VISION

ANNUAL REPORT 2022

CONTENTS

We bring life to vision

Creating great things with you

VALUES

Our Values define who we are as One Bird when we operate at our best. They are the core of what is most important in what we do and how we do it.

WE PUT SAFETY FIRST

A healthy and safe work environment is non-negotiable. We build a culture of operational and psychological safety through engagement, learning and leadership.

WE LEAD WITH HONESTY

We speak and act with integrity, clarity and care so people can trust our word and our work. Being honest means we can deliver the best outcomes and consistent results.

WE ARE STRONGER TOGETHER

Success is a team effort. Our inclusive workplace enables our combined expertise, humility and creativity to unlock our greater potential.

WE ARE DRIVEN TO DO GREAT WORK

We built our name on quality. We have a passion for excellence in our work and relationships that honours our businesses and our industry.

WE CREATE OPPORTUNITY

Rooted in a solid foundation, we adapt and grow to face the future. We are committed to elevating each other to chart the best path forward in an evolving world.

LETTER TO SHAREHOLDERS

Bird's transformative evolution from humble beginnings in Moose Jaw, Saskatchewan in 1920, to a dynamic and diversified organization that spans from coast to coast has been a rewarding journey. The last year has seen further growth on a variety of fronts, and we are proud of all that our teams have accomplished.

We create opportunity

Bird achieved continued revenue growth in 2022, delivering solid gross profit and Adjusted EBITDA margins. Our 2022 performance was driven by active work programs in a diverse range of high-demand sectors, increased self-perform scopes, and the expansion of recurring revenue streams. Recent announcements showcase these factors, including the environmental remediation work for Canadian Nuclear Laboratories where there is a substantial pipeline of work, the award of two five-year master service agreement contracts and two industrial facilities turnaround contracts for existing clients, as well as continued expansion into the renewable energy market with the announcement of three wind projects. The strides made in the continued growth and diversification of our service offerings is facilitated through an emphasis on collaborative project delivery and strategic investments in construction technologies, leading to optimized safety, productivity, and collaboration that enables the continued delivery of innovative solutions for clients.

Our solid performance in 2022 was further enabled by contributions from Dagmar, the high-performance civil infrastructure contractor acquired in 2021. This acquisition, with the substantial cross-selling opportunities it created, has supported the continued growth of our infrastructure portfolio, a key element of our 2022-2024 strategic plan. Our efforts over the past few years to differentiate ourselves through a focus on collaborative contracts and to build a risk-balanced portfolio of projects has enabled our steady growth. This business model has allowed us to better manage inflationary impacts on our costs of construction, resulting in steadily improving margins. Today, the projects we have underway, and our record combined backlog and pending backlog are made up of a diverse mix of collaborative, lower risk contracts and awards.

Bird's liquidity, and notably low leverage and net debt, continue to provide the flexibility to invest in and grow our business. The strength of our Balance Sheet allows us to capitalize on acquisition opportunities, focusing on tuck-in acquisitions that provide specialized, self-perform capabilities with sound organic growth potential post acquisition. Our recent acquisitions have been cash flow positive and accretive to our margin profile and earnings per share. The impact of such acquisitions has been demonstrated through Bird's enhanced ability to secure and execute projects of increased scale and complexity

The strides made in the continued growth and diversification of our service offerings is facilitated through an emphasis on collaborative project delivery and strategic investments in construction technologies, leading to optimized productivity, safety, and collaboration that enables the continued delivery of innovative solutions for clients.

due in part to the strategic acquisitions of Stuart Olson in 2020 and Dagmar in 2021, which bolstered the skills base and capacity of our teams in key services and sectors. Subsequent to year end, Bird acquired Trinity Communication Services Ltd, a diversified telecommunication and utility infrastructure contractor based in Ontario that specializes in underground, aerial, commercial inside plant, and multi-dwelling unit installations. These valuable self-perform capabilities enable cross-selling opportunities to Bird's sizeable national client base across multiple sectors, and serve as a growth catalyst for the Company's utilities portfolio.

We put safety first

Our collective dedication to safety remains a top priority. We are committed to maintaining and exceeding our exemplary safety standards through collaboration with all employees, trade partners, clients, and suppliers to achieve the healthy and safe work environment that every worker deserves so that everyone goes home safe each day. This commitment to safety encompasses the mental wellbeing of team members by cultivating a culture of openness and understanding. Safety is therefore addressed on a multitude of fronts, and achieved through means including ongoing training, honest and respectful conversation, and the thoughtful use of technology that enables our teams to work safer and smarter.

We are driven to do great work

Our combined suite of services, an emphasis on long-term relationship-building, and an established reputation for exceptional execution provides the necessary support to help our clients realize their vision. We are also invested in assisting clients in meeting their sustainability goals. Bird's deep bench of talent includes leading mass timber construction expertise, deep energy retrofits and net zero construction experience, and self-perform capabilities in future energy solutions such as wind, solar, and nuclear energy.

Bird's Environmental, Social, and Governance (ESG) program continues to mature in response to business, client, and industry demands. The Company's existing culture and robust governance structures, combined with dedicated work over the past few years to build our long-term ESG strategy, ensures internal readiness for forthcoming disclosure requirements. We look forward to sharing more about our sustainability journey in the forthcoming 2022 Sustainability Overview.

LETTER TO SHAREHOLDERS

We are stronger together

Our focus on working collaboratively has further enhanced the execution of our strategic priorities. Together, our exceptional One Bird team has leveraged our deep roots and shared values to build stronger partnerships, both internally and externally, enabling consistent successful execution and empowering the pursuit of a robust pipeline of opportunities. In 2022, the Company reflected on our organizational culture and drew from the strengths of our legacy organizations to reaffirm these core values to clearly articulate who we are today. Our purpose statement - "We bring life to vision; *Creating great things with you*" – encapsulates the collaborative drive to make our clients' visions a reality, as well as speaking to the realization of personal development objectives as we continuously strive to learn and innovate. Collectively, the achievement of these goals contributes to broader societal development and change, which we endeavour to effect in a responsible, sustainable, and forward-thinking manner by bringing our whole selves to our work every day.

We lead with honesty

Bird endeavors to be at the forefront of industry efforts to be responsible, responsive, and innovative corporate citizens. Our strong governance framework supports a culture of accountability that emphasizes honesty, integrity, and transparency. This is realized through a robust system of policies and programs that clearly outline the standard of conduct expected from all team members, contractors, and partners in all our work and interactions, and is supported through best-in-class training and continuous learning and development.

Bird's focus on collaborative and self-perform opportunities across a diversified range of sectors and geographic markets has resulted in a record combined backlog and pending backlog. With market conditions beginning to return to pre-pandemic levels, the Company's strong balance sheet, focus on diversification, margin improvement, and established track record of accretive acquisitions position Bird to deliver strong results in the future.

Thank you for your support as we continue to bring life to vision,

Paul R. Raboud
Chairman
of the Board

Terrance L. McKibbon
President and Chief
Executive Officer

FINANCIAL CALENDAR 2023

May 9 - Sustainability Overview 2022
May 9 - Annual General Meeting
May 9 - Q1 2023 Financial Results
August 9 - Q2 2023 Financial Results
November 7 - Q3 2023 Financial Results

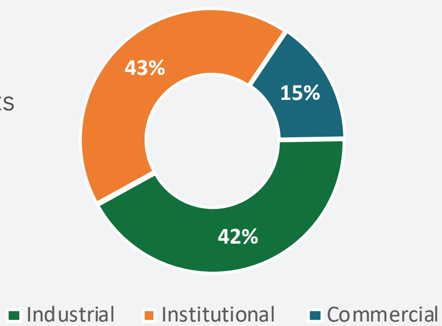
2022 FINANCIAL HIGHLIGHTS

TSX:
BDT

Revenue	Backlog[1]	Adjusted EBITDA[1,2]	EPS
$2.4B	$2.6B	$101M	$0.93
Net Income	**Pending Backlog[1]**	**Adjusted Earnings[1,2]**	**Adjusted EPS[1]**
$50M	$2.5B	$46M	$0.86

2022 Revenue

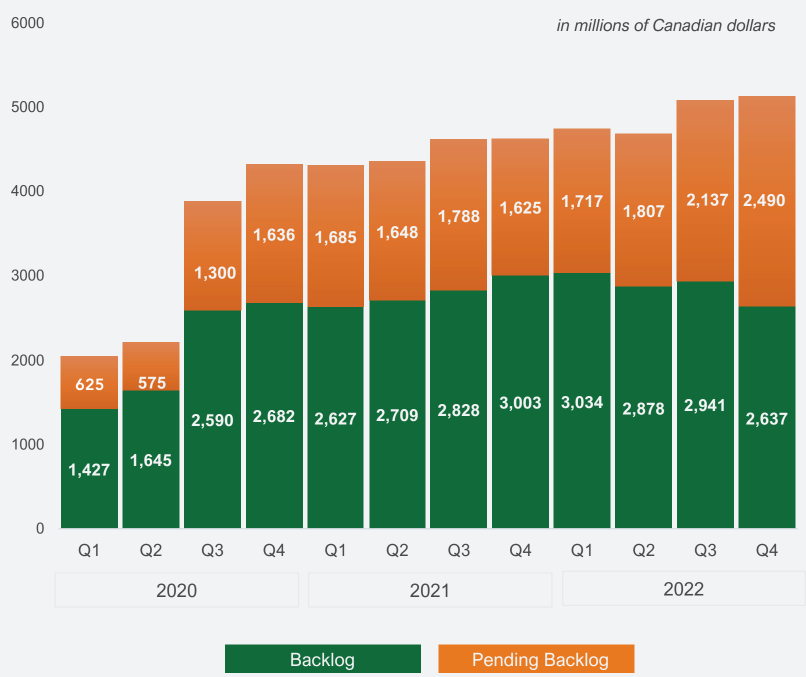
A Diverse Range of Clients



*Based on Client Type

Over 70% of combined Backlog[1] and Pending Backlog[1] is considered collaborative[3]. Collaborative contracts incentivize all partners to achieve project goals and provide full transparency regarding project costs.

Growing Backlog and Pending Backlog



Balanced Capital Allocation Priorities:

- Dividends
- Capex
- Merger and Acquisition Opportunities
- Long Term Debt Repayment

(1) Refer to the Terminology and Non-GAAP & Other Financial Measures section of Management's Discussion and Analysis
(2) Adjusted Earnings and Adjusted EBITDA are Non-GAAP Financial Measures
(3) Collaborative contracts include: MSA, IPD, Alliance, PDB and certain CM which are defined in the Nature of Business section of the MD&A

STRATEGY IN ACTION

2022 – 2024 STRATEGIC PLAN

Bird's 2022-2024 Strategic Plan focuses on further development of Bird's team, strong project execution and performance, and the diversification of service offerings across Canada.

TEAM

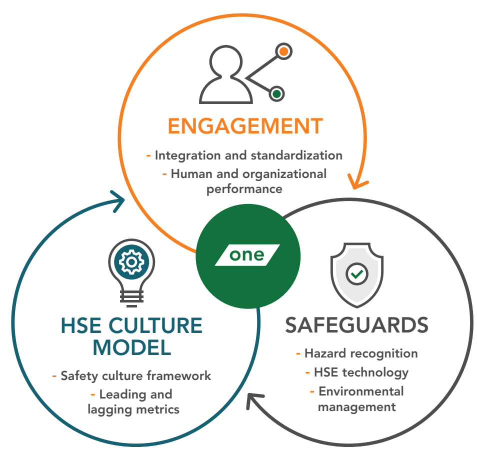
Strategy: Develop a highly engaged, high performance team with industry leading people programs, and a world-class safety program united under the One Bird approach.

- World class safety program
- Highly engaged, high-performance team with industry leading people programs that promote a culture of hungry, humble, and smart
- Strategic internal and external partnerships and collaborative contracting methods

Putting Safety First

Bird is recognized for best-in-class Health, Safety, and Environment Management systems and industry-leading safety performance. Our health and safety culture is rooted in our commitment to work in a spirit of collaboration with all employees, trade partners, clients, and suppliers to foster a culture of operational and psychological safety.

For more details on our safety program, refer to page 23 to 25.



Safety Leadership

Bird's CEO and various members of the leadership team participated in 14 HSE-focused tours to sites across the country that encourage engagement and promote accountability in safety at all levels of the company.

Where Greatness Grows

In 2022, Bird introduced a new Purpose, Values, and Employee Value Proposition. These were developed by our employees – they told us what it means to work at Bird, why they work at Bird, and what drives us to achieve our best. Together we are united on what really matters and what is most important in what we do and how we do it.

Learn more about our purpose and values **here**.

EMPLOYEE VALUE PROPOSITION

Be a part of our team, where we pride ourselves on the quality of our work and the way we treat each other and our partners. You will build a career and long-lasting relationships based on respect, collaboration, and a solution-focused mindset. Bird is a place where you will unlock your potential and achieve your goals.

Unlocking Our Potential

Bird's employee programs originate from the belief that learning is an essential driver of engagement and performance, but more than that, learning creates opportunities to unlock and develop potential.

Bird's learning culture is a growth culture – a culture that is looking for collaboration on new ideas, new methods, and opportunities to engage and innovate together.

bird SITE MANAGEMENT PROGRAM

CAREER PROGRESS CHECK-INS
Building Conversations

Learning at bird

THE EXPERTISE EXCHANGE

THE POWER OF CONVERSATIONS

MENTORSHIP PROGRAM
buildingup

35Hrs

STRATEGY IN ACTION

TEAM

Partnering for Success

Bird has a passion for excellence in our work and relationships that honour our business and our industry.

Our internal partnerships and One Bird approach allow us to offer integrated services to clients nationally as well as opportunities to share talent and exchange lessons learned and best practices.

Operationally, with our collaborative approach, we continue to recognize and pursue our strengths and the unique contributions of our different teams, which allows us to capitalize on cross-selling opportunities and collaborate to grow and diversify our work program. We can secure project wins together by leveraging our combined capabilities.

Across the country, we work closely with trade partners, designers, clients, Indigenous business partners, industry organizations, and communities to deliver operational excellence in all we do.

COLLABORATIVE CONTRACTING

The past year has underscored the tremendous impact and potential that collaborative contract models have on the creation of innovative solutions and the enhanced execution of large, complex, and cutting-edge projects.

Collaborative contracting is based on open communication and transparency on costs - this helps to balance risk transfer among parties, reduces overruns, and leaves only profit at risk in many cases.

+70%

Over 70% of Bird's combined backlog is made up of projects with collaborative delivery models.

PERFORM

Strategy: Operate under the key driver of accountability, with our success rooted in exceptional project delivery and client services, supported by a strong financial framework, robust risk management, and a continue focus on steady, consistent, responsible growth.

- Culture of operational excellence
- Provide innovative client solutions
- Common and scalable technology platform that builds efficiencies
- Robust financial and risk management
- Generate consistent profitability and balanced backlog

Delivering Excellence

Our team of over 5,000 employees delivers exceptional operational performance and collaborative execution across all project sizes and delivery models.

WHAT SETS US APART

Disciplined revenue growth
2022 Revenue +7.1% Y/Y
- 2022 Revenue $2.4B vs. 2018 $1.4B, combined growth through strategic acquisitions and organic diversification
- Resilient revenue streams due to diversity in client, sector and geography

Sustained robust combined backlog
Record combined backlog
- 2022 year-end Backlog $2.6B, Pending Backlog $2.5B
- Diverse, risk-balanced contracts
- >$900M recurring revenue contracts at year-end 2022

Successful accretive M&A
+ Self perform capabilities
- Successful integrations, large volume of cross-selling
- 2023 – Trinity Communications acquisition; 2021 – Dagmar acquisition, niche specialty contractor
- 2020 – Transformational Stuart Olson Acquisition

Margin growth & EPS improvement
2022 Adj. EBITDA Margin(1) 4.3%
- Exited high-risk lump sum turn-key projects in 2018
- Increased specialized, self-perform capabilities, higher-margin potential sectors and collaborative contracts

Strong balance sheet & financial flexibility
2022 Working Capital +22% Y/Y
- Well-positioned to pursue growth and continue to invest in the business, pay dividends and repay long-term debt
- Notably low leverage and low net debt

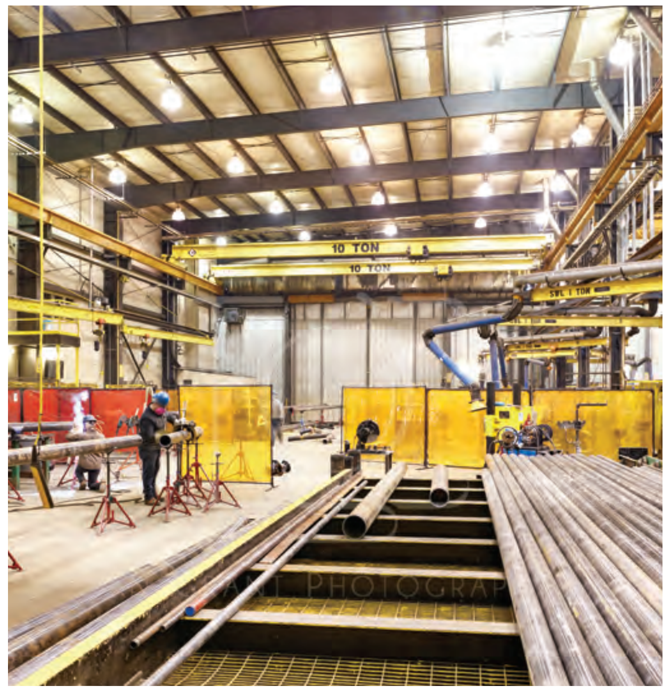
Elevated sustainability profile
+ Growing national portfolio
- Expanded sustainable energy portfolio and suite of sustainable building construction and retrofit services
- Implemented ESG strategy, positioned for future ratings

(1) Refer to the Terminology and Non-GAAP & Other Financial Measures section of Management's Discussion and Analysis.

STRATEGY IN ACTION

Integrated Client Solutions

Bird's expanding self-perform abilities, comprehensive service offerings, and nationwide presence create a solid foundation for maximizing cross-selling potential through our integrated and innovative client solutions.



Commercial Systems Group

The Centre for Building Performance

Innovative Trenching Solutions

Modular Construction & Prefabrication

Deep Energy Retrofits

Net Zero & Sustainable Construction

Centres of Excellence

Collaborative Contracting

Complete Lifecycle Solutions

Special Projects

Innovation with Purpose

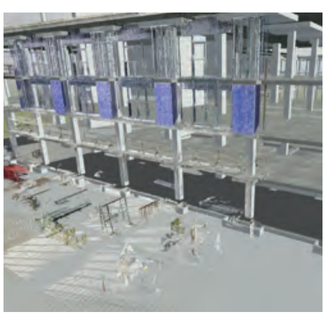
Bird's mission to embrace innovative tools and processes, and integrate technology solutions, is centred on delivering increased value and efficiency to our clients while streamlining work for on-site and business support teams.

Our focus on, "Think Digital, Leverage Data," supports enhancing data and analytics capabilities to drive business insights and establish a secure, unified, and adaptable technology platform that enables us to effectively navigate a rapidly changing business environment.

Our digital construction technology, such as Building Information Modeling/Virtual Design and Construction (BIM/VDC), sensors, laser scanning and drones, help us build safely and sustainably, with higher quality and efficiency.

BIM/VDC

SENSORS



LASER SCANNING

DRONES

Maximize energy efficiency

Reduce material waste

Improve collaboration

Enhance safety

Reduce risk

Leverage analytics

Increase schedule certainty

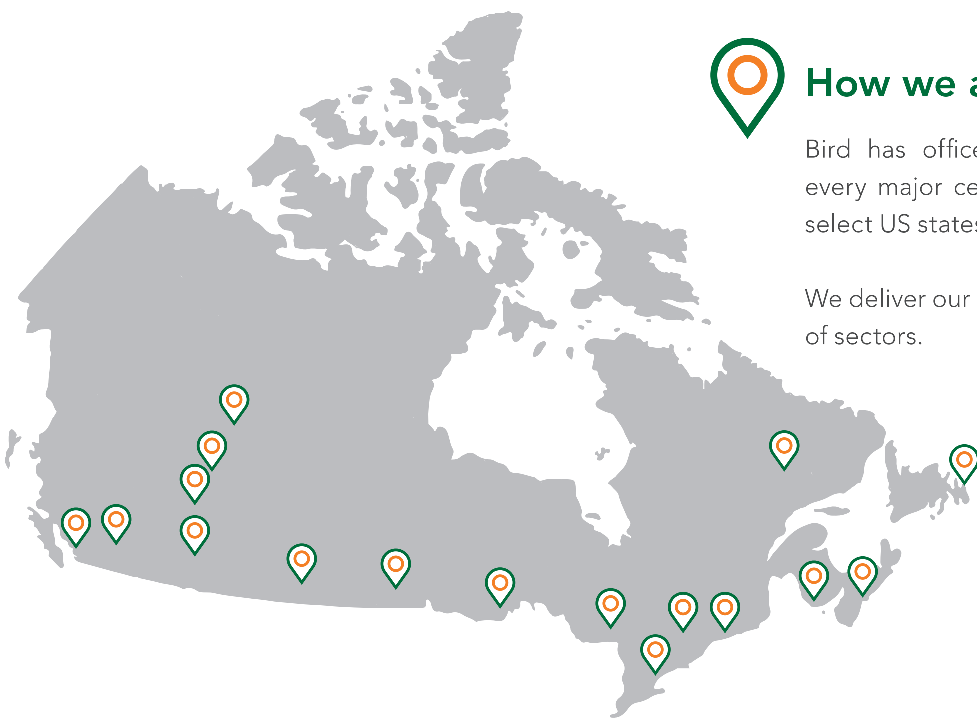
Monitor realization of design intent

STRATEGY IN ACTION

DIVERSIFY

Strategy: Leverage and expand our diverse capabilities and services across the country, supported by collaboration, internal partnerships, and building expertise to grow service offerings and expand self-perform capabilities, while maintaining a well-balanced portfolio of low- to medium-risk projects, and continuing to drive an improving margin profile.

- Diverse balance of service offering, market reach and geography with new and current clients
- Leverage our integrated services nationally
- Increased self-perform capabilities
- Promote positive relationships with Indigenous partners and communities
- Renowned brand with balanced ESG strategy



How we are delivering

Bird has offices across Canada and serves every major centre. We also perform work in select US states.

We deliver our diverse services to a wide range of sectors.

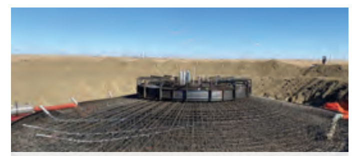
As leaders in Canadian construction, we continue to invest, develop, and challenge the status quo. Our mission is to go beyond the norm to bring value to our clients, partners, and communities.

DIVERSE SERVICES AND SELF-PERFORM SCOPES


Future Energy Services


Buildings Construction Services

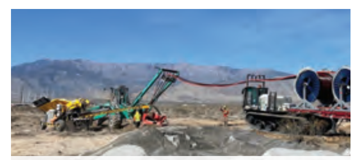

Horizontal Civil Works


Structural Civil Works

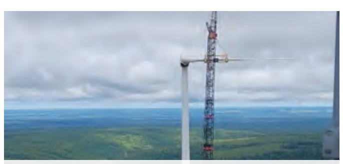

Heavy Civil Services


Powerline & Telecoms


Electrical and Instrumentation

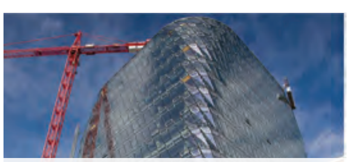

One Pass Trenching / Utilities Installations


Mechanical


Renewables Self-Perform


Modular Construction


Fabrication


Deep Energy Retrofits


High Voltage Testing & Commissioning


Insulation and Cladding


General Contracting

STRATEGY IN ACTION

Indigenous Relations

We demonstrate our commitment to Indigenous Relations by building respectful relationships founded on open communication and seeking collaborative business opportunities with Indigenous partners. We invest in skills development initiatives and scholarships that support the aspirations of Indigenous Peoples pursuing careers in the construction industry. Our national Indigenous Engagement Policy aims to ensure a consistent and culturally appropriate approach that respects the diversity of the Indigenous landscape in Canada, while supporting the Truth and Reconciliation Commission Call to Action #92.

Progressive Aboriginal RELATIONS BRONZE LEVEL

Canadian Council for Aboriginal Business

Examples of our partnerships in action can be found throughout the Year in Review section starting on page 23.

ESG Strategy

Our 2021 Sustainability Overview can be viewed **here**.
Stay tuned for our 2022 overview in May 2023.

Bird's ESG journey goes beyond the provision of market solutions. We reflect on our own processes and consider how we are living our values as a responsible and responsive company, exploring how we can build smarter and greener as we contribute to the sustainability goals and aspirations of clients, employees, and communities with whom we interact.

In 2022, we continued to strengthen our internal ESG governance structures. Significant progress has been made in advancing Bird's internal readiness for forthcoming disclosure requirements, particularly related to emissions.

DIVERSE PROJECT WINS ANNOUNCED IN 2022:

- **March - Environmental:** The City of Barrie Wastewater Treatment Facility Upgrade Program Delivered Through an IPD Contract ($125M)
- **April – MRO:** Two Five Year MSA Contracts and Two Industrial Facilities Turnaround Contracts ($90M)
- **April – Mining:** Mining Services Contract with Client in Northeastern Ontario ($70M)
- **May – Transportation:** Dagmar Construction, a Wholly-Owned Subsidiary of Bird Construction Inc., Awarded Railworks Contract by Metrolinx ($62M)
- **May – Agri-foods:** Progressive Design-Build Contract For Net-Zero Plant Protein Processing Facility In Alberta ($125M)
- **September – Renewables:** Bird Announces Contracts for Two Wind Farm Developments by Capstone Infrastructure
- **September – Healthcare:** Awarded Contract for Covenant Community Health Centre in Edmonton ($95M)
- **November – Nuclear:** Notice to Proceed on Multi-year Task Order for Environmental Remediation by Canadian Nuclear Laboratories

New Board Members

In 2022, Bird welcomed four new members to the Board of Directors, all of whom bring **diverse perspectives, backgrounds, and expertise.**

- **Steven L. Edwards** spent 44 years at Black & Veatch, including just under ten years as Chairman and CEO. He brings a remarkable combination of inspiring leadership, strategic insight, and broad experience from his successful career. His expertise will contribute immense value, including his insights on sustainability-driven global megatrends such as electrification, decarbonization, and digitization.

- **J. Kim Fennell** is a veteran Silicon Valley executive, with over 35 years of experience in the technology industry. He has exceptional leadership experience, including at industry-leading organizations like Uber. His expertise will support our innovation journey.

- **Jennifer Koury** has extensive experience with global firms, most recently with BHP, and is an established leader in people and culture. Her expertise will support our evolving culture, which is a key driver to our success.

- **Gary Merasty** brings a wealth of experience from the construction industry, and as a federal MP. Gary is currently the CEO of the Peter Ballantyne Group of Companies, (the investment arm of the Peter Ballantyne Cree Nation), and will be a tremendous resource in our overall strategic direction as One Bird.

STRATEGY IN ACTION

EXPANDING OUR
POWER AND SUSTAINABLE ENERGY PORTFOLIO

Renewable and low carbon energy solutions contribute to global efforts to meet climate targets, support the energy transition, and achieve sustainable change. Bird has been supporting the construction execution on some of our country's largest infrastructure projects — from hydroelectric infrastructure, nuclear, and renewable power, to organic waste processing and waste-energy recovery projects — for over half a century.

Recent awards in the nuclear and alternative energy sectors enable us to leverage our electrical, civil, structural, and mechanical experience to develop and execute these important and complex major projects.

Drawing from experts across the country and collaborating with local offices, Bird's diverse self-perform capabilities create ready access to needed labour resources and the experience and insights necessary for effective planning and schedule optimization. Our ability to self-perform critical-path trade scopes provides operational excellence. By executing a higher percentage of self-perform services, we are able to exceed client expectations throughout the project lifecycle by way of risk reduction, cost savings, a shortened procurement cycle, and more.

We are collaborators, integrating our technical teams with technology providers and engineers to provide intelligent solutions for our clients.

RENEWABLE POWER

- Wind
- Solar
- Hydro and pumped storage

LOW CARBON ENERGY

- Hydrogen (Green and Blue)
- Nuclear/Small Modular Reactors
- Biomass conversion
- Anaerobic digestion
- Renewable Natural Gas

CARBON INNOVATION

- Carbon capture
- Carbon utilization
- Carbon storage

ENERGY EFFICIENCY

- District heating and cooling
- Cogeneration
- Water reuse
- Biomass and waste to energy
- Real estate energy efficiency

SAFETY

VALUES

WE PUT SAFETY FIRST

A healthy and safe work environment is non-negotiable. We build a culture of operational and psychological safety through engagement, learning, and leadership.

Safety is embedded in everything we do and is one of our core values. Bird is recognized for best-in-class Health, Safety, and Environment Management (HSE) systems and industry-leading safety performance. Our health and safety culture is rooted in our commitment to work in a spirit of collaboration with all employees, trade partners, clients, and suppliers to foster a healthy and safe work environment.

Executive Site Safety Tours

Bird completed 14 executive site safety tours in 2022. These tours were critical in fostering a culture of safety excellence and continuous improvement within our teams. While our executive and operations leadership teams are consistently present and engaged in important conversations to improve safety culture on-site, this monthly initiative bolsters Bird's goal of creating a healthy work environment where we put safety first. Regular site tours encourage engagement and promote accountability at all levels of the company as we put safety first.

Members of the executive team visited a complex project leveraging multiple Bird teams.

14
14 safety tours were completed

8-10
Averaged 8-10 executives per tour

11
11 cities visited

Launching new hard hats

The launch of Bird's redesigned hard hats for all employees marked a major milestone in the integration of a One Bird team. The new CSA Type I and II hard hats were given to all employees from coast to coast and play a vital role in keeping employees safe while increasing recognition with existing and potential clients, employees, and partners.

Our Maintenance, Repair and Operations team achieved some impressive health and safety milestones this year, including:

- **Over 86,000** incident and injury free exposure hours for the day and night shift teams
- **Completed over 1,700** field level hazard assessments (FLHA)
- **Over 980** of the FLHA's were reviewed and signed off by leadership during their regular site tours
- **Over 1,000** observation cards were submitted by the team, which included craft, supervision, and HSE

Safety Awards

Left to right:
Bryan Gravelle,
Jake Baker

Bryan Gravelle and Jake Baker were both awarded the Incident and Injury-Free (IIF) Exceptional Leadership Award from one of Bird's industrial clients. The culture-based site-wide safety program recognizes commitment and leadership towards the safest high-performance team on the work site.

Curtis Bowie, Senior Project Coordinator, received the Site Excellence Award for exemplary execution by one of Bird's industrial clients. Curtis' team complimented his diligence and thorough management to ensure safe execution plans, noting that he sets a high standard for all other vendors to follow.

For the fourth consecutive year, Bird's Industrial MRO team was **recognized at the 6th Annual 2022 Canadian Safety Achievement Awards (CS2A)** in Edmonton, AB. The CS2As are a national awards program showcasing exceptional health and safety performance in the maintenance industry. Our team received four awards at this year's event, including the Zero Injury Turnaround Award, 365 Daily Maintenance Award, Sustained Superior Performance Award, and the Craftsperson of the Year Award for Kumar Munusamy.

HONESTY

bird VALUES

WE LEAD WITH HONESTY

We speak and act with integrity, clarity, and care so people can trust our word and our work. Being honest means we can deliver the best outcomes and consistent results.

Bird strives to consistently be responsible, responsive, and innovative corporate citizens so people can trust our word and our work. Our strong governance framework supports a culture of accountability that emphasizes honesty, integrity, and transparency. In our interactions with one another, our clients, and other partners, we focus on understanding and solutions to overcome challenges rather than blame.

Respectful communication and honesty are essential to creating genuine relationships and partnerships; it is a foundation to be stronger together, to do great work, and to create opportunity.

Indigenous Engagement

2Nations Bird Construction Partnership

The 2Nations Bird Construction Partnership between Beardy's and Okemasis Cree Nation, Fishing Lake First Nation, and Bird Construction is rooted in culture, respect, collaboration and providing sustainable, positive social impacts for the First Nations. In February 2022, key representatives from Beardy's & Okemasis Cree Nation, Fishing Lake First Nation, and Bird Construction Industrial Services gathered to finalize our joint venture partnership. An exciting result of these discussions was the launch of the partnership's logo and official name – 2Nations Bird Construction Ltd. This partnership strengthens both First Nation's capacity to contribute to major industrial construction projects and supports Bird in procuring goods and services from local Indigenous businesses.

Front row left to right: Robin Bonk (Bird), Chief Sunshine (FLFN), Chief Ananas (BOCN), Dennis Esperance (WCDC), Rebecca Kragnes (Bird); Back row left to right: Jeremy Seeseequasis (BOCN), Tyler Caron (WCDC), Elder Peter Gardypie (BOCN), Jim Rawlings (Bird), Kevin Reeves (Bird), Johnny Walker (FLV), Brent Sunshine (FLFN), Garnet Eyahpaise (WCDC)

Alliance Agreement with Alex & Sons Enterprises

Bird signed an Alliance Agreement with Alex & Sons Enterprises (A&S) in early 2022. A&S is an Indigenous business led by Alex Archibald of Taykwa Tagamou First Nation and the signing of this agreement continues Bird Heavy Civil's long history of engaging with Indigenous businesses to build capacity within affected communities.

Bird Renews Alliance Agreement with Paul First Nation

Representatives from Bird and Paul First Nation met in 2022 to renew Bird's Alliance Agreement with Paul First Nation of Alberta and to discuss our shared vision for our future.

Bird Construction/Paul and Gerri Charette Scholarship

The Bird Construction/Paul and Gerri Charette Fund was established to advance reconciliation and empower Indigenous individuals and communities by removing barriers to education for learners, while promoting a culture of respect and inclusion.

Bird is pleased to announce the four inaugural bursaries for 2022

Bird is pleased to announce that four inaugural bursaries were awarded for 2022 to students at Bow Valley College, Portage College, Red River College Polytechnic, and Selkirk College.

Community Relations

Bird employees continue to find meaningful opportunities to contribute to local initiatives, donate to charities, and participate in events to support our communities. We are proud to see teams coast to coast give back and take action.

HIGHLIGHTS

- Bird has strong ties to the Canterbury Foundation and has been a huge supporter of their auction for the past three years supporting the "Promise of Home". 100% of auction proceeds are re-invested towards infrastructure, age-in-place care, and the Heart of Canterbury, a mental health and spiritual care program. Bird matched the winning bids of $10,000 with all proceeds donated to the Canterbury Foundation.

100% of auction proceeds are re-invested towards infrastructure

- The Lloydminster IPD team, consisting of Bird and its joint venture partner Chandos Construction, as well as ISL Engineering and Land Services, conducted a food and toy drive for The Olive Tree, a local food bank in Lloydminster, AB. Teams volunteered to help clean, organize and build over 120 Christmas food hampers. They also had amazing support from the craft team bringing in non-perishable items, completing a couple draws on-site, along with donations from trade partners, suppliers, and staff within the IPD team. There efforts resulted in:

5,036 lbs. of food collected on site

>$2,500 in new/unwrapped toys

$1,200 worth of Walmart gift cards for the older children

$8,500 in cash donations

- Our Industrial East team members participated in a Turkey Drive in Northern Ontario in time for the holidays. Bird and our Indigenous Partner, Alex and Sons Enterprises, sponsored the Turkey Drive and distributed 150 turkeys to members of Taykwa Tagamou Nation. All turkeys were purchased from a registered Taykwa Tagamou Nation owned business.

$10,000

Along with this act of solidarity and recognition, Bird donated $10,000 to Reconciliation Canada

- Bird held its inaugural companywide Bird Walk for Reconciliation to build awareness around and recognize the National Day for Truth and Reconciliation. Offices from coast to coast participated in the walk commemorating the tragic history and ongoing impacts of residential schools. Along with this act of solidarity and recognition, Bird donated $10,000 to Reconciliation Canada, an Indigenous-led organization that is leading the way in engaging Canadians in dialogue and transformative experiences that revitalize the relationships among Indigenous peoples and all Canadians.

$6,140 raised for The Adopt-A-Family initiative

- Bird was proud to support the 7th annual Adopt-A-Family at the local Children's Centre in Fort McMurray, AB. This initiative pairs donors with families in need to make their holidays brighter. This year, we exceeded our goal and were able to adopt three families and four seniors. The Adopt-A-Family initiative raised an astounding $6,140!

STRONGER TOGETHER

OKIB Water Systems
Improvement Project

VALUES

WE ARE STRONGER TOGETHER

Success is a team effort. Our inclusive workplace enables our combined expertise, humility, and creativity to unlock our greater potential.

By drawing on the strengths of our legacy organizations and shared values, our One Bird mentality is built upon a strong foundation of excellence and expertise.

OKIB Water Systems Improvement Project

The Okanagan Indian Band (OKIB) broke ground on their community water system improvement project in 2022, utilizing an Integrated Project Delivery (IPD) model that includes OKIB as the owners, Urban Systems (designer), and Bird Dawson Joint Venture (constructors). To fully realize the collaborative and innovative benefits of IPD, additional partners participated in the project including more than 13 trade partners, CML Project Services (consultant), and Indigenous Services Canada (funder). The new 1.2-mile water main will upsize and modernize the Irish Creek/ Head of the Lake and Six Mile/Bradley community water systems. By tying the two systems together, there will be an improvement in the quality of water for around 700 homes, the quantity of water, and fire protection for the community.

This project is the first time a First Nation has used an Integrated Project Delivery (IPD) model to work on an Indigenous Services Canada (ISC) funded infrastructure project for their community.

OKIB water is now safe to drink on the Head-of-the-Lake/Irish Creek water system as the Manganese water quality advisory has been lifted.

Kenora Jail

Thunder Bay Correctional Centre

Kenora and Thunder Bay Correctional Facilities

The Thunder Bay Correctional Centre and Kenora Jail expansion projects reached substantial completion in Fall 2022. This milestone marked the completion of all major construction and provided the Ministry of the Solicitor General with access to the new spaces to prepare for occupancy. This accelerated build was completed by the Bird and Stack Modular partnership, bringing together Bird's integrated conventional site construction and Stack's innovative modular construction solutions. Our commitment to building meaningful partnerships with regional communities was reaffirmed through engagement with local Indigenous communities, including a formal Indigenous Benefits Plan that incorporated employment, procurement, and design input.

Toronto Western Hospital/ Noventa Energy Partners

Bird has entered into an Alliance Agreement with renewable energy company Noventa Energy Partners to pursue opportunities for wastewater energy transfer (WET) projects across Canada. The WET projects will deploy the Huber ThermWin® System, for which Noventa Energy is the exclusive distributor in Canada and the United States. Wastewater is a relatively untapped renewable energy source that is underutilized in North America, and currently developing opportunities represent over $500 million and 150MW of energy. Our first project with Noventa is the Toronto Western Hospital WET project. This is the world's largest raw wastewater energy transfer project and, once complete, it will provide over 19MW of low-carbon thermal energy to the hospital facility, which is approximately 90% of the hospital's heating and cooling requirements. In early June 2022, we broke ground on the Wastewater Energy Transfer project alongside project partners, including Noventa Energy. Bird is proud to work closely with our partners and all stakeholders to bring this valuable, sustainable solution to the community.

Canadian Nuclear Laboratories' (CNL) Advanced Nuclear Materials Research Centre (ANMRC)

The Advanced Nuclear Materials Research Centre (ANMRC) is considered Canada's largest IPD project. This Joint-Venture with Bird, Chandos Construction, and M. Sullivan & Son Limited ("CBS JV") will advance the construction of what will be one of the largest nuclear research facilities ever constructed in Canada. The approximate project value is over $500 million, with Bird's share of the joint venture at 44% or over $220 million. The impressive facility will enable world-class research in nuclear energy, health, environmental stewardship and global security. Overall, services provided at the ANMRC will be critical to the life extension and long-term reliability of existing reactors, including Canada's fleet of CANDU nuclear power reactors and other designs deployed around the world.

GREAT WORK

bird VALUES

WE ARE DRIVEN TO DO GREAT WORK

We built our name on quality. We have a passion for excellence in our work and relationships that honours our businesses and our industry.

As a leader in Canadian construction, we are committed to delivering our best work. Our combined suite of services, an emphasis on long-term relationship-building, and an established reputation for exceptional execution provides the necessary support to help our clients realize their vision.

Award-Winning P3 Project

Our Public-Private-Partnership (P3) project with Concert Properties for five new Alberta high schools received two prestigious awards in 2022. This $300M Design-Build-Finance-Maintain project was awarded the P3 Awards' "Best Education and Higher Education Project" for 2022 – beating six other US-based projects to take top honours. It was also recognized as one of seven winners of the Canadian Council for Public-Private Partnerships National Awards for "Innovation and Excellence in P3". The project is the first ever P3 schools bundle in Alberta comprised exclusively of high schools which will offer more capacity for students in Leduc, Langdon, Blackfalds, and Edmonton.

Concert-Bird Partners will deliver five new high schools in Alberta in Blackfalds, Leduc, Langdon, and two in Edmonton.

Contractor of the Month

The Non-Process Buildings Team at an industrial site in British Columbia were awarded Quality Contractor of the Month in March 2022. This award represents our client's satisfaction with Bird's culture of accountability, and our team's ability to continuously produce top quality results. The same team achieved a substantial milestone later in the year, reaching one million people hours with no recordable incidents.

Investing In Our Team

Bird is driven to continuously do great work and that includes focused professional development for our leaders. Established in 2015, the Bird Site Management Program (BSMP) provides a high-level leadership experience and learning opportunity for project site leads. In 2022, 25 leaders from across the country each participated in over 125 hours of learning through the BSMP program. They attended three, three-day sessions that took place in April, May, and June at the Schulich School of Business in Toronto. Bird is proud to invest in our team and in the success of our company to grow and create opportunities within a respectful, diverse, and collaborative workplace.

In 2022, 25 leaders from across the country each participated in over 125 hours of learning through the BSMP program.

Bird Site Management Program (BSMP)

25 Construction Management Leaders

125 Learning Hours

3 Three-Day Sessions

Bird is proud to invest in our team and in the success of our company to grow and create opportunities within a respectful, diverse, and collaborative workplace.

OPPORTUNITY

Dagmar Project at Appleby GO Station Burlington, ON

bird VALUES

WE CREATE OPPORTUNITY

Rooted in a solid foundation, we adapt and grow to face the future. We are committed to elevating each other to chart the best path forward in an evolving world.

Bird is committed to continued growth and diversification. By elevating each other to chart the best path forward, we can create opportunity for innovation and collaboration.

Success With Diversification

Leveraging and expanding our diverse capabilities and services across the country will support Bird in maintaining its well-balanced portfolio of low- to medium-risk projects and continue to drive forward its improving margin profile. Diversification opportunities will continue to arise organically as we leverage our competitive strengths, and through mergers and acquisitions where we see a strategic fit that will allow us to accelerate our growth and become larger, stronger, and more competitive in the construction arena. Our operations teams are executing on our priority to diversify the business.

- Bird secured two five-year Master Service Agreement (MSA) contracts for industrial maintenance services and two industrial facilities turnaround contracts worth an estimated $90 million. These projects showcase the success that Bird is seeing across key focus areas in 2022. The increased opportunities found in natural resources represent diversity, collaboration, best-in-class client service, and work with repeat clients.

- Dagmar secured its largest project to date, the $62 million Kitchener GO Corridor expansion project for Metrolinx. This project commenced in March 2022 and involves railways track, signal, and station works construction. Track twinning and station improvements support the future growth of this transit line.

- Bird was selected to lead the design and construction of a state-of-the-art, net-zero plant protein processing facility in Strathmore, Alberta. The value of the progressive design-build contract is approximately $125 million. Bird will lead the design and construction of the facility and the 3D connectivity to the processing equipment. The 100,000-square-foot facility will be the first net-zero plant protein processing facility in North America, employing industry-leading technology solutions to recycle and reuse water, leverage low emission energy sources, and reduce overall energy consumption. Over the past ten years, Bird has built an impressive resume of over 100 agri-food projects, establishing ourselves as a leader in Canada's dynamic and evolving food processing sector.

In September 2022, Bird was awarded Engineering, Procurement and Construction (EPC) contracts for two wind projects in development by Capstone Infrastructure Corporation.

- In September 2022, Bird was awarded Engineering, Procurement and Construction (EPC) contracts for two wind projects in development by Capstone Infrastructure Corporation. The Wild Rose 2 Wind Project will be constructed in Cypress County, AB, approximately 20 km southeast of Medicine Hat. It will have a rated capacity of 192 MW of renewable energy. The Buffalo Atlee Wind Project contract has a rated capacity of 61.7 MW, and will be located approximately 100 km northwest of Medicine Hat, AB. This followed the award of a wind project for TransAlta Renewables in Kent Hills that aims to rehabilitate the 150 MW facility in New Brunswick. TransAlta Renewables chose Bird as general contractor for a construction project at Kent Hills Wind Projects to replace the foundations on all 50 turbines.

PHAI is considered one of Canada's largest environmental remediation projects

- Bird is a successful proponent for the Port Hope Area Initiative Master Construction Contract by CNL. In April 2022, Bird was selected as one of three teams to deliver environmental remediation services for the Port Hope Area Initiative ("PHAI") Master Construction Contract ("MCC"). PHAI is considered one of Canada's largest environmental remediation projects and there is close to one billion dollars in remediation work to be completed under the MCC, where Bird, as one of the three proponents, will have the opportunity to bid on work packages. In November, Bird was given notice to proceed on its first multi-year task order under the MCC for the remediation of approximately 400 sites in the municipality of Port Hope.

Powerhouse Roof Replacement Project,
Abitibi Canyon Generating Station

2022 MANAGEMENT'S DISCUSSION & ANALYSIS

for the years ended
December 31, 2022 and 2021

TABLE OF CONTENTS

The following Management's Discussion and Analysis ("MD&A") of Bird Construction Inc.'s ("the Company" or "Bird") financial condition and results of operations for the three and twelve months ended December 31, 2022, should be read in conjunction with the December 31, 2022 consolidated annual financial statements. This MD&A has been prepared as of March 7, 2023. Unless otherwise specified, all amounts are expressed in Canadian dollars. The information presented in this MD&A is presented in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted.

This discussion contains forward-looking statements and information, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by this information. See "Forward-Looking Information". Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under "Risks Relating to the Business" included in the Company's most recent Annual Information Form dated March 7, 2023. Additional information about the Company is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on the Company's website at www.bird.ca.

Throughout this MD&A certain measures are used that, while common in the construction industry, do not have a standardized meaning prescribed by IFRS and are considered specified financial measures. These include non-GAAP financial measures, non-GAAP financial ratios and supplementary financial measures. These measures may not be comparable with similar measures presented by other companies. Further information regarding these measures can be found in the "Terminology and Non-GAAP & Other Financial Measures" section of this MD&A.

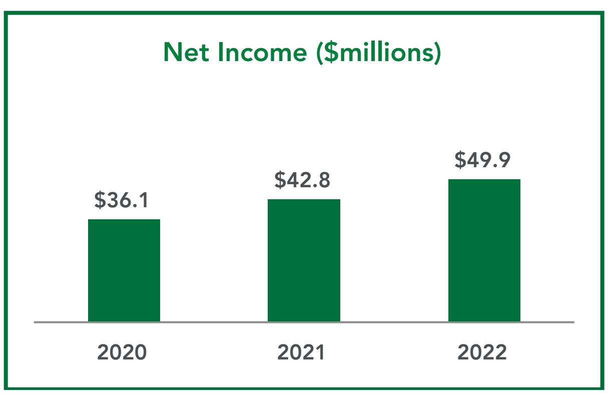
EXECUTIVE SUMMARY

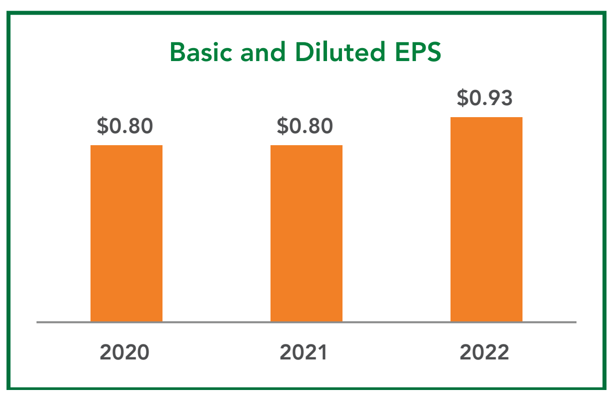
(in thousands of Canadian dollars, except per share amounts) **Income Statement Data**		**2022**		2021		2020
Revenue	$	**2,377,549**	$	2,220,026	$	1,504,432
Net income		**49,863**		42,783		36,103
Basic and diluted earnings per share ("EPS")		**0.93**		0.80		0.80
Adjusted Earnings [(1)]		**46,024**		50,954		41,579
Adjusted Earnings Per Share [(1)]		**0.86**		0.96		0.92
Adjusted EBITDA [(1)]		**101,185**		108,136		81,937
Adjusted EBITDA Margin [(1)]		**4.3 %**		4.9 %		5.5 %
Cash Flow Data						
Net (decrease) increase in cash and cash equivalents	$	**(15,691)**	$	(21,725)	$	31,765
Cash flows from operations before changes in non-cash working capital		**114,370**		102,623		71,696
Capital expenditures[(2)]		**(27,766)**		(11,756)		(14,227)
Cash dividends paid		**(20,941)**		(20,749)		(17,607)
Cash dividends declared per share		**0.39**		0.39		0.39
Balance Sheet Data		**December 31, 2022**		December 31, 2021		December 31, 2020
Total assets	$	**1,229,279**	$	1,137,148	$	1,067,550
Working capital		**184,632**		151,810		130,255
Loans and borrowings		**75,091**		78,681		72,913
ROU Liabilities		**73,259**		79,358		78,075
Shareholders' equity		**272,988**		243,488		212,610
Key Performance Indicators						
Pending Backlog [(1)]	$	**2,489,900**	$	1,624,700	$	1,635,900
Backlog [(3)]		**2,636,543**		3,002,509		2,682,498

[(1)] Adjusted Earnings and Adjusted EBITDA are non-GAAP financial measures. These measures, along with Adjusted Earnings Per Share, Adjusted EBITDA Margin and Pending Backlog do not have standardized meanings under IFRS and may not be comparable with similar measures presented by other companies. See "Terminology and Non-GAAP & Other Financial Measures."

[(2)] Represented by "Additions to property and equipment and intangible assets" in the consolidated statement of cash flows.

[(3)] Backlog is a measure that may not be comparable with a similar measure presented by other companies. See "Terminology and Non-GAAP & Other Financial Measures."





NATURE OF THE BUSINESS

OVERVIEW

Bird is a Canadian construction and maintenance company providing a comprehensive scope offering and a diversified portfolio of services to industrial, institutional, and commercial markets including: new construction and retrofits; industrial maintenance, repair and operations ("MRO") services, shutdowns and turnarounds; civil infrastructure construction; mine support services; utility contracting; fabrication; steel modular construction; and specialty trades.

The Company has been in operation for over 100 years, and draws upon the extensive experience of over 5,000 employees to deliver exceptional operational performance and collaborative execution across all project sizes and delivery models.

OUR LOCATIONS

The Company operates from coast-to-coast and services all of Canada's major geographic markets.

PROJECT DELIVERY MODELS

Bird executes projects and work programs with its clients using a variety of delivery models and contract types, including: Construction Management ("CM"), Integrated Project Delivery ("IPD"), Alliance, Cost-Plus, Stipulated Sum, Unit Price, Standard Specification Design-Build, Progressive Design-Build, Complex Design-Build, Alternative Finance Projects, and Public Private Partnerships ("PPP").

Of the delivery models and contract types, CM, IPD, Alliance, Cost-Plus, Stipulated Sum, Unit Price, Standard Specification Design-Build and Progressive Design-Build contracting types are considered low to medium risk by the Company, with the remaining contracting types representing higher levels of risk.

MANAGING RISK

Bird's primary constraints on growth are the availability and retention of qualified and capable personnel who are available for projects, and the ability to secure new work at appropriate margins. Bird self-performs large projects, particularly in the industrial market and MRO space, while in other areas, the majority of construction may be performed by Bird's subcontractors.

Bird is successful in winning work through qualifications-based selection criteria and contractual approaches to project delivery that align and incentivize all parties to achieve project goals involving shared identification and management of risk, resulting in a risk-balanced work program for the Company. Collaborative delivery models include Progressive Design-Build, MSA's, IPD, Alliance and some CM. While all CM is considered low risk, the contractual agreement determines whether it is considered a collaborative delivery project.

In the institutional and commercial markets where some risks are transferred through subcontracting, the scope of work of each subcontractor is generally defined by the same contract documents that form the basis of the Company's agreements with its clients. The terms of the agreements between the Company and its clients are generally replicated in the agreements between the Company and its subcontractors. These "flow-down" provisions substantially mitigate the risk borne by the Company. Depending on the value of the work, the Company may require bonds or other forms of contract security, including enrolling our subcontractors in Bird's subcontractor default insurance program, which helps mitigate exposure to possible additional costs should a subcontractor not be able to meet its contractual obligations.

INDUSTRY SECTORS

INDUSTRIAL

Bird executes large and complex projects for clients primarily operating in the oil and gas, liquefied natural gas ("LNG"), mining, renewables, water and wastewater, and nuclear sectors. Additionally, Bird delivers large, complex industrial buildings including manufacturing, processing, distribution, and warehouse facilities.

Bird self-performs a range of scopes including electrical and instrumentation, high voltage testing and commissioning, as well as power line construction, structural, mechanical, and piping, including off-site metal and modular fabrication. These industrial service capabilities and capacity were significantly enhanced with the acquisition of Stuart Olson Inc. ("Stuart Olson") in September 2020. Bird's expanded industrial general contracting business is augmented with the industrial maintenance contracting and the additional civil and facilities maintenance services which has expanded opportunities for additional maintenance clients in a broader geographical footprint.

INFRASTRUCTURE

Bird has a well-developed offering of civil construction capabilities including site preparation and earthworks, underground piping, utilities, and foundations and other concrete services. Bird provides support services to the mining sector and performs a full suite of scopes on greenfield and brownfield hydroelectric facilities.

The Company's acquisition of Dagmar Construction Inc. ("Dagmar") on September 1, 2021 provided a platform to expand Bird's national civil capabilities, including enhancing self-perform capacity across key civil infrastructure sub-sectors including road, bridge, rail, and underground utilities installation. Dagmar's capabilities and service offerings, integrated with Bird's existing civil business, improves Bird's competitive position nationally and provides greater access to the attractive Ontario market. Opportunities to capitalize on a higher portion of self-perform work in larger, complex projects further reinforces the future potential of the integrated business.

INSTITUTIONAL, COMMERCIAL, AND RESIDENTIAL

Bird constructs and retrofits institutional facilities, including healthcare facilities, post-secondary education facilities, K-12 schools, recreation facilities, public transportation facilities, prisons, courthouses, government buildings, long term care facilities, and senior housing. Commercial and residential sector capabilities include new construction and retrofit of data centres, office buildings, retail facilities, film studio infrastructure, hotels and select mixed-use mid- to high-rise residential buildings. The Company has also developed significant expertise in the construction of vertical elements of transit-related projects.

COMMERCIAL SYSTEMS

Bird provides electrical and related system services such as complex electrical and mechanical infrastructure design and installation, data communications, security, and lifecycle services, including national roll-out services that provide private and public sector clients with a range of ongoing electrical maintenance service functions across Canada. The Company's commercial systems business is one of Canada's largest electrical and data system contractors.

INNOVATIVE SOLUTIONS

Bird provides many innovative solutions to all of the sectors it services, including:

MASS TIMBER

Bird is a North American leader in mass timber construction, with an extensive resume including post-secondary education, recreation and seniors' living facilities. Bird has the expertise, experience, and supply chain to present an opportunity for greener buildings by using a renewable resource as a primary construction material.

In addition to its carbon capture benefits, studies have shown that visible wood in buildings has various psychological and physical impacts that can lead to higher occupant satisfaction, lower stress levels and blood pressure, better concentration, and increased optimism.

The growing popularity of mass timber as a primary building material for structures from high-rise wood frame housing developments to large-scale institutional buildings is indicative of a shift to buildings that are good for the environment and good for people.

CENTRE FOR BUILDING PERFORMANCE

The Centre for Building Performance facilitates seamless construction delivery that minimizes environmental impacts throughout every step of the construction process and supports the lifecycle of a building asset. The effective deployment of technology, including the use of sensors and BIM/VDC, reduces waste generated during the construction process and optimizes the use of fuel resources, for example, during heating and curing cycles.

Integrating all building systems data provides visibility into a building's performance, ensuring it performs as designed or better. These insights can generate analytics, reports, and trends through a single customized dashboard for asset owners to ensure efficiency is maintained.

Building performance solutions can reduce overall capital budgets by optimizing building systems and infrastructure while ensuring a high-performance building and faster occupancy handover. Post occupancy, in-house designed solutions provide valuable insights that help simplify building management and maintenance decisions, reducing operating costs and improving efficiency, and ultimately impacting the overall carbon intensity of the building.

INNOVATIVE TRENCHING SOLUTIONS

Innovative Trenching Solutions provides single-pass trenching with the use of custom-built, proprietary equipment that expedites installation of underground utilities for oil and gas, renewables, water, and telecommunications infrastructure. The system minimizes environmental impact by reducing ground disturbance and construction footprint while maintaining better stability across a variety of terrain.

CENTRES OF EXCELLENCE

Drawing on our subject matter experts, the Centres of Excellence provide thought leadership and direction in key areas, leading the way in exploring and adopting new technology, tools, relationships, techniques, and/or best practices that reduce risk and improve Bird's profitability, effectiveness, and reputation in a particular focus area, such as Net Zero, deep carbon retrofits and energy transition.

STACK MODULAR

Bird's partnership with Stack Modular, a global design-build structural steel modular manufacturer, is an innovative solution in the multi-family, hospitality, resource, and student and senior housing sectors. The partnership is focused on helping clients leverage the advantages of combining conventional and modular methods of construction, enabling time and cost savings, and ensuring delivery of high-quality, local code compliant modules with stakeholder assurance that projects will be executed successfully and safely.

2022 HIGHLIGHTS

Bird finished the 2022 fiscal year on a high note, delivering a strong fourth quarter of revenue growth, profitability, and cash flow generation. The Company's fourth quarter and full-year performance reflect the Company's strategy to reposition itself over the past several years, resulting in a diversified and risk-balanced business model with larger scopes of self-perform work, greater depth of cross-selling opportunities, and the vast majority of revenues generated from lower risk contract types. Bird's focus on a more collaborative business model has also allowed Bird to better manage and share inflationary impacts on costs of construction which, along with increased self-perform activity, strategic organic growth, acquisitions, and diligent cost management, has resulted in growing margins which remain a strategic priority to further improve over the coming years.

The Company's results continue to benefit from cross-selling opportunities across our diversified service offerings, and robust, accretive performance from recent acquisitions. The Company maintained a strong financial position in 2022, ending the year with significant financial flexibility and liquidity to support the Company's disciplined capital allocation approach, including the potential for future accretive tuck-in acquisitions similar to Dagmar and Trinity Communication Services Ltd. ("Trinity") which was acquired subsequent to year-end.

FULL-YEAR 2022 COMPARED TO FULL-YEAR 2021

- Construction revenue of $2,377.5 million was recorded in 2022, compared to $2,220.0 million in 2021, representing a 7.1% increase year-over-year.
- Net income and earnings per share for the year were $49.9 million and $0.93, respectively, compared to $42.8 million and $0.80 in 2021.
- Adjusted Earnings[1] and Adjusted Earnings Per Share were $46.0 million and $0.86 in 2022, respectively, compared to $51.0 million and $0.96 in the prior year.
- 2022 adjusted EBITDA[1] of $101.2 million, or 4.3% of revenues, compared to $108.1 million, or 4.9% of revenues in 2021.
- No recoveries were recorded under the CEWS program in 2022, compared to $21.9 million of recoveries recorded in 2021.

FOURTH QUARTER 2022 COMPARED TO FOURTH QUARTER 2021

- Construction revenue of $657.2 million compared to $597.8 million, representing a 9.9% increase year-over-year.
- Net income and earnings per share were $14.9 million and $0.28, respectively, compared to $9.9 million and $0.18 in Q4 2021.
- Adjusted Earnings[1] and Adjusted Earnings Per Share were $15.5 million and $0.29, respectively, compared to $13.0 million and $0.24 in Q4 2021.
- Adjusted EBITDA[1] of $30.6 million, or 4.7% of revenues, compared to $28.4 million, or 4.8% of revenues in Q4 2021.

- Bird reported record revenues for both the fourth quarter, and for the full year ended December 31, 2022. The combined strength of the Company and its recent acquisitions continue to yield opportunities for cross selling and higher self-perform activity across the Company's work program, driving revenue growth and stronger margins.
- The Company generated cash flow of $105.8 million from operating activities in the fourth quarter, finishing the year with $174.6 million of cash and cash equivalents. The strong ending cash position was achieved while the Company continued to fund investments in non-cash working capital related to operating activities of almost $60 million throughout the year to support the Company's growing work program, and while returning to more normalized levels of capital expenditures during the year.

[1] Adjusted Earnings and Adjusted EBITDA are non-GAAP financial measures. See "Terminology and Non-GAAP & Other Financial Measures."

- Bird continued to set new records for its combined Backlog and Pending Backlog of future work at December 31, 2022, totalling $2.6 billion and $2.5 billion, respectively. The Company added $353.1 million in securements to Backlog in the quarter, while adding over $350 million of new awards to Pending Backlog. Subsequent to year-end, the Company announced several significant additional new awards and contracts, some of which represent the conversion of Pending Backlog into Backlog, and others further adding to Bird's combined backlog.
- The Company continued to expand its MSA and recurring revenue base, with several new multi-year awards driving the amount of this work in Pending Backlog to over $900 million, representing recurring work to be performed over the next five years.
- In December, the Company successfully amended its Syndicated Credit Facility, extending the maturity of the entire facility by over a year to December 15, 2025, and increasing amounts available under the committed revolving facility by $35.0 million to $220.0 million. Within the amended revolving facility, the Company also increased its availability for letters of credit by $15.0 million to $115.0 million.
- During the fourth quarter of 2022, the Company announced that it was awarded the following projects and contracts:
    - The Company entered into strategic delivery partnership agreements with Canadian Nuclear Laboratories (CNL) to support the delivery of CNL's long-term corporate strategy. This includes existing work under CNL's $1.2 billion 10-year capital program, construction of at least six major facilities representing over $2 billion, and a newly commenced multi-billion-dollar work program which includes infrastructure upgrades and ongoing environmental remediation and restoration activities as part of the Port Hope Area Initiative, as well as other longer-term opportunities.
    - A limited notice to proceed with early work (pre-mobilization) for a strategically important multi-year task order under the previously announced Port Hope Area Initiative Master Construction Contract by Canadian Nuclear Laboratories.
- Subsequent to the year end, on January 31, 2023, Bird announced the acquisition of Trinity, an Ontario-based diversified telecommunication and utility infrastructure contractor. Specializing in underground, aerial, commercial inside plant, and multi-dwelling unit installations, Trinity's self-perform capabilities enable further cross-selling opportunities with Bird's sizeable national client base, and exemplify the Company's tuck-in M&A strategy to further diversify the Company's operations and expand its self-perform capabilities.
- Subsequent to the year end, the Company announced that it was awarded the following projects and contracts:
    - Bird was awarded a progressive design-build contract for a processing facility in Ontario, with a total project value over $200 million. The project delivery is divided into phases, with the owner, consultants and contractors working collaboratively in initial phases to ensure the cost estimate, schedule forecast, and project planning are sufficiently advanced before commencing the construction phase.
- The Board has declared eligible dividends of $0.0358 per common share for each of March 2023 and April 2023, representing a 10% increase to the monthly dividends declared in 2022 and for January and February of 2023.

ANNUAL RESULTS OF OPERATIONS

Consolidated Statement of Income and Additional Financial Indicators
(in thousands of Canadian dollars, except per share amounts and percentages)

	2022	2021	% change
Construction revenue	**$ 2,377,549**	$ 2,220,026	7.1%
Costs of construction	**2,175,787**	2,033,341	7.0%
Gross profit	**201,762**	186,685	8.1%
Income (loss) from equity accounted investments	**(2,714)**	4,187	-164.8%
General and administrative expenses	**(132,386)**	(127,014)	4.2%
Income from operations	**66,662**	63,858	4.4%
Finance and other income	**10,341**	1,322	682.2%
Finance and other costs	**(9,818)**	(7,550)	30.0%
Income before income taxes	**67,185**	57,630	16.6%
Income tax expense	**17,322**	14,847	16.7%
Net income for the period	**$ 49,863**	$ 42,783	16.5%
Total comprehensive income for the period	**$ 50,441**	$ 45,128	11.8%
Basic and diluted earnings per share	**$ 0.93**	$ 0.80	16.3%
Adjusted Earnings(1)	**$ 46,024**	$ 50,954	-9.7%
Adjusted Earnings Per Share	**$ 0.86**	$ 0.96	-10.4%
Adjusted EBITDA(1)	**$ 101,185**	$ 108,136	-6.4%
Adjusted EBITDA Margin	**4.3%**	4.9%	-0.6%

(1) Adjusted Earnings and Adjusted EBITDA are non-GAAP financial measures. See "Terminology and Non-GAAP & Other Financial Measures."

For the year ended December 31, 2022, the Company recorded construction revenue of $2,377.5 million, a $157.5 million, or 7.1%, increase compared with $2,220.0 million of construction revenue recorded in 2021. The growth was balanced across the Company's work programs, with over 5% representing organic growth, including Dagmar growth in the last four months of the year. In 2021, Dagmar was included for four months after its acquisition, compared to a full year in 2022. Revenues were negatively impacted by the pandemic in the first half of 2022, as well as by trade labour disruptions in the second quarter. Supply chain delays and permitting delays eased throughout the year, and had limited impact in the fourth quarter of 2022.

The Company's gross profit of $201.8 million for 2022, representing an 8.5% Gross Profit Percentage, compares to $186.7 million gross profit (8.4% Gross Profit Percentage) recorded in 2021. The Company's disciplined project selection, contracting and execution, including diligent management of construction costs, drove improving gross profit margins on higher construction volume. These improvements were achieved despite pandemic-related impacts, primarily in the first half of the year, which eased throughout the year and had limited impact in the fourth quarter of 2022. No CEWS recoveries were recorded in costs of construction in the current year to help offset these pandemic-related impacts, compared to $18.8 million of CEWS recoveries recorded in 2021.

Net income for the year ended December 31, 2022 was $49.9 million, an increase of $7.1 million over the $42.8 million of net income reported in the prior year. The increase was primarily driven by the Company's higher gross profit, discussed above, and higher finance and other income, partly offset by lower income from equity accounted investments, increases in general and administrative expenses, higher finance and other costs, and increased income tax expense, all further discussed below.

Losses from equity accounted investments for 2022 totalled $2.7 million, compared with income of $4.2 million in 2021. The lower income in 2022 was primarily due to $4.8 million lower earnings related to Stack Modular, driven by lower project activity in the current year, and lower activity relating to an equity accounted project in Western Canada compared to 2021, as well as the overall project mix of equity investments in varying stages of project lifecycles. In addition, income from equity accounted investments in 2021 included equity income from PPP concession entities that were subsequently classified as held for sale or sold.

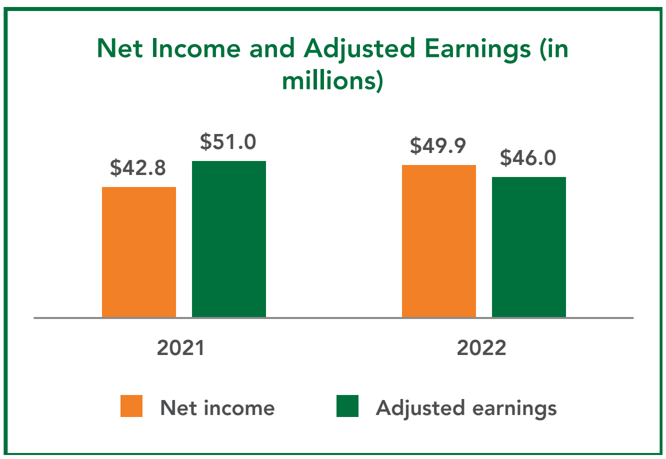
General and administrative expenses were $132.4 million (5.6% of revenue) for the year ended December 31, 2022, compared to $127.0 million (5.7% of revenue) in 2021. The primary drivers for the $5.4 million year-over-year increase were $7.4 million higher compensation and employee-related costs, which include the impact of $3.1 million CEWS recovery of compensation costs received in 2021, a full year of Dagmar salaries, annual salary increases, and changes to personnel levels; $0.6 million higher share-based payment costs, including the impact of related derivatives; $1.1 million higher amortization and depreciation, and $3.9 million aggregate growth-related increases to travel, business development and pursuit costs as activity levels returned to more normal levels in the second half of the year. Current year results include Dagmar general and administrative costs for the full twelve months of 2022 compared to four months post-acquisition in 2021. General and administrative expenses in 2022 include acquisition and integration costs totalling $2.5 million, compared to $10.8 million of acquisition and integration costs in 2021.

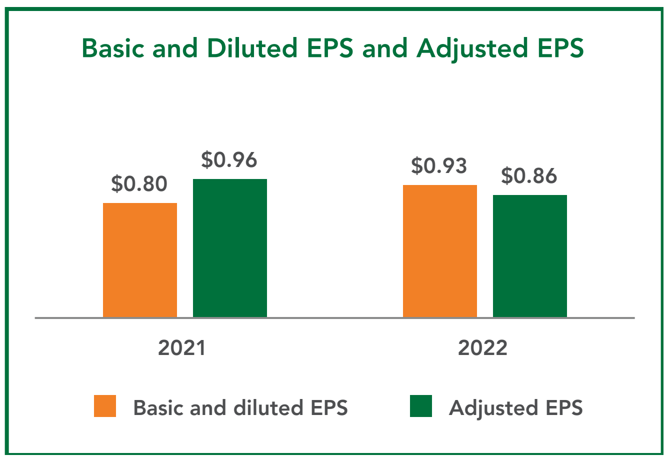
Finance and other income of $10.3 million in 2022 was $9.0 million higher than 2021 primarily due to a $7.6 million gain and $1.7 million of interest income recorded in the current year related to a settlement of historical construction billings and related interest charges with a customer in the second quarter, partially offset by a cumulative $0.9 million fair value loss on warrants received as part of the settlement. Higher interest on cash deposits was earned in 2022 due to rising interest rates.

Finance and other costs of $9.8 million recorded in 2022 was $2.3 million higher than amounts recorded in the same period of 2021 primarily due to increases to the Canadian prime rate applied to the Company's variable rate debt and the Company carrying a higher average debt balance outstanding on variable rate credit facilities in the current year. The higher average debt balance includes the impact of a $15.9 million term loan and $7.7 million revolving credit financing drawn in September 2021 to finance the acquisition of Dagmar.

For the year ended December 31, 2022, income tax expense of $17.3 million exceeded the $14.8 million expense recorded in 2021, in line with increased year-over-year income before taxes and similar effective tax rates.

Total comprehensive income was $50.4 million for 2022, compared to $45.1 million in 2021. The Company's $7.1 million higher net income, discussed above, was partially offset by $1.7 million lower gain, net of tax, on defined benefit pension plans. The lower pension gain was driven by investment earnings being lower than projected, partially offset by an increase in the discount rate impacting the pension obligation, and the impact of the asset ceiling, including the effects of a partial settlement during the third quarter of 2022.



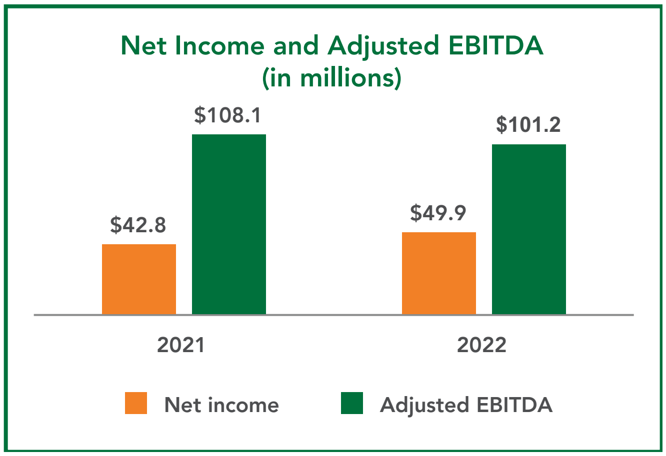


Adjusted Earnings[2] for the year ended December 31, 2022 was $46.0 million, compared with Adjusted Earnings of $51.0 million in 2021. Adjusted Earnings reflects increased year to date revenues and gross profit, and higher interest income related to the settlement of outstanding construction receivables and accrued interest from a

[2] Adjusted Earnings is a non-GAAP financial measure. See "Terminology and Non-GAAP & Other Financial Measures."

customer, partially offset by decreases in income from equity accounted investments, higher finance and other costs, and higher income taxes, as described above. General and administrative expenses, excluding the impact of acquisition and integration expenses which are excluded from Adjusted Earnings, exceeded amounts recognized in 2021 by $13.7 million, primarily driven by higher compensation costs, higher net share-based costs, amortization and depreciation costs, and higher growth-related amortization and depreciation, travel, business development and pursuit costs. The year-over-year change in Adjusted Earnings also includes the impacts of a full twelve months of accretive contributions from Dagmar in 2022, compared to four months of post-acquisition results in 2021, and CEWS recoveries totalling $21.9 million in 2021 that helped offset the impacts of pandemic-related project delays and additional costs, with no similar recoveries recorded in the current year resulting in pandemic-related impacts being absorbed in current year results.

Basic and diluted earnings per share were $0.93 for 2022, compared to $0.80 for 2021. Adjusted Earnings Per Share was $0.86 and $0.96 for 2022 and 2021, respectively. In addition to the impacts of changes in Net Income and Adjusted Earnings discussed above, the basic weighted average shares outstanding for 2022 was higher by 436,977 due to common shares issued in connection with the Dagmar acquisition in September 2021.



Adjusted EBITDA[3] for the year ended December 31, 2022 was $101.2 million compared to $108.1 million recorded in 2021. The $7.0 million year-over year decrease was primarily driven by reductions in income from equity accounted investments, higher compensation costs (including the impact of CEWS recoveries in 2021), higher net share-based compensation costs, and other growth-related increases in general and administrative expenses, as discussed above, which more than offset the increase in the Company's year-to-date revenues and gross profit. Adjusted EBITDA also includes a full year of contributions from Dagmar, compared to four months included subsequent to acquisition in 2021. Adjusted EBITDA margin was 4.3% and 4.9% for 2022 and 2021, respectively. In 2021, Adjusted EBITDA and Adjusted EBITDA margin include the impact of CEWS recoveries that helped offset the impacts of pandemic-related project delays and additional costs totalling $21.9 million recorded in costs of construction and general and administrative expenses. No similar recoveries were recorded in 2022, resulting in pandemic-related impacts being absorbed in current year results.

[3] Adjusted EBITDA is a non-GAAP financial measure. See "Terminology and Non-GAAP & Other Financial Measures."

QUARTERLY RESULTS OF OPERATIONS

Consolidated Statement of Income and Additional Financial Indicators
(in thousands of Canadian dollars, except per share amounts and percentages)

	Three months ended December 31, 2022	2021	% change
Construction revenue	**$ 657,184**	$ 597,803	9.9%
Costs of construction	**599,106**	546,489	9.6%
Gross profit	**58,078**	51,314	13.2%
Income (loss) from equity accounted investments	**(1,124)**	901	-224.8%
General and administrative expenses	**(34,534)**	(37,135)	-7.0%
Income from operations	**22,420**	15,080	48.7%
Finance and other income	**904**	426	112.2%
Finance and other costs	**(2,933)**	(1,890)	55.2%
Income before income taxes	**20,391**	13,616	49.8%
Income tax expense	**5,459**	3,699	47.6%
Net income for the period	**$ 14,932**	$ 9,917	50.6%
Total comprehensive income for the period	**$ 15,257**	$ 10,039	52.0%
Basic and diluted earnings per share	**$ 0.28**	$ 0.18	55.6%
Adjusted Earnings(1)	**$ 15,485**	$ 13,046	18.7%
Adjusted Earnings Per Share	**$ 0.29**	$ 0.24	20.8%
Adjusted EBITDA(1)	**$ 30,639**	$ 28,399	7.9%
Adjusted EBITDA Margin	**4.7%**	4.8%	-0.1%

(1) Adjusted Earnings and Adjusted EBITDA are non-GAAP financial measures. See "Terminology and Non-GAAP & Other Financial Measures."

The Company recorded construction revenue of $657.2 million in the fourth quarter of 2022, representing a $59.4 million, or 9.9%, increase over amounts reported in 2021. The revenue increase was driven by organic growth balanced across all divisions.

Gross profit of $58.1 million for the fourth quarter of 2022, representing a Gross Profit Percentage[4] of 8.8%, was $6.8 million higher than the $51.3 million gross profit (8.6% Gross Profit Percentage) recorded a year ago. Higher gross profit margins realized on construction revenue were driven by increased self-perform work, strong execution, supported by disciplined project selection, resulting in a greater proportion of collaborative contract types and a low contractual risk profile.

The year-over-year increase in fourth quarter net income was driven primarily by the Company's higher gross profit and lower general and administrative costs, partially offset by losses from equity accounted investments, increased finance and other costs, and higher income taxes, further discussed below.

Losses from equity accounted investments in the fourth quarter of 2022 were $1.1 million, compared with income of $0.9 million in same period of 2021. The lower income in the fourth quarter of 2022 was primarily related to Stack Modular, which had lower project activity in the current year quarter, and lower income relating to an equity

4 "Gross Profit Percentage" does not have a standardized meaning under IFRS and may not be comparable with similar measures presented by other companies. See "Terminology and Non-GAAP & Other Financial Measures."

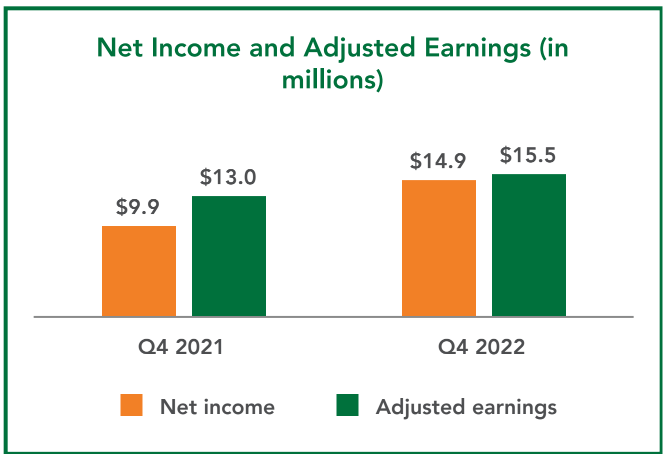
accounted project in Western Canada compared to the prior year. In addition, the fourth quarter of 2021 included equity income from a PPP concession entity that was subsequently classified as held for sale.

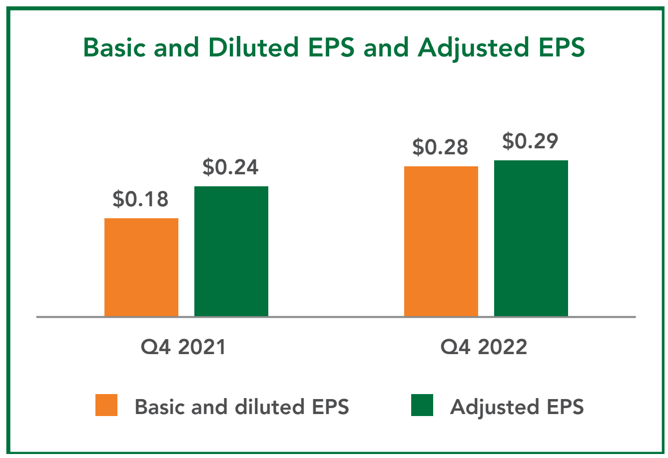
In the fourth quarter of 2022, general and administrative expenses were $34.5 million (5.3% of revenue[5]) versus $37.1 million (6.2% of revenue) in the corresponding period a year ago. The $2.6 million decrease was primarily driven by $3.4 million lower acquisition and integration costs recorded in the quarter, and $0.4m lower amortization and depreciation, partially offset by $1.1 million aggregate growth-related increases to travel, business development and pursuit costs as activity levels increased in the quarter to more normal levels compared to 2021. Compensation costs were comparable for the fourth quarter of 2022 and 2021.

Finance and other costs of $2.9 million in the fourth quarter of 2022 exceeded amounts recorded in the same period of 2021 by $1.0 million due to increases to the Canadian prime rate applied to the Company's variable rate debt and the Company carrying a higher average debt balance in the current year quarter. The higher average debt balance resulted primarily from short-term advances used to fund investments in non-cash working capital earlier in the year which were repaid during the fourth quarter.

In the fourth quarter of 2022, income tax expense was $5.5 million, compared to $3.7 million recorded in the fourth quarter of 2021. The increase in income tax expense was primarily due to higher income before income taxes.

In the fourth quarter of 2022, total comprehensive income was $15.3 million, compared to $10.0 million in the fourth quarter of 2021. The increase of $5.2 million was primarily due to the increase in net income of $5.0 million described above.



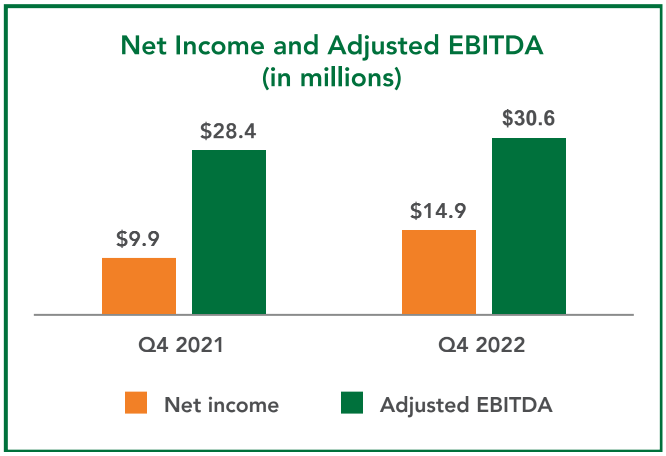


Adjusted Earnings[6] for the fourth quarter of 2022 was $15.5 million, compared with Adjusted Earnings in the fourth quarter of 2021 of $13.0 million, an increase of $2.4 million. Adjusted Earnings reflects higher revenues and gross profit for the current year quarter, partially offset by decreases in income from equity accounted investments, higher finance and other costs, and higher income taxes, as described above. General and administrative expenses, excluding the impact of acquisition and integration expenses which are excluded from Adjusted Earnings, exceeded amounts recognized in 2021 by $0.8 million, primarily driven by higher travel, business development and pursuit costs as the Company's activity levels returned to more normal levels compared to 2021, partially offset by slightly lower amortization and depreciation expenses.

Basic and diluted earnings per share were $0.28 in the fourth quarter of 2022, compared to $0.18 in 2021. Adjusted Earnings Per Share was $0.29 and $0.24 in the fourth quarter of 2022 and 2021, respectively.

5 "General and Administrative expenses as a percentage of revenue" does not have a standardized meaning under IFRS and may not be comparable with similar measures presented by other companies. See "Terminology and Non-GAAP & Other Financial Measures."

6 Adjusted Earnings is a non-GAAP financial measure. See "Terminology and Non-GAAP & Other Financial Measures."



Adjusted EBITDA[7] in the fourth quarter of 2022 was $30.6 million compared to $28.4 million recorded in the fourth quarter of 2021. The $2.2 million year-over-year increase was consistent with higher gross profit and the decrease in income from equity accounted investments discussed above, as well as growth-related increases in general and administrative expenses. Adjusted EBITDA Margin was 4.7% and 4.8% in the fourth quarter of 2022 and 2021, respectively.

KEY PERFORMANCE INDICATORS

Securements, Pending Backlog and Backlog

Securing profitable construction contracts and then controlling the costs during the execution of that work are the key drivers of success for the Company. To achieve this, new work must be available, which is a function of the general state of the economy. In periods of strong economic growth, client capital spending will generally increase and there will be more opportunities available in the construction industry. In economic downturns, fewer opportunities typically exist and competition for those opportunities becomes more intense, generally resulting in lower Gross Profit Percentages. The Company must be successful in securing profitable work in various economic conditions. The construction industry is highly fragmented and, accordingly, the Company competes with several international, national, regional, and local construction firms. The Company's competitive advantages include its long-standing reputation for successfully delivering high quality projects that fully meet the needs of the customer and in delivering projects collaboratively which enables the Company to secure repeat business from existing clients and win work with new clients.

The Company's success in securing work is reflected in the values of its Pending Backlog and Backlog. The following table shows the Company's balances at the end of the following reporting periods:

(in thousands of Canadian dollars)		**December 31, 2022**		December 31, 2021
Pending Backlog	$	**2,489,900**	$	1,624,700
Backlog	$	**2,636,543**	$	3,002,509

Pending Backlog at December 31, 2022 was $2,489.9 million compared to $1,624.7 million at December 31, 2021, an increase of $865.2 million or 53.3%. The Company's Backlog of $2,636.5 million at December 31, 2022 was lower than the balance at December 31, 2021, as executed work exceeded new contracts secured by $366.0 on a year-to-date basis. For the fourth quarter of 2022, the Company secured $353.1 million of new contracts, compared to $657.2 million of work executed.

Bird has a strong reputation for delivering sophisticated projects in a collaborative framework. As the Company pursues and participates in more of these projects, there may be client-driven requirements for early contractor involvement and pre-construction services. Bird's participation at earlier stages of the project development cycle can result in significant amounts of awarded project value being booked to and remaining in Pending Backlog for

[7] Adjusted EBITDA is a non-GAAP financial measure. See "Terminology and Non-GAAP & Other Financial Measures."

longer periods of time before transitioning to contracted Backlog. Due to the nature of the early involvement, smaller portions of work are typically contracted during initial phases of the project while working collaboratively to ensure the cost estimate, schedule forecast, and project planning are sufficiently advanced before contracts are executed for construction phases.

Pending Backlog includes over $900 million of recurring revenue contracts, primarily consisting of multi-year Master Service Agreement ("MSA"), maintenance, task order, and similar contractual arrangements. These contracts are typically with industrial clients, span multiple years, and represent a recurring revenue stream over the next one to five years, with the Company converting these contracts to Backlog on a regular basis as purchase orders or other formal documents to proceed are received. The remaining projects included in Pending Backlog are geographically diverse and span multiple sectors, and are generally lower risk contract types and collaborative in nature.

The following table outlines the changes in the amount of the Company's Backlog throughout the current and prior reporting periods:

(in millions of Canadian dollars)		**Year ended December 31, 2022**		Year ended December 31, 2021
Opening balance	$	**3,002.5**	$	2,682.5
Securements, change orders & other adjustments		**2,011.5**		2,540.0
Realized in construction revenues		**(2,377.5)**		(2,220.0)
Closing balance	$	**2,636.5**	$	3,002.5

Gross Profit Percentage

Once the Company has secured a contract, the profitability of that contract, measured by the Gross Profit Percentage, is primarily a function of management's ability to control costs, achieve productivity objectives associated with the contract and resolve commercial issues if they arise.

For 2022, the Company realized a Gross Profit Percentage of 8.5% compared with 8.4% in 2021. During the fourth quarter of 2022, the Company realized a Gross Profit Percentage of 8.8% compared with 8.6% in fourth quarter of 2021. The year-over-year changes in Gross Profit Percentage for the quarter and year-to-date are discussed in the sections above titled "Annual Results of Operations" and "Quarterly Results of Operations".

Financial Condition

The Company must have adequate working capital and equity retained in the business to support its ongoing operations, including surety and contract security requirements. The Company continually monitors the adequacy of its working capital and equity to satisfy contract security needs. Working capital is calculated as total current assets less total current liabilities.

The following table shows the working capital and shareholders' equity balances of the Company at the end of the following current and prior reporting periods:

(in thousands of Canadian dollars)		**December 31, 2022**		December 31, 2021
Working capital	$	**184,632**	$	151,810
Shareholders' equity	$	**272,988**	$	243,488

Further discussion of the change in the Company's working capital and shareholders' equity balances is provided in the section entitled "Financial Condition, Capital Resources & Liquidity".

Health, Safety & Environment

Bird's number one Corporate Value is '*We Put Safety First*'. This means ensuring that all work on the Company's sites is executed to rigorous operational safety standards and enabled through a psychologically safe workspace. Collectively these cornerstones form a culture that send our people home every day healthy and uninjured.

Bird's approach to developing a healthy safety culture begins with senior leadership demonstrating our health, safety and environment ("HS&E") values and executing an integrated long-term strategic focus on risk reduction. This strategic focus extends to project risk mitigation beginning with pre-project safety planning and strong safety execution practices ranging from competent project leadership, thorough frontline onboarding routines, identification and control of hazards through to regular HS&E program oversight and evaluation. All the foregoing is underpinned by the Company's workforce and trade partners being highly engaged in day-to-day safety expectations.

Ensuring that all employees leave the jobsite every day just as healthy and safe as when they arrived is a shared commitment and, by working collaboratively with employees and trade partners to achieve this, the Company minimizes risk and creates the appropriate conditions for the safe execution of construction activity, on-time, on-budget, and to the client's satisfaction. The Company believes this shared commitment is critical to its overall success and is proud to be a leader and founding member of the Canadian Construction Safety Council which aims to raise safety standards and performance across the industry with like-minded general contractors.

The Bird HS&E strategy is foundational to achieving the foregoing. At Bird we are focused on three strategic HS&E pillars – engagement, culture, and effective safeguards. Each of these pillars aims and anchors the Company's efforts towards establishing sustainable HS&E systems and results, a leadership team that cares, an engaged workforce, and robust controls that prevent loss.

The following table shows the Company's safety key performance indicators for the following current and prior reporting periods:

	Year ended December 31, 2022	Year ended December 31, 2021
Person-hours of work	**10,002,845**	10,131,291
Lost time incidents ("LTI")	**1**	1
Lost time incidents frequency ("LTIF")	**0.02**	0.02

OUTLOOK

Bird's focus on diversification and collaborative contracting, record combined Backlog and Pending Backlog, and healthy balance sheet, continue to differentiate the Company from others in the construction industry. The benefits of the Company's disciplined project selection and strong execution, with minimal exposure to lump sum turn-key projects, is evident in Bird's 2022 results and our confidence in the 2023 outlook for revenue and earnings growth.

Bird expects to maintain mid to high single digit revenue growth in 2023, capitalizing on the positive momentum achieved in the second half of 2022 as well as the visibility provided by the Company's record combined $2.6 billion Backlog and $2.5 billion Pending Backlog at the end of the year, which includes over $900 million in recurring revenue. In December 2022, the Company announced a 10% dividend increase, raising the monthly dividend to $0.0358 per share commencing with the March 2023 dividend to be paid in April. The Company anticipates significant growth in earnings per share and adjusted EBITDA in 2023, sufficient to achieve an expected dividend payout ratio below 40% of net income for the year.

A key strategic focus for the Company is on margin improvement, which it expects to deliver through increasing levels of self-perform work, accretive acquisitions with cross-selling opportunities, and a robust bidding environment where the Company can be selective when pursuing new work. This is supported by the risk-balanced and highly collaborative nature of Bird's current work program. Bird remains disciplined in its cost management, and expects to further leverage its cost structure to improve margins as the Company grows.

For 2023, Bird expects the seasonality of revenues and earnings to return to more normalized patterns due to the completion of a large year-round work program that was fully operational in the first quarter of 2022. While the work volume of this program has been fully replaced for 2023, the new work is expected to follow more seasonal trends, with the Company anticipating modest revenue growth in the first quarter and second quarter, notwithstanding expectations for mid to high single digit overall revenue growth for the year. Driven by improving margins, earnings per share and adjusted EBITDA growth are expected to outpace revenue growth.

Bird enters 2023 with a healthy cash position, low leverage and additional credit capacity. The Company continues to follow a disciplined approach to capital allocation, with smart investments in technology and productivity measures to enhance competitiveness that support growth and opportunistic pursuit of additional accretive tuck-in acquisitions that expand the Company's self-perform capabilities, similar to Dagmar and the recently announced acquisition of Trinity. Trinity's highly-scalable, specialized operations and strong customer relationships are expected to provide opportunities for cross-selling and self-perform work across Bird's existing divisions and exemplify Bird's tuck-in M&A strategy to seek out high growth potential businesses with strong margin and cash flow profiles.

Well-positioned for the future to achieve profitable growth and enhance shareholder value, Bird is excited to deliver on its purpose - "**We bring life to vision**; *Creating great things with you*".

CAPABILITY TO DELIVER RESULTS

Productive capacity relates to the financial and non-financial resources available to the Company to execute its strategy and achieve planned results. From a financial perspective, the Company believes it has sufficient working capital and access to operating lines of credit to execute its near term operational and growth forecast, further outlined in the Financial Condition, Capital Resources and Liquidity section.

The achievement of the Company's goals is not only based on financial stability, but also on the engagement and leadership proficiency of our employees. Our 2022-2024 strategic plan prioritizes the development of a highly engaged, high-performing team through innovative people programs. Annually, we identify and support the growth of our top-performing employees through opportunities for career advancement and training. Our performance management system places a strong emphasis on enhancing leadership skills, and we reinforce this through various internal and external training programs, including the Bird Site Management program, Finance for Non-Finance Managers, Frontline Leadership, and the Taking Flight management training program. These programs serve as a platform for high-potential individuals to sharpen their leadership abilities and contribute to the success of the Company.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

The following table presents a summary of the Company's financial condition at the end of the following reporting periods:

(in thousands of Canadian dollars)		**December 31, 2022**		December 31, 2021
Cash and cash equivalents	**$**	**174,607**	$	190,191
Non-cash working capital		**10,025**		(38,381)
Working capital	**$**	**184,632**	$	151,810
Non-current loans and borrowings	**$**	**68,007**	$	71,211
Non-current right-of-use liabilities	**$**	**55,469**	$	59,576
Shareholders' equity	**$**	**272,988**	$	243,488

As a result of the strength of the Company's balance sheet and its Syndicated Credit Facility, the Company believes it has sufficient amounts of both working capital and liquidity to execute its Backlog and to accommodate expected growth in its diversified work program. The Company believes it has sufficient working capital to support its current and projected contractual requirements.

As a component of working capital, the Company maintains a balance of cash and cash equivalents. At December 31, 2022, this balance totalled $174.6 million. Accessible cash at December 31, 2022 was $96.0 million ($103.0 million at December 31, 2021) with the remaining cash and cash equivalents balance held in trust or in joint operations' accounts. Accessible cash at December 31, 2022 decreased due to cash investments in working capital to support the seasonal growth of the Company's work programs, and due to shifts in geographical project mix and stage of completion on certain major projects in regions where trust cash requirements are enacted.

Non-cash working capital was $10.0 million at December 31, 2022, compared to a net liability position of $38.4 million at December 31, 2021. The investment in non-cash working capital utilized $48.4 million of cash year-to-date in 2022. The overall use of cash is consistent with the Company's seasonal expectations and is mainly due to the shifts in project mix and the stage of completion on certain major projects.

The Company's non-cash working capital position fluctuates significantly in the normal course of business from period to period, primarily due to the timing of differences between the settlement of payables due to subcontractors and suppliers, billings and collection of receivables from clients, and the timing in the settlement of income taxes payable. The Company's cash balances, and available credit facilities when needed, absorb these fluctuations with no net impact to the Company's net working capital position or ability to access contract surety support.

At December 31, 2022, the Company had working capital of $184.6 million compared with $151.8 million at December 31, 2021, an increase of $32.8 million. The primary driver of the increase was the Company's net income of $49.9 million exceeding the $20.9 million of dividends declared by $28.9 million. The Company's current ratio[8] at December 31, 2022 further improved to 1.23 compared to 1.21 at December 31, 2021.

The $29.5 million increase in shareholders' equity since December 31, 2021 was the result of the Company's net income of $49.9 million and other comprehensive income of $0.6 million, partially offset by $20.9 million of dividends declared.

Credit Facilities

The Company has a number of credit facilities in place, including a Syndicated Credit Facility, Equipment Financing facilities, and Letters of Credit facilities, available to access in order to support the issuance of letters of credit, finance future capital expenditures and finance the day-to-day operations of the business. The composition and terms of these facilities are more fully described in Note 18 to the December 31, 2022 annual consolidated financial statements.

The following table outlines the amount of the credit facilities, the amount of issued letters of credit and the amount of collateral pledged in support of the outstanding letters of credit at the end of the current and prior reporting periods:

[8] "Current ratio" is the percentage derived by dividing total current assets by total current liabilities. See "Terminology and Non-GAAP & Other Financial Measures."

(in thousands of Canadian dollars)		December 31, 2022		December 31, 2021
Committed revolving credit facility	$	**220,000**	$	185,000
Letters of credit issued from committed revolving credit facility		**25,312**		21,989
Drawn from committed revolving credit facility		**22,725**		22,725
Available committed revolving credit facility		**171,963**		140,286
Committed non-revolving term loan facility	$	**47,500**	$	50,000
Cumulative repayments of committed non-revolving term loan facility		**—**		(625)
Drawn committed non-revolving term loan facility		**47,500**		49,375
Non-committed Available Accordion	$	**50,000**	$	50,000
Letters of credit facilities	$	**150,000**	$	150,000
Letters of credit issued from letters of credit facilities		**51,627**		67,426
Available letters of credit facilities		**98,373**		82,574
Collateral pledged to support letters of credit	$	**90**	$	139
Guarantees provided by EDC	$	**51,537**	$	67,289

Annual Cash Flow Data

The following table provides an overview of cash flows for the years ended December 31, 2022 and 2021:

(in thousands of Canadian dollars)		2022		2021		$ change
Cash flows from operations before changes in non-cash working capital	$	**114,370**	$	102,623	$	11,747
Changes in contract assets - alternative finance projects		**—**		113		(113)
Changes in non-cash working capital and other		**(70,971)**		(66,910)		(4,061)
Cash flows from (used in) operating activities		**43,399**		35,826		7,573
Investments net of capital distributions from equity accounted entities		**922**		1,425		(503)
Proceeds on sale of investment in equity accounted entities		**1,501**		—		1,501
Additions to property, equipment and intangible assets		**(27,766)**		(11,756)		(16,010)
Proceeds on sale of property and equipment		**6,444**		3,614		2,830
Acquisitions, net of cash acquired		**—**		(20,563)		20,563
Other long-term assets		**4,087**		3,975		112
Cash flows from (used in) investing activities		**(14,812)**		(23,305)		8,493
Dividend paid on shares		**(20,941)**		(20,749)		(192)
Proceeds from loans and borrowings		**52,776**		58,600		(5,824)
Repayment of loans and borrowings		**(56,366)**		(52,832)		(3,534)
Repayment of right-of-use liabilities		**(19,747)**		(19,265)		(482)
Cash flows from (used in) financing activities		**(44,278)**		(34,246)		(10,032)
Increase (decrease) in cash and cash equivalents	$	**(15,691)**	$	(21,725)	$	6,034

Operating Activities

For the year ended December 31, 2022, cash flows from operating activities generated cash of $43.4 million, $7.6 million higher than the $35.8 million cash generated in the comparable period in 2021.

Cash flows from operations before changes in non-cash working capital of $114.4 million was $11.7 million higher than the $102.6 million cash generated in 2021 due to $7.1 million higher net income, in addition to $4.6 million higher net addbacks of non-cash items, including: higher losses from equity accounted investments ($6.9 million), higher non-cash income tax expense ($2.5 million), higher finance and other costs ($2.3 million), and increased amortization and depreciation ($1.9 million), partially offset by lower deferred compensation ($4.1 million), lower gains on sale of property and equipment ($2.8 million), and lower non-cash finance and other income ($2.3 million).

Cash used to fund changes in non-cash working capital and other increased $4.1 million compared to 2021 driven mainly by reduced net inflows related to accounts receivable and contract assets ($55.6 million), decreases in provisions ($8.5 million), deferred compensation ($9.5 million), and higher interest payments ($2.0 million), partially offset by reduced net cash outflows from accounts payable and contract liabilities ($45.8 million), lower income tax payments ($22.4 million), and higher interest income received ($3.2 million). Prior year net inflows related to accounts receivable and contract assets included collections of approximately $38.5 million of CEWS recoveries. The Company's non-cash working capital position fluctuates significantly from period to period, during the normal course of business, primarily due to timing differences between billings and collection of receivables, settlement of payables due to subcontractors and suppliers, and the timing of income taxes payable.

Investing Activities

For the year ended December 31, 2022, the Company used $14.8 million of cash in investing activities compared to $23.3 million used in 2021. The reduction in cash used of $8.5 million was primarily due to $20.6 million net cash used to acquire Dagmar in 2021, $2.8 million higher proceeds on sale of property and equipment, and $1.5 million proceeds on sale of investment in equity accounted entities, partly offset by increased investment in property and equipment, and intangible assets of $16.0 million and $0.5 million lower net capital distributions received from equity accounted entities.

Financing Activities

For the year ended December 31, 2022, the Company used $44.3 million of cash to fund financing activities compared to $34.2 used in 2021. The Company made $20.9 million of dividend payments and $26.5 million of scheduled repayments of loans and borrowings and ROU liabilities, offset by proceeds from equipment financing of $2.8 million. In addition, the Company borrowed and repaid $50.0 million on its revolving credit facility to fund working capital needs throughout the year due to growth in its work program. In 2021, the Company made dividend payments of $20.7 million and scheduled repayments of other loans and borrowings and ROU liabilities of $27.1 million, offset by advances on the Company's non-revolving term loan of $15.9 million and revolving credit facility of $7.7 million in connection with the acquisition of Dagmar, net of repayments on the Company's revolving credit facility of $10.0 million.

Quarterly Cash Flow Data

The following table provides an overview of cash flows during the three months ended December 31, 2022 and 2021:

	Three months ended December 31,		
(in thousands of Canadian dollars)	**2022**	2021	$ change
Cash flows from operations before changes in non-cash working capital	$ **33,465**	$ 25,791	$ 7,674
Changes in contract assets - alternative finance projects	**—**	—	—
Changes in non-cash working capital and other	**72,337**	31,398	40,939
Cash flows from (used in) operating activities	**105,802**	57,189	48,613
Investments net of capital distributions from equity accounted entities	**264**	205	59
Proceeds on sale of investment in equity accounted entities	**—**	—	—
Additions to property, equipment and intangible assets	**(6,614)**	(5,539)	(1,075)
Proceeds on sale of property and equipment	**3,055**	1,117	1,938
Acquisitions, net of cash acquired	**—**	—	—
Other long-term assets	**(113)**	(944)	831
Cash flows from (used in) investing activities	**(3,408)**	(5,161)	1,753
Dividend paid on shares	**(5,235)**	(5,235)	—
Proceeds from loans and borrowings	**—**	—	—
Repayment of loans and borrowings	**(21,567)**	(6,984)	(14,583)
Repayment of right-of-use liabilities	**(4,889)**	(4,953)	64
Cash flows from (used in) financing activities	**(31,691)**	(17,172)	(14,519)
Increase (decrease) in cash and cash equivalents	$ **70,703**	$ 34,856	$ 35,847

Operating Activities

During the fourth quarter of 2022, cash flows from operating activities generated cash of $105.8 million, a improvement of $48.6 million compared to $57.2 million cash generated in the fourth quarter of 2021.

Cash flows from operations before changes in non-cash working capital of $33.5 million was $7.7 million higher than the $25.8 million cash generated in 2021. The improvement resulted from higher net income of $5.0 in the current quarter in addition to higher addbacks for non-cash items consisting primarily of increased losses from equity accounted investments ($2.0 million), higher finance and other costs ($1.0 million), and non-cash taxes ($1.8 million), partially offset by lower addbacks of depreciation and amortization ($0.9 million), higher deductions of gains on sale of property and equipment ($0.7 million), and higher finance and other income ($0.5 million).

Cash generated to fund changes in non-cash working capital and other improved $40.9 million compared to the fourth quarter of 2021 driven mainly by increased net inflows related to changes in accounts receivable and contract assets ($5.3 million), decreased net cash outflows related to changes in accounts payable and contract liabilities ($28.4 million), changes in provisions ($2.3 million), and lower income tax payments ($7.2 million), partially offset by reduced net inflows related to other assets ($0.7 million), and changes in deferred compensation ($1.1m). Net inflows related to accounts receivable and contract assets in the fourth quarter of 2021 included the collection of approximately $2.8 million of CEWS recoveries. The non-cash working capital position fluctuates significantly in the normal course of business from period to period, primarily due to the timing of differences between the settlement of payables due to subcontractors and suppliers, billings and collection of receivables from clients, and the timing of the settlement of income taxes payable.

Investing Activities

During the fourth quarter of 2022, the Company used $3.4 million of cash in investing activities compared to $5.2 million used in 2021. The improvement of $1.8 million primarily relates to higher proceeds on sale of property and equipment of $1.9 million and changes in other long-term assets of $0.8 million, partially offset by higher additions to property and equipment of $1.1 million driven by project requirements and greater availability of equipment in the current year quarter.

Financing Activities

During the fourth quarter of 2022, the Company used $31.7 million of cash related to financing activities, comprised of $5.2 million of dividend payments, $1.6 million of scheduled repayments of loans and borrowings, and $4.9 of scheduled payments of ROU liabilities. During the quarter, the Company also repaid $20.0 million on its revolving credit facility that was used to fund temporary working capital needs earlier in the year. In the same period of 2021, the Company's made dividend payments of $5.2 million, scheduled repayments of loans and borrowings of $2.0 million, scheduled repayments of ROU liabilities of $5.0 million, and $5.0 million of repayments on its revolving facility.

CONTRACTUAL OBLIGATIONS

At December 31, 2022, the Company has future contractual cash flow obligations of $760.6 million. Interest payments on the committed revolving credit facility and committed non-revolving term loan facility are not included in the table below since they are subject to variability based upon outstanding balances at various points throughout the period.

(in thousands of Canadian dollars)	Not later than 1 year	2 – 3 years	4 – 5 years	Later than 5 years	Contractual cash flows	Carrying amount
Trade payables	$ 538,577	$ 33,343	$ 1,304	$ —	$ 573,224	$ 573,224
Dividends payable	1,745	—	—	—	$ 1,745	1,745
ROU liabilities	20,026	31,377	16,890	14,600	$ 82,893	73,259
Committed revolving credit facility	—	22,725	—	—	$ 22,725	22,725
Committed non-revolving term loan	5,000	42,500	—	—	$ 47,500	47,500
Equipment financing	2,229	2,193	760	—	$ 5,182	4,866
Acquisition holdback	1,000	—	—	—	$ 1,000	1,000
Lease commitments	3,434	—	—	—	$ 3,434	n/a
Other purchase commitments	4,760	10,680	5,697	1,725	$ 22,862	n/a
	$ 576,771	$ 142,818	$ 24,651	$ 16,325	$ 760,565	$ 724,319

FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of derivative contracts, accounts receivable and other like amounts that will result in future cash receipts, as well as accounts payable, dividends payable, loans and borrowings, and any other amounts that will result in future cash outlays. The fair value of the Company’s loans and borrowings approximate their carrying values on a discounted cash flow basis as the majority of these obligations bear interest at market rates. The fair values of the remaining financial instruments approximate their carrying value due to their relatively short periods to maturity.

The Company uses certain derivative financial instruments which are measured at fair value through profit and loss (“FVTPL”). These may include interest rate swaps to manage its interest rate risk, forward contracts to manage its foreign exchange risk on foreign currency payments and TRS derivative contracts for the purpose of managing its exposure to changes in the fair value of its share-based compensation programs due to changes in the Company’s share price. The Company does not designate any of its current derivative contracts as hedges. The Company does not hold or use any derivative instruments for trading or speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework and reviews corporate policies on an ongoing basis. The financial instruments that Bird uses expose the Company to credit, liquidity, market and currency risks. Refer to Note 32 to the December 31, 2022 annual consolidated financial statements for further details.

Credit Risk

The Company is primarily exposed to credit risk through accounts receivable. Before entering into any construction contract and during the course of the construction project, the Company satisfies itself that the customer has adequate resources to fulfil its contractual payment obligations as construction work is completed. If a customer is unable or unwilling to pay an amount owing, the Company generally has a right to register a lien against the project that will normally provide some security that the amount owed would be realized.

At December 31, 2022, accounts receivable outstanding for greater than 90 days and considered past due by the Company's management represent 16.6% (December 31, 2021 – 14.8%) of the balance of progress billings on construction contracts receivable. Management continually monitors risks relating to the credit quality and collectability of these accounts. The Company's customers are predominantly large in scale and of high creditworthiness, and the concentration of credit risk is limited due to the Company's sizeable and unrelated customer base. Management has recorded an allowance of $1.6 million (December 31, 2021 - $1.5 million) against these past due receivables, net of amounts recoverable from others.

For the year ended December 31, 2022, no single customer accounted for 10% or more of contract revenue (2021 - one customer representing revenue of $323.6 million). Although large projects may occasionally result in individual customers being significant, credit risk is mitigated through regular progress billings and other contract security

Liquidity Risk

Liquidity risk relates to the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages this risk through management of its capital structure, monitoring and reviewing actual and forecasted cash flows and the effect on bank covenants, and maintaining unused credit facilities where possible to ensure there are available cash resources to meet the Company's liquidity needs. In managing liquidity risk, the Company has access to committed short and long-term debt facilities as well as equity markets, the availability of which is dependent on market conditions. See the section titled "Financial Condition, Capital Resources and Liquidity" for further information on the Company's financial condition, capital resources and liquidity.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and corporate bond yields, will affect the Company's income or the value of its holdings in liquid securities.

The Company is exposed to interest rate risk to the extent that its credit facilities are based on variable rates of interest. At December 31, 2022, a one percent change in the interest rate applied to the Company's variable rate long-term debt would change annual income before income taxes by approximately $0.7 million (2021 – $0.7 million).

The Company has certain share-based compensation plans where the values are based on the common share price of the Company. The Company has fixed a portion of the settlement costs of these plans by entering into various TRS derivative contracts maturing in 2023. At December 31, 2022, a 10 percent change in the share price applied to the Company's TRS derivatives would change income before income taxes by approximately $1.6 million (2021 – $1.5 million).

The Company holds warrants for common shares of a publicly traded entity. At December 31, 2022, a 10 percent increase or decrease in the share price of the underlying entity would result in an increase in income before income taxes of approximately $0.1 million or a loss of $nil, respectively.

Currency Risk

Currency risk is the risk that fluctuations in currency exchange rates will affect the Company's net income.

The Company uses foreign currency to settle payments to certain vendors and subcontractors. At December 31, 2022, a 10% movement in the Canadian and U.S. dollar exchange rate would have changed income by approximately $0.2 million (2021 – $0.2 million).

DIVIDENDS

The Company declared monthly eligible dividends on common shares payable on or about the 20th of the month following the month in which the dividend was declared. The following table outlines Bird's dividend history:

Dividend Period	2022	2021
January 1 to March 31	$ 0.0975	$ 0.0975
April 1 to June 30	$ 0.0975	$ 0.0975
July 1 to September 30	$ 0.0975	$ 0.0975
October 1 to December 31	$ 0.0975	$ 0.0975

As of March 7, 2023, the Board of Directors has declared eligible dividends with a record date subsequent to December 31, 2022, for the following months:

Eligible dividends declared	Record date	Payment date	Dividend per share
January dividend	January 31, 2023	February 17, 2023	$ 0.0325
February dividend	February 28, 2023	March 20, 2023	$ 0.0325
March dividend	March 31, 2023	April 20, 2023	$ 0.0358
April dividend	April 28, 2023	May 19, 2023	$ 0.0358

OUTSTANDING COMMON SHARE DATA AND STOCK EXCHANGE LISTING

The Company is authorized to issue an unlimited number of common shares. The Company had a total of 53,774,639 common shares outstanding at March 7, 2023 (December 31, 2021 - 53,695,293). The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol BDT.

OFF BALANCE SHEET ARRANGEMENTS

The Company has surety lien bonds issued on behalf of the Company valued at $87.8 million at December 31, 2022 (December 31, 2021 - $93.1 million).

The Company has recognized assets and liabilities for all leases with a term of more than twelve months, excluding low-value assets, in accordance with IFRS 16 Leases.

Further details of commitments and contingencies are included in Note 34 to the December 31, 2022 annual consolidated financial statements.

RELATED PARTY TRANSACTIONS

The Company's related parties, as defined by IFRS, are its joint arrangements and key management personnel. A description of any material transactions with these related parties is included in Note 35 to the December 31, 2022 annual consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

(in thousands of Canadian dollars, except per share amounts)	2021				**2022**			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	**Q4**
Revenue	$ 444,637	$ 556,362	$ 621,224	$ 597,803	$ 475,521	$ 576,688	$ 668,156	**$ 657,184**
Net income	7,119	13,630	12,117	9,917	6,361	14,104	14,466	**14,932**
Earnings per share	0.13	0.26	0.23	0.18	0.12	0.26	0.27	**0.28**
Adjusted Earnings[(1)]	9,137	14,950	13,821	13,046	6,546	8,491	15,502	**15,485**
Adjusted Earnings Per Share	0.17	0.28	0.26	0.24	0.12	0.16	0.29	**0.29**
Adjusted EBITDA[(1)]	21,040	30,112	28,585	28,399	17,835	21,508	31,203	**30,639**

[(1)] Adjusted Earnings and Adjusted EBITDA are non-GAAP financial measures. See "Terminology and Non-GAAP & Other Financial Measures."

The Company experiences more seasonality in its business in the first quarter and early second quarter as a result of the nature of its mining work program and the timing of new project starts in its industrial work program. Contracts typically extend over several quarters and often over several years. In addition, seasonal activity often increases in both the spring and fall for the Company's MRO services, related to plant turnarounds that are typically completed in this timeframe.

For purposes of quarterly financial reporting, the Company must estimate the cost required to complete each contract to assess the overall profitability of the contract and the amount of gross profit to recognize for the quarter. Such estimating includes contingencies to allow for certain known and unknown risks. The magnitude of the contingencies will depend on the nature and complexity of the work to be performed. As the contract progresses and remaining costs to be incurred and risk exposures become more certain, contingencies will typically decline or have been utilized, although certain risks will remain until the contract has been completed, and even beyond.

In some cases, variations in earnings may occur where costs incurred to date may be recoverable from insurance policies or claims to customers at a future date but cannot be recorded in the current quarter. In the case of insurance claims, financial recovery is not recorded until certainty of the recovery is attained. In the case of claims against customers that are considered constrained variable consideration, revenue is not recorded until it is highly probable that there will not be a significant reversal of cumulative revenue to date. As a result, earnings may fluctuate significantly from quarter-to-quarter, depending on whether contracts with these types of claims are completed or nearing completion during the quarter, or have been completed in a prior quarter, and may fluctuate based on timing of resolution of claims.

There are also several other factors that can affect the Company's revenues and profit from quarter-to-quarter. These include the timing of contract awards, the value of subcontractor billings and project scheduling. Management does not believe that any individual factor is responsible for changes in revenue from quarter-to-quarter, except for seasonality in the first quarter of each year, significant acquisitions, and the impact of the COVID-19 pandemic.

The COVID-19 pandemic impact put downward pressure on the Company's revenue with significant impacts that commenced in the second quarter of 2020. Commencing in the third quarter of 2020 and continuing until the second quarter of 2021, the Company was able to partially offset costs incurred as a result of the pandemic through recoveries under the CEWS program. With nominal CEWS recoveries reflected in the third quarter of 2021 and none thereafter, the Company's results reflect the full financial impact of the pandemic.

ACCOUNTING POLICIES

The Company's significant accounting policies are outlined in the notes to the annual consolidated financial statements for the year ended December 31, 2022.

New Accounting Standards, Amendments and Interpretations Adopted

The Company has adopted new amendments effective January 1, 2022 related to IAS 37 *Onerous Contracts* and annual improvements to IFRS standards 2018-2020 for IFRS 9 *Financial Instruments* and IFRS 16 *Leases* that did not have a material impact on the Company's financial statements.

Future Accounting Changes

There are new accounting standards and amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2023 that have not been applied in preparing the financial statements for the period ended December 31, 2022. These standards and interpretations are not expected to have a material impact on the Company's financial statements.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the reporting date.

Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amount of an asset or liability and/or the reported amount of revenue and expense in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Assets and liabilities acquired in a business combination

The Company assesses whether an acquisition transaction should be accounted for as an asset acquisition or a business combination under IFRS 3 Business Combinations. The purchase price related to a business combination is allocated to the underlying acquired assets and liabilities based on estimates of their fair value at the time of acquisition. The determination of fair value requires the Company to make assumptions, estimates and judgements regarding future cash flows, valuation techniques, economic risk, weighted average cost of capital and future events. The measurement of purchase consideration and allocation process are therefore inherently subjective and impact the amounts assigned to identifiable assets and liabilities. As a result, the purchase price allocation impacts the Company's reported assets and liabilities (including the amounts allocated to intangible assets and goodwill), and future earnings due to the associated depreciation and amortization expense along with the required impairment testing.

Revenue and gross profit recognition

Construction revenue, construction costs, contract liabilities, and contract assets are based on estimates and judgements used in determining contract revenue and the determination of estimated costs to complete in order to calculate the stage of completion for a particular construction project, depending upon the nature of the construction contract, as more fully described in the revenue recognition policy. To determine the estimated costs to complete construction contracts, assumptions and estimates are required to evaluate matters related to schedule, material and labour costs, labour productivity, changes in contract scope and subcontractor costs. Due to the nature of construction activities, estimates can change significantly from one accounting period to the next.

The value of many construction contracts increases over the duration of the construction period. Change orders may be issued by customers to modify the original contract scope of work or conditions. In addition, there may be disputes or claims regarding additional amounts owing as a result of changes in contract scope, delays, additional work or changed conditions. Construction work related to a change order or claim may proceed, and costs may be incurred, in advance of final determination of the value of the change order. Change orders and claims may not be settled until the construction project is complete or subsequent to completion, and the nature of the relationship with the other party to the claim and the history of success of these claims may impact the associated revenue or cost recovery. Claims against customers for variable consideration due to factors described above are assessed under the Company's revenue policy, which requires significant judgement. The amount of variable consideration that is constrained is the difference between the total claim value and the best estimate of recovery. This constrained value is reviewed each reporting period.

Provisions

Legal, warranty and other provisions involve the use of estimates. Estimates and assumptions are required to determine when to record, and how to measure, a provision in the financial statements. The outcomes may differ significantly from the estimates used in preparing the financial statements resulting in adjustments to previously reported financial results.

Impairment of non-financial assets

Management evaluates property and equipment, intangible assets with definite lives, and right-of-use ("ROU") assets at the end of each reporting period to determine if there are events or circumstances which indicate that the carrying value may not be recoverable. Goodwill and intangible assets with indefinite lives are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the recoverable amount of the cash-generating unit ("CGU") or groups of CGUs to its carrying amount. There is a significant amount of uncertainty with respect to the estimate of the recoverable amount given the necessity of making economic projections which employ the following key assumptions: future cash flows, growth opportunities, including economic risk assumptions, and estimates of achieving key operating metrics and drivers, and the discount rate. Refer to note 17 to the December 31, 2022 annual consolidated financial statements for further details regarding the assumptions and estimates regarding the Company's goodwill impairment assessment.

Measurement of pension obligations

The Company's obligations and expenses related to defined benefit ("DB") pension plans are determined using actuarial valuations and are dependent on a number of significant assumptions. The DB obligations and benefit cost levels will change as a result of future changes in actuarial methods and assumptions, membership data, plan provisions, legislative rules, and future experience gains or losses. Actual experience that differs from assumptions may result in gains or losses that will be disclosed in future accounting valuations. Refer to note 23 to the December 31, 2022 annual consolidated financial statements for further details regarding the Company's DB pension plans.

Share-based payments

Compensation expense accrued for performance share units ("PSU") is dependent upon the final number of PSU awards that will eventually vest, adjusted for a performance multiplier, that is estimated by management and approved by the Board of Directors. Large fluctuations in compensation expense may occur due to changes in the underlying share price or revised management estimates of relevant performance factors.

Leases

The Company applies judgement in reviewing each of its contractual arrangements to determine whether the arrangement contains a lease within the scope of IFRS 16 Leases. Leases that are recognized are subject to further management judgement and estimation in various areas specific to the arrangement, including the term of the lease. In determining the lease term to be recognized, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Where a lease does not specify an interest rate, lease liabilities are estimated using a discount rate equal to the Company-specific incremental borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security in a similar economic environment.

Income taxes

Tax regulations and legislation are subject to change and there are differing interpretations requiring management judgement. Deferred tax assets are recognized when it is considered probable that deductible temporary differences will be recovered in future periods, which requires management judgement. Deferred tax liabilities are recognized when it is considered probable that temporary differences will be payable to tax authorities in future periods, which requires management judgement. Income tax filings are subject to audits and re-assessments and changes in facts, circumstances and interpretations of tax laws may result in a material increase or decrease in the Company’s provision for income taxes.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information is gathered and reported to senior management, including the President and Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), particularly during the period in which the annual filings are being prepared, and information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation has been recorded, processed, summarized and reported within the time periods specified in the securities legislation.

An evaluation of the effectiveness of the design of the Company’s disclosure controls and procedures was carried out under the supervision of management, including the CEO and CFO, with oversight by the Board of Directors and Audit Committee, as at December 31, 2022. Based on this evaluation, the Company’s CEO and CFO have concluded that the design and operation of the Company’s disclosure controls and procedures, as defined in NI 52-109, was effective as at December 31, 2022.

Internal Controls over Financial Reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Absolute assurance cannot be provided that all misstatements have been detected because of inherent limitations in all control systems. The Company’s management is responsible for designing and maintaining adequate internal control over financial reporting for the Company.

An evaluation of the effectiveness of the design of the Company’s internal controls over financial reporting was carried out under the supervision of management, including the CEO and CFO, with oversight by the Board of Directors and Audit Committee, as at December 31, 2022, using the control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control - Integrated Framework (2013). Based on this evaluation, the Company’s CEO and CFO have concluded that the design and operation of the Company’s internal controls over financial reporting, as defined in NI 52-109, was effective as at December 31, 2022.

There have been no material changes in the Company’s internal controls over financial reporting during the period beginning on October 1, 2022 and ending on December 31, 2022, that materially affected, or are reasonably likely to materially affect, the Company’s internal controls over financial reporting.

RISKS RELATING TO THE BUSINESS

The following are the more significant risk factors relating to the business. For a detailed discussion of all risk factors relating to the business, refer to the Company’s most recently filed Annual Information Form dated March 7, 2023 which is available through SEDAR at www.sedar.com and on the Company’s website at www.bird.ca. Readers are also encouraged to review the “Forward-Looking Information” section of this MD&A.

Ability to Hire and Retain Qualified and Capable Personnel

The success of Bird is highly influenced by the efforts of key management, technical, project and business development personnel. The loss of the services of any of Bird’s key management personnel could negatively impact Bird. The future success of Bird also depends heavily on its ability to attract, retain and develop high-performing personnel in all areas of its operations.

Most firms throughout the construction industry face this challenge and, accordingly, competition for professional staff is intense. If Bird ceases to be seen by current and prospective employees as an attractive place to work, it could experience difficulty in hiring and retaining an adequate level of qualified staff. This could have an adverse effect on current operations of Bird and would limit its prospects and impair its future success.

Maintaining Safe Work Sites

Despite the Company's efforts to minimize the risk of safety incidents, they can occur from time to time and, if and when they do, the impact on Bird can be significant. Bird's success as a general contractor is highly dependent on its ability to keep its construction work sites and offices safe and any failure to do so can have serious impact on the personal safety of its employees and others. In addition, it can expose Bird to contract termination, fines, regulatory sanctions or even criminal prosecution.

Bird's safety record and worksite safety practices also have a direct bearing on its ability to secure work, particularly in the industrial sector. Certain clients will not engage particular contractors to perform work if their safety practices do not conform to predetermined standards or if the general contractor has an unacceptably high incidence of safety infractions or incidents.

Bird adheres to very rigorous safety policies and procedures which are continually reinforced on its work sites and offices. Management is not aware of any pending health and safety legislation or prior incidents which would be likely to have a material impact on any of Bird's operations, capital expenditure requirements, or competitive position. Nevertheless, there can be no guarantee with respect to the impact of future legislation or incidents.

Economy and Cyclicality

Activity within the construction industry is generally tied to the state of the economy. Thus, in periods of strong economic growth, capital spending will generally increase and there will be more and higher quality opportunities available within the construction industry. Investment decisions by our clients are based on long-term views of the economic viability of their current and future projects, sometimes based upon the clients' view of the long-term prices of commodities which are influenced by many factors. If our clients' outlook for their current and future projects is not favourable, this may lead them to delay, reduce or cancel capital project spending and may make them more sensitive to construction costs. A prolonged downturn in the economy could impact Bird's ability to generate new business or maintain a backlog of contracts with acceptable margins to sustain Bird through such downturns.

As noted above, Bird attempts to insulate itself in various ways from the effects of negative economic conditions through diversification of the sources of the Company's earnings; however, there is no assurance that these methods will be effective in insulating Bird from a downturn in the economy. Furthermore, as a result of increased demand in certain regions or industry sectors, the Company has, in the past, earned favourable margins on particular projects. There is also no assurance that above-average margins that may have been generated on historical contracts can be generated in the future.

Ability to Secure Work

Bird generally secures new contracts either through a competitive bid process or through negotiation. Awards in both the public and private sectors are generally based upon price, but are also influenced and sometimes formally based on other factors, such as the level of services offered, safety record, construction schedule, design (if applicable), project personnel, the consortium, joint venture and subcontractor team, prior experience with the prospective client and/or the type of project, and financial strength including the ability to provide bonds and other contract security.

In order to be afforded an opportunity to bid for large projects, a strong balance sheet measured in terms of an adequate level of working capital and equity is typically required.

A decline in demand for Bird's services from the private sector could have an adverse impact on the Company if that business could not be replaced within the public sector. A portion of Bird's construction activity relates to government-funded institutional projects. Any reduction in demand for Bird's services by the public sector, whether as a result of funding constraints, changing political priorities or delays in projects caused by elections or other factors, could have an adverse impact on the Company if that business could not be replaced within the private sector.

Global Pandemics

Global pandemics, such as the recent COVID-19 pandemic, can result in widespread illnesses and deaths, can impact the health of the Company's workforce and can prevent the Company from being able to carry on its operations whether due to direct impacts, or indirect impacts through its customers and suppliers. These impacts can severely limit the Company's ability to operate and to generate revenues or cash flows, while its ability to eliminate or reduce costs during such times may be limited. Accordingly, with any threat of a pandemic or similar public health emergency, the Company could suffer significant financial losses and a deterioration in its creditworthiness and therefore have a material adverse effect on the Company.

Performance of Subcontractors

Successful completion of a contract by Bird depends, in large part, on the satisfactory performance and availability of its subcontractors who are engaged to complete the various components of the work. Subcontractor defaults tend to increase during downturns in overall market conditions. If subcontractors fail to satisfactorily perform their portion of the work, Bird may be required to engage alternate subcontractors to complete the work and may incur additional costs. This can result in reduced profits or, in some cases, significant losses on the contract and possible damage to Bird's reputation.

In addition, the ability of Bird to bid for and successfully complete projects is, in part, dependent on the availability of qualified subcontractors and trades people. Depending on the value of a subcontractor's work, Bird may require some form of performance security and achieves this through the use of surety bonds, subcontractor default insurance or other forms of security from the subcontractor to mitigate Bird's exposure to the risks associated with the subcontractor's performance and completion. A significant shortage of qualified subcontractors and trades people or the bankruptcy of a subcontractor could have a material impact on Bird's financial condition and results of operations.

Accuracy of Cost to Complete Estimates

As Bird performs each construction contract, costs are continuously monitored against the original cost estimates. On at least a quarterly basis, a detailed estimate of the costs to complete a contract is compiled by the Company. These estimates are an integral part of Bird's process for determining construction revenues and profits, and depend on cost data collected over the duration of the project as well as estimates and judgements of Bird's field and office personnel. Bird has adopted numerous internal control activities aimed at mitigating exposure to this risk, however to the extent that the costs to complete estimates are based on inaccurate or incomplete information, or on faulty judgements, the accuracy of reported construction revenues and profits can be impacted.

Estimating Costs and Schedules/Assessing Contract Risks

The price for most contracts performed by Bird is based, in part, on cost and schedule estimates that are subject to a number of assumptions, including assumptions as to inflationary impacts. Erroneous assumptions can result in an incorrect assessment of risks associated with a contract or estimates of project costs and schedules that are in error, potentially resulting in lower than anticipated profit or significant loss. All significant cost and schedule estimates are reviewed by senior management prior to tender submission to help mitigate these risks.

Adjustments and Cancellations of Backlog

The future performance of the Company in a period depends significantly on the contribution from projects in its backlog. There can be no assurance that the revenues or profits included in backlog at any point in time will be realized. Contract suspensions, reductions and cancellations, which are beyond the control of Bird, do occur from time-to-time in the construction industry. Customers may have the right to suspend, cancel or reduce the scope of their contracts with Bird and, though Bird generally has a contractual right to be reimbursed for certain costs, it typically has no contractual rights to the total revenue or profit that was expected to be derived from such projects. These reductions could have a material adverse impact on future revenues and profitability.

Work Stoppages, Strikes and Lockouts

Bird is signatory to a number of collective bargaining agreements. Future negotiation of these collective bargaining agreements could increase Bird's operating expenses and reduce profits as a result of increased wages and benefits. Failure to come to an agreement in these collective bargaining negotiations or those of its subcontractors and suppliers or government agencies could result in strikes, work stoppages, lockouts or other work action, and increased costs resulting from delays on construction projects. A strike or other work stoppage may be disruptive to Bird's operations and could adversely affect portions of its business, financial position, results of operations and cash flows.

Acquisition and Integration Risk

The Company has made acquisitions, and may continue to pursue acquisition opportunities to advance its strategic plan. The successful integration of an acquired business typically requires the management of the pre-transaction business strategy, including the retention and addition of customers, realization of identified cost, revenue and strategic synergies, retention of key staff and the development of a common corporate culture. Failure to adequately address differences in technology, culture, customers, projects, or other issues could negatively affect financial performance. There is no assurance that the Company will be able to successfully integrate an acquired business in order to maximize or realize the benefits associated with an acquisition.

Litigation/Potential Litigation

In the normal course of the construction business, disputes sometimes arise between parties to construction contracts. While Bird attempts to resolve any disagreements or disputes before they escalate to litigation, in some situations this is not possible. At any given time, Bird may be involved in a number of disputes that could lead to litigation and there may be a number of disputes in various stages of litigation.

The Company makes provisions in its consolidated financial statements for any potential settlements relating to such matters and management does not believe that any existing litigation or pending litigation will ultimately result in a final judgment against Bird that would have a materially adverse impact on the operations of Bird. Litigation is, however, inherently uncertain and, accordingly, adverse outcomes not currently provided for in any current litigation or pending litigation are possible. These potentially adverse outcomes could include financial loss, damage to Bird's reputation or a reduction in prospects for future contract awards.

Design Risks

While many contracts entered into by Bird are for construction or construction services only, certain contracts are undertaken on a design-build basis, under which Bird is responsible for both design and construction of the project, which adds design risk assumed by Bird. While Bird subcontracts all of the design scope in such design-build contracts to reputable designers, there is generally not a full transfer of design-related risks. These risks include design development and potential resulting scope extensions not anticipated at the outset of the project, delays in the design process that may adversely affect the overall project schedule, and design errors and omissions.

To manage these risks, Bird manages and oversees the design process, coordinates the design deliverables with the construction process and, for significant design-build projects, purchases errors and omissions insurance.

Information Systems and Cyber-security Risk

The Company relies on information technology to manage, process, store and transmit electronic information. Complete, accurate, available and secure information is vital to the Company's operations and any compromise in such information could result in improper decision making, inaccurate or delayed operational and/or financial reporting, delayed resolution to problems, breach of privacy and/or unintended disclosure of confidential information. Failure in the completeness, accuracy, availability or security of the Company's information systems, the risk of system interruption or failure during system upgrades or implementation, or a breach of data security could adversely affect the Company's operations and financial results. In addition, cyber-security incidents relating to the Company's information technology systems may disrupt operations and impact operating results.

Cyber-security incidents may occur from a range of techniques, from phishing or hacking attacks to sophisticated malware, hardware or network attacks. While the Company has implemented systems, policies, procedures, practices, hardware and backups designed to prevent and limit the effect of cyber-security attacks, there can be no assurance that these measures will be sufficient to prevent, detect or address the attacks in a timely matter, or at all. A successful cyber-attack may allow unauthorized interception, destruction, use or dissemination of the Company's confidential information, which could have a material adverse effect on the business.

The Company maintains a dedicated team of technology and cybersecurity professionals who manage a comprehensive program to help protect the organization against breaches and other incidents with appropriate security and operational controls in place, including the monitoring of threats. The Company also has a continual training and compliance program that all employees must adhere to. The Company's risk management activities also include ensuring sufficient information security insurance coverage is in place, and the regular engagement of third-party expertise to assess our information security systems.

Climate Change Risk

Risks in Transitioning to a Lower Carbon Economy

The transition to a lower-carbon economy has the potential to be disruptive to traditional business models and investment strategies. The Company's private and/or public-sector clients may shift their infrastructure priorities due to changes in project funding or public perception of sustainable projects. This risk can be mitigated to an extent by identifying changing market demands to offset lower demand in some sectors with opportunities in others, forming strategic partnerships and pursuing sustainable innovations.

Government action to address climate change may involve economic instruments such as carbon and energy consumption taxes as well as restrictions on economic sectors, such as cap-and-trade and more stringent regulation of greenhouse gas emissions that could also impact the Company's current or potential clients operating in industries that extract, distribute and transport fossil fuels, or clients in other carbon intensive industries.

Financial Risks

As new climate change measures are introduced or strengthened, the Company's cost of business, including insurance premiums, may increase, and the Company may incur expenses related to complying with environmental regulations and policies where it does business. Such costs may include purchasing new equipment to reduce emissions to comply with new regulatory standards or to mitigate the financial impact of different forms of carbon pricing. In addition, the Company may incur costs related to engaging with governments, regulators and industry organizations for new mandates on infrastructure projects, proactively and regularly monitoring regulatory trends and implementing adequate compliance processes. Although the Company actively monitors applicable climate change laws and regulations and compliance with them, and is proactive in promoting and supporting climate change mitigation actions, inadvertent compliance shortfalls could result in penalties and reputational damage that may impair the Company's future prospects.

Market and Reputational Risk

Investors and other stakeholders in Canada and worldwide are becoming more attuned to climate change action and sustainability matters, including the efforts made by issuers to reduce their carbon footprint. The Company's reputation may be harmed if it is not perceived by its stakeholders to be sincere in its sustainability commitment and its long-term results may be impacted as a result. In addition, the Company's approach to climate change issues may increasingly influence stakeholders' views of the Company in relation to its peers and their investment decisions.

Weather Related Risks

Many of the Company's construction activities are performed outdoors. The probability and unpredictability of extreme weather events and other associated incidents may continue to increase due to climate change and there may continue to be longer-term shifts in climate patterns. Although weather risk may be mitigated through contractual terms or insurance, construction projects are susceptible to delays as a result of extended periods of poor weather, which can have an adverse effect on profitability. These negative effects can arise from late completion penalties imposed by the contract, the incremental costs arising from loss of productivity, compressed schedules, overtime work utilized to offset the time lost due to adverse weather or additional costs to modify methods to perform work in unanticipated weather.

TERMINOLOGY AND NON-GAAP & OTHER FINANCIAL MEASURES

Terminology

Throughout this report, management uses the following terms that may not be comparable with similar terms presented by other companies and require definition.

- **"Backlog"** is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the most recently completed quarter. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course. It includes all the Company's remaining performance obligations in its contracts with its clients, including work orders and other formal documents to proceed issued in connection with multi-year recurring revenue contracts such as MSAs, maintenance, task order, and similar contractual arrangements. It does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders or other formal documents to proceed to be performed as part of recurring revenue agreements. The Company's Backlog equates to the Company's remaining performance obligations as at December 31, 2022, and December 31, 2021; refer to Note 10 of the December 31, 2022 annual consolidated financial statements.
- **"Lost Time Incident Frequency"** or **"LTI Frequency"** is the number of lost time incidents recorded per 200,000 person-hours of work by Bird employees.

Non-GAAP and Other Financial Measures

Throughout this MD&A certain measures are used that do not have a standardized meaning prescribed by IFRS and are considered specified financial measures. These include non-GAAP financial measures, non-GAAP financial ratios and supplementary financial measures. The Company's specified financial measures are detailed below. These measures may not be comparable with similar measures presented by other companies.

Non-GAAP Financial Measures

- **"Adjusted Earnings"** is defined as IFRS net income excluding asset impairments, acquisition, integration and restructuring (as defined in accordance with IFRS) costs and the income tax effect of these costs. Acquisition, integration and restructuring (as defined in accordance with IFRS) costs are a component of Costs of construction and General and administrative expenses presented in the statement of income. Management uses Adjusted Earnings to assess the operating performance of the business. These adjustments are made to exclude items of an unusual nature that are not reflective of ongoing operations. Management believes that investors and analysts use these measures, as they may provide predictive value to assess the ongoing operations of the business and are a more consistent comparison between financial reporting periods.

ADJUSTED EARNINGS
(in thousands of Canadian dollars, except per share amounts)

	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Net income	**$ 14,932**	$ 9,917	**$ 49,863**	$ 42,783
Add: Acquisition and integration costs	**728**	4,111	**2,487**	10,780
Add: IFRS restructuring costs [1]	**—**	—	**—**	—
Deduct: Gain on settlement of trade receivable	**—**	—	**(7,596)**	—
Income tax effect of the above items	**(175)**	(982)	**1,270**	(2,609)
Adjusted Earnings	**$ 15,485**	$ 13,046	**$ 46,024**	$ 50,954
Adjusted Earnings Per Share [2]	**$ 0.29**	$ 0.24	**$ 0.86**	$ 0.96

[1] Restructuring costs as defined in accordance with IFRS.
[2] Calculated as Adjusted Earnings divided by basic weighted average shares.

- **"Adjusted EBITDA"** represents earnings before taxes, interest, depreciation and amortization, finance and other costs, finance and other income, asset impairment charges, gain or loss on sale of property and equipment, restructuring and severance costs outside of normal course, and acquisition, integration and restructuring (as defined in accordance with IFRS) costs. Acquisition costs, integration costs, restructuring (as defined in accordance with IFRS) costs, and other restructuring and severance costs are a component of Costs of construction and General and administrative expenses presented in the statement of income. Adjusted EBITDA is a common financial measure used by investors, analysts, and lenders as an indicator of cash operating performance, as well as a valuation metric, and as a measure of a company's ability to incur and service debt. The calculation of Adjusted EBITDA excludes items that do not reflect ongoing cash flows of the business or continuing operations, including impairment charges, restructuring charges, and acquisition and integration charges, as management believes that these items should not be reflected in a metric used for valuation and debt servicing evaluation purposes.

ADJUSTED EBITDA
(in thousands of Canadian dollars, except percentage amounts)

	Three months ended December 31,		Year ended December 31,	
	2022	2021	**2022**	2021
Net income	**$ 14,932**	$ 9,917	**$ 49,863**	$ 42,783
Add: Income tax expense	**5,459**	3,699	**17,322**	14,847
Add: Depreciation and amortization	**8,798**	9,714	**36,439**	34,537
Add: Finance and other costs	**2,933**	1,890	**9,818**	7,550
Less: Finance and other income	**(904)**	(426)	**(10,341)**	(1,322)
Add: Loss (gain) on sale of property and equipment	**(1,307)**	(608)	**(4,403)**	(1,576)
Add: IFRS restructuring costs [(1)]	**—**	—	**—**	—
Add: Other restructuring and severance costs [(2)]	**—**	102	**—**	537
Add: Acquisition and integration costs	**728**	4,111	**2,487**	10,780
Adjusted EBITDA	**$ 30,639**	$ 28,399	**$ 101,185**	$ 108,136
Adjusted EBITDA Margin [(3)]	**4.7 %**	4.8 %	**4.3 %**	4.9 %

[(1)] Restructuring costs as defined in accordance with IFRS.

[(2)] Restructuring and severance costs that did not meet the criteria to be classified as restructuring costs in accordance with IFRS.

[(3)] Calculated as Adjusted EBITDA divided by Revenue.

Non-GAAP Financial Ratios

- **"Adjusted Earnings Per Share"** is calculated by dividing Adjusted Earnings by the basic weighted average number of shares.
- **"Adjusted EBITDA Margin"** is the percentage derived by dividing Adjusted EBITDA by construction revenue.

Supplementary Financial Measures

- **"Pending Backlog"** is the total potential revenue of awarded but not contracted projects including where the Company has been named preferred proponent, where a contract has not been executed and where the letter of intent or agreement received is non-binding. It may also include estimated amounts for agency relationship construction management projects, pre-construction activities, collaborative contracting arrangements and future work orders to be performed as part of multi-year MSA, maintenance, task order, and similar contractual arrangements. Management does not provide any assurance that a contract will be finalized, or revenue recognized in the future.
- **"Gross Profit Percentage"** is the percentage derived by dividing gross profit by construction revenue. Gross profit is calculated by subtracting construction costs from construction revenue.
- **"Current ratio"** is the percentage derived by dividing total current assets by total current liabilities.
- **"General and Administrative expenses as a percentage of revenue"** is the percentage derived by dividing general and administrative expenses by construction revenue.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and information ("forward-looking statements") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this MD&A are based on the expectations, estimates and projections of management of Bird as of the date of this MD&A unless otherwise stated. The use of any of the words "believe", "expect", "anticipate", "contemplate", "target", "plan", "outlook", "potential", "estimated", "intends", "continue", "may", "will", "should" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this MD&A contains forward-looking statements concerning: anticipated financial performance; the outlook for 2023; expectations with respect to anticipated revenue growth, growth in earnings per share and adjusted EBITDA in 2023 and margin improvements; the Company's ability to grow profitably; sufficiency of working capital; and with respect to Bird's ability to convert Pending Backlog to Backlog.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Investors are cautioned that forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the industries in which Bird operates in general, such as:

- Ability to access sufficient capital from internal and external sources
- Ability to secure work
- Accuracy of cost to complete estimates
- Adjustments and cancellations of Backlog
- Changes in legislation, including but not limited to tax laws and environmental regulations
- Client concentration
- Climate change
- Collection of recognized revenue
- Commodity price, interest rate and exchange rate fluctuations
- Competition, ethics, and reputational risks
- Completion and performance guarantees
- Compliance with environmental laws risks
- Corporate guarantees and letters of credit
- Cyber-security risks
- Default under the Company's credit facilities could result in the suspension of dividends
- Delays or changes in plans with respect to growth projects or capital expenditures, costs and expenses
- Dependence on the public sector
- Design and design/build risks
- Economy and cyclicality
- Estimating costs and schedules/assessing contract risks
- Failure of clients to obtain required permits and licenses
- Failure to realize the anticipated benefits of business acquisitions including the Stuart Olson and Dagmar transactions
- Global pandemics
- Health, safety and environmental risks
- Industry and inherent project delivery risks
- Insurance risk
- Internal and disclosure controls
- Joint venture risk
- Labour matters
- Litigation risk
- Loss of key management; ability to hire and retain qualified and capable personnel
- Maintaining safe worksites
- Operational risks
- Payment of dividends
- Performance bonds and contract security
- Potential for non-payment and credit risk and ongoing financing availability
- PPP equity investments
- PPP project risk
- Quality assurance and quality control
- Regional concentration
- Regulations
- Repayment of credit facility
- Subcontractor performance
- Unanticipated shutdowns, work stoppages, strikes and lockouts
- Volatility of market trading

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of the parties, and the combined company are included in reports on file with applicable securities regulatory authorities, including but not limited to: Annual Information Form for the year ended December 31, 2022, which may be accessed on Bird's SEDAR profile at *www.sedar.com*.

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as, and to the extent required by applicable securities laws.

2022
CONSOLIDATED FINANCIAL STATEMENTS

for the years ended
December 31, 2022 and 2021

Management's Responsibility for Financial Reporting

The management of Bird Construction Inc. (the "Company") is responsible for the preparation and integrity of the accompanying consolidated financial statements. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and includes certain estimates that reflect management's best judgement.

Management maintains appropriate systems of internal control. Policies and procedures are designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors has reviewed and approved the consolidated financial statements. The Board fulfills its responsibility in this regard through its Audit Committee. The Audit Committee is composed entirely of independent Directors and the members are financially literate. The Audit Committee meets regularly with management and the external auditors to discuss reporting and control issues and ensures each party is properly discharging its responsibilities.

The consolidated financial statements have been audited by KPMG LLP, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders.

Terrance L. McKibbon
President & Chief Executive Officer

Wayne R. Gingrich
Chief Financial Officer

March 7, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bird Construction Inc.

Opinion

We have audited the consolidated financial statements of Bird Construction Inc. (the Entity), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Estimate of costs to complete and variable consideration to be received for fixed price construction contracts

Description of the matter

The Entity recognizes revenue from contracts with customers in accordance with the pattern of satisfying the Entity's performance obligations under a contract. In fiscal 2022, Entity recognized $2,377,549 thousand in construction revenue. Revenue from fixed price contracts, which is a significant portion of construction revenue, is recognized using the input method with reference to costs incurred. To determine the estimated costs to complete for fixed price construction contracts, assumptions and estimates are required to evaluate matters related to schedule, material and labour costs, labour productivity, and changes to contract scope and subcontractor costs. Change orders may be issued by customers to modify the original contract scope of work or conditions, and there may be disputes or claims regarding additional amounts owing. Claims against customers for variable consideration due to delays, scope changes, or other matters are assessed under the Entity's revenue recognition policy, which requires significant judgment.

Why the matter is a key audit matter

We identified the evaluation of the estimate of costs to complete and variable consideration to be received for fixed price construction contracts as a key audit matter. The evaluation of the estimated costs to complete and variable consideration to be received for fixed price construction contracts involved significant auditor judgment to evaluate the results of audit procedures, given the significant judgment applied by management in the determination of these estimates.

How the matter was addressed in our audit

The primary procedures we performed to address this key audit matter included the following:

We evaluated the design and implementation, and tested the operating effectiveness, of certain internal controls within the Entity's revenue recognition process. This included a control related to the review of estimated costs to complete for construction contracts at year-end.

We evaluated the Entity's ability to estimate costs to complete and variable consideration by comparing to the final costs to complete and variable consideration received for contracts completed in fiscal 2022 and estimated in the prior period.

For a selection of fixed price construction contracts at December 31, 2022, we evaluated the appropriateness of the Entity's determination of costs to complete and variable consideration to be received by performing the following:

- Agreed estimated costs to complete to appropriate supporting documentation and key contractual terms back to signed contracts.
- Performed procedures to compare the estimated total costs to actual costs incurred to date.
- Inquired with relevant operational Entity personnel to gain an understanding of the status of project activities and factors impacting the estimate of costs to complete and variable consideration to be received, and corroborated by agreeing to appropriate supporting documentation.
- Determined the reasonableness of any variable consideration recognized as revenue on unbilled change orders or claims by inspecting change orders, directives, or other correspondence with customers, where applicable; considering the historical outcomes of previously settled claims, and corresponding with internal and external legal counsel, where applicable.

Other Information

Management is responsible for the other information. Other information comprises:

- Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- Information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2022 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2022 Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor’s report is Austin Abas.

Winnipeg, Canada
March 7, 2023

Bird Construction Inc.
Consolidated Statement of Financial Position
As at December 31, 2022 and 2021
(in thousands of Canadian dollars)

	Note	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	8	$ **174,607**	$ 190,191
Accounts receivable	9	**708,161**	597,814
Contract assets	10	**56,938**	55,949
Inventory and prepaid expenses		**10,385**	9,406
Income taxes recoverable		**13,633**	9,175
Other assets	11	**4,236**	6,119
Assets held for sale	12	**2,341**	4,416
Total current assets		**970,301**	873,070
Non-current assets			
Other assets	11	**5,539**	9,104
Investments in equity accounted entities	13	**9,786**	13,471
Property and equipment	14	**55,471**	55,004
Right-of-use assets	15	**66,136**	67,497
Deferred income tax asset	20	**31,564**	32,784
Intangible assets	16	**34,742**	30,478
Goodwill	17	**55,740**	55,740
Total non-current assets		**258,978**	264,078
TOTAL ASSETS		$ **1,229,279**	$ 1,137,148
LIABILITIES			
Current liabilities			
Accounts payable		$ **573,224**	$ 514,330
Contract liabilities	10	**146,986**	130,315
Dividends payable to shareholders		**1,745**	1,745
Income taxes payable		**10,848**	7,991
Current portion of loans and borrowings	18	**7,084**	7,470
Current portion of right-of-use liabilities	19	**17,790**	19,782
Provisions	21	**18,543**	27,316
Other liabilities	22	**9,449**	12,311
Total current liabilities		**785,669**	721,260
Non-current liabilities			
Loans and borrowings	18	**68,007**	71,211
Right-of-use liabilities	19	**55,469**	59,576
Deferred income tax liability	20	**35,756**	24,798
Other liabilities	22	**11,390**	16,583
Pension liabilities	23	**—**	232
Total non-current liabilities		**170,622**	172,400
TOTAL LIABILITIES		**956,291**	893,660
SHAREHOLDERS' EQUITY			
Shareholders' capital	25	**114,584**	114,584
Contributed surplus		**1,956**	1,956
Retained earnings		**156,537**	126,935
Accumulated other comprehensive income (loss)		**(89)**	13
Total shareholders' equity		**272,988**	243,488
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ **1,229,279**	$ 1,137,148

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors

Paul R. Raboud
Chairman of the Board

Karyn A. Brooks
Audit Committee Chair

Bird Construction Inc.
Consolidated Statement of Income
For the years ended December 31, 2022 and 2021
(in thousands of Canadian dollars, except per share amounts)

	Note		2022		2021
Construction revenue	10	$	**2,377,549**	$	2,220,026
Costs of construction	29		**2,175,787**		2,033,341
Gross profit			**201,762**		186,685
Income (loss) from equity accounted investments	13		**(2,714)**		4,187
General and administrative expenses	29		**(132,386)**		(127,014)
Income from operations			**66,662**		63,858
Finance and other income	27		**10,341**		1,322
Finance and other costs	28		**(9,818)**		(7,550)
Income before income taxes			**67,185**		57,630
Income tax expense	20		**17,322**		14,847
Net income for the period		$	**49,863**	$	42,783
Basic and diluted earnings per share	26	$	**0.93**	$	0.80

The accompanying notes are an integral part of these consolidated financial statements.

Bird Construction Inc.
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2022 and 2021
(in thousands of Canadian dollars)

	Note	2022	2021
Net income for the period		**$ 49,863**	$ 42,783
Other comprehensive income (loss) for the period:			
Items that will not be reclassified to net income in subsequent periods:			
Defined benefit plan actuarial gain (loss)	23	**908**	3,197
Deferred tax recovery (expense)		**(228)**	(795)
		680	2,402
Items that may be reclassified to net income in subsequent periods:			
Foreign currency translation on equity accounted investments	13	**(187)**	(21)
Other foreign currency translation		**53**	(18)
Deferred tax recovery (expense)		**32**	(18)
		(102)	(57)
Total comprehensive income for the period		**$ 50,441**	$ 45,128

The accompanying notes are an integral part of these consolidated financial statements.

Bird Construction Inc.
Consolidated Statement of Changes in Equity
For the years ended December 31, 2022 and 2021
(in thousands of Canadian dollars, except per share amounts)

	Note	Shareholders' capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
Balance at December 31, 2021		**$ 114,584**	**$ 1,956**	**$ 126,935**	**$ 13**	**$ 243,488**
Net income for the period		**—**	**—**	**49,863**	**—**	**49,863**
Other comprehensive income (loss) for the period	13,23	**—**	**—**	**680**	**(102)**	**578**
Total comprehensive income (loss) for the period		**—**	**—**	**50,543**	**(102)**	**50,441**
Contributions by and dividends to owners						
Dividends declared to shareholders		**—**	**—**	**(20,941)**	**—**	**(20,941)**
		—	**—**	**(20,941)**	**—**	**(20,941)**
Balance at December 31, 2022		**$ 114,584**	**$ 1,956**	**$ 156,537**	**$ (89)**	**$ 272,988**
Dividends declared per share				**$ 0.39**		
Balance at December 31, 2020		$ 108,064	$ 1,956	$ 102,520	$ 70	$ 212,610
Net income for the period		—	—	42,783	—	42,783
Other comprehensive income (loss) for the period		—	—	2,402	(57)	2,345
Total comprehensive income (loss) for the period		—	—	45,185	(57)	45,128
Contributions by and dividends to owners						
Common shares issued on acquisition of Dagmar	7	6,520	—	—	—	6,520
Dividends declared to shareholders		—	—	(20,770)	—	(20,770)
		6,520	—	(20,770)	—	(14,250)
Balance at December 31, 2021		$ 114,584	$ 1,956	$ 126,935	$ 13	$ 243,488
Dividends declared per share				$ 0.39		

The accompanying notes are an integral part of these consolidated financial statements.

Bird Construction Inc.
Consolidated Statement of Cash Flows
For the years ended December 31, 2022 and 2021
(in thousands of Canadian dollars)

	Note	2022	2021
Cash flows from (used in) operating activities			
Net income for the period		$ 49,863	$ 42,783
Items not involving cash:			
Amortization	16	6,665	6,258
Depreciation	14, 15	29,774	28,279
Gain on sale of property and equipment		(4,403)	(1,576)
(Income) loss from equity accounted investments	13	2,714	(4,187)
Finance and other income	27	(3,652)	(1,322)
Finance and other costs	28	9,818	7,550
Deferred compensation plan expense and other		5,985	10,056
Defined benefit pension plan expense, net of contributions	23	308	(171)
Unrealized (gain) loss on investments and other		(24)	106
Income tax expense (recovery)	20	17,322	14,847
Cash flows from operations before changes in non-cash working capital		114,370	102,623
Changes in non-cash working capital relating to operating activities	31	(59,317)	(31,535)
Interest received		4,559	1,321
Interest paid		(9,272)	(7,243)
Income taxes recovered (paid)		(6,941)	(29,340)
Net cash from (used in) operating activities		43,399	35,826
Cash flows from (used in) investing activities			
Investments in equity accounted entities	13	—	(768)
Capital distributions from equity accounted entities	13	922	2,193
Proceeds on sale of investment in equity accounted entities	13	1,501	—
Additions to property and equipment and intangible assets	14, 16	(27,766)	(11,756)
Proceeds on sale of property and equipment	14	6,444	3,614
Acquisitions, net of cash acquired	7	—	(20,563)
Other long-term assets		4,087	3,975
Net cash from (used in) investing activities		(14,812)	(23,305)
Cash flows from (used in) financing activities			
Dividends paid on shares		(20,941)	(20,749)
Proceeds from loans and borrowings	18	52,776	58,600
Repayment of loans and borrowings	18	(56,366)	(52,832)
Repayment of right-of-use liabilities	19	(19,747)	(19,265)
Net cash from (used in) financing activities		(44,278)	(34,246)
Net increase (decrease) in cash and cash equivalents during the period		(15,691)	(21,725)
Effects of foreign exchange on cash balances		107	(152)
Cash and cash equivalents, beginning of the period		190,191	212,068
Cash and cash equivalents, end of the period	8	$ 174,607	$ 190,191

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents – Notes to the Consolidated Financial Statements

1. Structure of the company

Bird Construction Inc. (the "Company") is a corporation incorporated in the province of Ontario, Canada. The address of the Company's registered office is 5700 Explorer Drive, Suite 400, Mississauga, Ontario, Canada. The Company's common shares are traded on the Toronto Stock Exchange ("TSX") under the symbol BDT.

The Company operates from coast-to-coast and services all of Canada's major geographic markets. The Company provides a comprehensive range of construction services from new construction for industrial, commercial, institutional and civil infrastructure markets; to industrial maintenance, repair and operations ("MRO") services, heavy civil construction and mine support services; as well as vertical infrastructure including, electrical, mechanical, and specialty trades. The Company uses a variety of contract delivery methods including construction management, cost plus, integrated project delivery ("IPD"), progressive design build, stipulated sum, unit price, standard specification design-build, alternative finance projects, complex design-build, and public private partnership ("PPP") contract delivery methods.

2. Basis of preparation

Statement of compliance

These consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were authorized for issue on March 7, 2023 by the Company's Board of Directors.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. Unless otherwise indicated, all financial information presented has been rounded to the nearest thousand.

Basis of measurement

These financial statements have been prepared on a going concern and historical cost basis, except for certain financial assets, derivative financial instruments and liabilities for cash-settled share-based payment arrangements which are measured at fair value as detailed in the accounting policies disclosed in Note 4.

Segmented results

Segment results are reviewed by the Company's chief operating decision maker to assess performance and allocate resources within the Company. Management applies judgement in the aggregation of the Company's operating segments and has determined that the Company operates in one reportable segment being the general contracting sector of the construction industry. The Company's operating segments have similar economic characteristics in that each of the Company's operating business units provides comparable construction services, use similar contracting methods, have similar customer types, have similar long-term economic prospects, share similar cost structures, and operate in similar regulatory environments.

3. Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities at the reporting date.

Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amount of an asset or liability and/or the reported amount of revenue and expense in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Assets and liabilities acquired in a business combination

The Company assesses whether an acquisition transaction should be accounted for as an asset acquisition or a business combination under IFRS 3 Business Combinations. The purchase price related to a business combination is allocated to the underlying acquired assets and liabilities based on estimates of their fair value at the time of acquisition. The determination of fair value requires the Company to make assumptions, estimates and judgements regarding future cash flows, valuation techniques, economic risk, weighted average cost of capital and future events. The measurement of purchase consideration and allocation process are therefore inherently subjective and impact the amounts assigned to identifiable assets and liabilities. As a result, the purchase price allocation impacts the Company's reported assets and liabilities (including the amounts allocated to intangible assets and goodwill), and future earnings due to the associated depreciation and amortization expense along with the required impairment testing.

Revenue and gross profit recognition

Construction revenue, construction costs, contract liabilities, and contract assets are based on estimates and judgements used in determining contract revenue and the determination of estimated costs to complete in order to calculate the stage of completion for a particular construction project, depending upon the nature of the construction contract, as more fully described in the revenue recognition policy. To determine the estimated costs to complete construction contracts, assumptions and estimates are required to evaluate matters related to schedule, material and labour costs, labour productivity, changes in contract scope and subcontractor costs. Due to the nature of construction activities, estimates can change significantly from one accounting period to the next.

The value of many construction contracts increases over the duration of the construction period. Change orders may be issued by customers to modify the original contract scope of work or conditions. In addition, there may be disputes or claims regarding additional amounts owing as a result of changes in contract scope, delays, additional work or changed conditions. Construction work related to a change order or claim may proceed, and costs may be incurred, in advance of final determination of the value of the change order. Change orders and claims may not be settled until the construction project is complete or subsequent to completion, and the nature of the relationship with the other party to the claim and the history of success of these claims may impact the associated revenue or cost recovery. Claims against customers for variable consideration due to factors described above are assessed under the Company's revenue policy, which requires significant judgement. The amount of variable consideration that is constrained is the difference between the total claim value and the best estimate of recovery. This constrained value is reviewed each reporting period.

Provisions

Legal, warranty and other provisions involve the use of estimates. Estimates and assumptions are required to determine when to record, and how to measure, a provision in the financial statements. The outcomes may differ significantly from the estimates used in preparing the financial statements resulting in adjustments to previously reported financial results.

Impairment of non-financial assets

Management evaluates property and equipment, intangible assets with definite lives, and right-of-use ("ROU") assets at the end of each reporting period to determine if there are events or circumstances which indicate that the carrying value may not be recoverable. Goodwill and intangible assets with indefinite lives are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the recoverable amount of the cash-generating unit ("CGU") or groups of CGUs to its carrying amount. There is a significant amount of uncertainty with respect to the estimate of the recoverable amount given the necessity of making economic projections which employ the following key assumptions: future cash flows, growth opportunities, including economic risk assumptions, and estimates of achieving key operating metrics and drivers, and the discount rate. Refer to note 17 for further details regarding the assumptions and estimates regarding the Company's goodwill impairment assessment.

Measurement of pension obligations

The Company's obligations and expenses related to defined benefit ("DB") pension plans are determined using actuarial valuations and are dependent on a number of significant assumptions. The DB obligations and benefit cost levels will change as a result of future changes in actuarial methods and assumptions, membership data, plan provisions, legislative rules, and future experience gains or losses. Actual experience that differs from assumptions may result in gains or losses that will be disclosed in future accounting valuations. Refer to note 23 for further details regarding the Company's DB pension plans.

Share-based payments

Compensation expense accrued for performance share units ("PSU") is dependent upon the final number of PSU awards that will eventually vest, adjusted for a performance multiplier, that is estimated by management and approved by the Board of Directors. Large fluctuations in compensation expense may occur due to changes in the underlying share price or revised management estimates of relevant performance factors.

Leases

The Company applies judgement in reviewing each of its contractual arrangements to determine whether the arrangement contains a lease within the scope of IFRS 16 Leases. Leases that are recognized are subject to further management judgement and estimation in various areas specific to the arrangement, including the term of the lease. In determining the lease term to be recognized, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Where a lease does not specify an interest rate, lease liabilities are estimated using a discount rate equal to the Company-specific incremental borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security in a similar economic environment.

Income taxes

Tax regulations and legislation are subject to change and there are differing interpretations requiring management judgement. Deferred tax assets are recognized when it is considered probable that deductible temporary differences will be recovered in future periods, which requires management judgement. Deferred tax liabilities are recognized when it is considered probable that temporary differences will be payable to tax authorities in future periods, which requires management judgement. Income tax filings are subject to audits and re-assessments and changes in facts, circumstances and interpretations of tax laws may result in a material increase or decrease in the Company's provision for income taxes.

4. Significant accounting policies

Consolidation

The financial statements include the accounts of the Company, its subsidiaries and partnerships, as well as its pro-rata share of assets, liabilities, revenues, expenses and cash flows from joint operations. Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

(in thousands of Canadian dollars, except per share amounts)

The financial statements include the accounts of the following significant subsidiaries:

Company	Ownership / Voting Interest	
	2022	2021
Fully consolidated subsidiaries		
Bird Construction Inc.	100%	100%
Bird Construction Company Limited	100%	100%
Bird Construction Company (Limited Partnership)	100%	100%
Bird Management Ltd.	100%	100%
Bird Design-Build Construction Inc.	100%	100%
Bird Construction Group (Limited Partnership)	100%	100%
Bird Construction Group Ltd.	100%	100%
Bird Construction Industrial Services Ltd.	100%	100%
Bird General Contractors Ltd.	100%	100%
Stuart Olson Inc.	100%	100%
Stuart Olson Buildings Ltd.	100%	100%
Stuart Olson Construction Ltd.	100%	100%
Stuart Olson Industrial Inc.	100%	100%
Stuart Olson Industrial Services Ltd.	100%	100%
Stuart Olson Industrial Projects Inc.	100%	100%
Stuart Olson Industrial Constructors Inc.	100%	100%
Canem Systems Ltd.	100%	100%
The Churchill Corporation	100%	100%
Dagmar Construction Inc.	100%	100%[1]
Proportionately consolidated joint arrangements		
Bird Kiewit Joint Venture	60%	60%
Pomerleau/O'Connell JV	50%	50%
Bird – Maple Reinders JV	50%	50%
Maple Reinders – Bird JV	50%	50%
Bird – ATCO Joint Venture	60%	60%
CBS Joint Venture	42.5%	42.5%
Chandos Bird Joint Venture	50%	50%
BCIFSL – TCMLP JV	49%	49%
Acciona Stuart Olson Joint Venture	50%	50%
Stuart Olson/Nunavut Ltd.	40%	40%
Canem/Plan Group Joint Venture	50%	50%
Stuart Olson Industrial Contractors/Andritz Hydro Canada Inc.	50%	50%
FCG Construction/Stuart Olson, a Joint Venture	50%	50%
Maple –Bird IPD Joint Venture	50%	n/a
Bird Dawson Joint Venture	60%	n/a

[1] Acquired on September 1, 2021 (note 7)

The Company has invested in a number of Public Private Partnership ("PPP") concession ventures, usually holding a minority interest position in the venture. The Company has also invested in the Stack Modular group of companies. In these instances, the Company can either exercise significant influence or joint control over the financial and operational policies of the venture (or investee). The Company uses the equity method of accounting to account for these investments. The investment is recorded as the amount of the initial investment adjusted for the pro-rata share of the investee's earnings less any distributions received from the investment.

(in thousands of Canadian dollars, except per share amounts)

Company	Ownership / Voting Interest	
	2022	2021
Equity accounted investment in associates/joint ventures		
Chinook Resources Management General Partnership	50%	50%
Hartland Resource Management General Partnership	20%	20%
Plenary Infrastructure ERMF GP	10%	10%
Stack Modular Structures Ltd.	50%	50%
Stack Modular Structures Hong Kong Limited	50%	50%
Niagara Falls Entertainment Partners	20% / 16.2%	20% / 16.2%
Timmiak Construction Limited Partnership	69.99% / 33.33%	69.99% / 33.33%
Bird Capital P3SB2 Holdings Inc.	20%	20%

All of the above subsidiaries, joint arrangements, joint ventures and associates are incorporated or registered in Canada except Stack Modular Structure Hong Kong Limited which is incorporated and registered in Hong Kong and Innovative Trenching USA Inc which is incorporated and registered in Delaware.

Revenue recognition

Contract revenue is recognized in the consolidated statement of income (the "statement of income") in accordance with the pattern of satisfying the Company's performance obligations under a contract. This satisfaction occurs when control of a good or service transfers to the customer. In the majority of the Company's contracts, the customer controls the work in process as evidenced by the right to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use to the Company, and the work is performed on the customer's property. Based on the nature of these contractual arrangements, control is transferred over time and revenue is recognized over time.

For each performance obligation satisfied over time, the Company recognizes revenue by measuring progress toward complete satisfaction of that performance obligation. Using output or input methods based on the type of contract, the Company recognizes revenue in a pattern that reflects the transfer of control of the promised goods or services to the customer. Revenue from fixed price (including PPP, alternative finance, design-build, and stipulated sum) and cost reimbursable (including cost plus and IPD) contracts is recognized using the input method with reference to costs incurred. Revenue from unit price contracts in the heavy construction, civil construction and contract surface mining construction sectors is recognized based on the amount of billable work completed, established by surveys of work performed, an output method. For agency relationships, such as construction management contracts, where the Company acts as an agent for its customers, fee revenue only is recognized, generally in accordance with the contract terms. Some contracts, particularly master service agreements and maintenance service contracts, do not specify the amount of fixed consideration at contract inception, but will have a transaction price assigned to it once a work order is issued. For the purpose of revenue recognition and disclosure, only the transaction price of secured work, as evidenced by work orders, would be included in revenue. If the outcome of a construction contract cannot be estimated reliably for management to estimate the ultimate profitability of the contract with a reasonable degree of certainty, no profit is recognized. As the contract progresses further, the constrained margin and associated revenue are reassessed.

Revenue from contract modifications, commonly referred to as change orders and claims, is recognized to the extent that the contract modifications have been approved by the customer and the amount can be measured reliably. In cases where the contract modification is approved, but the price has not been finalized, the Company accounts for the contract modification using variable consideration guidance described below. A claim against or dispute with a customer is considered variable consideration as it is in addition to the agreed upon performance obligations outlined in the original contract because of additional costs incurred due to delays and/or scope changes, for example. The subsequent settlement of a claim or dispute through negotiation results in uncertainty as to the likelihood and amount that will be ultimately collected.

The amount of variable consideration included in the transaction price may be constrained due to the uncertain nature of the recovery of the associated revenue. The Company will make an estimate of the amount to be constrained by using either the most likely amount or the expected value method, by contract, depending which method is considered to best predict the amount of consideration to which the Company will be entitled. The amount of variable consideration to be included in the transaction price is only that to which it is highly probable that a significant reversal of cumulative revenue recognized to date will not occur. Management considers the following factors in their assessment of the probability of reversal:

i. Susceptibility of consideration to factors outside the Company's influence.
ii. Length of time, that is commercially unusual, before resolution of the uncertainty associated with the amount of consideration is expected.
iii. The Company's experience with similar types of contracts is limited or the experience is not relevant or has limited predictive value.
iv. If, historically the Company has a practice of offering a broad range of pricing concessions or changing the payment terms and conditions of similar contracts in similar situations.
v. The contract has a larger number and broad range of possible consideration amounts.

Where the above factors indicate uncertainty associated with the outcome of the transaction price, the Company reviews the historical performance under similar contracts in order to determine the appropriate proportion of the variable consideration to be included in the transaction price.

For most arrangements, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability (even if that single project results in the delivery of multiple units). The Company therefore considers that the entire contract results in the delivery of a single performance obligation. Less commonly, the Company may promise to provide distinct goods or services within a contract, in which case the contract is separated into the associated performance obligations as assessed from the customer's perspective. If a contract contains multiple performance obligations, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. When the Company is contracted to construct projects, the budgets and overall transaction prices are built up using the Company's best estimate of costs associated to complete the project using the appropriate overhead and subcontractor rates for a given project and location. This approach to estimate the overall costs and associated revenues is considered the most appropriate assessment of the standalone selling price for the associated performance obligations.

Where costs are determined to be greater than total revenues, losses from any construction contracts are recognized in full in the period the loss becomes known. Losses are recorded within provisions on the statement of financial position.

Costs of construction

Construction costs are expensed as incurred unless they result in an asset related to future contract activity and meet the criteria to be capitalized as contract assets. Construction costs include all expenses that relate directly to execution of the specific contract, including site labour and site supervision, direct materials, subcontractor costs, equipment rentals and depreciation, design and technical assistance, and warranty claims. Construction costs also include overheads that can be attributed to the project in a systematic and consistent manner and include general insurance and bonding costs, and staff costs relating to project management.

Contract assets and liabilities

Any excess of costs and estimated earnings over progress billings on construction contracts is carried as a contract asset in the financial statements. Contract assets also arise when the Company capitalizes incremental costs of obtaining contracts with customers and the costs incurred in fulfilling those contracts, such as mobilization costs. Costs to fulfill a contract are required to be capitalized where they are determined to relate directly to a contract or an anticipated contract that the entity can specifically identify, they generate or enhance resources of the Company that will be used in satisfying performance obligations in the future, and they are expected to be recovered under that specific contract.

In all cases, the specific contract asset is amortized with reference to the same pattern of recognition as the revenue recognized on the associated project.

Any excess of progress billings over earned revenue on construction contracts is carried as a contract liability in the financial statements.

Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period. All contract assets and liabilities are classified as current in the financial statements as they are expected to be settled within the Company's normal operating cycle. The operating cycle of many of the Company's contracts exceed 12 months, depending on the type of project or the nature of the service being provided.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred to the Company, liabilities assumed by the Company and the equity interests issued or cash paid by the Company in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred, unless related to the issuance of debt or equity.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

i. Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income taxes, and IAS 19 Employee benefits, respectively;

ii. For any ROU (i.e. lease) assets and ROU liabilities identified in which the acquiree is the lessee, IFRS 3 Business combinations requires the lease liability to be measured at the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date. The ROU asset is measured at an amount equal to the lease liability, adjusted to reflect the favourable or unfavourable terms of the lease when compared with market terms.

The Company measures goodwill as the excess of the fair value of the consideration transferred, if any, over the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Government assistance

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant will be received. When the conditions of a grant relate to income or expense, to the extent possible, it is recognized in the statement of income in the period in which eligible expenses were incurred or when the services have been performed. There may be circumstances in which the determination of applicability of the government grant may cross over reporting periods and cannot be recorded in the period in which eligible expenses were incurred or when the services have been performed. For grants related to expense, the Company deducts the grant in reporting the related expense.

Property and equipment

Property and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment includes the purchase price and the directly attributable costs required to bring the asset to the condition necessary for the asset to be capable of operating in the manner intended by management. The cost of replacing or repairing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits will occur and the cost can be measured reliably. The costs of routine maintenance of property and equipment are recognized in the statement of income as incurred.

Depreciation is calculated based on the cost of an asset (or deemed cost) less its residual value. Depreciation commences when the asset is available for use and ceases on the earliest of when the asset is derecognized or classified as held-for-sale. When parts of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment and depreciated accordingly. The carrying amount of a replaced component is derecognized. The Company reviews the residual value, useful lives and depreciation methods used on an annual basis and, where revisions are required, the Company applies such changes in estimates on a prospective basis.

Depreciation of property and equipment over the estimated useful lives of the assets is as follows:

Diminishing balance method	
Buildings	4%
Equipment, trucks and automotive	20% - 40%
Heavy equipment	Hours of use
Furniture, fixtures and office equipment	20% - 55%
Straight line method	
Leasehold improvements	Over the lease term

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of general and administrative expenses in the statement of income.

Leases

Lessee arrangements

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. On the date that the leased asset becomes available for use, the Company recognizes a ROU asset and a corresponding ROU liability. Finance costs associated with the lease obligation are charged to the statement of income over the lease period with a corresponding increase to the ROU liability. The ROU liability is reduced as payments are made against the principal portion of the lease. The ROU asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. Depreciation of the ROU asset is recognized as part of costs of construction or general and administrative expenses, depending on the nature of the leased asset.

ROU assets and liabilities are initially measured on a present value basis. Lease obligations are measured as the net present value of the lease payments which may include: fixed lease payments, variable lease payments that are based on an index or a rate, amounts expected to be payable under residual value guarantees, and payments to exercise an extension or termination option, if the Company is reasonably certain to exercise either of those options. ROU assets are measured at cost, which is composed of the amount of the initial measurement of the ROU liability, less any incentives received, plus any lease payments made at, or before, the commencement date and initial direct costs and asset restoration costs, if any. The rate implicit in the lease is used to determine the present value of the liability and asset arising from a lease, unless this rate is not readily determinable, in which case the Company's incremental borrowing rate is used.

The Company has applied a number of practical expedients identified in the standard as follows:

i. Short-term leases and leases of low-value assets are not recognized in the statement of financial position and lease payments are instead recognized in the financial statements as incurred.
ii. For certain classes of leases, the Company has elected not to separate lease and non-lease components (which transfer a separate good or service under the same contract) and instead the Company accounts for these leases as a single lease component.
iii. Certain leases having similar characteristics are accounted for as a portfolio.

Lessor arrangements

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators, such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset.

Goodwill

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the identifiable assets acquired less liabilities assumed, based on their fair values. Goodwill is not amortized but is tested for impairment on an annual basis or more frequently if there are indicators that goodwill may be impaired. Goodwill is carried at cost less any accumulated impairment.

Intangible assets

Intangible assets with finite lives are comprised of computer software, and assets related to the acquisition of a business, including backlog and agency contracts and customer relationships. These intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is calculated using the cost of the asset, and commences once the asset is available for use and is recognized in the statement of income based on the expected pattern of consumption of the economic benefits of the asset. Amortization methods, useful lives and residual values are reviewed on an annual basis and adjusted where appropriate. Intangible assets with indefinite lives comprising of trade names are not amortized.

The estimated useful lives of each class of intangible assets are as follows:

Asset	Basis	Useful Life
Computer software	Straight line	1 to 10 years
Backlog and agency contracts	As related revenue is earned	1 to 3 years
Customer relationships	Straight line	3 to 7 years
Trade names	Straight line	Indefinite or 5 years

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets for which separate processes apply, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have an indefinite useful life or intangible assets that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of a CGU is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (i.e. a CGU). For the purpose of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling and reflects the lowest level at which the goodwill is monitored for internal reporting purposes.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions and contingent assets

Provisions

Provisions are recognized when, at the financial statement date, the Company has a present obligation as a result of a past event, it is more likely than not that the Company will be required to settle that obligation, and the cash outflow can be estimated reliably. The amount recognized for provisions is the best estimate of the expenditure to be incurred. Where the Company expects some or all of the provision to be reimbursed, for example through insurance, the reimbursement is recognized as an asset only when it is virtually certain of realization. The recoverable amount will not exceed the amount of the provision. Provisions include:

i. Provisions for potential legal claims relating to the Company's performance and completion of construction contracts. The Company attempts to settle claims within the construction period of the contracts, but a legal claim may take years to settle.

ii. Provisions for potential warranty claims relating to construction projects. These claims are usually settled during the project's warranty period.

iii. Provisions for loss contracts are recorded when costs are estimated to be greater than total revenues for the contract. Losses from construction contracts are recognized in full in the period the loss becomes known. The loss provision will be net of management's estimate of probable expected recoveries, which differs from the criterion used for revenue recognition.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Cost recovery claims associated with claims against subcontractors and parties other than customers are considered contingent assets until it is virtually certain that the claims will be settled. Contingent assets are not recorded or disclosed in the financial statements.

Subcontractor/ supplier performance default insurance

The Company maintains an insurance policy which provides the Company with comprehensive coverage in respect of subcontractor or supplier default on certain projects where the subcontractor or supplier is enrolled in the program. The total insurance premium paid by the Company to the insurer is comprised of a non-refundable premium and a deposit premium. The deposit premium paid by the Company is included in other non-current assets on the consolidated statement of financial position (the "statement of financial position"). The liabilities included in provisions on the statement of financial position relate to management's best estimate of exposures and costs associated with prior or existing subcontractor or supplier performance defaults. Management conducts a thorough review of the liability every reporting period and takes into consideration the Company's experience to date with those subcontractors or suppliers that are enrolled in the program.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions and balances are recorded in the accounts as follows:

i. Monetary assets and liabilities at the exchange rate in effect at the financial statement date;

ii. Non-monetary assets and liabilities at exchange rates prevailing at the time of the transaction;

iii. Depreciation expense at the exchange rate in effect at the time the related assets are acquired; and

iv. Revenue and expenses at the average exchange rate prevailing on the date of the transaction.

Translation of equity accounted foreign entities

Assets and liabilities of equity accounted foreign entities are translated from the functional currency to the Company's presentation currency at the closing rate at the end of the reporting period. The statements of income are translated at exchange rates at the dates of the transactions or at the average rate if it approximates the actual rates. All resulting exchange differences are recognized in other comprehensive income.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable based on applying enacted income tax rates to the taxable income realized in the current year. Current tax includes adjustments to taxes payable or recoverable in respect of previous years.

Deferred income tax assets and liabilities are recognized for temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes, as well as for the benefit of tax losses available to be carried forward to future years provided they are likely to be realized. Deferred taxes are recognized using enacted or substantively enacted rates expected to apply in the periods in which the asset is realized or the liability is settled. Deferred taxes are measured on an undiscounted basis. Deferred taxes are presented as non-current. Current and deferred tax assets and liabilities are offset only when a legally enforceable right exists to offset current tax assets against current tax liabilities relating to the same taxable entity and the same tax authority.

Post-employment benefits

DB pension costs are actuarially determined using the projected unit credit method and management's best estimate of salary escalation and retirement age of employees. The Company's net obligation in respect of DB pension plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any recognized past service costs and the fair value of plan assets are deducted. The discount rate used to establish the pension obligation was determined by reference to market interest rates on AA-rated corporate bonds with cash flows that approximate the timing and amount of expected benefit payments. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan within the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

The pension deficit or surplus is adjusted for any material changes in underlying assumptions. The Company recognizes all actuarial gains and losses arising from the DB plans in other comprehensive earnings in the period in which they occur. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in the statement of income on a straight-line basis over the average service period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of income.

Medium term incentive plan

The Company's Medium Term Incentive Plan ("MTIP") is a cash-settled share-based payment plan which provides for the granting of phantom shares. The phantom shares provide the holder with the opportunity to earn a cash benefit in relation to the value of a specified number of underlying notional shares. When new MTIP awards are issued, the value of the initial award is determined, which is then used to determine the number of shares allocated to the employee. The total liabilities for this plan are computed based on the estimated number of phantom shares expected to vest at the end of the vesting period. The liability is measured at each reporting date at fair value with changes in fair value recognized in income. The fair value of the phantom shares outstanding at the end of a reporting period is measured based on the quoted market price of the Company's shares. The phantom shares earn notional dividends, equivalent to actual dividends declared on the Company's shares. Compensation expense relating to the initial award, notional dividends and changes in the market price of the phantom shares is recognized on a straight-line basis in general and administrative expenses in the statement of income over the vesting period.

Equity incentive plan

The Company has an Equity Incentive Plan ("EIP") as part of the Company's executive compensation plan. The purpose of the EIP is to provide certain officers and employees of the Company with the opportunity to be granted performance share units ("PSU") or time-based restricted share units ("RSU"), and together with PSUs, the ("Units"). The EIP is a full-value share unit plan using the value of the Company's shares as the basis for the Units. In the case of the PSUs, the amount of award payable at the end of the vesting period will be determined by a performance multiplier. Under the EIP, the Company is entitled, in its sole discretion, to settle the Units in either cash or the Company's Shares purchased on the TSX or issued from treasury, or a combination thereof. The Company intends to settle the EIP in cash.

As a cash-settled compensation arrangement, the fair value of the amount payable is recognized as an expense with a corresponding increase in liabilities over the vesting period. The Units will vest and be settled on their issue date, which will be no later than December 31 in the third year following the date of grant, or in accordance with the EIP, participant's award agreement, or the Company's discretion. The liabilities for this plan are calculated based on the estimated number of Units expected to vest at the end of the vesting period. The Units earn notional dividends, equivalent to actual dividends declared on the Company's shares. The liability is remeasured at each reporting date at fair value with changes in fair value recognized in income. The fair value of the Units outstanding at the end of a reporting period is measured based on the quoted market price of the Company's shares, with PSUs also adjusted by a performance multiplier. Compensation expense relating to the initial award, notional dividends and changes in the market price of the Units is recognized on a straight-line basis in general and administrative expenses in the statement of income over the vesting period.

Deferred share unit plan

The Company has a Deferred Share Unit Plan ("DSU Plan"), which is a cash-settled share-based payment plan. The fair value of the amount payable to eligible Directors in respect of Deferred Share Units ("DSU") is equivalent to the cash value of the common shares at the reporting date. The DSUs earn notional dividends, equivalent to actual dividends declared on the Company's shares. DSUs are eligible to be cash-settled no later than December 31 of the following year in which the Director ceases to hold any position within the Company. The liability associated with the DSU Plan is recalculated at each reporting date and at settlement. Any change in the fair value of the liability is recognized in general and administrative expenses in the statement of income.

Cash and cash equivalents

The Company considers cash, bank indebtedness, if any, bankers' acceptances and short-term deposits with original maturities of three months or less, as cash and cash equivalents.

Restricted cash

Restricted cash represent amounts that management has determined are not available for general operating purposes. Restricted cash consists of cash held in trust, relating to trust obligations on certain projects for which we have segregated accounts, and cash held to support letters of credit.

Financial instruments

Classification and measurement of financial instruments

Financial assets and liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument or derivative contract. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Financial liabilities are derecognized when their contractual obligations are discharged, cancelled or have expired. Financial instruments are initially measured at fair value and are subsequently accounted for based on their classification as described below. The classification of financial assets is determined by their context in the Company's business model and by the characteristics of the financial asset's contractual cash flows.

- Amortized cost: The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. The financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.
- Fair value through profit or loss ("FVTPL"): A financial asset is measured at FVTPL if it does not meet the criteria for assets measured at amortized cost or FVTOCI. Financial assets at FVTPL include held for trading assets and derivative instruments. Financial assets at FVTPL are measured at fair value with changes recognized in the statement of income. Transaction costs associated with assets classified as FVTPL are expensed as incurred.
- Fair value through other comprehensive income ("FVTOCI"): The Company does not have any financial assets held at FVTOCI at December 31, 2022 or 2021.

The Company has the following financial assets and liabilities:

	Classification & basis of measurement
Financial assets:	
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Subcontractor / Supplier insurance deposits	Amortized cost
Derivative contracts	FVTPL
Lease receivables	Amortized cost
Financial liabilities:	
Accounts payable	Amortized cost
Dividends payable to shareholders	Amortized cost
Loans and borrowings	Amortized cost
Right-of-use liabilities	Amortized cost
Acquisition holdback liability	Amortized cost
Derivative contracts	FVTPL

Derivative financial instruments

The Company uses interest rate swaps to manage its interest rate risk on non-recourse project financing and its variable rate loans and borrowings. The Company also uses Total Return Swap ("TRS") derivative contracts for the purpose of managing its exposure to changes in the fair value of its MTIP, EIP and DSU share-based compensation plans due to changes in the fair value of the Company's common shares. The changes in the fair market value are recorded as compensation expense in general and administrative expenses in the statement of income. The Company uses foreign currency forward contracts to buy US dollars for the purpose of managing its foreign currency risk. Unrealized gains and losses in the fair value of the foreign currency forward contracts are recognized in general and administrative expenses in the statement of income. The Company does not designate any of its derivative contracts as hedges.

Impairment of financial assets

Financial assets measured at amortized cost are assessed at each reporting date to determine whether there is objective evidence of impairment. An expected credit loss ("ECL") impairment model is applied, where the ECL is the present value of all cash shortfalls over the expected life of the financial asset. Impairment is measured at either the 12-month ECL or lifetime ECL. The Company recognizes the 12-

month ECL in the statement of income; however, for trade receivables and contract assets that do not contain a significant financing component, a lifetime ECL is measured at the date of initial recognition.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event will have a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The carrying amounts of financial assets are reduced by the amount of the ECL through an allowance account and losses are recognized in general and administrative expenses in the statement of income.

Joint arrangements

A joint arrangement is an arrangement in which the Company has joint control, established by contractual agreements requiring unanimous consent for decisions about activities that significantly affect the arrangement's returns. Joint arrangements are classified as either a joint operation or a joint venture. A joint operation is an arrangement where the joint controlling parties have direct rights to the assets and direct obligations for the liabilities of the arrangement in the normal course of business. Interests in a joint operation are accounted for by recognizing the Company's share of assets, liabilities, revenues and expenses. A joint venture is an arrangement where the joint controlling parties have rights to the net assets of the arrangement. Interests in a joint venture are recognized as an investment and accounted for using the equity method. The determination as to whether a joint arrangement is a joint venture or a joint operation requires significant judgement based on the structure of the arrangement, the legal form of any separate vehicle, the contractual terms of the arrangement and other facts and circumstances. The joint arrangements in which Bird participates are typically formed to undertake a specific construction project, are jointly controlled by the parties, and are dissolved upon completion of the project.

Finance and other income and finance and other costs

Finance and other income is comprised of interest earned on cash and cash equivalents, interest earned on lease receivables, gains/losses on disposal of investments and changes in the fair value of financial assets classified as FVTPL. Interest income is recognized as it accrues in the income statement.

Finance and other costs are comprised of interest on loans and borrowings including non-recourse project financing using the effective interest rate method, interest expense related to ROU liabilities, interest expense related to the net gain or loss on interest rate swaps, interest associated with TRS contracts, fees associated with credit facilities, bank charges and other interest expenses.

5. New accounting standards, amendments and interpretations adopted

The Company has adopted new amendments effective January 1, 2022 related to IAS 37 *Onerous Contracts* and annual improvements to IFRS standards 2018-2020 for IFRS 9 *Financial Instruments* and IFRS 16 *Leases* that did not have a material impact on the Company's financial statements.

6. Future accounting changes

There are new accounting standards and amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2023 that have not been applied in preparing the financial statements for the period ended December 31, 2022. These standards and interpretations are not expected to have a material impact on the Company's financial statements.

7. Business combinations

Acquisition of Dagmar Construction Inc.

In the prior year, on September 1, 2021, the Company acquired all of the issued and outstanding shares of Dagmar Construction Inc. ("Dagmar"). Dagmar is an Ontario-based construction company with extensive experience across key civil infrastructure sub-sectors including road, bridge, rail, sewer and water, and commercial-institutional sites. One of the key rationales for the business combination was to combine and integrate Dagmar's capabilities and service offerings for both private and public owners across Ontario, acting as a catalyst in this attractive end market. In selected national markets where Bird has civil activity, Dagmar will add specialized capabilities to broaden client service offerings and increase diversification.

(in thousands of Canadian dollars, except per share amounts)

The purchase price of the transaction totalled $32,502 and included cash of $23,600, equity of $6,538, and a holdback and other liability of $2,364. The $2,364 holdback and other liability consisted of $1,364 related to a final working capital reconciliation and $1,000 relating to any indemnities provisions to be reconciled as at the second anniversary of the closing date. The Company has paid $1,364 towards the final working capital reconciliation in the year ended December 31, 2022.

In connection with this acquisition, the Company incurred acquisition costs of approximately $787, comprised mainly of consulting and other professional fees, which were presented in general and administrative expenses in the statement of income. Transaction costs of $18 directly attributable to the issue of common shares related to the transaction were recognized as a reduction from shareholders' capital.

The value of the assets and liabilities associated with the Dagmar acquisition were finalized on September 1, 2022. During the year ended December 31, 2022, no measurement period adjustments were made to the purchase price allocation to reflect new information obtained by the Company with respect to the facts and circumstances that existed as of September 1, 2021.

Total common shares issued as consideration		**656,364**
Common share price at close on September 1, 2021	**$**	**9.96**
Equity consideration	$	6,538
Acquisition holdback and other liability		2,364
Cash consideration		23,600
Total Consideration	**$**	**32,502**
Fair value of assets and liabilities of Dagmar acquired:		
Assets acquired		
Cash and cash equivalents	$	3,055
Accounts receivable		6,887
Contract assets		50
Income taxes recoverable		332
Prepaid expenses		74
Property and equipment		3,211
ROU assets		5,489
Intangible assets		6,004
Liabilities assumed		
Accounts payable		(2,058)
Contract liabilities		(1,043)
ROU liabilities		(5,489)
Net deferred income tax liabilities		(2,790)
Net identifiable assets acquired	**$**	**13,722**
Goodwill		**18,780**
Net assets acquired	**$**	**32,502**

The fair value and gross amount of the trade receivables acquired amounted to $6,887.

Goodwill and intangible assets

Goodwill of $18,780 recognized as part of the acquisition is attributed to expected revenue growth and future market development specifically in the civil infrastructure sector. These benefits are not recognized separately from goodwill, as the future economic benefits arising from them cannot be reliably measured.

(in thousands of Canadian dollars, except per share amounts)

The goodwill recognized is not deductible for tax purposes. Identifiable intangible assets acquired of $6,004 include computer software, backlog and agency contracts, customer relationships and trade names.

8. Cash and cash equivalents

	2022	2021
Accessible cash	$ 96,011	$ 102,972
Cash held for joint operations	15,622	22,708
Restricted cash and cash equivalents	62,974	64,511
	$ 174,607	$ 190,191

9. Accounts receivable

	2022	2021
Progress billings on construction contracts	$ 457,069	$ 412,674
Holdbacks receivable (due within one operating cycle)	244,791	178,898
Other	6,301	6,242
	$ 708,161	$ 597,814

Accounts receivable are reported net of an allowance for doubtful accounts of $1,632 as at December 31, 2022 (December 31, 2021 – $1,527). Holdbacks receivable represent amounts billed on construction contracts which are not due until the contract work is substantially complete and the applicable lien period has expired.

10. Revenue, contract assets and contract liabilities

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by contract type, as this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

	2022	2021
Public Private Partnerships ("PPP")	$ 55,129	$ 14,920
Alternative finance projects and complex design-build	120,636	58,883
Stipulated sum, unit price and standard specification design-build	1,342,106	1,235,828
Construction management, cost plus and IPD	859,678	910,395
	$ 2,377,549	$ 2,220,026

Remaining performance obligations

The total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the reporting date is referred to as remaining performance obligations. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course.

As at December 31, 2022, the aggregate amount of remaining performance obligations from construction contracts was $2,636,543. The value of remaining performance obligations does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders to be performed as part of master services agreements.

(in thousands of Canadian dollars, except per share amounts)

The Company expects to recognize approximately 64% of the remaining performance obligations over the next 12 months with the remaining balance being recognized beyond 12 months. This expectation is based on management's best estimate but contains uncertainty as it is subject to factors outside of the Company's control.

The Company's measure of remaining performance obligations is also referred to as "Backlog" and additions to remaining performance obligations are also referred to by the Company as "Securements." These measures may not be comparable with the calculation of similar measures by other entities as Backlog and Securements are not terms defined under IFRS.

Summary of contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	2022	2021
Progress billings and holdbacks receivable (note 9)	**$ 701,860**	$ 591,572
Contract assets	**56,938**	55,949
Contract liabilities	**(146,986)**	(130,315)
	$ 611,812	$ 517,206

Progress billings and holdbacks receivable

The Company issues invoices in accordance with the billing schedule or contract terms. These invoices trigger recognition of accounts receivable.

Contract assets

The Company receives payments from customers based on a billing schedule, as established in the contracts. A contract asset relates to the conditional right to consideration for completed performance under the contract. Accounts receivable are recognized when the right to consideration becomes unconditional. Contract assets related to construction contracts are typically invoiced within a year.

	2022	2021		
	Construction Contracts	Construction contracts	Alternative finance projects	Total
Balance, December 31, 2021	**$ 55,949**	$ 60,031	$ 113	$ 60,144
Acquisition (note 7)	**—**	50	—	50
Reduction of contract assets due to progress billings	**(886,941)**	(1,139,620)	(113)	(1,139,733)
Additions to contract assets	**887,930**	1,135,488	—	1,135,488
Balance, December 31, 2022	**$ 56,938**	$ 55,949	$ —	$ 55,949

Contract liabilities

Contract liabilities relate to payments received in advance of performance under the contract. Contract liabilities are recognized as revenue as (or when) the Company performs under the contract. Typically, contract liabilities are recognized within a year as performance is achieved per contractual terms.

For the year ended December 31, 2022, $130,315 of revenue (2021 – $121,504) was recognized that was included in the contract liability balance at the beginning of the year.

For the year ended December 31, 2022, $6,937 of revenue (2021 - $3,964) was recognized from the satisfaction of performance obligations related to previous periods. Amounts represent changes in the transaction price due to contract modifications and various other cumulative catch up adjustments.

(in thousands of Canadian dollars, except per share amounts)

11. Other assets

	2022	2021
Subcontractor / Supplier insurance deposits	**$ 1,751**	$ 4,403
Lease receivables	**4,702**	5,895
Total Return Swap ("TRS") derivatives (note 24)	**2,950**	4,896
Other	**372**	29
Other assets	**$ 9,775**	$ 15,223
Less: current portion		
TRS derivatives	**2,950**	4,896
Lease receivables	**1,286**	1,194
Other	**—**	29
Current portion	**4,236**	6,119
Non-current portion	**$ 5,539**	$ 9,104

Subcontractor/Supplier insurance deposits relate to the Company's insurance policies which provide Bird with comprehensive coverage, subject to a deductible, in respect of subcontractor or supplier default on certain projects where the subcontractor or supplier is enrolled in the program.

The Company subleases certain facilities. The following is a detailed maturity analysis of the undiscounted finance lease payments receivable as at December 31, 2022:

	Carrying amount	Contractual cash flows	Not later than 1 year	Later than 1 year and less than 3 years	Later than 3 years and less than 5 years	Later than 5 years
Lease receivables	$ 4,702	$ 4,984	$ 1,402	$ 3,166	$ 416	$ —

12. Assets held for sale

	2022	2021
Investments in equity accounted entities classified as held for sale	**$ 2,341**	$ 3,980
Property classified as held for sale	**—**	436
	$ 2,341	$ 4,416

Investments in equity accounted entities classified as held for sale

During the year ended December 31, 2022, the Company sold one of its investments in equity accounted entities.

Property classified as held for sale

During the year ended December 31, 2022, property located in Northern Alberta that was previously classified as held for sale on the statement of financial position in 2021 is no longer classified as held for sale and is included in property and equipment (note 14).

(in thousands of Canadian dollars, except per share amounts)

13. Projects and entities accounted for using the equity method

The Company performs certain construction and concession related projects through joint ventures and associates which are accounted for using the equity method. The Company's joint ventures and associates are private entities and there is no quoted market value available for their shares.

	2022		
	Joint ventures	**Associates**	**Total**
Total current assets	$ **73,809**	$ **26,372**	$ **100,181**
Total non-current assets	**105,372**	**172,802**	**278,174**
Total assets	**179,181**	**199,174**	**378,355**
Total current liabilities	**28,376**	**8,151**	**36,527**
Total non-current liabilities	**130,677**	**163,923**	**294,600**
Total liabilities	**159,053**	**172,074**	**331,127**
Net assets – 100%	$ **20,128**	$ **27,100**	$ **47,228**
Attributable to the Company	$ **7,076**	$ **2,710**	$ **9,786**
Revenue – 100%	$ **74,894**	$ **8,154**	$ **83,048**
Total comprehensive income – 100%	$ **(7,411)**	$ **2,318**	$ **(5,093)**
Attributable to the Company	$ **(3,050)**	$ **232**	$ **(2,818)**

	2021		
	Joint ventures	Associates	Total
Total current assets	$ 29,070	$ 26,717	$ 55,787
Total non-current assets	243,749	176,342	420,091
Total assets	272,819	203,059	475,878
Total current liabilities	19,246	8,694	27,940
Total non-current liabilities	213,177	167,867	381,044
Total liabilities	232,423	176,561	408,984
Net assets – 100%	$ 40,396	$ 26,498	$ 66,894
Attributable to the Company	$ 14,742	$ 2,650	$ 17,392
Revenue – 100%	$ 115,822	$ 7,373	$ 123,195
Total comprehensive income – 100%	$ 11,679	$ 2,108	$ 13,787
Attributable to the Company	$ 3,982	$ 205	$ 4,187

(in thousands of Canadian dollars, except per share amounts)

The movement in the investment in projects and entities accounted for using the equity method is as follows:

Investments in equity accounted entities	2022	2021
Balance, beginning of period	$ 13,471	$ 14,710
Share of net income (loss) for the period	(2,818)	4,187
Share of other comprehensive income (loss) for the period	(187)	(21)
Investments in equity accounted entities	—	768
	10,466	19,644
Capital distributions received	(680)	(2,193)
Investments in equity accounted entities reclassified as held for sale (note 12)	—	(3,980)
Balance, end of period	$ 9,786	$ 13,471

The carrying amount of investments in equity accounted entities may not always equal the Company's share of the net assets or net liabilities of these joint ventures and associates due to fair value adjustments including goodwill and the timing of capital contributions or distributions in accordance with contract terms.

	2022	2021
Share of net income (loss) for the period	$ (2,818)	$ 4,187
Gain on sale of investments in equity accounted entities	104	—
Income (loss) from equity accounted investments	$ (2,714)	$ 4,187

The Company recognizes the income and losses related to its investments in associates and joint ventures, as the Company has an obligation to fund its proportionate share of the net liabilities of these entities.

Transactions with these related parties are described in note 35. Amounts committed for future capital injections to concession entities are described in note 34.

(in thousands of Canadian dollars, except per share amounts)

14. Property and equipment

2022	Land	Buildings	Leasehold improvements	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost						
Balance, December 31, 2021	$ 2,352	$ 12,685	$ 17,282	$ 98,695	$ 3,184	$ 134,198
Reclassified from held for sale	436	—	—	—	—	436
Additions	—	210	2,864	13,555	188	16,817
Disposals	—	—	(25)	(8,788)	(235)	(9,048)
Balance, December 31, 2022	2,788	12,895	20,121	103,462	3,137	142,403
Accumulated depreciation						
Balance, December 31, 2021	—	7,210	8,452	61,342	2,190	79,194
Disposals	—	—	(9)	(6,425)	(229)	(6,663)
Depreciation expense	—	470	2,326	11,371	234	14,401
Balance, December 31, 2022	—	7,680	10,769	66,288	2,195	86,932
Net book value	$ 2,788	$ 5,215	$ 9,352	$ 37,174	$ 942	$ 55,471

2021	Land	Buildings	Leasehold improvements	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost						
Balance, December 31, 2020	$ 2,557	$ 12,181	$ 16,730	$ 98,808	$ 3,156	$ 133,432
Acquisition	—	—	26	3,069	116	3,211
Reclassified as held for sale	(436)	—	—	—	—	(436)
Additions	231	504	619	7,089	107	8,550
Disposals	—	—	(93)	(10,271)	$ (195)	(10,559)
Balance, December 31, 2021	2,352	12,685	17,282	98,695	3,184	134,198
Accumulated depreciation						
Balance, December 31, 2020	—	6,719	5,836	59,315	2,127	73,997
Disposals	—	—	(53)	(8,436)	(173)	(8,662)
Depreciation expense	—	491	2,669	10,463	236	13,859
Balance, December 31, 2021	—	7,210	8,452	61,342	2,190	79,194
Net book value	$ 2,352	$ 5,475	$ 8,830	$ 37,353	$ 994	$ 55,004

(in thousands of Canadian dollars, except per share amounts)

15. Right-of-use assets

2022	Buildings	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost				
Balance, December 31, 2021	$ 43,393	$ 51,441	$ 1,848	$ 96,682
Additions	8,453	6,584	8	15,045
Disposals	(778)	(3,483)	—	(4,261)
Balance, December 31, 2022	51,068	54,542	1,856	107,466
Accumulated depreciation				
Balance, December 31, 2021	11,963	16,257	965	29,185
Disposals	—	(3,228)	—	(3,228)
Depreciation expense	6,557	8,190	626	15,373
Balance, December 31, 2022	18,520	21,219	1,591	41,330
Net book value	$ 32,548	$ 33,323	$ 265	$ 66,136

2021	Buildings	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost				
Balance, December 31, 2020	$ 35,085	41,053	1,900	78,038
Acquisition	4,904	585	—	5,489
Additions	4,222	11,775	—	15,997
Disposals	(818)	(1,972)	(52)	(2,842)
Balance, December 31, 2021	43,393	51,441	1,848	96,682
Accumulated depreciation				
Balance, December 31, 2020	6,057	10,243	227	16,527
Disposals	(96)	(1,637)	(29)	(1,762)
Depreciation expense	6,002	7,651	767	14,420
Balance, December 31, 2021	11,963	16,257	965	29,185
Net book value	$ 31,430	$ 35,184	$ 883	$ 67,497

(in thousands of Canadian dollars, except per share amounts)

16. Intangible assets

	2022				
	Trade names	Backlog and agency contracts	Customer relationships	Computer software	Total
Cost					
Balance, December 31, 2021	$ 8,000	$ 4,500	$ 15,500	$ 17,164	$ 45,164
Additions	—	—	—	10,949	10,949
Disposals	—	—	—	(548)	(548)
Balance, December 31, 2022	8,000	4,500	15,500	27,565	55,565
Accumulated amortization					
Balance, December 31, 2021	67	1,790	2,189	10,640	14,686
Amortization expense	200	1,709	2,242	2,514	6,665
Disposals	—	—	—	(528)	(528)
Balance, December 31, 2022	267	3,499	4,431	12,626	20,823
Net book value	$ 7,733	$ 1,001	$ 11,069	$ 14,939	$ 34,742

	2021				
	Trade names	Backlog and agency contracts	Customer relationships	Computer software	Total
Cost					
Balance, December 31, 2020	$ 7,000	$ 4,000	$ 11,000	$ 13,954	$ 35,954
Acquisition	1,000	500	4,500	4	6,004
Additions	—	—	—	3,206	3,206
Balance, December 31, 2021	8,000	4,500	15,500	17,164	45,164
Accumulated amortization					
Balance, December 31, 2020	—	333	393	7,702	8,428
Amortization expense	67	1,457	1,796	2,938	6,258
Balance, December 31, 2021	67	1,790	2,189	10,640	14,686
Net book value	$ 7,933	$ 2,710	$ 13,311	$ 6,524	$ 30,478

(in thousands of Canadian dollars, except per share amounts)

17. Goodwill

		2022		2021
Cost				
Balance, December 31, 2021	$	69,891	$	51,111
Balance, Acquisition (note 7)		—		18,780
Balance, December 31, 2022		69,891		69,891
Accumulated impairment		14,151		14,151
Net book value	$	55,740	$	55,740

At December 31, 2022 and 2021, the Company conducted an impairment test of its goodwill and indefinite life intangible assets. The carrying value of goodwill and the Company's indefinite life intangible assets at December 31, 2022 and 2021 was determined to not be impaired as the recoverable amount of the Company's CGUs exceeded their carrying values.

For the purposes of impairment testing, the Company allocated the carrying value of goodwill to the following groups of CGUs:

		2022		2021
Industrial	$	41,375	$	41,375
Buildings		12,794		12,794
Commercial Systems Group		1,571		1,571
	$	55,740	$	55,740

Key assumptions and sensitivity analysis

The recoverable amount of the CGUs was determined based on a value-in-use calculation using cash flow projections from financial forecasts derived from the Company's 2023 Business Plan and the 2022-2024 Strategic Plan, which was reviewed by management with the Board of Directors.

The Company selected a four year forecast period for the discounted cash flow analysis with the belief that further periods are adequately represented by a terminal value. Cash flows from growth opportunities are probability-weighted and relate to initiatives management expects to progress on in the medium to long-term time frame. These cash flows require assumptions to be made regarding the likelihood of projects progressing and the future economics of those projects. Cash flows for the remaining periods were extrapolated using a growth rate of 2.0%. An after-tax discount rate of 16.0%, which is based on a market-based cost of capital, was applied in determining the recoverable amounts. The same discount rate has been used in each of the CGUs, given the similarity in the business and the fact that business-specific risks were adjusted for in the forecasted cash flows. In addition, entity-specific risks were separately factored into each CGU forecast.

Sensitivity analyses of significant estimates and assumptions was conducted as part of the Company's impairment testing. The sensitivity ranges were selected based on management's expectations for inflationary growth and knowledge of weighted average cost of capital within the construction industry. A 1% change in the discount rate and a 0.5% change in the growth rate would not result in the carrying values of the CGUs exceeding their recoverable amounts.

(in thousands of Canadian dollars, except per share amounts)

18. Loans and borrowings

Loans and borrowings

	Maturity	Interest rate	2022	2021
Committed revolving credit facility	December 15, 2025	Variable	$ 22,725	$ 22,725
Committed non-revolving term loan facility	December 15, 2025	Variable	47,500	49,375
Equipment financing	2023 – 2027	Fixed 2.04%-4.70%	4,866	6,581
			75,091	78,681
Current portion			7,084	7,470
Non-current portion			$ 68,007	$ 71,211

The following table provides details of the changes in the Company's Loans and Borrowings for the year ended December 31, 2022:

	Syndicated revolving credit facility	Syndicated committed non-revolving term loan facility	Equipment financing	Total
Balance, December 31, 2021	$ 22,725	$ 49,375	$ 6,581	$ 78,681
Proceeds	50,000	—	2,776	52,776
Repayments	(50,000)	(1,875)	(4,491)	(56,366)
Balance, December 31, 2022	$ 22,725	$ 47,500	$ 4,866	$ 75,091

Syndicated credit facility

During the fourth quarter of 2022, the Company amended its syndicated credit facility (the "Syndicated Facility"), adding additional capacity under the revolving credit facility and extending the maturity date to December 15, 2025. The Syndicated Facility is secured by a general interest in the assets of the Company, and consists of the following:

Committed revolving credit facility

The Company has a committed revolving credit facility of up to $220,000 (December 31, 2021 – $185,000) that includes up to $30,000 swingline which allows the Company to enter into an overdraft position, and $115,000 letters of credit availability. Borrowings under the facility bear interest at a rate per annum equal to the Canadian prime rate plus a spread. A standby fee is payable quarterly on the unutilized portion of the facility.

At December 31, 2022, the Company has $25,312 letters of credit outstanding on the facility (December 31, 2021 – $21,989) and has drawn $22,725 on the facility (December 31, 2021 – $22,725). The $22,725 drawn on the facility is presented as non-current loans and borrowings on the Company's statement of financial position as the amounts are not expected to be settled in the Company's normal operating cycle, and are not due to be repaid until the maturity of the facility in 2025.

Committed non-revolving term loan facility

The Company has a committed non-revolving term loan facility totalling $47,500 which was fully drawn under the prior amendment to the credit facility to finance the acquisitions of Stuart Olson and Dagmar in 2020 and 2021 respectively (note 7). The term loan has scheduled repayments due quarterly until the maturity date of December 15, 2025. Any repayment of the facility cannot be reborrowed. Borrowings under the facility bear interest at a rate per annum equal to the Canadian prime rate plus a spread. As at

December 31, 2022, the Company has an outstanding balance of $47,500 on the facility (December 31, 2021 – $49,375 outstanding under prior amendment to the credit facility).

Accordion

The Syndicated Facility includes a non-committed accordion feature allowing the Company to increase the limit of the revolving credit facility and the non-revolving term debt facility up to an additional $50,000 in aggregate. Any increases under the accordion require creditor approval before becoming available to the Company.

The Company was in compliance with its covenants under each facility as at December 31, 2022 and December 31, 2021.

Equipment financing

The Company has committed term credit facilities of up to $40,000 to be used to finance equipment purchases of which as at December 31, 2022, $2,057 is outstanding (December 31, 2021 – $5,242). Borrowings under the facilities are secured by a first charge against the equipment financed using the facilities. Interest on the facilities is charged at a fixed rate based on the Bank of Canada bond rate plus a spread. Interest is paid monthly in arrears.

The Company also has multiple, fixed interest rate, term loans which were used to finance equipment purchases. At December 31, 2022, the balance outstanding on these term loans amounted to $2,809 (December 31, 2021 – $1,339). Principal and interest are payable monthly, and these term loans are secured by a first charge against the specific equipment financed using these facilities.

Letters of credit facilities

The Company has authorized operating letters of credit facilities totalling $150,000. At December 31, 2022, the facilities were drawn for outstanding letters of credit of $51,627 (December 31, 2021 – $67,426). All letters of credit issued under these facilities are supported by the pledge of Company-owned financial instruments, including cash, or through a guarantee from Export Development Canada ("EDC").

The Company has an agreement with EDC to provide performance security guarantees of up to $100,000 for letters of credit issued by financial institutions on behalf of the Company. The Company uses this facility when letters of credit have been issued as contract security for projects that qualify for EDC coverage. At December 31, 2022, EDC has issued performance security guarantees totalling $51,537 (December 31, 2021 – $67,289).

The letters of credit represent performance guarantees issued to support the Company's performance obligations on major construction projects. These letters of credit are supported through the hypothecation of certain financial instruments having a market value at December 31, 2022 of $90 (December 31, 2021 – $139).

(in thousands of Canadian dollars, except per share amounts)

19. Leases and right-of-use liabilities

The Company's lease contracts are effective for periods of one to twelve years but may have extension options.

The following table provides details of the changes in the Company's right-of-use ("ROU") liabilities during the period ended December 31, 2022:

	2022	2021
Balance, December 31, 2021	$ 79,358	$ 78,075
Acquisition (note 7)	—	5,489
Additions	15,045	15,997
Interest	2,805	2,937
Lease terminations and modifications	(1,397)	(938)
Repayment	(22,552)	(22,202)
Balance, December 31, 2022	73,259	79,358
Current portion	17,790	19,782
Non-current	$ 55,469	$ 59,576

Potential undiscounted cash outflows of $51,903 (December 31, 2021 - $55,328) have not been included in the measurement of the Company's ROU liabilities as at December 31, 2022 because it is not reasonably certain that particular leases will be extended. Included in the statement of income were expenses related to short-term leases and leases of low-value assets amounting to $7,774 for the year ended December 31, 2022 (2021 - $2,423). Total cash outflows for leases for the year ended December 31, 2022 were $30,326 (2021 - $24,625).

The Company has established operating lease lines of credit of $25,000 with the financing arms of major heavy equipment suppliers to finance equipment leases. Draws under these facilities are generally recognized as ROU liabilities, with the lease obligations being secured by the specific leased equipment. At December 31, 2022, the Company had used $6,460 (December 31, 2021 – $6,864) under these facilities.

20. Income taxes

Provision for income taxes

	2022	2021
Income tax expense (recovery) comprised of:		
Current income taxes	$ 5,340	$ 15,786
Deferred income taxes	11,982	(939)
	$ 17,322	$ 14,847

(in thousands of Canadian dollars, except per share amounts)

Income tax rate reconciliation

	2022	2021
Combined federal and provincial income tax rate	**25.6%**	25.9%
Increase (reductions) applicable to:		
Effect of different tax rate on equity investments	**—%**	—%
Non-taxable items	**0.5%**	0.3%
Other	**(0.3%)**	(0.4%)
Effective rate	**25.8%**	25.8%

The Company's statutory tax rate is the combined federal and provincial tax rates in the jurisdictions in which the Company operates.

Composition of deferred income tax assets and liabilities

	2022	2021
Provisions and accruals	**$ 4,675**	$ 5,255
Pension and other compensation	**4,620**	7,658
Timing of recognition of construction profits	**(29,714)**	(22,007)
Property and equipment	**(5,836)**	(7,254)
Right of use assets and liabilities and lease receivables	**2,372**	3,342
Intangible assets	**(4,798)**	(6,258)
Investment in equity accounted entities	**(805)**	(1,653)
Other	**(3,365)**	(3,270)
Tax loss carry forward	**28,659**	32,173
	$ (4,192)	$ 7,986
Presentation in the statement of financial position		
Deferred income tax asset	**31,564**	32,784
Deferred income tax liability	**(35,756)**	(24,798)
	$ (4,192)	$ 7,986

The deferred tax asset balances recognized by the Company are supported by the reversal of existing taxable temporary differences and expected future taxable income in excess of deductible temporary differences.

(in thousands of Canadian dollars, except per share amounts)

	2022			
	Balance, December 31, 2021	Recognized in profit or loss	Recovery in other comprehensive income	Balance, December 31, 2022
Provisions and accruals	$ 5,255	$ (580)	$ —	$ 4,675
Pension and other compensation	7,658	(2,810)	(228)	4,620
Timing of recognition of construction profits	(22,007)	(7,707)	—	(29,714)
Property and equipment	(7,254)	1,418	—	(5,836)
ROU assets and liabilities	3,342	(970)	—	2,372
Intangible assets	(6,258)	1,460	—	(4,798)
Investments in equity accounted entities	(1,653)	816	32	(805)
Other	(3,270)	(95)	—	(3,365)
Tax loss carry forward	32,173	(3,514)	—	28,659
	$ 7,986	$ (11,982)	$ (196)	$ (4,192)

	2021				
	Balance, December 31, 2020	Recognized in profit or loss	Recovery in other comprehensive income	Acquisition (note 7)	Balance, December 31, 2021
Provisions and accruals	$ 4,325	$ 930	$ —	$ —	$ 5,255
Pension and other compensation	4,544	3,909	(795)	—	7,658
Timing of recognition of construction profits	(16,533)	(5,063)	—	(411)	(22,007)
Property and equipment	(4,305)	(2,270)	—	(679)	(7,254)
ROU assets and liabilities	3,464	(122)	—	—	3,342
Intangible assets	(5,792)	1,234	—	(1,700)	(6,258)
Investments in equity accounted entities	(911)	(724)	(18)	—	(1,653)
Other	(2,191)	(1,079)	—	—	(3,270)
Tax loss carry forward	28,049	4,124	—	—	32,173
	$ 10,650	$ 939	$ (813)	$ (2,790)	$ 7,986

21. Provisions

	Warranty claims and other	Legal	Total
Balance, December 31, 2021	$ 16,426	$ 10,890	$ 27,316
Provisions made during the period	13,566	2,205	15,771
Provisions used during the period	(9,470)	(1,091)	(10,561)
Provisions reversed during the period	(10,268)	(3,715)	(13,983)
Balance, December 31, 2022	$ 10,254	$ 8,289	$ 18,543

(in thousands of Canadian dollars, except per share amounts)

	Warranty claims and other	Legal	Total
Balance, December 31, 2020	$ 16,311	$ 11,258	$ 27,569
Provisions made during the period	24,254	5,775	30,029
Provisions used during the period	(15,578)	(834)	(16,412)
Provisions reversed during the period	(8,561)	(5,309)	(13,870)
Balance, December 31, 2021	$ 16,426	$ 10,890	$ 27,316

Various claims and litigation arise in the normal course of the construction business. It is the Company's opinion that an adequate provision has been made for any potential settlements relating to such matters and that they will not materially affect the financial position or future operations of the Company.

22. Other liabilities

	2022	2021
Liabilities for cash-settled share-based compensation plans (note 24)	**$ 18,511**	$ 24,918
Leasehold inducements	**1,328**	1,612
Acquisition holdback and other liability (note 7)	**1,000**	2,364
	20,839	28,894
Less: current portion		
Cash-settled share-based compensation plans (note 24)	**8,181**	10,630
Leasehold inducements	**268**	317
Acquisition holdback and other liability (note 7)	**1,000**	1,364
Current portion	**9,449**	12,311
Non-current portion	**$ 11,390**	$ 16,583

23. Pension obligations

The Company maintains two registered pension plans covering salaried employees for two of its subsidiaries. Each plan includes a defined contribution ("DC") provision and a non-contributory defined benefit ("DB") provision. During the first quarter ended 2022, the Company commenced the process of winding up one of the pension plans, which remains in process at December 31, 2022.

DC pension plans

The total expense recognized in the statement of income during the year ended December 31, 2022 of $583 (2021 - $274) represents contributions to these plans by the Company at rates specified in the rules of the plans.

DB pension plans

Annual employer contributions to the DB provisions, determined by an independent actuary, meet minimum amounts required by provincial pension supervisory authorities. The benefits provided by the DB provisions of the pension plans are based on years of service and final average earnings of the employees who are members of the plans.

During the third quarter ended 2022, a partial settlement of one of the the plans occurred resulting in the derecognition of obligations totalling $13,732, a settlement loss of $558 recorded in general and administrative expenses, and $844 of other comprehensive income related to changes in the asset ceiling.

(in thousands of Canadian dollars, except per share amounts)

Fair market value of plan assets

	2022	2021
Equity securities	$ 5,092	$ 8,255
Fixed income allocation	7,744	24,907
Debt securities	—	—
Other return seeking investments	2,711	4,649
Cash and cash equivalents	720	117
	$ 16,267	$ 37,928

Reconciliation of amounts in the financial statements

	2022	2021
Accrued benefit obligation		
Balance, beginning of period	$ 37,339	$ 39,912
Employer current service cost	230	275
Interest cost on the defined benefit obligation	906	980
Benefit payments	(1,649)	(1,937)
Actuarial loss due to experience adjustments	93	60
Actuarial gain due to changes in financial assumptions	(7,288)	(1,951)
Settlements	(13,732)	—
Balance, end of period	$ 15,899	$ 37,339

	2022	2021
Fair value of plan assets		
Balance, beginning of period	$ 37,928	$ 36,312
Employer contributions	981	867
Interest income on plan assets	909	892
Actuarial gain (loss) on plan assets, excluding interest income	(7,131)	2,127
Benefit payments	(1,650)	(1,937)
Administration costs	(480)	(333)
Settlements	(14,290)	—
Balance, end of period	$ 16,267	$ 37,928

	2022	2021
Funded status – surplus (deficit)	$ 368	$ 589
Unrecognized amount due to asset ceiling	—	(821)
Recognized asset (liability) for defined benefit obligations	$ 368	$ (232)

	2022	2021
Asset ceiling		
Balance, beginning of period	$ 821	$ —
Interest on asset ceiling	23	—
Change in asset ceiling	(844)	821
Balance, end of period	$ —	$ 821

During the period ended December 31, 2022, $1,289 (2021 – $696) was recorded in general and administrative expenses in the statement of income, and a gain of $908 (2021 – $3,197) before tax, was recorded in other comprehensive income, relating to the DB plans. The gain relates to investment earnings being greater than the expected interest income on the plans' assets and changes in financial assumptions, which is partially offset by the impact of an asset ceiling.

(in thousands of Canadian dollars, except per share amounts)

Actuarial assumptions

	2022	2021
Discount rate on net benefit obligations	**5.1 %**	2.9 %
Rate of compensation increase	**3.0 %**	3.0%
Inflation rate	**2.0 %**	2.0%

The discount rate used to establish the pension obligation is based on AA-rated Canadian corporate bond yields at the measurement date. A change of 100 basis points in the discount rate at the reporting date would have increased or decreased the accrued benefit obligation by $1,873 (December 31, 2021 – $4,983).

24. Share-based compensation plans

Medium term incentive plan ("MTIP"), Equity incentive plan ("EIP") and Deferred share unit ("DSU") plan

The terms of the Company's MTIP, EIP and DSU plan are described in note 4.

	2022	2021
MTIP liability	**$ 1,168**	$ 6,347
EIP liability	**8,975**	10,585
DSU liability	**8,368**	7,986
Liabilities for cash-settled share-based compensation plans	**18,511**	24,918
Less: current portion		
MTIP liability	**1,168**	5,540
EIP liability	**4,707**	5,090
DSU liability	**2,306**	—
Current portion	**8,181**	10,630
Non-current portion	**$ 10,330**	$ 14,288

	2022			2021		
	MTIP	**EIP[1]**	**DSUs**	MTIP	EIP[1]	DSUs
Units, beginning of period	**809,213**	**1,398,029**	**813,258**	1,082,701	1,130,053	680,718
Granted [2]	**47,980**	**735,192**	**217,294**	36,741	561,016	132,540
Forfeited	**(18,687)**	**—**	**—**	(152,522)	(83,580)	—
Change in estimate	**—**	**—**	**—**	(61,597)	—	—
Vested and paid	**(649,600)**	**(420,247)**	**—**	(96,110)	(209,460)	—
Units, end of period	**188,906**	**1,712,974**	**1,030,552**	809,213	1,398,029	813,258

[1] Based on underlying units before the impact of a performance multiplier, but after the effects of the dividend adjustment ratio and the estimated forfeiture rate.

[2] MTIP and DSU grants include dividend reinvestments.

The Company's EIP provides certain officers and employees of the Company with the opportunity to be granted PSUs or time-based RSUs. As at December 31, 2022, the Company had 856,487 outstanding RSUs and 856,487 outstanding PSUs, before the impact of the performance multiplier (December 31, 2021 – 715,155 and 682,874 units, respectively). The outstanding PSU balance as at December 31, 2022, adjusted for the performance conditions that modify the vested value, is 956,192 units (December 31, 2021 – 999,422 units).

(in thousands of Canadian dollars, except per share amounts)

Compensation expense accrued for PSUs issued under the Company's EIP is dependent on an adjustment to the final number of PSUs that will vest based on a performance multiplier that is estimated by management and approved by the Board of Directors. The performance multiplier applicable to the PSUs is determined based on relative total shareholder return ("TSR") and based on the achievement of earnings before income tax compared to the Company's business plan. The performance multiplier for achievement of TSR is based on a comparison against TSR achieved in the performance period by comparative companies. The range of the performance multiplier for the TSR and the achievement of earnings before income tax is between zero to a maximum of 2, if the Company performs within the highest range of its performance targets. RSU awards are set at a specific number of shares which are time-vested with no performance multiplier.

During the first, second, third and fourth quarter of 2022, the Company granted 31,796, 39,320, 57,466 and 45,709 units under the DSU plan at a fair market value of $9.23, $7.83, $6.07 and $7.95 respectively, excluding dividend reinvestments.

In the second quarter of 2022 the Company granted 661,563 units under the EIP plan at a fair market value of $9.03, excluding dividend reinvestments.

As at December 31, 2022, a total of 1,901,880 unvested phantom units of the MTIP and EIP (December 31, 2021 – 2,207,242) are outstanding and valued at $16,253 (December 31, 2021 - $24,686) of which $10,143 has been recognized to date in the statement of income (2021 - $16,932).

Pursuant to the Company's MTIP granted in 2020, payments are due by November 2023, or upon retirement, if earlier. Payments pursuant to the Company's EIP granted in 2020, 2021 and 2022 vest on December 2023, December 2024 and December 2025, respectively. Payments pursuant to the Company's DSU Plan are cash settled no later than December 31 of the following year in which the Director ceases to hold any position within the Company.

Expenses (recoveries) arising from share-based payment transactions[1]

		2022		2021
MTIP	$	**399**	$	4,420
EIP		**3,543**		6,583
DSU		**382**		2,540
	$	**4,324**	$	13,543

[1] Expenses are before the effect of the TRS derivative contracts.

The Company enters into TRS derivative contracts for the purpose of managing its exposure to changes in the fair value of its MTIP, EIP and DSU share-based compensation plans, due to changes in the fair value of the Company's common shares. The Company recognized a loss of $1,946 on these derivatives in the statement of income in general and administrative expenses for the year ended December 31, 2022 (2021 – $3,292 gain).

25. Shareholders' capital

The Company is authorized to issue an unlimited number of common shares. The Company is authorized to issue preference shares in series with rights set by the Board of Directors, up to a balance not to exceed 35% of the outstanding common shares. As at December 31, 2022 and December 31, 2021, no preferred shares have been issued. In 2021, transaction costs of $18 directly attributable to the issuance of common shares for the acquisition of Dagmar were recognized as a deduction from shareholders' capital (note 7).

(in thousands of Canadian dollars, except per share amounts)

	2022		2021	
	Number of shares	**Amount**	Number of shares	Amount
Balance, beginning of period	**53,695,293**	**$ 114,584**	53,038,929	$ 108,064
Common shares issued (note 7)	**—**	**—**	656,364	6,520
Balance, end of period	**53,695,293**	**$ 114,584**	53,695,293	$ 114,584

26. Earnings per share

	2022	2021
Net income	**$ 49,863**	$ 42,783
Weighted average number of common shares (basic and diluted)	**53,695,293**	53,258,316
Basic and diluted earnings per share	**$ 0.93**	$ 0.80

27. Finance and other income

	2022	2021
Interest income on lease receivables	**$ 151**	$ 183
Gain on settlement of trade accounts receivable	**7,596**	—
Other interest income	**3,497**	1,139
Gain (loss) on warrants	**(903)**	—
	$ 10,341	$ 1,322

During the quarter ended June 30, 2022, in connection with the settlement of historical construction billings and interest charges with a customer, the Company recorded a gain of $7,596 and interest income of $1,722. The construction billings were recorded and carried at fair value upon the acquisition of Stuart Olson in 2020, and interest income includes the reversal of expected credit losses recorded against interest accrued subsequent to the acquisition. In connection with the settlement, the Company received warrants which were classified as a derivative financial instrument measured at fair value, with subsequent changes in fair value recognized through profit and loss in finance and other income.

28. Finance and other costs

	2022	2021
Interest on loans and borrowings	**$ 6,189**	$ 3,785
Interest on ROU liabilities	**2,805**	2,937
Other	**824**	828
	$ 9,818	$ 7,550

(in thousands of Canadian dollars, except per share amounts)

29. Personnel costs

	2022	2021
Short-term employee benefits	$ 667,032	$ 644,463
Defined benefit and defined contribution plan expense (note 23)	1,872	970
Deferred compensation (note 24)	4,324	13,543
	$ 673,228	$ 658,976

For the year ended December 31, 2022, personnel costs of $594,518 were included in costs of construction (2021 – $577,845) and $78,710 in general and administrative expenses (2021 – $81,131). Short-term employee benefits consist primarily of salaries and bonuses, as well as employee share purchase plan ("ESPP") expense and employee registered retirement savings plan ("RRSP") matching contributions. Deferred compensation consists of share-based compensation expenses.

30. Government assistance

On April 11, 2020, the Government of Canada passed the Canadian Emergency Wage Subsidy to support a company's ability to continue employing its workforce in the face of revenue declines because of the COVID-19 pandemic. During the year ended December 31, 2022, the Company recognized a recovery of compensation expense in costs of construction of $nil (2021 – $18,798) and general and administrative expenses of $nil (2021 – $3,141).

31. Other cash flow information

Changes in non-cash working capital relating to operating activities

	2022	2021
Accounts receivable	$ (111,409)	$ (60,944)
Contract assets	(989)	4,132
Contract assets – alternative finance projects	—	113
Inventory and prepaid expenses	(979)	(1,294)
Other assets	(92)	53
Accounts payable	58,349	21,444
Contract liabilities	16,671	7,768
Provisions	(8,773)	(253)
Deferred compensation plan expense and other	(12,095)	(2,554)
	$ (59,317)	$ (31,535)

(in thousands of Canadian dollars, except per share amounts)

Change in liabilities arising from financing activities

	2022			
	Dividend payable	Loans and borrowings	ROU liabilities	Total
Balance, December 31, 2021	$ 1,745	$ 78,681	$ 79,358	$ 159,784
Cash flows				
Proceeds	—	52,776	—	52,776
Repayments	—	(56,366)	(22,552)	(78,918)
Dividends paid on shares	(20,941)	—	—	(20,941)
Non-cash changes				
Net additions to ROU liabilities	—	—	13,648	13,648
Interest accretion	—	—	2,805	2,805
Dividends declared	20,941	—	—	20,941
Balance, December 31, 2022	$ 1,745	$ 75,091	$ 73,259	$ 150,095

	2021			
	Dividend payable	Loans and borrowings	ROU liabilities	Total
Balance, December 31, 2020	$ 1,724	$ 72,913	$ 78,075	$ 152,712
Acquisition (note 7)	—	—	5,489	5,489
Cash flows				
Proceeds	—	58,600	—	58,600
Repayments	—	(52,832)	(22,202)	(75,034)
Dividends paid on shares	(20,749)	—	—	(20,749)
Non-cash changes				
Net additions to ROU liabilities	—	—	15,059	15,059
Interest accretion	—	—	2,937	2,937
Dividends declared	20,770	—	—	20,770
Balance, December 31, 2021	$ 1,745	$ 78,681	$ 79,358	$ 159,784

32. Financial instruments

Carrying values and fair values

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The hierarchy of inputs is summarized below:

i. Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

ii. Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 - inputs used in a valuation technique are not based on observable market data in determining fair values of the instruments.

The Company's foreign currency forward contract, interest rate swaps, TRS derivative contracts (note 11) and warrants are classified as Level 2 measurements in the fair value hierarchy. The Company does not have any financial instruments classified as Level 3 that are carried at fair value. There were no transfers between levels in the fair value hierarchy during the years ended ended December 31, 2022 and 2021.

(in thousands of Canadian dollars, except per share amounts)

The fair value of the Company's loans and borrowings approximate their carrying values on a discounted cash flow basis as the majority of these obligations bear interest at market rates. The fair values of the remaining financial instruments approximate their carrying value due to their relatively short periods to maturity.

Financial risk management

In the normal course of business, the Company is exposed to several risks related to financial instruments that can affect its operating performance. These risks and the actions taken to manage them are as follows:

i. Credit risk

Credit risk relates to the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligation.

With respect to accounts receivable, concentration of credit risk is limited due to the geographic dispersion of revenues and a diversified customer base. Before entering into any construction contract and during the course of the construction project, the Company satisfies itself that the customer has adequate resources to fulfil its contractual payment obligations as construction work is completed. If a customer was unable or unwilling to pay the amount owing, the Company will generally have a right to register a lien against the project that will normally provide some security that the amount owed would be realized.

For the year ended December 31, 2022, no customer accounted for 10% or more of contract revenue (2021 - one customer representing revenue of $323,648). Although large projects may occasionally result in individual customers being significant, credit risk is mitigated through regular progress billings and other contract security.

Short-term deposits and short-term investments are subject to minimal credit risk as they are placed with only major Canadian financial institutions. As is reasonably practical, these investments are placed with several different Canadian financial institutions, thereby reducing the Company's exposure to a default by any one financial institution.

At December 31, 2022, accounts receivable outstanding for greater than 90 days and considered past due by the Company represent 16.6% (December 31, 2021 – 14.8%) of the balance of progress billings on construction contracts receivable. The Company has recorded an allowance of $1,632 (December 31, 2021 – $1,527) against these past due receivables, net of amounts recoverable from others.

	Amounts past due			
	Up to 12 months	Over 12 months	2022	2021
Trade receivables	$ 25,625	$ 50,673	$ 76,298	$ 61,207
Impairment	(62)	(1,570)	(1,632)	(1,527)
Total Trade receivables	$ 25,563	$ 49,103	$ 74,666	$ 59,680

ii. Liquidity risk

Liquidity risk relates to the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages this risk through management of its capital structure, monitoring and reviewing actual and forecasted cash flows and the effect on bank covenants, and maintaining unused credit facilities where possible to ensure there are available cash resources to meet the Company's liquidity needs. In managing liquidity risk, the Company has access to committed short and long-term debt facilities as well as equity markets, the availability of which is dependent on market conditions.

(in thousands of Canadian dollars, except per share amounts)

The Company has working capital of $184,632 (December 31, 2021 – $151,810) which is available to support surety requirements related to construction projects. Working capital is calculated as total current assets less total current liabilities. As a component of working capital, the Company maintains significant balances of cash and cash equivalents. These balances, less $90 hypothecated to support outstanding letters of credit and $62,884 held in restricted trust accounts, are available to meet the general financial obligations of the Company as they become due. Restricted cash in trust is held in segregated accounts for payment obligations on certain projects. Refer to note 18 in respect of the Syndicated facility and the Company's other debt instruments, which further improves the Company's access to liquidity. At December 31, 2022, the Company had a total undrawn balance on its committed revolving credit facility and committed non-revolving term loan facility of $171,963 (December 31, 2021 – $140,286). Also, the Company has a non-committed accordion of up to an additional $50,000 to increase the limit of the committed revolving credit facility and the committed non-revolving term debt facility. The Company also has committed term credit facilities of up to $40,000 to be used to finance equipment purchases of which $37,943 is undrawn as at December 31, 2022 (December 31, 2021 – $34,758). The Company believes that it has access to sufficient funding through the use of these facilities and its cash and cash equivalents to meet its foreseeable operating requirements.

The following are the contractual obligations, including estimated interest payments, as at December 31, 2022, in respect of the financial obligations of the Company. Interest payments on the committed revolving credit facility and committed non-revolving term loan facility are not included in the table below since they are subject to variability based upon outstanding balances at various points throughout the period.

	Carrying amount	Contractual cash flows	Not later than 1 year	2 – 3 years	4 – 5 years	Later than 5 years
Trade payables	$ 573,224	$ 573,224	$ 538,577	$ 33,343	$ 1,304	$ —
Dividends payable	1,745	1,745	1,745	—	—	—
ROU liabilities	73,259	82,893	20,026	31,377	16,890	14,600
Committed revolving credit facility	22,725	22,725	—	22,725	—	—
Committed non-revolving term loan	47,500	47,500	5,000	42,500	—	—
Equipment financing	4,866	5,182	2,229	2,193	760	—
Acquisition holdback and other liability (note 7)	1,000	1,000	1,000	—	—	—
	$ 724,319	$ 734,269	$ 568,577	$ 132,138	$ 18,954	$ 14,600

iii. Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and corporate bond yields, will affect the Company's income or the value of its holdings in liquid securities. The discount rate used to establish the pension obligation was determined by reference to market interest rates on AA-rated corporate bonds with cash flows that approximate the timing and amount of expected benefit payments.

The interest rate profile of the Company's loans and borrowings was as follows:

	2022	2021
Fixed-rate facilities	$ 4,866	$ 6,581
Variable-rate facilities	70,225	72,100
Total loans and borrowings	$ 75,091	$ 78,681

(in thousands of Canadian dollars, except per share amounts)

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that its credit facilities and TRS derivatives are based on variable rates of interest.

At December 31, 2022, a one percent change in the interest rate applied to the Company's variable rate long-term debt would change annual income before income taxes by approximately $702 (2021 – $721).

The Company has certain share-based compensation plans, where the values are based on the common share price of the Company. The Company has fixed a portion of the settlement costs of these plans by entering into various TRS derivative contracts maturing in 2023. The TRS derivatives are not designated as a hedge. The change in the value of the TRS derivatives is recorded each quarter based on the difference between the fixed price and the market price of the Company's common shares at the end of each quarter. The TRS derivatives are classified as derivative financial instruments. At December 31, 2022, a 10 percent change in the share price applied to the Company's TRS derivatives would change income before income taxes by approximately $1,640 (2021 – $1,502).

iv. Currency risk

Currency risk is the risk that fluctuations in currency exchange rates will affect the Company's net income. The Company uses foreign currency to settle payments to vendors and subcontractors in the foreign currency. Foreign currency risk is managed by the Company through the use of foreign currency derivatives. At December 31, 2022, a 10 percent movement in the Canadian and U.S. dollar exchange rate would have changed income before income taxes by approximately $233 (2021 – $246).

33. Capital management

The Company's capital management objectives are to:

i. ensure that the Company has the financial capacity and liquidity to achieve its strategic objectives and support its current and anticipated volume and mix of business consistent with the risk tolerance of the Company;

ii. have the financial flexibility to absorb the seasonality and cyclicality of the Company's operations and the construction industry, as well as unforeseen events with an appropriate level of investment in working capital and available committed credit capacity;

iii. pursue a balanced capital allocation strategy that will deliver superior shareholder value;

iv. generate sufficient cash flow to maintain and grow the dividend in a consistent and sustainable way as determined by the Board of Directors; and

v. provide investors with maximum risk-adjusted long-term returns on equity.

In the management of capital, the Company defines capital as the aggregate of its shareholders' equity and non-current loans and borrowings.

The Company manages its capital within the capital management policy approved by the Board of Directors. The Company adjusts its capital structure in light of changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue new debt or repay existing debt, issue share capital, issue convertible debt, adjust capital expenditures, or may adjust the amount of dividends paid to shareholders. Financing decisions are generally made on a specific transaction basis and depend on such things as the Company's needs, capital markets and economic conditions at the time of the transaction.

The Company monitors its capital on a number of bases; the amounts of working capital, non-current loans and borrowings and shareholders' equity are as follows:

	2022	2021
Working capital	**$ 184,632**	$ 151,810
Loans and borrowings – non current	**$ 68,007**	$ 71,211
Shareholders' equity	**$ 272,988**	$ 243,488

(in thousands of Canadian dollars, except per share amounts)

34. Commitments and contingencies

Commitments

Outstanding surety lien bonds issued on behalf of the Company in connection with liens by subcontractors and suppliers at December 31, 2022 totalled $87,787 (December 31, 2021 – $93,135). The Company has acquired minority equity interests in a number of PPP concession entities (note 13), which require the Company to make $1,816 in future capital injections. These commitments have been secured by letters of credit totalling $1,816 (December 31, 2021 – $1,816).

During the year ended December 31, 2022, the Company signed orders with a fleet management provider for leases totalling $3,434 that have not been recognized in the statement of financial position. The leases are expected to commence and be recognized in the statement of financial position within the next 12 months.

At December 31, 2022, the Company has minimum payments under contracts for other purchase obligations that are not recognized as liabilities in the statement of financial position of $4,760 due within the next 12 months, $10,680 from 1 to 3 years, $5,697 from 3 to 5 years, and $1,725 thereafter.

Contingencies

The Company is contingently liable for the usual contractor's obligations relating to performance and completion of construction contracts. These include the Company's contingent liability for the performance obligations of its subcontractors. Where possible and appropriate, the Company obtains performance bonds, subcontract/supplier insurance or alternative security from subcontractors. However, where this is not possible, the Company is exposed to the risk that subcontractors will fail to meet their performance obligations. In that eventuality, the Company would be obliged to complete the subcontractor's contract, generally by engaging another subcontractor, and the cost of completing the work could exceed the original subcontract price. The Company makes appropriate provision in the financial statements for all known liabilities relating to subcontractor defaults.

35. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. Each of the related party transactions described below was made on terms equivalent to those that prevail in arm's length transactions unless otherwise noted.

Compensation of key management personnel represents the aggregate amounts paid and accrued to the Company's key management personnel and the Company's Board of Directors.

	2022	2021
Short-term benefits	**$ 5,889**	$ 6,615
Share-based compensation	**2,319**	7,059
	$ 8,208	$ 13,674

A Director or related parties hold positions in other entities that result in them having control over the financial reporting or operating policies of those entities. The aggregate value of transactions during the year with entities over which Directors have control was $1,037 (2021 - $1,030) and the outstanding balance receivable at December 31, 2022 was $571 (December 31, 2021 - $2).

Transactions with proportionally consolidated joint arrangements

The Company provides services of its employees, management services, cost reimbursements, parental guarantees and letters of credit to the joint arrangements. These services were transferred at the exchange amount, agreed to between the parties. The amounts recognized for services provided by the Company for the year ended December 31, 2021 totalled $34,979 (2021 - $45,632).

The Company has accounts receivable from the joint arrangements at December 31, 2022 totalling $5,017 (December 31, 2021 - $706).

(in thousands of Canadian dollars, except per share amounts)

Transactions with equity accounted joint arrangements

The Company and its proportionately consolidated joint arrangements (note 4), provide development and construction services to its concession investments in associates and joint ventures which are in the normal course of business and on commercial terms. The Company's proportionate share of the amounts billed for construction services provided by these joint arrangements for the year ended December 31, 2022 totalled $57,607 (2021 – $26,696), of which $53,093 has been recognized in revenue in 2022 (2021 - $15,077). The Company's proportionate share of payments made to the joint arrangements for the year ended December 31, 2022 totalled $580 (2021 - $17,548). These amounts are not eliminated as they are deemed to be realized by the Company.

The Company and its proportionately consolidated joint arrangements have accounts receivable from these concession investment entities. The Company's proportionate share of accounts receivable at December 31, 2022 totalled $24,378 (December 31, 2021 - $12,423).

36. Subsequent events

Eligible dividends declared with a record date subsequent to the financial statement date:

As of the date of the approval of these financial statements, the Board of Directors has declared eligible dividends with a record date subsequent to the date of the financial statements, for the following months:

Eligible dividends declared	Record date	Payment date	Dividend per share
January dividend	January 31, 2023	February 17, 2023	$0.0325
February dividend	February 28, 2023	March 20, 2023	$0.0325
March dividend	March 31, 2023	April 20, 2023	$0.0358
April dividend	April 28, 2023	May 19, 2023	$0.0358

Subsequent acquisition:

Subsequent to the year ended December 31, 2022, the Company acquired a telecommunication and infrastructure utility contractor based in Ontario on February 1, 2023. The total consideration for the transaction was $6,800, subject to customary closing adjustments, which was funded through a combination of cash, the Company's common shares and a holdback liability.

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