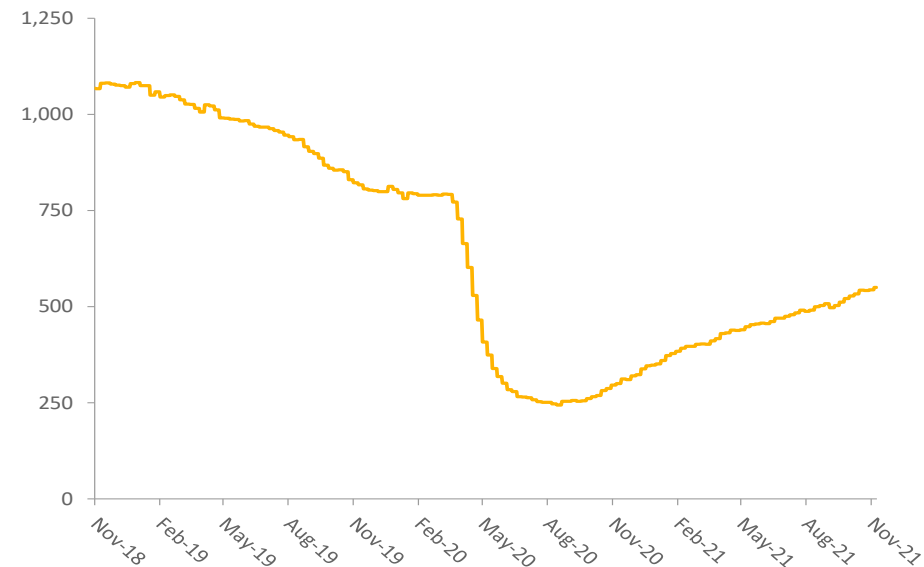


- COVID-19 and the resulting dramatic decrease in oil demand and price continues to negatively impact the Civeo U.S. business
 - Following a significant decline in 2020, U.S. rig count has been on an upward trend and sits at 550 as of November 8, 2021
 - Working to maintain market share in our wellsite business in the Permian where activity is still present
 - Continue to focus on right-sizing the cost structure and prudently managing capital expenditures throughout 2021
- Offshore fabrication activity and Adjusted EBITDA sequentially decreased in 3Q21 due to the completion of a project

Quarterly Financial Performance (USD in millions)



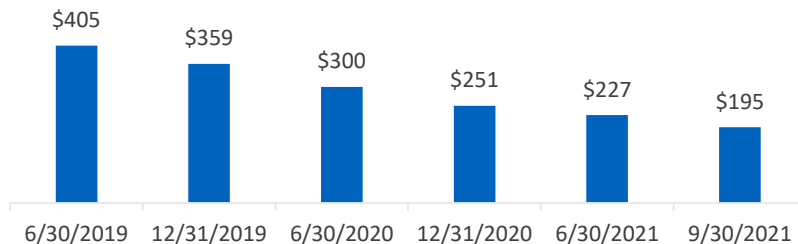
U.S. Rig Count



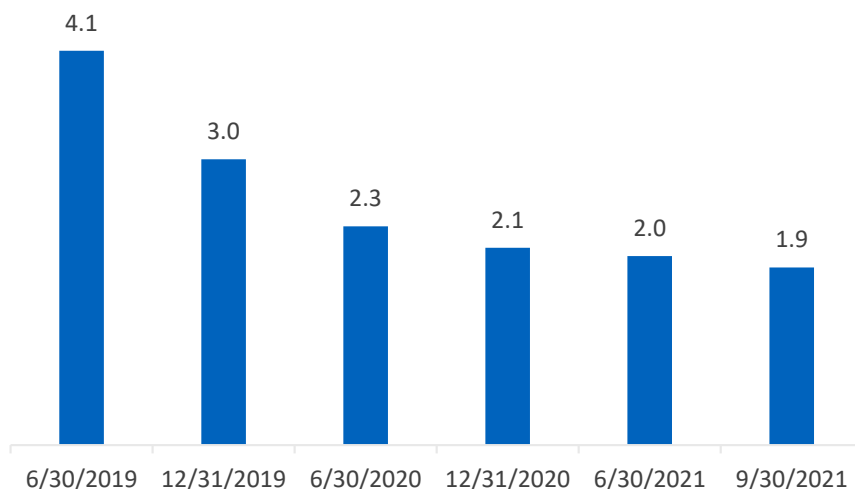
Strong and Well Positioned Balance Sheet

Significant deleveraging on the back of strong free cash flow generation

Historical Debt (USD in millions)



Historical Net Debt / LTM EBITDA (x) ⁽¹⁾



Significant deleveraging realized over the past 27 months, despite ongoing challenges with the COVID-19 pandemic

(1) Net Debt / Adjusted EBITDA (Bank def)

Key Civeo Investor Themes



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- Operating safely
- Generating cash flow from diverse asset base
- Reducing leverage



Diverse Asset Base

- Diversified activity drivers across multiple commodities and geographic markets with less than 40% of Civeo's LTM gross profit tied to oil activity



Diverse Asset Base – Australia

- Australian occupancy supported by current customer production and maintenance spending
- Integrated services business recently awarded several key contract renewals – focused on continuing to gain market share in the “capital light” catering and managed services sector



Diverse Asset Base - Canada

- Supporting Canadian LNG pipeline markets in British Columbia:
 - Continued occupancy at Sitka Lodge through FY2021 and beyond
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Reducing Leverage

- Free cash flow positive each year from 2014 to 2020
- Expect to remain cash flow positive in 2021
- No significant debt maturities until September 2025
- Decreased net leverage ratio to 1.86x at September 30, 2021

Appendix

Civeo's Response to the COVID-19 Pandemic

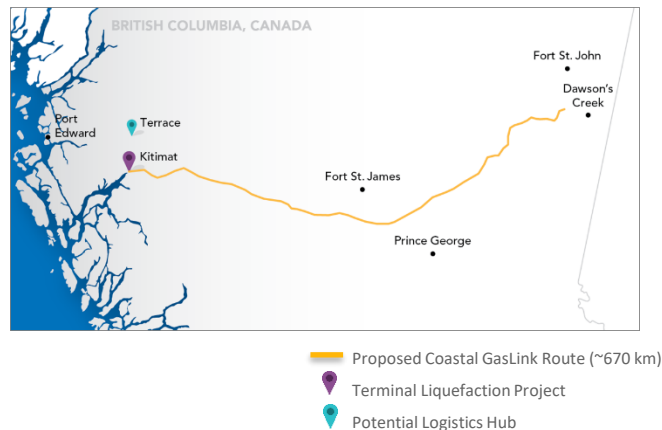


- Over the last year as the COVID-19 situation has evolved, working in close consultation with medical professionals, government health authorities, third-party experts, and our customers, we have proactively implemented a series of safety measures. While these protocols are constantly evolving, examples of current measures include:
 - A screening protocol that applies to all guests, employees, contractors, and suppliers;
 - A quarantine and isolation protocol to be implemented in the event our screening protocol identifies anyone who is symptomatic of COVID-19;
 - Enhanced personal protective equipment requirements for our staff;
 - Enhanced cleaning frequency and sanitization measures for all common areas and guest rooms;
 - Controlled access into common areas coupled with social distancing guidelines; and
 - A work from home protocol for our office administrative staff around the globe.
- Civeo management is fully engaged in monitoring the situation, following guidelines established by public health authorities and communicating frequently with our employees, vendors and our guests/customers to ensure the safest possible environment for all stakeholders.

LNG Canada – Project Summary

- LNG Canada (“LNGC”) is a Shell-led joint venture building a ~C\$40 billion LNG export facility in Kitimat, British Columbia (“B.C.”)
- LNGC announced positive Final Investment Decision on October 1, 2018
- LNGC is partnering with Transcanada’s Coastal GasLink Pipeline project (“CGL”) to transport natural gas ~670 km from Northeastern B.C. to Kitimat
- The LNG plant and CGL pipeline will together employ approximately 10,000 people at peak construction with up to 900 people at the plant during the operations of the first phase
- Liquefaction plant being built in Kitimat, B.C. to produce 14 - 28 million tonnes per annum of LNG for international export

CGL Pipeline Overview



Rendering of Civeo’s Sitka Lodge in Kitimat, B.C.



Canadian Operations Overview

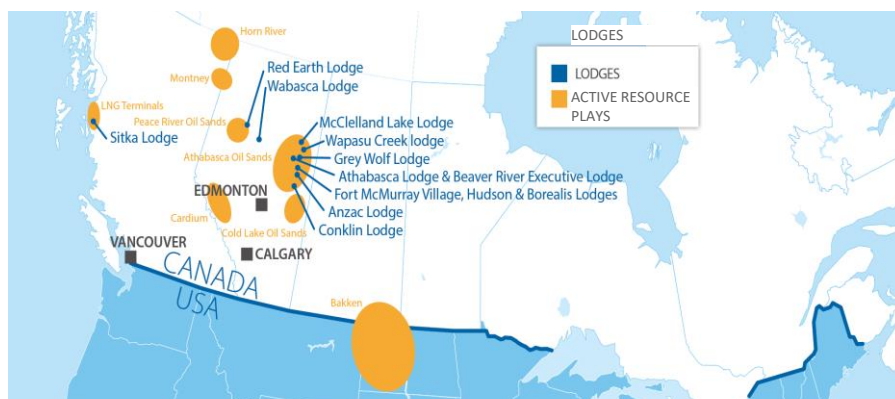
Exposure to long-dated, stable oil sands and LNG development projects



Overview

- Premier hospitality services, accommodations, and infrastructure provider in Canadian oil sands region
- Serves the lifecycle of a customer's project by providing
 - Permanent lodges for long-term production and operations phases (i.e. operational oil sands)
 - Mobile and contract camps for initial, construction and exploratory phases (i.e. CGL)
- Strong customer relationships and contracts with the top oil sands producers

Canadian Lodges



>18,000 rooms in the Oil Sands

~47% third-party Oil Sands market share

>950 rooms serving LNG Canada / CGL development

Canadian Lodge Room Count

| Lodges | Commodity Exposure | As of 9/30/2021 |
|---------------------------------|--------------------|-----------------|
| <u>North Lodges</u> | | |
| Wapasu | Oil Sands | 5,246 |
| McClelland Lake | Oil Sands | 1,997 |
| Grey Wolf | Oil Sands | 946 |
| Total North Lodges Rooms | | 8,189 |
| <u>Core Lodges</u> | | |
| Athabasca | Oil Sands | 2,005 |
| Borealis | Oil Sands | 1,504 |
| Beaver River | Oil Sands | 1,094 |
| Lynx | Oil Sands | 855 |
| Wolverine | Oil Sands | 855 |
| Bighorn | Oil Sands | 763 |
| Hudson | Oil Sands | 624 |
| Black Bear | Oil Sands | 531 |
| Total Core Lodges Rooms | | 8,231 |
| <u>South Lodges</u> | | |
| Conklin | Oil Sands | 616 |
| Anzac | Oil Sands | 526 |
| Wabasca | Oil Sands | 288 |
| Red Earth | Oil Sands | 216 |
| Total South Lodges Rooms | | 1,646 |
| <u>Sitka Lodge</u> | | |
| Sitka | LNG | 958 |
| Total Sitka Lodge Rooms | | 958 |
| Total Canadian Lodge Room Count | | 19,024 |

Australian Operations Overview

Diverse exposure to key resource industries (met coal, iron ore, gold, lithium, LNG)



Overview

- **Largest third-party accommodations, infrastructure, and hospitality services provider in Australia**
 - Primarily centered around metallurgical coal and iron ore mines
 - Exposure to other resources such as thermal coal, LNG, gold and lithium
- **The five villages in the Bowen Basin comprise ~80% of room capacity**
- **The Integrated Services business operates in Western Australia and primarily serves the iron ore market**
 - Provides hospitality services (food services, housekeeping, site maintenance) at 10 customer-owned villages representing >7,000 rooms
 - The Integrated Services business served ~1.4 million billed rooms in 2020
- **Karratha Village in Western Australia services iron ore port expansions and LNG facilities operations**

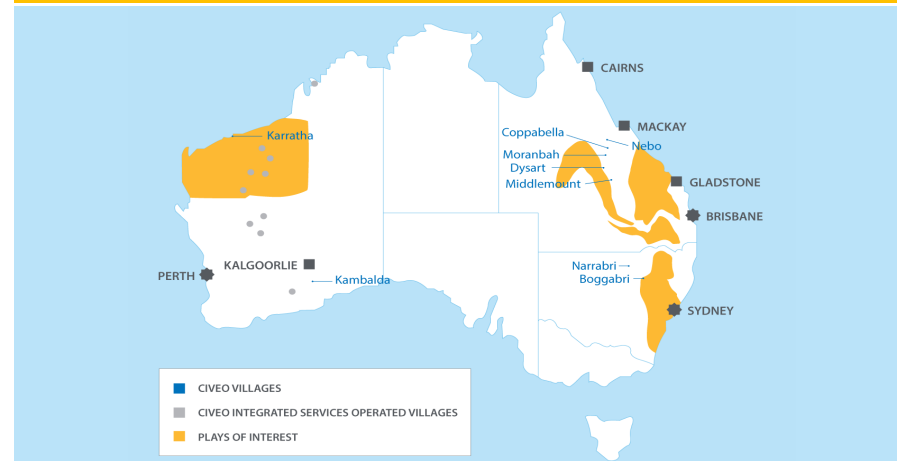
~67% third-party Bowen Basin market share

~34% total Bowen Basin market share

**Growing presence in Western Australia
managing customer assets**

Region provides exposure to iron ore, gold, met coal, thermal coal, lithium and LNG projects

Australian Villages



Australian Village Room Count

| Commodity Exposure | | As of 9/30/2021 |
|--|--------------------|-----------------|
| Bowen Basin Villages | | |
| Coppabella | Met Coal | 3,048 |
| Dysart | Met Coal | 1,798 |
| Moranbah | Met Coal | 1,240 |
| Middlemount | Met Coal | 816 |
| Nebo | Met Coal | 490 |
| Total Bowen Basin Rooms | | 7,392 |
| Gunnedah Basin Villages | | |
| Boggabri | Met / Thermal Coal | 622 |
| Narrabri | Met / Thermal Coal | 502 |
| Total Gunnedah Basin Villages | | 1,124 |
| Western Australia Villages | | |
| Karratha | LNG, Iron Ore | 298 |
| Kambalda | Gold / Lithium | 232 |
| Total Western Australia Rooms | | 530 |
| Total Australian Village Room Count | | 9,046 |

U.S. Operations Overview

Growing presence in the most active shale developments in the U.S. (Permian, Mid-Con, Bakken)

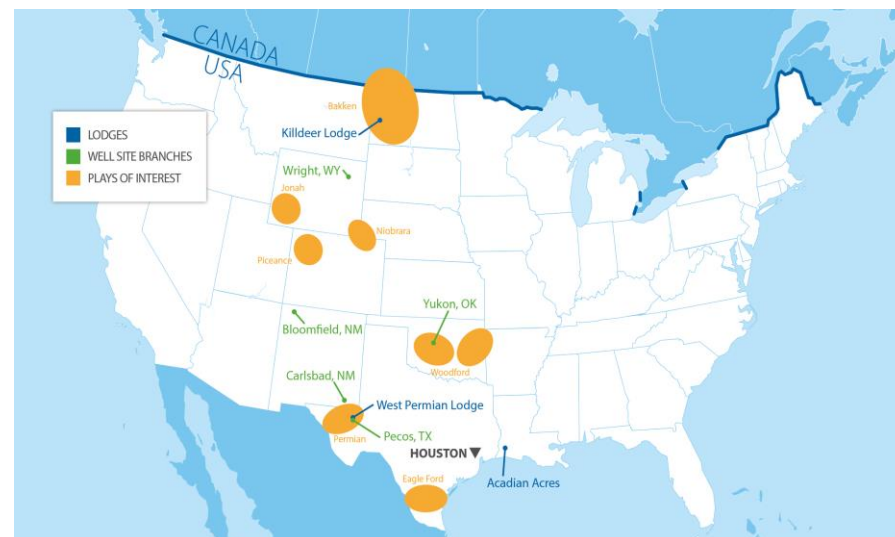


Overview

- Provider of hospitality services and accommodations through three divisions: Lodges, Well site and Offshore
- Three lodges in the U.S. supporting drilling and completion activity and downstream construction
- Well site division consisting of mobile units supporting drilling activity primarily
 - Key drivers are Permian and Mid-Con basins
- Offshore division comprised of fabrication and accommodation unit rental

Lodges located in the Permian, Mid-Con, and Bakken shale plays

U.S. Lodges



U.S. Lodge Room Count

| | Basin Exposure | As of 9/30/2021 |
|-----------------------------|----------------|-----------------|
| West Permian ⁽¹⁾ | Permian | 390 |
| Acadian Acres | Off Shore | 300 |
| Killdeer | Bakken | 235 |
| Total U.S. Lodge Room Count | | 925 |

Growing presence in the most active shale developments in the U.S.
(Permian, Mid-Con, Bakken)

(1) Completed sale of West Permian Lodge to third party on October 2, 2021

Non-GAAP Reconciliations

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 certain other unusual or non-operating items. 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.

| | 3Q21 | LTM 9/30/2021 |
|---|---------|------------------|
| Net income (loss) attributable to Civeo Corporation | \$ 0.5 | \$ (10.7) |
| Plus: Interest expense, net | 3.2 | 13.5 |
| Plus: Depreciation and amortization | 20.3 | 86.9 |
| Plus: Loss on extinguishment of debt | 0.4 | 0.4 |
| Plus: Income tax expense (benefit) | 1.8 | 0.2 |
| EBITDA, as defined | \$ 26.2 | \$ 90.4 |
| Adjustments to EBITDA | | |
| Impairment of fixed assets | - | 7.9 |
| Adjusted EBITDA | \$ 26.2 | \$ 98.3 |
| Bank Adjustments to Adjusted EBITDA | | |
| Stock-based compensation | | 4.2 |
| Interest income | | 0.0 |
| Adjusted EBITDA (Bank Definition) | | \$ 102.5 |

Guidance Adjusted EBITDA Reconciliation

(U.S. Dollars in millions)



| Year Ending 12/31/2021 | |
|------------------------|------|
| Low | High |

| | | | | |
|-----------------------|----|------|----|-------|
| EBITDA Range | \$ | 87.1 | \$ | 92.1 |
| Adjusted EBITDA Range | \$ | 95.0 | \$ | 100.0 |

The following table sets forth a reconciliation of estimated adjusted EBITDA to estimated net loss, which is the most directly comparable measure of financial performance calculated under generally accepted accounting principles:

| Year Ending 12/31/2021 | |
|------------------------|------|
| Low | High |

| | | | | |
|-------------------------------|----|--------|----|-------|
| Net loss | \$ | (13.9) | \$ | (9.4) |
| Income tax provision | | 3.0 | | 3.5 |
| Depreciation and amortization | | 83.0 | | 83.0 |
| Interest expense | | 15.0 | | 15.0 |
| EBITDA | \$ | 87.1 | \$ | 92.1 |
| Adjustments to EBITDA | | | | |
| Impairment expense | | 7.9 | | 7.9 |
| Adjusted EBITDA | \$ | 95.0 | \$ | 100.0 |

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. It is also used as a benchmark for the award of incentive compensation under its Free Cash Flow plan.

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 (in millions) (unaudited):

| | Three Months Ended 9/30 | |
|--|-------------------------|---------|
| | 2021 | 2020 |
| Net Cash Flows Provided by Operating Activities | \$ 33.9 | \$ 35.4 |
| Capital expenditures, including capitalized interest | (3.4) | (2.4) |
| Proceeds from disposition of property, plant and equipment | 0.5 | 1.4 |
| Free Cash Flow | \$ 31.0 | \$ 34.4 |