bird

ANNUAL REPORT
2023


stuartolson
stuartolson

This Annual Report contains forward-looking statements and information ("forward-looking statements") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this report are based on the expectations, estimates and projections of management of Bird as of as of March 5, 2024, unless otherwise stated. Please refer to the Forward-Looking Information on page 90 for additional information.

Letter to

Shareholders

The Bird team delivered a strong performance in 2023. We are pleased with the considerable progress we have made in the second year of our strategic plan, thanks to our highly experienced and dedicated teams.

Across the country, we saw increased collaboration and cross-selling, continued organic and M&A diversification, the awarding of many projects in targeted sectors with risk-reward profiles that are accretive, and the expansion of multi-year recurring revenue streams. At year end, the Company's combined backlog grew to record levels while we remained disciplined in our project selection and focused on advancing our strategic priorities. This includes continuing to improve our Adjusted EBITDA margins, supported by our highly collaborative, risk balanced, diversified projects in complex and high demand sectors.

A Culture of Operational and Psychological Safety: Safety through Engagement

Continuously improving our exemplary safety record remains a top priority and is embedded in our culture of continuous learning. Consistently achieving a healthy and safe work environment is accomplished through collaboration with employees, trade partners, clients, and suppliers. Open dialogue is encouraged through multiple touchpoints at all levels, including regular on-site safety visits with senior leaders. Bird also introduced an interactive, safety-focused mobile app in 2023 to further engage all levels of employees and empower them with leadership insight, safety knowledge, and industry best-practices to further support our culture of safety. Through our participation on the Canadian Construction Safety Council, we also work alongside select industry peers to elevate industry safety standards.

A Culture of Execution Excellence: An Industry Built for the Future

The construction industry has experienced rapid growth in a variety of sectors this past year. Canada's population growth and urbanization are driving demand for renewed and expanded transportation systems, telecommunications and utilities networks, and education and healthcare facilities. The evolving energy landscape is also generating significant investment in electrical infrastructure to enhance Canada's energy grid to meet growing demands for power and preparedness to achieve decarbonization goals. Bird's team of over 2,500 electricians and electrical personnel are at the forefront of constructing and maintaining both traditional and future energy solutions, integrating renewable energy sources, improving energy efficiency across all infrastructure, and ensuring the reliability and efficiency of Canada's energy ecosystem. Bird has been a key long-term partner for many clients nationally who manage the energy systems that power the country. The current strong commodities markets are further aiding the positive growth outlook in the construction industry. The longer-term commodities outlook is supported by the demand for critical minerals essential for the energy transition, including for batteries and electric vehicles. An emphasis on collaborative project delivery and strategic investments in construction technologies are supporting industry expansion, and have led to optimized safety, productivity, and collaboration.

Our ability to deliver critical projects across a range of sectors has solidified the Company's reputation as a trusted partner, as highlighted through the award of the Alliance Development Agreement to work collaboratively with Metrolinx to deliver the East Harbour Transit Hub. This project is one of the first major projects in Canada to be procured using the highly collaborative alliance model, well-aligned with Bird's position as a leading collaborative contractor in Canada. We strongly believe that collaborative methods are the best way to build complex projects, and Bird's expertise in various collaborative delivery models have supported improved project delivery and outcomes that are beneficial for all parties.

A number of significant projects were awarded throughout 2023 that reflect the success of Bird's diversified work program and innovative construction solutions across Canada. There has been steady growth in the Company's nuclear division, a substantial portfolio of major institutional and infrastructure projects, and a decade-high mining backlog from coast to coast to coast. Among the notable projects awarded in 2023 are contracts for large energy clients that include additional maintenance and repair MSA contracts, early works at a new LNG project in Western Canada, the Kakabeka Falls Generating Station Life Extension Project, and a new multi-year task order for environmental remediation for Canadian Nuclear Laboratories. Major transportation projects include the Fleet Maintenance Unit Redevelopment Project which aims to revitalize BC Ferries' existing maintenance facility and the previously referenced East Harbour Transit Hub in Toronto, Ontario. The team was awarded a number of significant post-secondary facilities across major markets including the Seneca Polytechnic Health Wellness Centre Project in Ontario, the Vancouver Community College Centre for Clean Energy and Automotive Innovation, the Southern Alberta Institute of Technology's Campus Centre Redevelopment Project, and the Victor Philip Dahdaleh Hall project at St. Francis Xavier University in Nova Scotia. Bird was also awarded two of Canada's tallest modular builds: 14- and 13-storey modular towers for BC Housing's Permanent Supportive Housing Initiative

The strength of Bird's Balance Sheet enables the Company to capitalize on acquisition opportunities.

that will be delivered in partnership with the Stack Modular business. The suitability of the Bird/Stack innovative, rapid build solutions for affordable housing and other critical infrastructure needs across Canada, supports our strategic growth in this high demand sector.

A Culture of Collaboration: Creating Opportunity

We are pleased with the continued accretion of our Adjusted EBITDA margin, which is expected to further improve through 2024, and the positive revenue growth outlook based on a robust backlog and pending backlog that remains highly collaborative. This is aligned with our disciplined pursuit of projects with appropriate risk profiles. We are looking forward to a high demand year in 2024 following the full year organic growth year-over-year of over 17% in 2023.

The strength of Bird's Balance Sheet enables the Company to capitalize on acquisition opportunities focused on the provision of specialized, self-perform capabilities with sound growth potential post-acquisition. On January 31, 2023, Bird acquired Trinity Communication Services Ltd., a diversified telecommunication and utility infrastructure contractor. On January 18, 2024, Bird acquired the assets of NorCan Electric Inc., ("NorCan"). NorCan has operated through an Indigenous partnership since 2018, the NorCan/Infinity Limited Partnership, with Infinity Métis Corporation. This partnership aligns with Bird's commitment to developing and maintaining authentic collaborative partnerships with Indigenous businesses and communities.

These acquisitions are expected to drive further growth in Bird's self-perform telecommunication, power distribution, high voltage, and electrical and instrumentation capabilities. M&A remains a core element of Bird's strategy, and the Company remains well-positioned to pursue opportunities that may arise in 2024.

A Learning and Development Focus: High-performing and Engaged Teams

In 2023 Bird continued to grow our team, responding to business growth and the demand for our combined suite of services. Attracting and retaining top-tier talent fosters a culture of excellence and ensures that Bird can maintain its reputation for building long-term relationships internally and externally, while delivering the exceptional execution that clients have come to expect. A core enabler to creating opportunity is recognizing that success is a team effort and that continuous improvement and evolution of internal learning and development programs throughout the year can elevate our people, our culture, and our client experience. These efforts were recently recognized with Bird being named in Forbes' Canada's Best Employers for 2024.

Shaping Tomorrow: Innovating Today for a Sustainable Future

Sustainability considerations continue to shape the construction industry, from the refinement of resilient designs to the development of innovative materials, technologies, and techniques that enable the construction of sustainable infrastructure. The influence and impact of regulatory and disclosure requirements are also increasing. Bird is committed to assisting clients in navigating these changes and achieving their sustainability goals.

Bird's Environmental, Social, and Governance (ESG) program remains aligned to business, client, and industry demands. The four pillars of the Bird ESG program (Build Green, Work Green, Live Green, and Commitment to Governance) embed sustainability within the business to optimize our positive social and environmental impact by utilizing a strong corporate governance framework that ensures accountability and stewardship across all our operations. Bird's self-perform capabilities in the industrial and infrastructure sectors continue to contribute to the achievement of decarbonization and electrification goals, while the Company's wealth of experience in sustainable construction includes expertise in mass timber, deep energy retrofits, and net-zero construction. Strong relationships provide a foundation for authentic collaboration, which drives innovation and the realization of practical solutions that serve clients and communities. Bird also continues to consider the Company's own impact, and as part of our ESG journey, we have committed to setting GHG emissions reduction and net-zero targets by late 2025 as part of the Science Based Target Initiative. We look forward to sharing some of the highlights from the last year in the forthcoming 2023 Sustainability Overview.

While 2023 was an exciting year for Bird, we expect 2024 to bring another year of growth, improved profitability and further diversification. Bird's risk-balanced and diversified combined backlog with higher embedded margins provides strong visibility into 2024 revenue growth and further margin accretion. The Company continues to deliver an industry-leading Return on Equity and to generate growth in Cash Flow from Operations which we believe are two key metrics that generate long-term shareholder value.

Continuing to deliver our robust offerings with exceptional, high-performing teams from coast to coast to coast, Bird is positioned to embrace future opportunities that align with our strategic priorities. Underpinned by Bird's strong and inclusive culture, we are ready to create opportunity and bring life to vision.

Thank you for your support,

Paul R. Raboud
Chairman
of the Board

Terrance L. McKibbon
President and Chief
Executive Officer

2024
Financial Calendar

May 14 - Sustainability Overview 2023
May 14 - AGM
May 14 - Q1 2024 Financial Results
August 7 - Q2 2024 Financial Results
November 5 - Q3 2024 Financial Results
March 11 - Full Year 2024 Financial Results


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Our dedicated teams across the country drove this **success** by delivering projects safely, enhancing **collaboration, diversifying** our portfolio with impactful projects, increasing **self-perform** scopes, and expanding **recurring revenue** streams.

"As we reflect on 2023, I am proud to acknowledge Bird's strong performance and significant progress under our current strategic plan. Our dedicated teams across the country drove this success by delivering projects safely, enhancing collaboration, diversifying our portfolio with impactful projects, increasing self-perform scopes, and expanding recurring revenue streams. We strategically grew our combined backlog to record levels with our risk-balanced, disciplined approach to project selection, bringing significant EBITDA margin improvement in 2023 and adding visibility to growth and continued EBITDA accretion in 2024. Bird is committed to a balanced capital approach, accretive M&A, and maintaining a robust financial position through our focus on balancing investment in profitable long-term growth with a healthy dividend for shareholders. With our strong balance sheet, we are well-equipped to support our strategic growth initiatives. Rooted in our people-centric culture and driven by respect, collaboration, and a solution-oriented mindset, we continue to grow, attracting and developing the best talent in the industry."

Teri McKibbon,
President and CEO

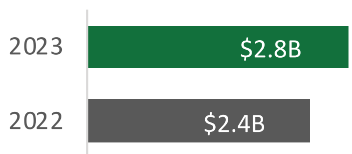
TSX:BDT

2023 FINANCIAL HIGHLIGHTS

Profitable long-term growth with healthy distributions to shareholders

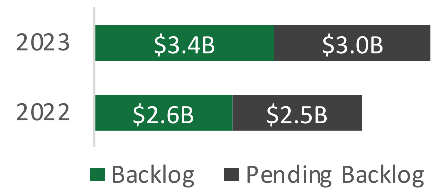
Generating cashflows and funding growth with a well-capitalized balance sheet

Revenue



+18% 2023 y/y growth
+7% 2022 y/y growth

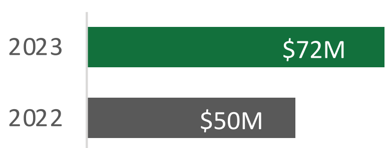
Backlog and Pending Backlog[1]



Increased combined backlog by over $1B y/y

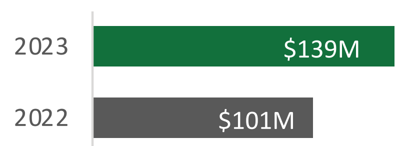
Cash Flows from Operations[3]
$144M in 2023 from $114M in 2022

Net income



$1.33 2023 EPS
$0.93 2022 EPS

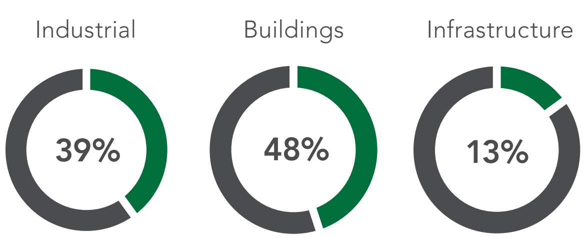
Adj. EBITDA[1,2]



5.0% 2023 Adj. EBITDA Margin[1]
4.3% 2022 Adj. EBITDA Margin

Negative Net Debt[4]
-$7M at December 31, 2023

2023 Revenue



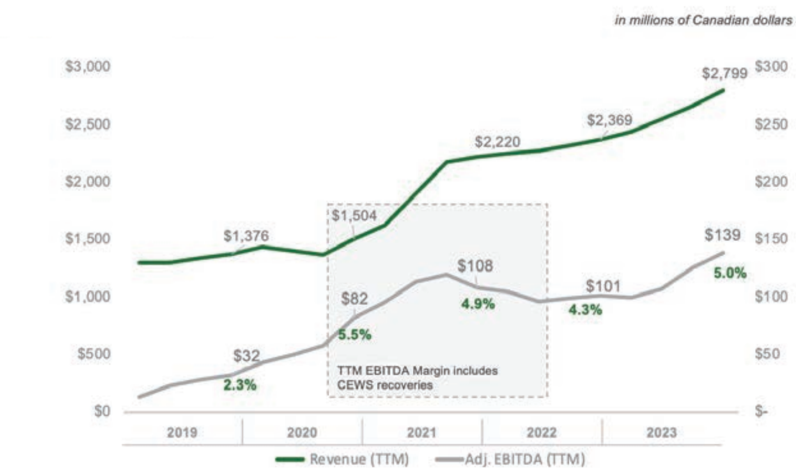
Over the past six years, Bird has strategically diversified its revenue sources while shifting to a risk-balanced mix of work. Throughout this transition, Bird has enhanced its profitability and Adjusted EBITDA margins.

Today, Bird is known for delivering complex and sophisticated projects across the industrial, infrastructure, and buildings markets. We continue to grow across all markets as we have been able to achieve sustainable profitability improvements. Infrastructure, currently underweighted in size, will see the highest growth and will be a focus for M&A.

While great progress has been made in advancing Bird's strategic priorities, there is still a significant runway of expansion and diversification opportunities that will continue to drive forward Bird's growth strategy and margin accretion over the coming years.

[1] Throughout this document, certain terminology and financial measures are used that do not have standard meanings under IFRS and are considered specified financial measures. These measures may not be comparable with similar measures presented by other companies. 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. Refer to the Terminology and Non-GAAP & Other Financial Measures section of Management's Discussion and Analysis.
[3] Cash flows from operations - Refer to the consolidated statement of cash flows – "Cash flows from operations before changes in non-cash working capital"
[4] "Adjusted Net Debt" is a non-GAAP financial measure defined as current and long-term loans and borrowings as disclosed in the Company's statement of financial position, less accessible cash, as disclosed in the Company's notes to the financial statements. "Adjusted Net Debt" is a non-GAAP financial measure defined as current and long-term loans and borrowings as disclosed in the Company's statement of financial position, less accessible cash, as disclosed in the Company's notes to the financial statements. Management uses this as a measure of financial leverage and is part of its assessment of the Company's capital structure. At December 31, 2023, Adjusted Net Debt of $(6,958) is calculated as: Loans and borrowings (non-current) $64,621 plus Current portion of loans and borrowings $8,305 minus Accessible cash $79,884.

5-Year Revenue and Adjusted EBITDA



Fueling organic and M&A growth while increasing profitably through strategic priorities

Growth

- Growing reputation for excellence on complex projects
- Geographic diversification of services in key markets:
  - Industrial in Ontario and BC
  - Growing mechanical and electrical nationally
  - Full-service civil infrastructure and utilities nationally
  - Expanding nuclear portfolio
  - Opportunities in energy transition-related projects
  - Data-related facilities and infrastructure
- M&A growth focused on expanding in strategic sectors with higher-margin potential:
  - Civil infrastructure (specialized and light civil), process mechanical, electrical, MRO services, utilities (telecom, advanced wireless, underground), nuclear, and renewables

Profitability Improvements

- ✔ Disciplined project selection – strategic alignment between capabilities, project type and delivery model
  - Primarily low to medium risk mix of projects
  - >75% collaborative projects
- ✔ Stronger margins in core businesses
- ✔ M&A in sectors with accretive margin profiles
- ✔ Growing portion of projects in higher margin sectors (more sophisticated and complex work)
- ✔ Increasing self-perform work with new and existing clients
- ✔ Cross-selling additional Bird scopes and services
- ✔ Growing recurring revenue at accretive margins
- ✔ Gaining leverage on cost structure

Leading Collaborative Contractor

>75%
Collaborative Contracts[5]

Bird's leading reputation and experience in collaborative contracting continues to support strategic priorities. Through collaborative contracting methods, Bird increases innovation and efficiencies bringing schedule and cost value to the owner. Collaborative contracting is well suited for the scale and complexity of many of Bird's projects.

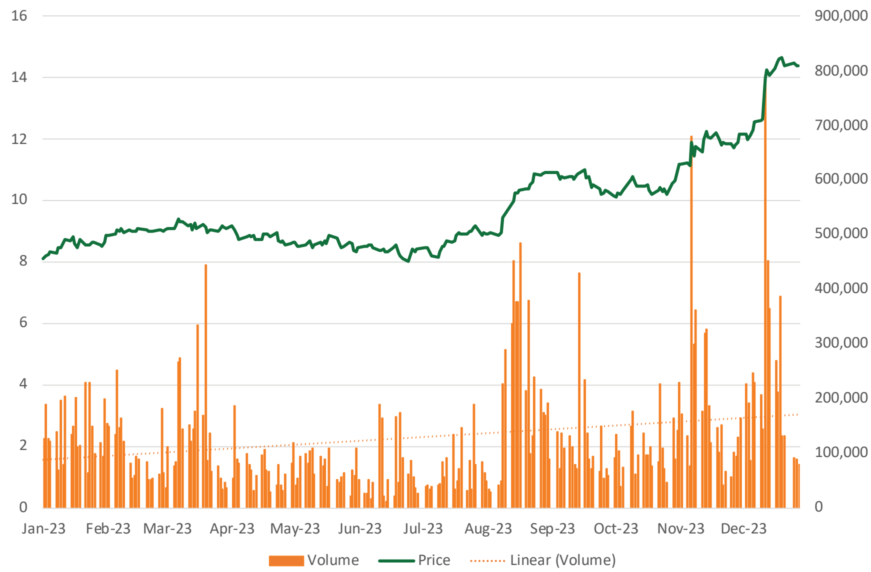
- Incentivize all partners to achieve project goals and provide full transparency regarding project costs
- Project costs not at risk
- Gain share, pain share driving high performance and efficiency
- Upfront work reduces overall constructability risk

[5] Collaborative contracts include: MSA, IPD, Alliance, PDB and certain CM which are defined in the Nature of Business section of the MD&A

+84%
Total Shareholder Return

December 12, 2023: Bird Increases Monthly Dividend 30.2% On Outlook For 2024 Revenue And Earnings Growth And Margin Expansion

2023 Share Price and Volume



Balanced capital allocation strategy with well-covered dividend and flexibility to pursue growth

While delivering sustained margin accretion and revenue growth, Bird remains focused on maintaining a strong balance sheet. The Company's solid balance sheet and low net debt position enable the Company to continue to deliver on its strategic priorities, including additional opportunistic tuck-in acquisitions.

The Company's capital allocation strategy aims to drive business growth, robust profitability, and enhanced long-term shareholder value through a blend of M&A, smart capital investments to support productivity and growth, and returning capital to shareholders through dividends.

Sustained, Strong Financial Position

Positive return and capital efficiency metrics:

1.26
Current ratio[1]

27% 2023 ROE[2]
19% 2022 ROE

Positioned for Future Performance

Expectations for continued year over year revenue growth and margin accretion.

- Robust Backlog and Pending Backlog
- Strong recurring revenue
- Visibility to accretion of margins from Backlog and Pending Backlog
- Robust industry demand with significant medium and long-term opportunities

[1] "Current Ratio" is a supplementary financial measure representing the percentage derived by dividing total current assets by total current liabilities.
[2] "Return on Equity" (ROE) is a is a non-GAAP financial ratio representing Adjusted Earnings as a percentage of opening total shareholders equity.

2023 Strategy in Action:
Team, Perform, Diversify

Building on 2023's revenue growth and profitability improvements, we are channeling our efforts as we enter into the final phase of our current strategic plan. Bird is poised to continue to capitalize on robust demand across market sectors, bolstered by macro trends in critical areas that are more aligned to longer-term development and investment cycles such as infrastructure requirements driven by urbanization and population growth, electrification, and the energy transition.

Bird is poised to continue to capitalize on robust demand across market sectors, bolstered by macro trends like urbanization, population growth, electrification, and the energy transition.

2025-2027

Teams are currently working on the next strategic plan that will cover 2025-2027.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2023 Strategy in Action:

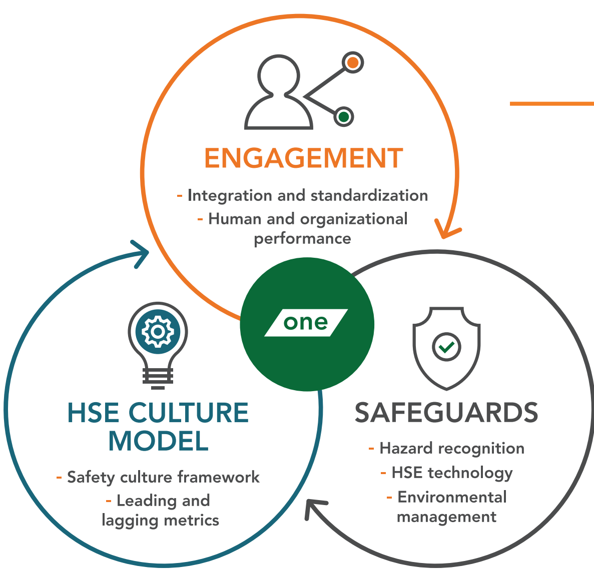
Team, Perform, Diversify

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



Safety Program

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 that ensures everyone goes home safe every day. This commitment includes more than just physical safety. We strive to create an empathetic culture that goes beyond providing physical health benefits by considering the mental health and psychological safety of all employees. We uphold our high standards through an engaged workforce and vigilant processes that create a culture of complete accountability and personal responsibility.

Executive Site Safety Tours

A fundamental component of Bird's culture of safety excellence and continuous improvement are Bird's executive safety tours. These tours exemplify Bird's belief that safety is everyone's responsibility. Our executive and operations leaders consistently engage in meaningful dialogue to enhance safety on-site, reinforcing Bird's dedication to a safe, healthy work environment. The site safety tours are not just routine checks; they are a cornerstone of our 'safety-first' ethos. They foster engagement, ensure accountability, and embody the 'One Bird' spirit, even in the most remote locations. With every visit, we see our teams' commitment grow as they embrace the initiative, feel valued, and contribute to positive changes. This high level of on-site engagement showcases the essence of being 'Hungry, Humble, Smart'—a testament to our collective effort to shape a safer, more connected Bird community.

CEO Safety Council

Bird is a proud member of the Canadian Construction Safety Council (CCSC). The Council was formed in early 2023 with twelve founding members: Aecon, Bird, Dragados, EBC, Ellis Don, Graham, Kiewit, Ledcor, Pennecon, PCL, Pomerleau and AtkinsRéalis, formerly SNC-Lavalin. This group of companies represents over 145,000 workers, 185 million person-hours and over $25 billion in revenue annually. The collective mission of the Council is "to be a force for positive change in the construction industry in Canada, by leveraging the collective safety capacity of the membership to foster improved performance." The key priority and focus area defined by the CCSC is the alignment of larger general contractors around HSE high risk standards.

Executive Site Safety Tour

SAFETY
AWARDS

Maintaining and exceeding our exemplary safety record is more than a priority; it's a value ingrained in every project and every team.

We are proud to share a few of the awards that underscore our collective efforts in championing safety.

NBCSA Safety Professional of the Year

- **Q2 2023 Safety Cup Presentation**
  The Covenant Health Project Team, a collaboration between Bird and our trade partners, was recognized internally in the Q2 2023 Safety Cup. This award celebrated the project's holistic commitment to advancing our safety culture, and the accolade is a testament to their proactive approach to health, safety, and environmental practices.

- **Safety Recognition for Nova Turnaround**
  Our MRO team was recognized for their exceptional contribution to the NOVA project's turnaround. Tasked with upgrading the power supply, the team executed the project flawlessly within a tight two-day window. Demonstrating their strong commitment to safety, they completed approximately 25,000 hours of work without a single incident, setting a benchmark for excellence in operational safety.

- **ACSA Awards: Celebrating Individual Excellence**
  At the 2023 Alberta Construction Safety Association Awards, Marcy Holinaty and Patty Brown of our MRO team were recognized for their outstanding contributions, robust community engagement, and collaborative approach on-site. Marcy, HSE Advisor, clinched the National Construction Safety Officer (NCSO™) of the Year Award. Patty, our HSE Administrator, received the Health and Safety Administrator (HSA) of the Year Award.

- **NBCSA Safety Professional of the Year**
  Cody Arnold, a Bird Safety Coordinator, was distinguished as the 2023 New Brunswick Construction Safety Association (NBCSA) Safety Professional of the Year. A pillar of our team since 2006, Cody's commitment extends beyond Bird, encompassing significant contributions to industry boards and numerous volunteer safety initiatives.

SAFETY WEEK

Bird's inaugural companywide Safety Week was held at the beginning of May 2023. A strong safety culture focuses on the 'heart and the head', and in our first safety week, the focus was on mental health and how we all help to shape safe workspaces. The strong sense of community at the local safety events spoke volumes about the spirit, creativity, and connectivity that makes Bird a better place to work.

>260 Inspections and Toolbox Talks

78 Team Activities

38 BBQs

3 Guest Speakers

People Programs and Culture of Learning

At Bird, we are committed to fostering a culture of continuous improvement, innovation, and growth. We understand that learning is a multifaceted journey, encompassing the 3 E's: Experience, Exposure, and Education. Our learning ecosystem is designed to elevate performance with an emphasis on shared accountability and collective success. We encourage each individual to proactively engage in their personal development, setting career goals and seeking the necessary support to achieve them.

Our People & Culture team is dedicated to delivering best-in-class learning and development opportunities, utilizing platforms like Workday which offers over 14,000 courses, and facilitating peer-to-peer learning initiatives such as the Expertise Exchange. Leadership development is a cornerstone of our approach with programs like Finance for Non-Financial Managers, Taking Flight, the Bird Site Management Program, Field Leaders Foundations, and The Power of Conversations. Additionally, our Mentorship Program fosters targeted skills enhancement, network expansion, and a rich, holistic learning experience.

Learning and skills development is also an important focus area with external partners, including our Indigenous Engagement approach. One of the four pillars of our National Indigenous Engagement Policy is investing in community programs that support Indigenous cultural awareness, skills development, and business capacity.

At Bird, we are committed to fostering our employees' growth through ongoing learning. This encompasses not only formal education opportunities, but also new experiences and the opportunity to be exposed to the perspectives and insights of others.

Learning Highlights

Field Leaders Foundations:
This program is focused on equipping and elevating Bird's field supervisors as future leaders within the field leadership stream. In the inaugural year, approximately 80 participants were selected by operational leaders to participate in the four-week pilot across all sectors and districts.

FIELD LEADER FOUNDATIONS

Women of Steel™:
The Women of Steel™ pre-employment program is delivered in partnership with the Canadian Welding Bureau and the 2Nations Bird Partnership that is currently working on BHP's Jansen Potash Mine Phase 1. The program provides opportunities for self-identifying Indigenous women and non-binary individuals to pursue careers in the skilled trades. The Saskatchewan Indian Institute of Technologies (SIIT), Saskatchewan Apprenticeship and Trade Certification Commission, Native Women's Association of Canada National Apprenticeship Program, and Xtended Hydraulics & Machine supported this empowering experience.

Mentorship Program:
The Bird Mentorship Program provides an opportunity for mentors and mentees to connect with each other, exchange ideas, and prioritize the development of our people. It's a focused and effective approach to development that reinforces collaboration across our organization, encourages the professional and personal development of our people, and fosters a continuous culture of learning at Bird.

>130
Mentorship matches

>3,800
Hours spent on mentoring

Partnerships

Bird is deeply committed to nurturing a culture of collaboration and excellence. Our work and relationships are a testament to the respect and integrity that define our company.

The 'One Bird' philosophy champions cohesion and collaboration, enabling us to deliver comprehensive services and share knowledge, experiences, and best practices seamlessly across the country. Throughout our operations, we value the unique perspectives and strengths of our diverse teams.

Our commitment to building strong relationships also extends beyond our internal framework, embracing partnerships with industry players, Indigenous businesses, industry bodies, national and local organizations, and the communities across the country where we live and work.

Releasing on May 14th, read our 2023 Sustainability Overview for more information.

In January 2024, Bird announced that its 50/50 joint venture with AtkinsRéalis, under the Rail Connect Partners joint venture, has entered into an Alliance Development Agreement to work collaboratively with Metrolinx to deliver the East Harbour Transit Hub.

The 2Nations Bird Construction Partnership was formed between Beardy's and Okemasis Cree Nation, Fishing Lake First Nation, and Bird Construction to participate in BHP's Jansen Potash project. The partnership provides a full scope of construction and maintenance services. It procures goods and services from local Indigenous businesses and aims to maximize employment opportunities for local Indigenous employees. The partnership was awarded three significant contracts in 2023, valued at over $200 million.

Since 2022, Bird has been a strategic partner with Chandos Construction Inc. to host the Building Good initiative. Building Good is a thought-leadership initiative that aims to catalyze owners and industry partners to build better. Through this partnership, the partners aim to educate, advocate, and inspire positive change in our industry.

Scan for podcast link

In 2023, Bird became corporate partners with The Whiteboard Collective as a part of their Community Hub initiative that aims to facilitate scalable employment outcomes across Canada for marginalized groups.

buy social CANADA Social Purchasing Partner

Canadian Council for ABORIGINAL BUSINESS

CAREERS

cglcc Canada's LGBT+ Chamber of Commerce

Canadian Wood Council
Conseil canadien du bois

CPLC CARBON PRICING LEADERSHIP COALITION

SWiT SUPPORTING WOMEN IN TRADES CLOSING THE GAP

Progressive Aboriginal Relations BRONZE LEVEL
Canadian Council for Aboriginal Business

WHITEBOARDCOLLECTIVE

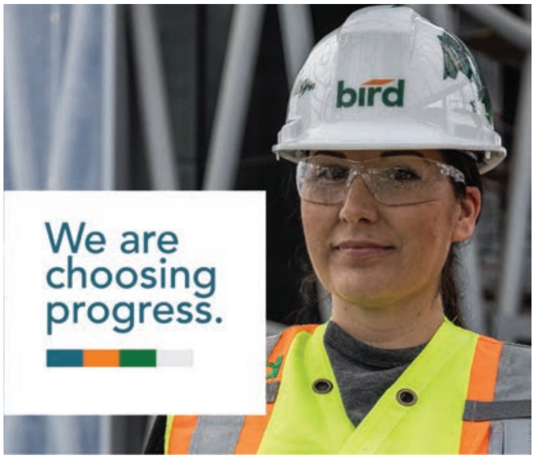
WBF WOMEN BUILDING FUTURES

Community Partnerships:

The Bird Community Giving Framework is Bird's national community investment approach that aims to make a positive contribution to the communities where we live and work. The goal of the framework is to use our financial resources and empower our people to help enrich the lives of those in need within our communities.

Throughout the year, team members engage in fundraising and donation efforts, educational opportunities, and boots-on-the-ground volunteering centred around these five pillars of focus:

- Indigenous Relations
- Education & Innovation
- Environment
- Health & Wellness
- Diversity, Equity, & Inclusion



Diversity. Equity. Inclusion.

Bird values the importance of creating inclusive, respectful, and equitable working environments and believes these are essential to our success. Our inclusive workplace enables our combined expertise, humility, and creativity to unlock our greater potential and we are committed to creating a culture where everyone feels welcome to fully participate and reach their potential regardless of their background, ability, or perspective. We continue to listen, learn, and take action in our commitment to building progress in our organization, and the industry as a whole. We reinforce this commitment by assuring our policies and practices provide fair and equitable opportunities for success.

Check out more on our website here

Our Purpose is our reason for being as an organization. It motivates and inspires employees, clients, and business partners. Our Values describe who we are as One Bird when we operate at our best. They guide us to make progress on our purpose, while staying true to who we are as an organization. **Our Employee Value Proposition describes why our employees choose to build their careers with Bird and lets the world know what is unique about us. These statements show that we are united on what really matters and what drives us to unlock our greater potential.**

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PURPOSE

We bring life to vision

Creating great things with you

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.

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.


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2023 Strategy in Action:

Team, Perform, Diversify

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 **continued focus on steady, consistent, responsible growth.**

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

Financial Performance

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 provide the necessary support to help our clients realize their vision.

In 2023, our team of over 5,000 employees delivered exceptional operational performance and collaborative execution across all project sizes and delivery models.

18%

2023 Revenue Growth y/y
$2,799M in 2023

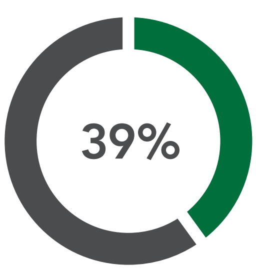
37%

2023 Adj. EBITDA growth y/y
$139M in 2023

Diverse Project Mix

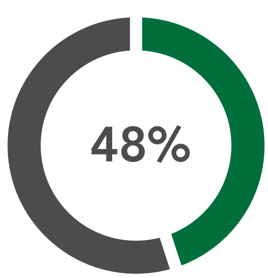
Over the past few years, Bird has strategically diversified revenue sources by geography and sector, while shifting to a risk-balanced mix of work through disciplined project selection and establishing Bird as a leading collaborative contractor in Canada. Throughout this transition, Bird has grown significantly while enhancing profitability and adjusted EBITDA margins. Today, Bird is known for delivering complex and sophisticated projects across the industrial, infrastructure, and building markets.

Industrial



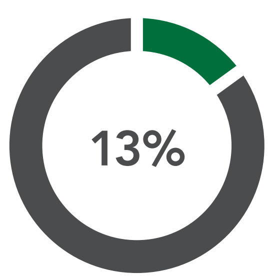
(34% in 2022)

Buildings



(51% in 2022)

Infrastructure

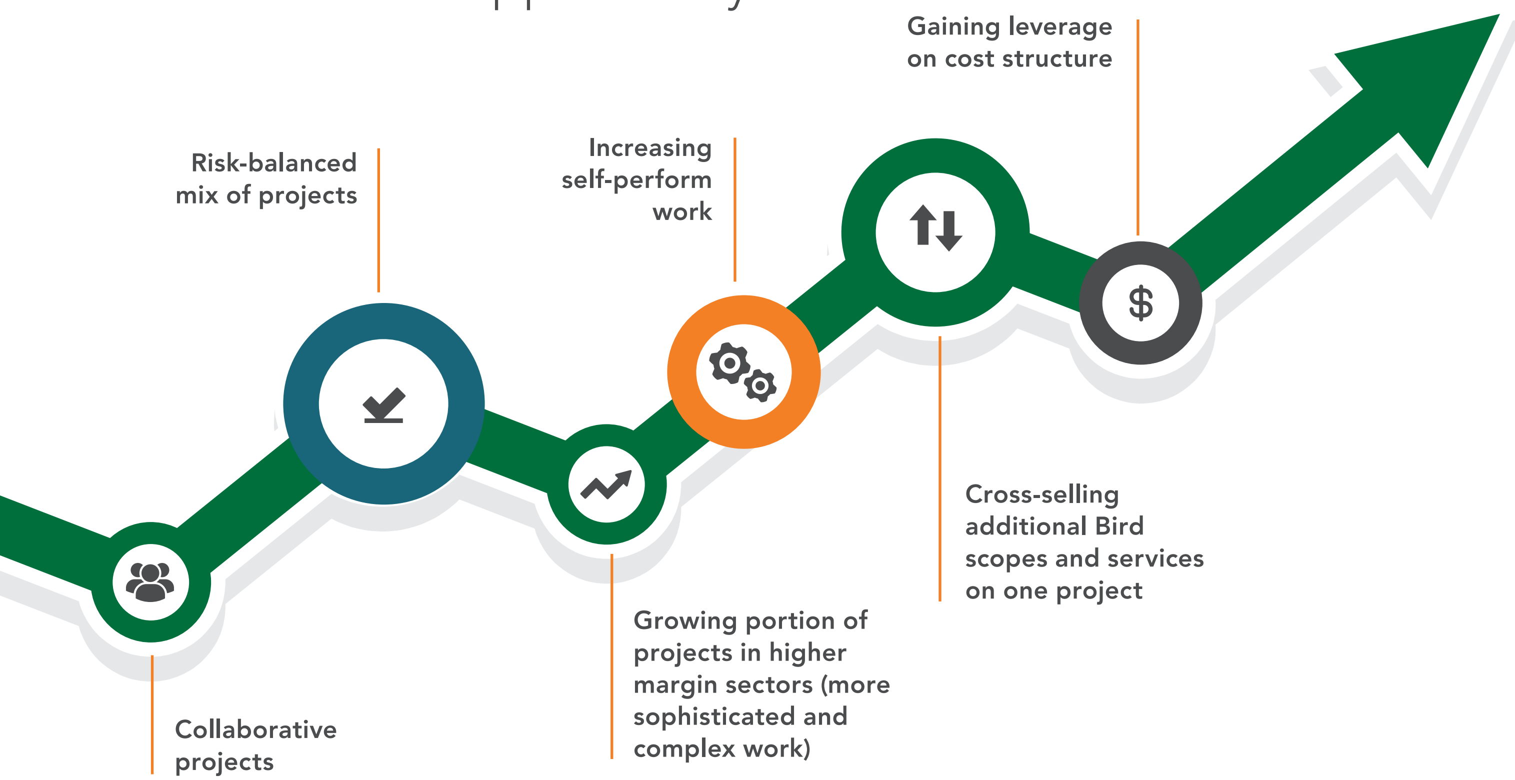


(15% in 2022)

Improving Margins

During this evolution, Bird has experienced robust financial performance, with growing revenues and improving profitability. A key strategic focus has been Adjusted EBITDA margin accretion, which Bird has steadily improved within the past five years from 2.4% in 2019 to 5.0% in 2023.

Margin improvements have been supported by:



DIVIDEND INCREASE

In December 2023, Bird announced a significant dividend in crease of 30.2%, raising the monthly dividend to $0.0467 per share effective from the March 29, 2024 dividend. Reflecting Bird's robust financial outook and record Backlog, this decision came after the Board's approval of Bird's 2024 annual business plan, which anticipates higher earnings and Adjusted EBITDA. President and CEO Teri McKibbon cited the Company's outlook for improvements in earnings and cash flow, and the Company's balanced capital allocation strategy, emphasizing long-term profitable growth with sustainable distributions to shareholders, while allowing the Company to retain in excess of two-thirds of Net Income to support continued organic growth and strategic M&A, and smart capital investments to support further productivity and growth.

Industry Positioned for the Future:

The construction industry is currently experiencing robust demand, with many sectors looking towards long-term investment and development.

This demand, which reflects both public and private end markets, is driven by the need to address aging infrastructure, the push for energy transition and decarbonization, and the effects of urbanization and population growth, positioning the industry for a promising future. Bird's strategic presence across key markets, particularly in infrastructure, industrial, and buildings, positions it well to capitalize on significant long-term growth opportunities.

- 2022 Federal Budget estimated the investment in net-zero transition requires $125 billion to $140 billion annually through 2050. While estimates of Canada's "infrastructure deficit" range from $110-$270 billion.[1]
- Canada needs to roughly double its electricity supply. Electrification requires investment in energy generation projects, including expanding clean energy and improving power distribution and transmission systems.
- Additional investments are required to improve energy efficiency – in all industries as well as in residential and commercial buildings, which are Canada's third-largest source of greenhouse gases.
- Nuclear opportunities are significant, notably the recently proposed Bruce Nuclear Expansion, the Pickering Refurbishment, and SMR Infrastructure initiatives.
- Public transportation opportunities include Ontario's planned $70 billion for transit investments over the next ten years, Canada's $15 billion for public transit over the next eight years, as well as significant spending across the balance of provinces.
- Government programs supporting investments in transportation, energy, water and wastewater, telecommunications, and public facilities include the Investing in Canada Plan, Canada Infrastructure Bank, Canada Growth Fund, and other federal and provincial budget commitments.
- The Investing in Canada Plan launched in 2016, laid out federal government commitments to invest more than $180 billion over 12 years (2016-2028) in public transit projects, green infrastructure, social infrastructure, trade and transportation routes, and Canada's rural and northern communities ~$150 billion invested to date.[2]

[1] Source and Source

[2] Source

Building a Culture of Operational Excellence

Bird is dedicated to operational excellence and continuous improvement across every level of our organization. Through tools such as our collaboration playbook, Operational Excellence initiative, operations manual, robust learning programs, and comprehensive safety and quality management programs, we provide teams with the resources, best practices, and support to achieve the best possible outcomes. We recognize and celebrate individual and team achievements through our Excellence Awards in areas such as safety and leadership. Our strong collaborative culture fosters an environment where everyone is empowered and invested in driving the highest levels of safety, quality, and performance.

Quality Management: Aligned Cultures and Shared Best Practices

Quality execution is part of the Bird culture. Bird teams establish effective, efficient, and job-specific quality control programs prior to construction, which are rigorously upheld throughout the project's construction lifecycle.

Training and Awareness

- Understanding roles and responsibilities
- Ensuring Bird has the right Subject Matter Experts on site

Culture and Commitment

- Understanding the expectations, providing the right tools and support
- Leadership sets and commits to the culture and goals
- Open and transparent communications with the client and subcontractors

Continuous Improvement

- Establishing effective quality objectives and risks
- Ensuring metrics are measurable
- Create Lessons Learned - use of experience

Bird's quality management program ensures operational excellence through a comprehensive approach. This includes coordinated quality inspections with regulators, customers, stakeholders, and internal teams, alongside meticulous work planning facilitated by project management plans and precise scheduling tools. Stringent work controls are established through permits and work plans, incorporating safety analyses, instructions, and technical specifications. Our commitment to quality is reinforced by continuous surveillance, timely resolution of issues, and the use of quality dashboards to track key performance indicators and ensure compliance. This holistic approach underscores our dedication to upholding the highest standards of quality in every project.

We achieve our Quality Management through a blend of pragmatic and inventive planning techniques, a commitment to enhancing employee competencies, and a relentless pursuit of continuous improvement strategies.

Our Quality Management System follows ISO 9001:2015 requirements. With 110 approved weld procedures and 100 multi-discipline QAQC procedures, Stuart Olson is the complete choice for dedicated and proactive quality work.
Stuart Olson is certified to operate in accordance with the following codes and reference standards: ITSM, TSASK, ASME, ABSA, TSBC, CWB (W47.1/W59).

bird OPERATIONAL EXCELLENCE

Bird's Buildings Operational Excellence initiative strives to create consistent best practices, expectations, and performance measures to enable our project delivery teams to drive enhanced project success.

Themes range from planning, change management, and scheduling to quality control and assurance, deficiencies, best practices for various scopes of work. Materials include videos, worksheets and templates, real-world applications, internal Bird examples, and lessons learned.

25 YEAR CLUB

Bird has a proud tradition of people who have enjoyed long and rewarding careers with us. In 1956, Hubert John Bird (the company founder) established the 25 Year Club to recognize the contributions of the Company's dedicated employees. The club now has 255 members. This is a testament to our desire and ability to attract and retain the best people in the industry as much as it is a reflection on the way we do business. In 2023, nine members were inducted into the club.

25 YEARS OF SERVICE

Recognition of Excellence: Bird Excellence Awards

The Bird Excellence Awards annually celebrate the exceptional achievements and contributions of individuals and teams pivotal to our Company's success. In 2023, these accolades included six categories: safety, collaboration, resilience, community, leadership, and performance, spotlighting the outstanding work completed in the year.

Collaborative Approach

"Collaboration is the bedrock of operational excellence. When we move together with a shared vision and mutual trust, every challenge becomes an opportunity, and **high performance becomes not just an aspiration, but a standard we consistently achieve.**"

Gilles Royer
Chief Operating Officer

Bird's Collaborative Approach in Practice:

- Bird collaborates internally across districts, divisions, and areas of expertise (Centres of Excellence).
- Externally, Bird partners and collaborates effectively with designers, consultants, trades, and competitors.
- Bird is a leader in collaborative contracting, with extensive experience successfully executing IPD, CM, and PDB contracts.

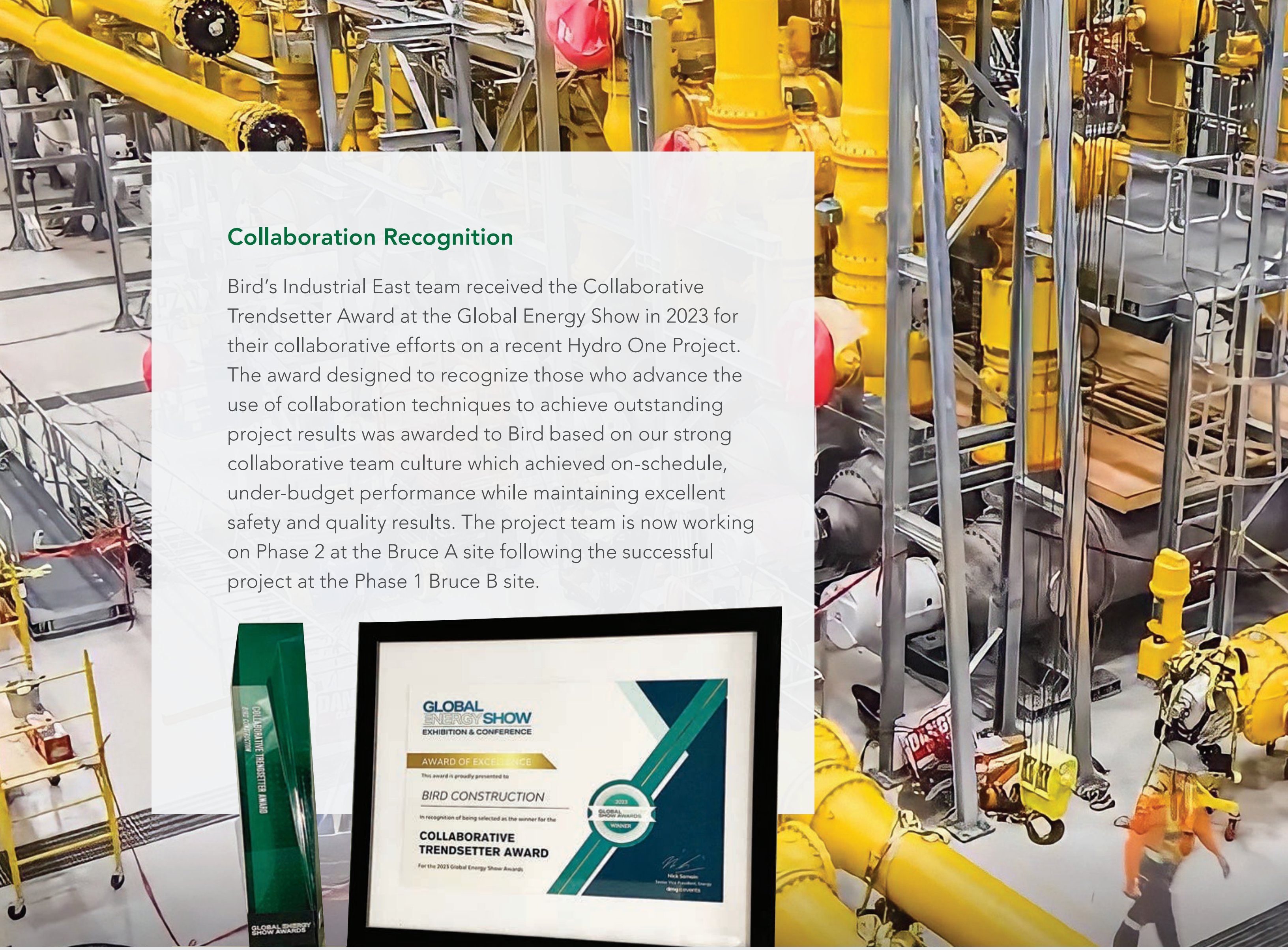
Key Success Factors:

- Long-term Relationships: Mutual respect and open communication. Repeat successful project delivery.
- Transparency: Collaboration. Respectful truth over artificial harmony.
- Common Goals and Values: Win/win mentality, coming together as one team to solve for the project.
- Leveraging Strengths: Working together to bring the very best to clients and communities.
- Continuous Improvement: Shared focus on safety, quality, cost, schedule, and vision.

Collaboration Playbook
A tool to support a culture where collaborative behaviours are ingrained in team actions and interactions.

Collaboration Recognition

Bird's Industrial East team received the Collaborative Trendsetter Award at the Global Energy Show in 2023 for their collaborative efforts on a recent Hydro One Project. The award designed to recognize those who advance the use of collaboration techniques to achieve outstanding project results was awarded to Bird based on our strong collaborative team culture which achieved on-schedule, under-budget performance while maintaining excellent safety and quality results. The project team is now working on Phase 2 at the Bruce A site following the successful project at the Phase 1 Bruce B site.



Collaborative Contract Highlight:

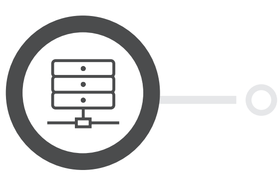
East Harbour

In January 2024, Bird announced that its 50/50 joint venture with AtkinsRéalis, under the Rail Connect Partners joint venture, has entered into an Alliance Development Agreement to work collaboratively with Metrolinx to deliver the East Harbour Transit Hub.

The East Harbour Transit Hub, part of Toronto's SmartTrack Stations Program, is one of the first major projects in Canada to be procured using an alliance model. The alliance model has been used internationally to plan and deliver large, complex infrastructure programs, driving innovation and collaboration between parties. The alliance model is better equipped to manage risk with greater transparency and cooperative decision-making.

The Alliance Development Agreement marks a collaborative phase where the focus is on optimizing the design solution, developing detailed resource, cost, and schedule estimates, preparing a Project Proposal, finalizing the Project Alliance Agreement, and performing Early Works.

Innovative Client Solutions



The Centre for Building Performance (The Centre)

The Centre for Building Performance is an in-house initiative built on an in-depth understanding of building systems and controls. The Centre deploys technology that supports the lifecycle of a building asset by integrating all building systems data to provide visibility into a building's performance, ensuring it performs as designed. The Centre guides and executes innovative solutions that increase efficiency, reduce energy consumption, reduce operational costs, mitigate risk, and ultimately create an integrated, high-performing, sustainable building asset that can be monitored in real-time. The optimization of building system performance is only one aspect of the Centre's work, as the platform is able to combine inputs from any connectible system, thereby offering a range of monitoring, analysis, and insights.

ITS – One Pass Trenching

ITS is a world leader that specializes in one-pass trenching technology to install underground utilities safely, efficiently, and economically. Our one-pass trenching is a key self-perform service provided to the renewables and utility sectors.

- Faster and more efficient compared to traditional trenching methods
- Open installs pipelines or conduit and closes trenches in a single pass
- Fleet of Fockersperger Plows and Winch Tractors (for plow)

Stack Modular

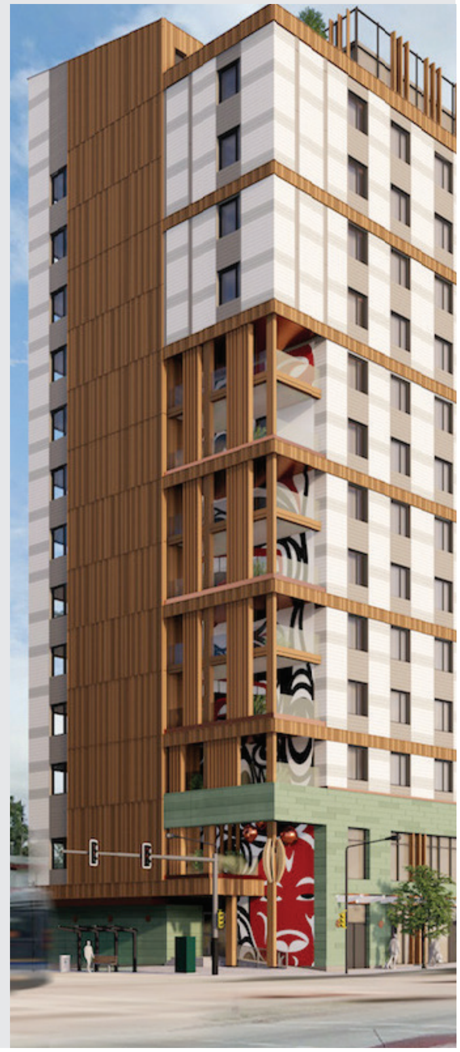
Stack Modular provides an integrated solution bridging the gap between site and modular construction and can deliver structural steel modular buildings up to 40-storeys for multi-family, hospitality, senior (long-term care) and student housing, and resource clients.

As an off-site manufacturer, Stack Modular builds innovatively, with less footprint and smarter resource usage through pre-planning and waste reduction methods.

- Rapid delivery across Canada and the USA
- Opportunities in a market poised for growth
- Schedule and cost certainty and predictability
- Reduced waste and high energy-efficiency product

New Projects Highlight:
Modular Towers

In 2023, Bird was awarded two of Canada's tallest modular tower contracts. The 14- and 13-storey towers are part of BC Housing's Permanent Supportive Housing Initiative between BC Housing, the City of Vancouver, and the Canada Mortgage and Housing Corporation. The design of the projects was supported by Bird's pre-construction design services, with the final design delivered by Stantec and Bird's Stack Modular business.



Bird was **awarded two of Canada's tallest modular** tower contracts

Our Bird Stack team has been actively demonstrating the benefits to building more efficiently and fast-tracking delivery of important infrastructure to the market with our forward-leaning accelerated construction solution. The volumetric steel modular solution offers quality units on a rapid, repeatable scale. At the same time, it allows for customization to meet the community's needs and creates a look and feel comparable to current purpose-built apartments. With off-site design and construction of the units, the modular approach substantially reduces construction time, facilitating faster occupancy than traditional builds and reducing the impact on the local community during construction, while ensuring strict quality control, rigorous safety standards, and significant energy performance standards. These benefits position modular construction as an efficient solution to Canada's housing crisis and long-term care capacity challenges, as well as for the delivery of other vital infrastructure with repeatable requirements.

Special Projects

Bird's Special Projects team excels at projects that require a flexible and responsive approach. The national Special Projects team targets smaller, specialized projects that are typically shorter in duration and require a distinctive approach. The Special Projects team is focused on repeat business with existing and new national clients, and our collective construction expertise supports our clients' goals by leveraging new technologies, sustainable practices and materials, and collaborative contracting models.

Fabrication

Bird's Fabrication team specializes in off-site fabrications of mechanical process pipe, structural steel, and electrical installations and integration. Bird's fabrication facility includes 10 acres of module assembly yard, pipe spooling, structural steel metal shop, and a Canadian Standards Association (CSA) approved electrical panel shop. The team provides electrical assembly services that support the complete lifecycle of electrical systems including design support, procurement, integration, installation, and commissioning. Bird's facility is a total solution provider for industrial piping needs and fabricates structural steel and other miscellaneous steel. We provide value to our clients through early contractor involvement services and complete self-perform capabilities, which reduce risk and provide certainty throughout execution.

SIGMA Power

Bird's Sigma Power Services, an integrated part of our MRO team, provides a full range of technical services on equipment ranging from 480V to 500KV to clients in the utility, industrial, and commercial markets. We design our customized asset lifecycle program to meet and surpass each client's unique, long-term needs. Our experienced and skilled technologists specialize in medium voltage and high voltage electrical maintenance, commissioning, protection and controls, Supervisory Control and Data Automation (SCADA) and project supports.

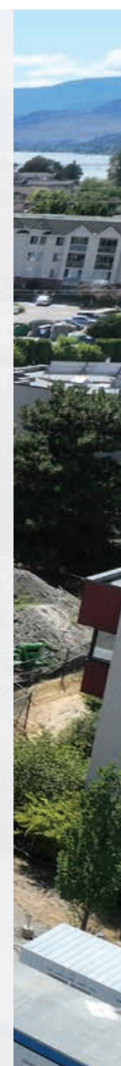
Mass Timber

Mass timber is a renewable and sustainable low-carbon building solution. Through sustainable forestry, wood-based materials capture carbon and offset total CO_2e emissions over the lifespan of the asset. Bird is a North American leader in mass timber construction with the in-house expertise to develop cross-laminated timber, nailed laminated timber, wood-frame, and hybrid projects from concept to substantial completion. From high-rise wood frame housing developments to large-scale institutional buildings, the Bird team brings an in-depth understanding of the benefits and limitations of different mass timber and engineered wood products and delivers efficient design strategies to maximize structural efficiencies. Bird's strong North American network of material supply channels effectively services mass timber projects from coast to coast. Global relationships with designers, consultants, trades, and subject matter experts ensure that projects benefit from cutting-edge technologies, forward-thinking strategies, and value-maximizing processes. This results in buildings that improve communities, user experience, and the environment.

The six-storey wood frame building will include a **mass timber structured club room** with aluminum curtain walls.

Student housing project at Okanagan College in Kelowna

The project will provide 182 suites and a total of 216 beds for the campus, supporting affordable housing options for incoming students. The six-storey wood frame building will include a mass timber structured club room with aluminum curtain walls. The interior columns of this mass timber section are oversized to provide Indigenous artists a canvas for their artwork.



Technology & Data

One Team: Aligned, efficient, informed & integrated

The industry is undergoing a profound transformation driven by the integration of digital technologies. In the quickly evolving landscape of construction, innovation is key to staying ahead. The core of Bird's strategy centres on the collection of real-time data into an enabling framework that serves the multitude of integrated applications in use (and projected to soon be in use) across the organization.

Together, these technologies and applications will improve jobsite processes and productivity, reduce risk, increase safety, and optimize performance.

Among the connected construction technologies currently in use or in development across the business are: Building Information Modeling and Virtual Design Construction, digital twins, digital forms, cameras, robots, drones, lasers, 3D printing, artificial intelligence and machine learning, virtual reality, augmented reality, mixed reality, and the IoT. Master Data Management is key enabler of these technologies.

In December 2023, Bird's digital construction team received the Digitization Strategy award at the Building Transformations' Innovation Spotlight Awards. This recognition from North America's largest building technology and innovation community is a milestone that signals Bird's rapid digitization progress and underscores our leadership in innovative technologies.

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1001
0110

Data Centres

The development of the digitization of business and the development of technologies such as IoT, machine learning, and artificial intelligence generate opportunities for Bird to leverage technology internally. This significant growth in demand for data storage and analysis also translates directly into the demand for data centers. Bird offers full turn-key data centre solutions and can perform up to 90% of a data centre scope in-house, providing clients with a fully synchronized team dedicated to delivering projects on schedule and on budget.

- Power generation
- Thermal energy transfer systems
- High and medium voltage powerlines
- Telecommunication lines
- Substations
- Earth works
- Underground utilities
- Concrete formwork
- Data security
- Mechanical and electrical
- Data and security services
- Technical commissioning
- White space fit-up
- Operations and maintenance


its
RedDOT
bird
FSP 001
FSP 220
CLEARED FOR SANITATION
FP0001

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 offerings, 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
- Execute our balanced sustainability strategy and continue strong social stewardship and good governance framework

Bird's operations span across Canada, providing comprehensive services and self-perform scopes across the industrial, infrastructure, and buildings markets.

We continue to drive diversification opportunities that arise organically as we leverage our competitive strengths, and through M&As where we see a strategic fit that will allow us to accelerate our growth and become larger, stronger, and more competitive across the construction industry.

Competitive Advantages

Our Market Sectors

- Power*
- Chemicals & Fuels, Oil & Gas
- Manufacturing
- Agricultural Chemicals**
- Mining & Mineral Processing
- Utilities
- Water & Environment
- Transportation
- Education
- Mature Living
- Healthcare
- Public Spaces
- Public Safety
- Mission Critical***
- Military & Defense
- Multi-Residential
- Commercial

* Power (Generation, Transmission, Distribution & Storage)

** Agricultural Chemicals & Agricultural Industrial

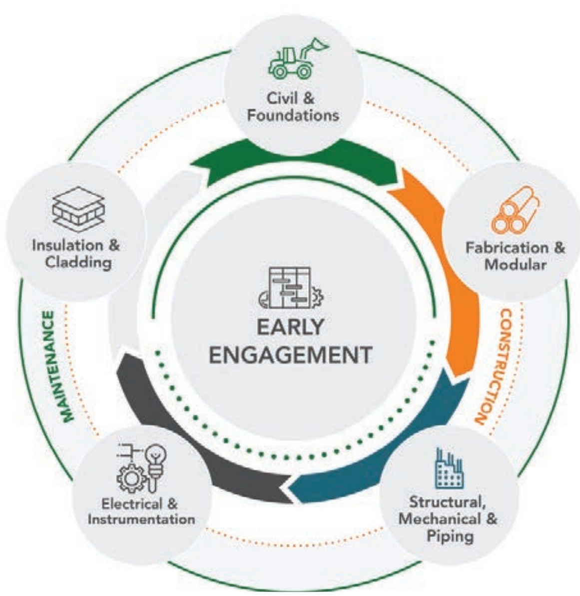
*** Data & Intelligence

Self-perform Scopes and Services

Bird is a **leader in fully integrated service offerings** for the complete lifecycle of a project.

Our ability to self-perform critical path trade scopes means Bird utilizes its own employees and resources to execute services and scopes, rather than subcontracting to third parties. This helps drive operational excellence and improved insight into scheduling and budgeting. By leveraging this approach, Bird can cross-sell its comprehensive range of self-perform capabilities and innovative services throughout the full project lifecycle and across all market sectors.

By executing a higher percentage of self-perform scopes and services we can exceed client expectations throughout the project lifecycle by way of risk reduction, cost savings, a shortened procurement cycle and more.



- Early contractor involvement
- Civil, earthworks, underground and concrete
- Structural steel
- Mechanical equipment installation: tanks, vessels, pumps, conveyors, and other systems
- Process piping
- Technical and powerline
- Insulation, cladding and HVAC
- Complete electrical, controls and instrumentation
- Communications and security systems
- Full maintenance and turnaround services
- Pre-commissioning and commissioning
- Fabrication and modularization

Self-performing:
BIRD HEAVY CIVIL

Bird's Heavy Civil team successfully completed a Dredging and Backfill Project in late 2023. This project required the existing saturated pyrrhotite tailings at the toe of the dam's downstream face to be excavated, dredged, and replaced with rockfill. Our team mechanically dredged a total of 43,120 m^3, hydraulically dredged a total of 71,802 m^3 of pyrrhotite tailings, and placed backfill totaling to 140,794 m^3.

Projects Announcement Timeline
2023 Projects

Over +$3.6B
in Securements in 2023

FEBRUARY
Agrifood Processing Facility in Ontario

MARCH
Concrete foundations and site services MSA for BHP's Jansen Potash Project

APRIL
Energy and mining Maintenance, Repair and Operations MSA's

MAY/JUNE
Canada's tallest modular tower

Mining civil works at one of Canada's largest iron ore mines

BC Ferries Maintenance Facility Redevelopment

JULY
Energy, mining, Healthcare and post secondary awards across Canada

AUGUST
Additional awards at ArcelorMittal's Mont Wright and BHP's Jansen Potash Project

SEPTEMBER
Two state-of-the-art post-secondary projects in BC

Growing industrial recurring revenue MSA's in Ontario and Alberta

OCTOBER
Early site works awarded at LNG export facility in Western Canada

NOVEMBER
Institutional and nuclear projects in Ontario: Seneca Health and Wellness Centre and Port Hope Environmental Remediation MSA

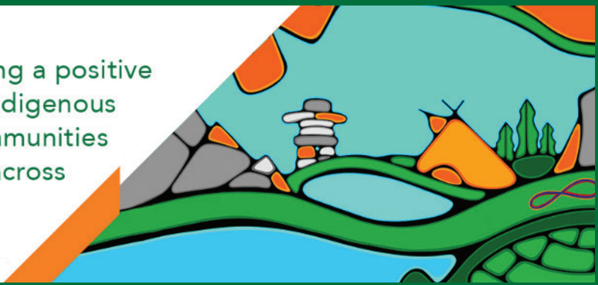
DECEMBER
Energy, hydroelectric, manufacturing, and multi-storey modular awards

JANUARY (2024)
Alliance Development Agreement for East Harbour Transit Hub in Toronto

Indigenous Relations

This commitment is demonstrated by building respectful relationships founded on open communication and seeking collaborative business opportunities with Indigenous partners and vendors as well as investing in skills development initiatives and scholarships that support the aspirations of Indigenous Peoples pursuing careers in the construction industry.

Bird commits to being a positive contributor to the Indigenous neighbours and communities we work alongside across Turtle Island.



Reflected in Bird's national Indigenous Engagement Policy, the Company commits to approach our engagement in a consistent and culturally appropriate manner, while considering the Truth and Reconciliation call to Action #92 and respecting the diversity of the Indigenous landscape in Canada. This commitment drives the Company to partner with clients to ensure that we are aligned in both approach and expectations.

Bird seeks to engage and consult with Indigenous peoples to encourage their active participation in the workforce and subcontracting opportunities. Bird understands that contribution to economic reconciliation includes employing Indigenous peoples, purchasing from Indigenous businesses, conducting business with Indigenous partners, and conducting meaningful engagement.

Delivering projects across Canada and for a wide variety of sectors, the Company works with a diverse group of employees, subcontractors, partners, and clients including a growing number of projects and partnerships with Indigenous communities and companies.

10%
Indigenous Representation on Board

>$132,000
Donations and Sponsorships in Indigenous Communities[1]

45+
Indigenous-owned Businesses Supported[1]

>$26M
Total Spend With Indigenous Subcontractors and Suppliers[1]

To promote this advancement, Bird has a mandatory Indigenous Cultural Awareness Training program for all Bird employees, in place for the past seven years.

Training for all Bird employees ensures we internally promote positive relationships with Indigenous individuals, businesses, and communities as the Company continues to make investments in people, projects, and partnerships.

[1]Data as of year-end 2022; full-year figures will be available in Bird's 2023 Sustainability Overview released May 14, 2024.

Indigenous Partnerships

Our engagement with Indigenous businesses and communities across Canada has shown the improved value and outcomes that can be achieved through respectful partnerships and engagement across a project's lifespan. The best practices that we have learned through these endeavours have informed our broader approach towards social procurement in all communities, and the potential to leverage our procurement spend to realize positive economic, environmental, cultural, and social impacts in the communities in which we work and live.

Bird's partnerships with Indigenous communities range from informal agreements to work together (typically a Memorandum of Understanding ("MOU")) to incorporated jointly-owned business entities. The type of partnership is usually a reflection of the strength of the relationship between Bird and the Indigenous community with a new relationship documented with an MOU and more mature relationships advancing to an incorporated jointly-owned business entity.

Scan to view video

On January 18th, 2024, Bird made a significant announcement regarding the acquisition of assets of NorCan Electric Inc. ("NorCan"), a leading electrical contractor. Since 2018, NorCan has operated through an Indigenous partnership, the NorCan/Infinity Limited Partnership, with Infinity Métis Corporation.

"We are extremely excited to be forming this Indigenous partnership with Bird. This will positively impact the McMurray Métis with the opportunities this partnership presents for the community and its Members."

Shawn Myers,
President & CEO of Infinity Métis Corporation

"We are very pleased to welcome the NorCan team to Bird, and we look forward to working with the Infinity Métis Corporation to continue delivering excellence in the region while supporting economic action and reconciliation by creating opportunities for growth in the community."

Teri McKibbon,
President and CEO of Bird

We strive to optimize our positive social and environmental impact by exploring how we can build smarter and greener.

Environmental, Social and Governance

Bird's ESG Program continues to mature in alignment with internal strategic priorities and the evolution of industry and client demands. We strive to optimize our positive social and environmental impact by exploring how we can build smarter and greener, utilizing a strong corporate governance framework that ensures accountability and stewardship across all our operations. Our teams have continued advancing Bird's internal readiness for forthcoming disclosure requirements, which includes tracking the Company's GHG emissions profile across all project sites and offices, in accordance with the methods detailed in the internationally recognized Greenhouse Gas Protocol and relevant ISO standards. Bird has also committed to set near-term and long-term emissions reductions in line with climate science with the Science Based Target initiative, aligning with the internal processes underway to achieve emissions reductions on our sites.

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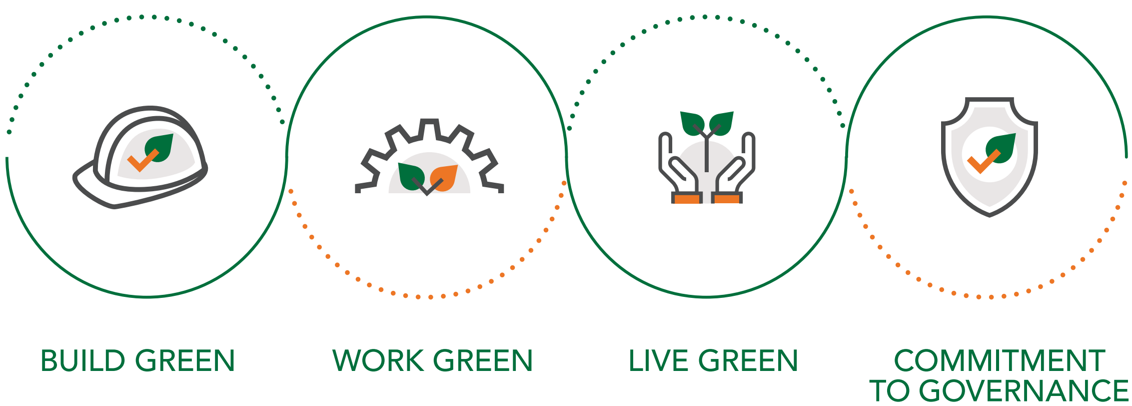
Bird will release its 2023 Sustainability Overview on May 14, 2024. We encourage you to visit Bird's website for more information on Bird's Indigenous Relations and our ESG initiatives.



2023

Management's Discussion & Analysis

for the years ended
December 31, 2023 and 2022

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, 2023, should be read in conjunction with the December 31, 2023 consolidated annual financial statements. This MD&A has been prepared as of March 5, 2024. Unless otherwise specified, all amounts are expressed in Canadian dollars. The information presented in this MD&A is presented in accordance with IFRS Accounting 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 in the "Risks Relating to the Business" section of this MD&A. Additional information about the Company is available through the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca 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.

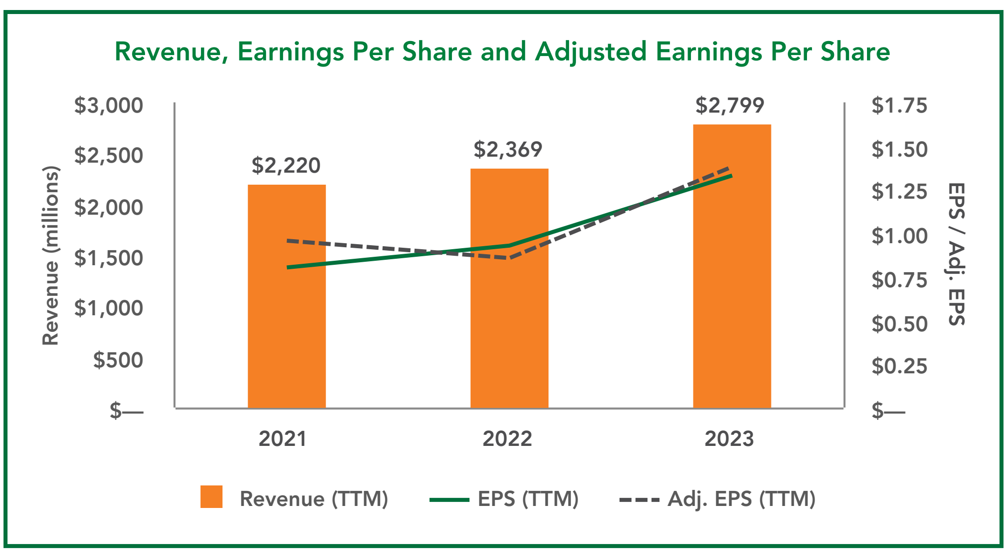
EXECUTIVE SUMMARY

(in thousands of Canadian dollars, except per share amounts) Income Statement Data		2023		2022		2021
Revenue	$	**2,798,785**	$	2,369,332	$	2,220,026
Net income		**71,539**		49,863		42,783
Basic and diluted earnings per share ("EPS")		**1.33**		0.93		0.80
Adjusted Earnings [1]		**74,230**		46,024		50,954
Adjusted Earnings Per Share [1]		**1.38**		0.86		0.96
Adjusted EBITDA [1]		**138,749**		101,185		108,136
Adjusted EBITDA Margin [1]		**5.0 %**		4.3 %		4.9 %
Cash Flow Data						
Net (decrease) increase in cash and cash equivalents	$	**2,938**	$	(15,691)	$	(21,725)
Cash flows from operations before changes in non-cash working capital		**144,407**		114,370		102,623
Capital expenditures[2]		**(30,956)**		(27,766)		(11,756)
Cash dividends paid		**(22,564)**		(20,941)		(20,749)
Cash dividends declared per share		**0.42**		0.39		0.39
Balance Sheet Data		**December 31, 2023**		December 31, 2022		December 31, 2021
Total assets	$	**1,424,364**	$	1,226,734	$	1,137,148
Working capital		**234,010**		184,632		151,810
Loans and borrowings		**72,926**		75,091		78,681
ROU Liabilities		**78,430**		73,259		79,358
Shareholders' equity		**322,494**		272,988		243,488
Key Performance Indicators						
Pending Backlog [1]	$	**3,007,400**	$	2,489,900	$	1,624,700
Backlog [3]		**3,448,237**		2,636,543		3,002,509

[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 and a diversified portfolio of services and solutions to industrial, infrastructure and buildings 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.

HOW WE DO BUSINESS

Over the past six years, Bird has strategically diversified its revenue sources while shifting to a risk-balanced mix of work through disciplined project selection. This period has also seen Bird establish itself as a leading collaborative contractor in Canada. Throughout this transition, Bird has enhanced its profitability and adjusted EBITDA margins. Today, Bird is known for delivering complex and sophisticated projects across the industrial, infrastructure, and building 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.

Self-Perform Delivery: Self-perform work involves Bird utilizing its own employees and resources to execute services and scopes, rather than subcontracting to third parties. Bird leverages this approach and cross-sells its comprehensive range of self-perform services along with the innovative services described below, across all market sectors. Examples of these services and scopes include: civil services such as earthworks, concrete works, roadworks and bridges; heavy civil services including mine site development and other mining services; underground and process piping; equipment installation; fabrication; insulation and cladding; telecommunications infrastructure; and mechanical, electrical and instrumentation services, including powerline and high voltage services.

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 industrial, infrastructure and MRO, 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 Alliance, IPD, certain CM contracts, Progressive Design-Build, and MSA's. While all CM is considered low risk, the contractual agreement determines whether it is considered a collaborative delivery project.

In the buildings market 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 chemicals, oil and gas, liquefied natural gas ("LNG"), natural resources, nuclear, power, renewable energy, and water and wastewater sectors. Additionally, Bird delivers large, complex industrial buildings, including manufacturing, processing, distribution, and warehouse facilities, often in internal partnerships to leverage Bird's buildings expertise. Known for its collaborative approach and early contractor involvement, Bird offers a range of services covering the entire project lifecycle, from initial earthworks and foundations and process and non-process facilities, to long term maintenance, repair, and operations. 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 and further enhanced with the acquisition of the assets of NorCan Electric Inc. in January 2024. Bird's expanded industrial general contracting business is augmented with industrial maintenance contracting and additional civil and facilities maintenance services, which have expanded opportunities for additional maintenance clients in a broader geographical footprint.

INFRASTRUCTURE, COMMERCIAL SYSTEMS AND UTILITIES

Bird has a well-developed offering of civil and structural construction capabilities essential for infrastructure projects. The Company has played an active role in the delivery of civil infrastructure across Canada's power, mining, transportation, and utilities markets for both public and private sector clients for many years. The offering includes site preparation, earthworks, underground piping, utilities, drilling, blasting, and foundations and other concrete services. In the mining sector, Bird provides site development, mine support and contract mining services. Bird also performs a full suite of scopes on greenfield and brownfield hydroelectric facilities.

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

Bird delivers a range of commercial systems and utility services, including the design and installation of complex electrical and mechanical infrastructure, data communications, telecommunications, 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. Bird delivers these and other related critical infrastructure services across all of the sectors where Bird operates, including power, data and intelligence, healthcare, education, transportation, multi-residential, and manufacturing and other light industrial. On January 31, 2023 Bird announced the acquisition of Trinity Communication Services Ltd. ("Trinity"), an Ontario-based diversified telecommunication and utility infrastructure contractor. This acquisition added specialized self-perform capabilities including underground, aerial, commercial inside plant, and multi-dwelling unit installations. Additional value is added to projects through pre-planning and design, prefab, building information modeling ("BIM") and virtual design construction ("VDC"), and in-house software tools such as real-time performance modules. Reliable power distribution and efficient communication networks are essential to support growing requirements stemming from the rapid evolution of technology and increasing electrification needs created by decarbonization efforts. The Company's commercial systems and utilities business is one of Canada's largest electrical and data system contractors.

BUILDINGS

Bird's buildings expertise spans across all sectors. Bird constructs and retrofits institutional facilities, including healthcare, long term care, post-secondary education, transportation, public safety and defence facilities, as well as K-12 schools, public spaces, and government buildings. The Company's capabilities also include new construction and retrofit of warehousing, manufacturing and processing facilities, laboratories, data centres, office buildings, retail spaces, film studio infrastructure, hotels, and select mixed-use mid- to high-rise residential buildings. Bird provides comprehensive services covering every aspect of a project's lifecycle, from design-assist and preconstruction to construction, commissioning, and lifecycle services. Furthermore, Bird leverages its Centre for Building Performance and sustainable buildings expertise to help our clients create design-focused buildings that are operationally efficient and built to last.

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.

2023 HIGHLIGHTS

With the completion of the second year of Bird's 2022-2024 strategic plan, the Company has made great progress in safely advancing our strategic priorities. Building on a solid 2022, Bird's 2023 fiscal year delivered significant organic revenue growth, continued accretion of Adjusted EBITDA margins, and strong operational cash flow. The Company also expanded its infrastructure presence in Canada as evidenced by the recently announced Alliance Development Agreement to work collaboratively with Metrolinx to deliver the East Harbour Transit Hub. Bird continued to pursue accretive tuck-in acquisitions with high growth potential, notably with the acquisitions of Trinity in February 2023 and NorCan announced subsequent to year-end, and continued to experience robust performance from earlier acquisitions. The Company's highly valued team grew in 2023 to meet the needs of Bird's expanding work programs, with Bird being successful in attracting, retaining and developing talent throughout the year.

FULL-YEAR 2023 COMPARED TO FULL-YEAR 2022

- Construction revenue of $2,798.8 million was earned in 2023, compared to $2,369.3 million in 2022, representing a 18.1% increase year-over-year.
- Net income and earnings per share for the year were $71.5 million and $1.33, compared to $49.9 million and $0.93 in 2022, representing increases of 43%.
- Adjusted Earnings[1] and Adjusted Earnings Per Share were $74.2 million and $1.38 in 2023, compared to $46.0 million and $0.86 in the prior year, representing increases of 61%.
- Adjusted EBITDA[1] for 2023 was $138.7 million, or 5.0% of revenues, compared to $101.2 million, or 4.3% of revenues in 2022, representing an increase of 37.1%.

FOURTH QUARTER 2023 COMPARED TO FOURTH QUARTER 2022

- Construction revenue of $792.1 million earned in the quarter compared to $649.0 million earned in the prior year quarter, representing a 22.1% increase year-over-year.
- Net income and earnings per share were $23.9 million and $0.44 in Q4 2023, compared to $14.9 million and $0.28 in Q4 2022, representing increases of 60%.
- Adjusted Earnings[1] and Adjusted Earnings Per Share were $24.3 million and $0.45 in Q4 2023, compared to $15.5 million and $0.29 in Q4 2022, representing increases of 57%.
- Adjusted EBITDA[1] of $43.9 million, or 5.5% of revenues, compared to $30.6 million, or 4.7% of revenues in Q4 2022, representing an increase of 43.2%.

- Bird continued to deliver significant revenue growth in the fourth quarter of 2023 driven predominantly by organic growth, with additional contributions from Trinity, acquired on February 1, 2023.

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

- The Company's margin profiles in the fourth quarter of 2023 continued to improve compared to the prior year, with Gross Profit Percentage increasing to 9.2% compared to 8.9%, and Adjusted EBITDA Margin increasing to 5.5% from 4.7%.
- Bird added over $1.4 billion in securements to its Backlog in the fourth quarter ($3.6 billion year-to-date), resulting in a record Backlog of over $3.4 billion at year-end. Pending Backlog of awarded but not yet contracted work remains at a healthy $3.0 billion at year-end, and continues to include almost $1.1 billion of MSA and other recurring revenue to be earned over the next seven years.
- During the quarter, the Company renewed and amended its Syndicated Credit Facility, extending the maturity to December 15, 2026, expanding the size of the revolving facility to $250 million, and adding the availability for an additional term loan facility which was subsequently used to complete the acquisition of assets of NorCan Electric Inc. in January 2024.
- In December, based on the strength of Bird's outlook for significant further improvements in earnings and cash flow in 2024 compared to 2023, the Company approved a 30.2% increase in its annualized dividend to $0.56 per share. The increased monthly dividend of $0.0467 per share will commence with the March 2024 dividend, to be paid in April 2024.
- Bird generated $104.8 million in operating cash flow for the fourth quarter while continuing to fund a modest investment in non-cash working capital required to support significant growth in the Company's work program. The Company's liquidity position remains strong, with $177.5 million of cash and cash equivalents at year-end, and an additional $215.5 million available under the Company's Syndicated Credit Facility.
- During the fourth quarter of 2023, the Company announced that it was awarded the following projects and contracts:
    - Bird, as part of a 50/50 general partnership, entered into an agreement for early works at a new LNG project in Western Canada. Bird's portion of the limited notice to proceed contracts exceeds $150 million.
    - Bird announced that it had been awarded a construction management contract for the Seneca Polytechnic Health & Wellness Centre Project, as well as a new multi-year task order under the previously announced Port Hope Area Initiative Master Construction Contract by Canadian Nuclear Laboratories. The combined value of the awards exceeds $130 million.
    - Bird announced that it had been awarded five new contracts in multiple sectors including energy, power generation, manufacturing and multi-storey modular. The combined value of the contracts exceeded $530 million.
- Subsequent to the year end, the Company announced in January 2024 that it had acquired the assets of NorCan Electric Inc. (“NorCan”) for total consideration of $11 million. NorCan is a leading electrical and instrumentation contractor providing maintenance turnaround and sustaining capital services in the Regional Municipality of Wood Buffalo in Alberta. During their 25 years of service in the region, they have developed deep, long-term relationships based on their strong service delivery and safety program. Since 2018, NorCan has operated through an Indigenous partnership, the NorCan/Infinity Limited Partnership, with Infinity Métis Corporation.
- Subsequent to the quarter end, the Company announced that it was awarded the following projects and contracts:
    - Bird, as part of a 50/50 joint venture, entered into an Alliance Development Agreement to work collaboratively with Metrolinx to deliver the East Harbour Transit Hub, one of the first major projects in Canada to be procured using an ‘alliance’ model.
- The Board has declared eligible dividends of $0.0467 per common share for each of March 2024 and April 2024, representing the 30% higher monthly dividend announced in December 2023.

ANNUAL RESULTS OF OPERATIONS

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

	2023	2022	% change
Construction revenue	$ **2,798,785**	$ 2,369,332	18.1 %
Costs of construction	**2,558,249**	2,167,570	18.0 %
Gross profit	**240,536**	201,762	19.2 %
Income (loss) from equity accounted investments	**3,418**	(2,714)	225.9 %
General and administrative expenses	**(142,781)**	(132,386)	7.9 %
Income from operations	**101,173**	66,662	51.8 %
Finance and other income	**5,216**	10,341	(49.6)%
Finance and other costs	**(13,158)**	(9,818)	34.0 %
Income before income taxes	**93,231**	67,185	38.8 %
Income tax expense	**21,692**	17,322	25.2 %
Net income for the period	$ **71,539**	$ 49,863	43.5 %
Total comprehensive income for the period	$ **71,569**	$ 50,441	41.9 %
Basic and diluted earnings per share	$ **1.33**	$ 0.93	43.0 %
Adjusted Earnings(1)	$ **74,230**	$ 46,024	61.3 %
Adjusted Earnings Per Share	$ **1.38**	$ 0.86	60.5 %
Adjusted EBITDA(1)	$ **138,749**	$ 101,185	37.1 %
Adjusted EBITDA Margin	**5.0%**	4.3%	0.7 %

(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, 2023, the Company recorded construction revenue of $2,798.8 million, a $429.5 million increase compared to $2,369.3 million of construction revenue recorded in 2022. The revenue growth for the year was primarily organic, driven by significant increases in industrial construction and institutional building construction, with additional growth generated from the Company's maintenance, repair and operations ("MRO") services supported by the Company's extensive portfolio of recurring revenue contracts. As anticipated, new industrial work in 2023 was more than sufficient to replace revenues from a large industrial work program which successfully concluded during 2022. Trinity, acquired in February 2023, also modestly contributed to revenue growth for the year.

The Company's gross profit of $240.5 million for 2023, representing an 8.6% Gross Profit Percentage[2], compares to $201.8 million gross profit (8.5% Gross Profit Percentage) recorded in 2022. The Company's highly collaborative work program, growing Backlog with enhanced margin profiles, and expanded self-perform capabilities continue to drive strong gross profits on significant revenue growth, largely offsetting the favourable Gross Profit Percentage impact of a large, mostly self-performed, industrial work program that benefited the early part of 2022.

Income from equity accounted investments for 2023 totalled $3.4 million, compared with losses of $2.7 million in 2022. The higher income in 2023 was primarily due to $4.9 million higher earnings related to Stack Modular and $1.1 million higher income related to a multi-school project in Alberta.

2 "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."

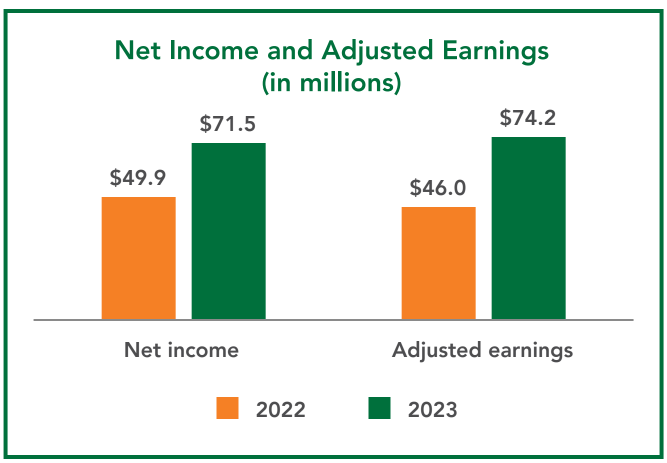
General and administrative expenses were $142.8 million (5.1% of revenue[3]) for the year ended December 31, 2023, compared to $132.4 million (5.6% of revenue) in 2022. The primary drivers for the $10.4 million year-over-year increase were: $1.1 million higher acquisition and integration costs and asset impairments driven primarily from the rationalization of the Company's leased office space during the second quarter; $5.0 million higher compensation costs, including accrued compensation costs and share-based payment costs net of the positive impact of related derivatives due to a 77% increase in the market value of the Company's common shares; $3.8 million higher aggregate growth-related increases to travel, business development, recruitment and pursuit costs as activity levels increased compared to 2022; and $1.6 million aggregate increases across other categories, including general and administrative expenses of Trinity. Partially offsetting these increases were $0.8 million lower amortization and depreciation.

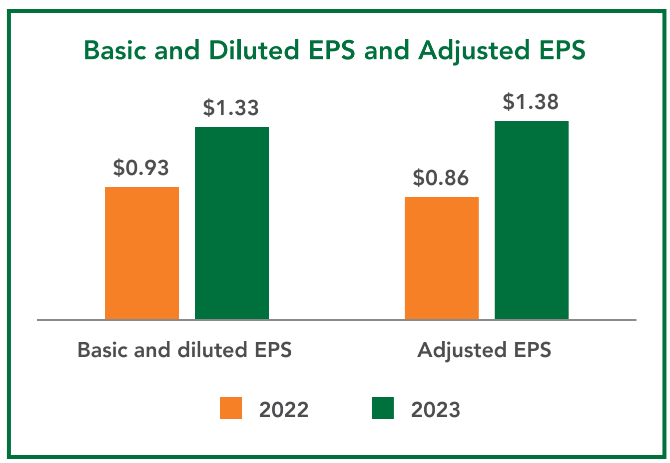
Finance and other income of $5.2 million in 2023 was $5.1 million lower than 2022 primarily due to a $7.6 million gain and $1.7 million of interest income recorded in the the second quarter of 2022 related to a settlement of historical construction billings and related interest charges with a customer, partially offset by a $0.9 million fair value loss on warrants received as part of the settlement. Partially offsetting this impact was $3.0 million higher interest earned in the current year on the Company's cash balances due primarily to increases in deposit interest rates. The additional interest earned on cash balances in 2023 offset the majority of higher interest expense incurred on loans and borrowings reported in finance and other costs, discussed below.

Finance and other costs of $13.2 million in 2023 was $3.3 million higher than in the same period of 2022 primarily due to increases to the Canadian prime rate and benchmark interest rate applied to the Company's variable rate debt, partly offset by the Company carrying a modestly lower average debt balance outstanding on variable rate credit facilities in the current year.

For the year ended December 31, 2023, income tax expense of $21.7 million increased compared to the $17.3 million expense recorded in 2022 driven by higher taxable income in the current year, which more than offset the impact of a lower effective tax rate.

Total comprehensive income was $71.6 million for 2023, compared to $50.4 million in 2022. The increase was primarily due to the Company's $21.7 million higher net income, discussed above, partially offset by lower gains on the Company's pension plans.



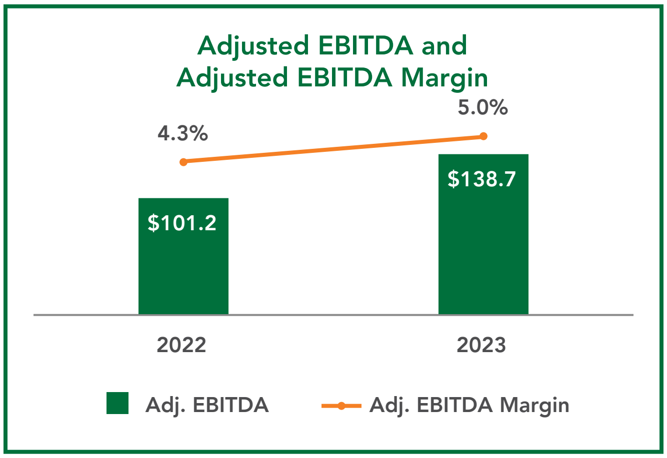


Adjusted Earnings[4] for the year ended December 31, 2023 was $74.2 million, compared with Adjusted Earnings of $46.0 million in 2022. Adjusted Earnings reflects significant increases in year-to-date revenues and gross profit, increases in income from equity accounted investments, described above, as well as $0.6 million higher finance and other income, excluding the after-tax impact of a one-time gain which is excluded from Adjusted Earnings, related to the settlement of historical construction billings in 2022. These increases were partially offset by $9.2 million higher general and administrative expenses, excluding the after-tax impact of acquisition and integration expenses and asset impairments which are excluded from Adjusted Earnings, $3.3 million higher finance and other costs driven by increasing interest rates, and $4.4 million higher income taxes.

[3] "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."

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

Basic and diluted earnings per share was $1.33 for 2023, compared to $0.93 in 2022. Adjusted Earnings Per Share was $1.38 and $0.86 for 2023 and 2022, respectively. In addition to the impacts of changes in Net Income and Adjusted Earnings discussed above, the basic weighted average shares outstanding for 2023 was higher by 72,607 due to common shares issued in connection with the Trinity acquisition in February 2023.



Adjusted EBITDA[5] for the year ended December 31, 2023 was $138.7 million compared to $101.2 million recorded in 2022. The $37.6 million year-over year increase was consistent with the increases in gross profit and income from equity accounted investments discussed above, partially offset by growth-related increases in general and administrative expenses, including compensation costs, and the inclusion of expenses of Trinity which was acquired during the first quarter of 2023. Adjusted EBITDA margin for 2023 was 5.0%, compared to 4.3% in 2022, with 2023 margins being lower for the first quarter of the year, then higher than 2022 amounts in the remainder of the year. Adjusted EBITDA and Adjusted EBITDA Margin in the prior year benefited from a large, mostly self-performed, industrial work program that concluded in 2022.

[5] 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,		
	2023	2022	% change
Construction revenue	**$ 792,068**	$ 648,967	22.1 %
Costs of construction	**718,856**	590,889	21.7 %
Gross profit	**73,212**	58,078	26.1 %
Income (loss) from equity accounted investments	**1,601**	(1,124)	242.4 %
General and administrative expenses	**(40,506)**	(34,534)	17.3 %
Income from operations	**34,307**	22,420	53.0 %
Finance and other income	**1,206**	904	33.4 %
Finance and other costs	**(4,247)**	(2,933)	44.8 %
Income before income taxes	**31,266**	20,391	53.3 %
Income tax expense	**7,385**	5,459	35.3 %
Net income for the period	**$ 23,881**	$ 14,932	59.9 %
Total comprehensive income for the period	**$ 23,900**	$ 15,257	56.6 %
Basic and diluted earnings per share	**$ 0.44**	$ 0.28	57.1 %
Adjusted Earnings[(1)]	**$ 24,295**	$ 15,485	56.9 %
Adjusted Earnings Per Share	**$ 0.45**	$ 0.29	55.2 %
Adjusted EBITDA[(1)]	**$ 43,868**	$ 30,639	43.2 %
Adjusted EBITDA Margin	**5.5%**	4.7%	0.8 %

[(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 $792.1 million in the fourth quarter of 2023, representing a $143.1 million, or 22.1%, increase over amounts reported in the fourth quarter of 2022. Similar to prior quarters, industrial construction and institutional building construction continued to drive organic growth, which exceeded 21% for the quarter, with additional contributions from Trinity which was acquired in February 2023. Revenue for the fourth quarter was bolstered by strong execution and favourable weather conditions, which allowed additional progress to be achieved on multiple projects across the Company's work programs.

Gross profit of $73.2 million for the fourth quarter of 2023, representing a Gross Profit Percentage of 9.2%, was $15.1 million higher than the $58.1 million gross profit (8.9% Gross Profit Percentage) recorded a year ago. The increase in gross profit margins continues to be driven by improved margin profiles on newer work resulting from disciplined project selection and cost control, growing self-perform capabilities and cross-selling opportunities across the Company, as well as a higher proportion of industrial construction executed in the quarter compared to the prior year.

Income from equity accounted investments in the fourth quarter of 2023 was $1.6 million, compared to losses of $1.1 million recorded in same period of 2022. The improvement was primarily driven by higher income from Stack Modular, higher income from a multi-school project in Alberta, and the impact of a project in Western Canada that was classified as held for sale during the first quarter of 2023 and subsequently sold in the second quarter of 2023.

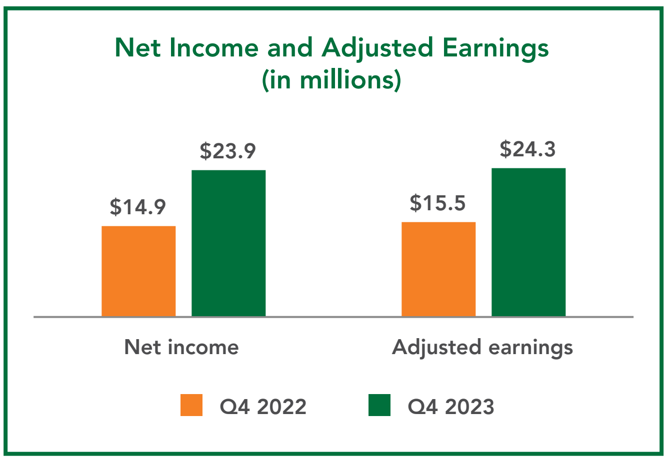
In the fourth quarter of 2023, general and administrative expenses were $40.5 million (5.1% of revenue) versus $34.5 million (5.3% of revenue) in the corresponding period a year ago. The primary drivers of the $6.0 million increase were: $3.2 million higher compensation costs in the current year quarter, including the impact of increased accrued compensation costs, share-based payment costs and related derivatives; $1.8 million higher growth-related increases to travel, business development, recruitment and pursuit costs driven by activity levels increasing compared to 2022; and $1.2 million aggregate increases across other categories, including general and administrative expenses of Trinity. Partially offsetting these increases were $0.2 million lower acquisition and integration costs. Compensation costs in the quarter were higher compared to the prior year due in part to significantly higher volume of work and profitability in the current period, as well as a $4.11 (40%) increase in the market price of the Company's common shares during the quarter.

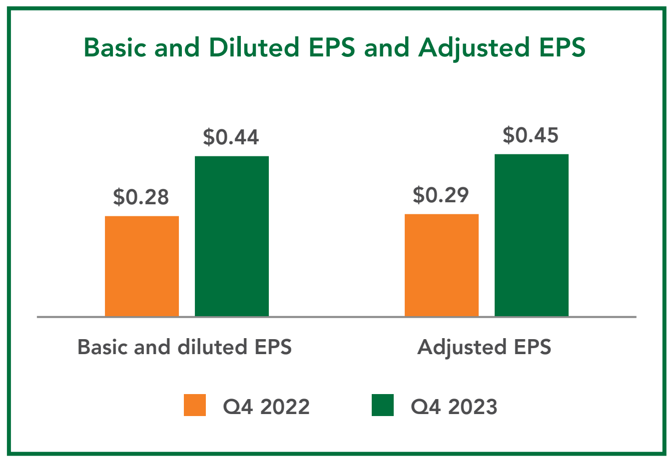
Finance and other income for the fourth quarter of 2023 was $0.3 million higher than in the prior year period, primarily due to higher interest earned on the Company's cash balances due to increases in deposit interest rates.

Finance and other costs of $4.2 million in the fourth quarter of 2023 was $1.3 million higher than the same period of 2022, primarily due to a higher average debt balances outstanding during the the quarter, including the impact of short term borrowings to fund working capital, as well as higher Canadian prime rate and benchmark interest rates in the current year.

In the fourth quarter of 2023, income tax expense was $7.4 million, compared to $5.5 million recorded in the fourth quarter of 2022. Higher income tax expense for the fourth quarter of 2023 was driven by higher net income before tax in the current year, partially offset by a lower effective tax rate.

In the fourth quarter of 2023, total comprehensive income was $23.9 million, compared to $15.3 million in the fourth quarter of 2022. The increase is primarily due to the increase in net income of $8.9 million described above, partially offset by lower actuarial gains on pension plans.

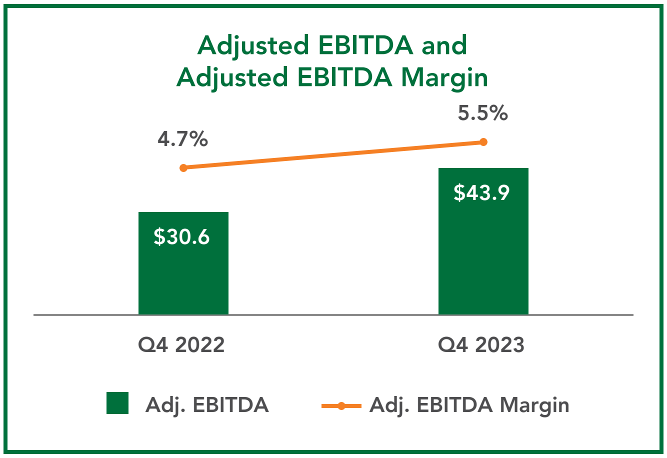




Adjusted Earnings[6] for the fourth quarter of 2023 was $24.3 million, compared with Adjusted Earnings in the fourth quarter of 2022 of $15.5 million, an increase of $8.8 million. Adjusted Earnings reflects higher gross profit for the current quarter, increases in income from equity accounted investments and higher finance and other income, partially offset by higher finance and other costs and higher income taxes, as described above, and $5.8 million higher general and administrative expenses, excluding the after-tax impact of acquisition and integration expenses which are excluded from Adjusted Earnings.

Basic and diluted earnings per share was $0.44 in the fourth quarter of 2023, compared to $0.28 in the fourth quarter of 2022. Adjusted Earnings Per Share was $0.45 and $0.29 in the fourth quarter of 2023 and 2022, respectively. In addition to changes in Net Income and Adjusted Earnings discussed above, the weighted average shares outstanding for the fourth quarter of 2023 was higher by 79,346 shares related to the Trinity acquisition on February 1, 2023.

[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 2023 was $43.9 million compared to $30.6 million earned in the fourth quarter of 2022. The $13.2 million year-over-year increase was consistent with higher gross profit and the increase in income from equity accounted investments discussed above, partially offset by growth-related increases in general and administrative expenses, including compensation costs, and the inclusion of expenses of Trinity which was acquired in February 2023. The Company's Adjusted EBITDA Margin improved to 5.5% in the fourth quarter of 2023 compared 4.7% in the same period in 2022, reflecting improvements in Gross Profit Percentage, discussed above, as well as gaining leverage on general and administrative costs as the Company's revenue grew significantly compared to the prior year.

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, 2023**		December 31, 2022
Pending Backlog	$	**3,007,400**	$	2,489,900
Backlog	$	**3,448,237**	$	2,636,543

Pending Backlog at December 31, 2023 was $3,007.4 million compared to $2,489.9 million at December 31, 2022, an increase of $517.5 million or 20.8%. The Company's Backlog of $3,448.2 million at December 31, 2023 exceeded the balance at December 31, 2022 by 30.8%, with new contracts secured exceeding executed work by $811.7 million.

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

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 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 almost $1,100 million of recurring revenue contracts, primarily consisting of multi-year 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 seven 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, 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, 2023**		Year ended December 31, 2022
Opening balance	**$**	**2,636.5**	$	3,002.5
Securements, change orders & other adjustments		**3,610.5**		2,003.4
Realized in construction revenues		**(2,798.8)**		(2,369.3)
Closing balance	**$**	**3,448.2**	$	2,636.5

Gross Profit Percentage

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

For 2023, the Company realized a Gross Profit Percentage of 8.6% compared with 8.5% in 2022. During the fourth quarter of 2023, the Company realized a Gross Profit Percentage of 9.2% compared with 8.9% in fourth quarter of 2022. 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 current and prior reporting periods:

(in thousands of Canadian dollars)		**December 31, 2023**		December 31, 2022
Working capital	**$**	**234,010**	$	184,632
Shareholders' equity	**$**	**322,494**	$	272,988

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 most important Corporate Value is 'We Put Safety First'. This means ensuring that all work on the Company's sites is executed to strict operational safety standards and follows Bird's rigorous health and safety systems. Furthermore, we foster a culture of caring for the well-being of all personnel that work on our projects. Collectively these cornerstones form a culture that send our people home every day healthy and injury free.

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 thorough onboarding routines and identification and control of hazards through to regular HS&E program oversight and evaluation. We employ experienced project leadership as well as trained and supported front line supervision. 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 workplace 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, 2023	Year ended December 31, 2022
Person-hours of work	**10,591,963**	10,002,845
Lost time incidents ("LTI")	**0**	1
Lost time incidents frequency ("LTIF")	**0.00**	0.02

OUTLOOK

Throughout 2023, Bird continued to advance its strategic priorities, strengthening full-year Adjusted EBITDA margins to 5.0% and achieving organic revenue growth exceeding 17%. The Company grew its combined backlog to record levels in higher demand and higher margin sectors while maintaining its risk-balanced, disciplined approach to project selection. The Company's portfolio of complex and highly collaborative projects from coast to coast to coast, growing contribution from recurring revenue contracts, coupled with disciplined cost management all provide good visibility to continued growth and EBITDA margin accretion in 2024 and beyond.

Bird's fourth quarter results delivered substantial organic revenue growth and continued Gross Profit and Adjusted EBITDA margin accretion, and provide good momentum for the Company as we enter into our 2024 fiscal year. Top line organic growth is expected to continue through 2024, with seasonal patterns favouring the second half of the year as usual, and the Company anticipates significant improvements to earnings and cashflow. With the Company's continuing strategic focus on Adjusted EBITDA margin accretion, Bird also expects Adjusted EBITDA and earnings per share growth to outpace organic revenue growth in 2024. Reflecting the confidence in its 2024 outlook, the Company announced a 30% annualized dividend increase in December 2023, raising the monthly dividend to $0.0467 per share commencing with the March 2024 dividend to be paid in April.

Heading into 2024, the Company has a Backlog of contracted work exceeding $3.4 billion, an all-time high for Bird, which continues to reflect higher embedded margins resulting from Company's disciplined sector focus and project selection approach, and focus on collaboration and cross-selling. Over $1.4 billion of new securements were added to Backlog in the fourth quarter of 2023, diversified across regions and sectors, and include awards in energy and power, manufacturing, mining, modular construction, institutional buildings and transportation. Bird also has over $3.0 billion of expected future work in Pending Backlog, including a robust portfolio of recurring revenue contracts approximating $1.1 billion, which are expected to convert to Backlog over the next one to seven years. The combination of Backlog and Pending Backlog, along with a significant volume of attractive opportunities actively being pursued, provide Bird with significant visibility into future revenues and profitability, underpinning the Company's expectations for 2024 and beyond.

Bird continues to pursue new work selectively, ensuring strategic alignment between capabilities, project type and delivery model. Bird’s strong focus on early contractor involvement and collaborative opportunities drives a larger share of negotiated work and improves project delivery and outcomes for all parties. Sustained demand in Bird’s core markets - industrial, infrastructure and buildings - continues to drive a robust bid pipeline in the short to medium term. Bird's focus on sectors such as energy transition and electrification, nuclear, major multi-year industrial projects, and infrastructure modernization position the Company well to meet the longer-term demand outlook.

While delivering sustained margin accretion and revenue growth, Bird remains focused on maintaining a healthy balance sheet, which is underpinned by strong operating cash flow generation and a low level of long-term debt, to support strategic growth initiatives. Bird's balanced capital allocation approach aims for profitable long-term growth and shareholder value creation through the return of capital to shareholders through sustainable distributions of dividends, while allowing the Company to retain in excess of two-thirds of net income to support continued organic growth and strategic M&A, such as the recent acquisition of NorCan Electric in January 2024, and smart capital investments to support further productivity and growth.

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

- **We Are Stronger Together***"*

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, 2023**		December 31, 2022
Cash and cash equivalents	**$**	**177,529**	$	174,607
Non-cash working capital		**56,481**		10,025
Working capital	**$**	**234,010**	$	184,632
Non-current loans and borrowings	**$**	**64,621**	$	68,007
Non-current right-of-use liabilities	**$**	**57,680**	$	55,469
Shareholders' equity	**$**	**322,494**	$	272,988

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.

As a component of working capital, the Company maintains a balance of cash and cash equivalents. At December 31, 2023, this balance totalled $177.5 million. Accessible cash at December 31, 2023 was $79.9 million ($96.0 million at December 31, 2022) with the remaining cash and cash equivalents balance held in trust or in joint operations' accounts. Accessible cash at December 31, 2023 decreased due to investments in working capital to support the seasonal growth of the Company's work programs, investments in property, plant and equipment and intangible software, the acquisition of Trinity, and net repayment of borrowings and ROU liabilities, with partially offsetting 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 $56.5 million at December 31, 2023, compared to $10.0 million at December 31, 2022. The investment in non-cash working capital utilized $46.5 million of cash year-to-date in 2023. The overall use of cash is consistent with the Company's significant growth throughout 2023 and seasonal expectations, including 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, 2023, the Company had working capital of $234.0 million compared with $184.6 million at December 31, 2022, an increase of $49.4 million. The primary driver of the increase was net income of $71.5 million exceeding dividends paid of $22.6 million by $49.0 million. Other reductions were driven by: $3.4 million net repayments of non-current loans and borrowings; $9.9 million net investments in property, plant, equipment and intangibles; $5.8 million repayments of non-current ROU liabilities in excess of related asset depreciation; and the Company's acquisition of Trinity net of acquired working capital of $1.8 million. These reductions were offset by increases driven by: $14.3 million of non-current share based compensation expenses; and $7.1 million of non-cash deferred taxes recorded in the year. The Company's current ratio[8] at December 31, 2023 was 1.26 compared to 1.24 at December 31, 2022.

The $49.5 million increase in shareholders' equity since December 31, 2022 was primarily due to the Company's net income of $71.5 million exceeding dividends declared by $48.8 million, plus the issuance of $0.7 million of Bird common shares in connection with the acquisition of Trinity during the first quarter.

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

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, 2023 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:

(in thousands of Canadian dollars)		**December 31, 2023**		December 31, 2022
Committed revolving credit facility	**$**	**250,000**	$	220,000
Letters of credit issued from committed revolving credit facility		**11,816**		25,312
Drawn from committed revolving credit facility		**22,725**		22,725
Available committed revolving credit facility		**215,459**		171,963
Committed non-revolving term loan facility	**$**	**47,500**	$	47,500
Cumulative repayments of committed non-revolving term loan facility		**(4,750)**		—
Drawn committed non-revolving term loan facility		**42,750**		47,500
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		**38,853**		51,627
Available letters of credit facilities		**111,147**		98,373
Collateral pledged to support letters of credit	**$**	**90**	$	90
Guarantees provided by EDC	**$**	**38,763**	$	51,537

Annual Cash Flow Data

The following table provides an overview of cash flows for the years ended December 31, 2023 and 2022:

(in thousands of Canadian dollars)	**2023**	2022	$ change
Cash flows from operations before changes in non-cash working capital	$ **144,407**	$ 114,370	$ 30,037
Changes in non-cash working capital and other	**(68,607)**	(70,971)	2,364
Cash flows from (used in) operating activities	**75,800**	43,399	32,401
Investments net of capital distributions from equity accounted entities	**666**	922	(256)
Proceeds on sale of investment in equity accounted entities	**2,408**	1,501	907
Additions to property, equipment and intangible assets	**(30,956)**	(27,766)	(3,190)
Proceeds on sale of property and equipment	**4,278**	6,444	(2,166)
Acquisitions, net of cash acquired	**(5,827)**	—	(5,827)
Other long-term assets	**1,925**	4,087	(2,162)
Cash flows from (used in) investing activities	**(27,506)**	(14,812)	(12,694)
Dividends paid on shares	**(22,564)**	(20,941)	(1,623)
Net proceeds (repayment) of draws for working capital purposes	**—**	—	—
Proceeds from loans and borrowings	**5,103**	2,776	2,327
Repayment of loans and borrowings	**(7,268)**	(6,366)	(902)
Repayment of right-of-use liabilities	**(20,627)**	(19,747)	(880)
Cash flows from (used in) financing activities	**(45,356)**	(44,278)	(1,078)
Increase (decrease) in cash and cash equivalents	$ **2,938**	$ (15,691)	$ 18,629

Operating Activities

For the year ended December 31, 2023, cash flows from operating activities generated cash of $75.8 million, $32.4 million more than the $43.4 million cash generated in the comparable period in 2022.

Cash flows from operations before changes in non-cash working capital of $144.4 million was $30.0 million higher than the $114.4 million cash generated in 2022 primarily due to $21.7 million higher net income. In addition, higher net addbacks of non-cash items of $8.1 million, consisting of $3.6 million lower gains on sale of property and equipment, $3.3 million higher finance and other costs, $5.6 higher deferred compensation costs, and $4.4 million higher non-cash income tax expense were partially offset by $6.1 million higher income from equity accounted investments, and $1.6 million higher finance and other income.

Cash used to fund changes in non-cash working capital and other improved $2.4 million compared to 2022 driven mainly by reduced net cash outflows from accounts payable and contract liabilities ($53.0 million), lower outflows related to provisions ($4.9 million) and deferred compensation ($16.1 million), and lower income tax payments ($2.2 million), partially offset by reduced net inflows related to accounts receivable and contract assets ($70.0 million), and higher net interest paid ($3.2 million). 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, 2023, the Company used $27.5 million of cash in investing activities compared to $14.8 million used in 2022. The $12.7 million higher use of cash was primarily due to $5.8 million net cash used to acquire Trinity in February 2023, $3.2 million higher capital expenditures on property, equipment and intangibles, $2.2 million lower proceeds on sale of property and equipment due to lower sale activity in the year, and $2.2 million lower inflows related to long-term assets, primarily related to a higher release of insurance deposits in the prior year, partly offset by $0.7 million increased net proceeds on sale of equity accounted investments.

Financing Activities

For the year ended December 31, 2023, the Company used $45.4 million of cash to fund financing activities, largely comparable to the $44.3 used in 2022. The Company made $22.6 million of dividend payments and $27.9 million of scheduled repayments of loans and borrowings and ROU liabilities, offset by proceeds from equipment financing of $5.1 million. In 2022, the Company made dividend payments of $20.9 million and scheduled repayments of other loans and borrowings and ROU liabilities of $26.1 million, offset by $2.8 million proceeds on equipment loans.

Quarterly Cash Flow Data

The following table provides an overview of cash flows during the three months ended December 31, 2023 and 2022:

	Three months ended December 31,		
(in thousands of Canadian dollars)	**2023**	2022	$ change
Cash flows from operations before changes in non-cash working capital	$ **47,553**	$ 33,465	$ 14,088
Changes in non-cash working capital and other	**57,220**	72,337	(15,117)
Cash flows from (used in) operating activities	**104,773**	105,802	(1,029)
Investments net of capital distributions from equity accounted entities	**181**	264	(83)
Additions to property, equipment and intangible assets	**(9,442)**	(6,614)	(2,828)
Proceeds on sale of property and equipment	**2,123**	3,055	(932)
Other long-term assets	**178**	(113)	291
Cash flows from (used in) investing activities	**(6,960)**	(3,408)	(3,552)
Dividends paid on shares	**(5,775)**	(5,235)	(540)
Net proceeds (repayment) of draws for working capital purposes	**(15,000)**	(20,000)	5,000
Proceeds from loans and borrowings	**2,620**	—	2,620
Repayment of loans and borrowings	**(1,447)**	(1,567)	120
Repayment of right-of-use liabilities	**(4,727)**	(4,889)	162
Cash flows from (used in) financing activities	**(24,329)**	(31,691)	7,362
Increase (decrease) in cash and cash equivalents	$ **73,484**	$ 70,703	$ 2,781

Operating Activities

During the fourth quarter of 2023, cash flows from operating activities generated cash of $104.8 million, a decrease of $1.0 million compared to $105.8 million cash generated in the fourth quarter of 2022.

Cash flows from operations before changes in non-cash working capital of $47.6 million was $14.1 million higher than the $33.5 million cash generated in 2022. The improvement resulted from higher net income of $8.9 million in the current quarter and $4.9 million higher net addbacks for non-cash items on an aggregate basis, primarily consisting of higher depreciation of $1.6 million, higher net finance and other costs of $1.3, higher deferred compensation costs of $3.5 million, and higher non-cash income tax expense of $1.9 million, partially offset by higher income from equity accounted investments of $2.7 million.

Cash generated by changes in non-cash working capital for the quarter decreased $15.1 million compared to the fourth quarter of 2022, with largely offsetting increases in working capital driven by the Company's growing work program. The primary changes included lower net inflows related to changes in accounts receivable and contract assets ($60.5 million), higher net outflows related to prepaid expenses ($1.9 million), higher net interest paid ($2.0 million) and higher income tax payments ($4.9 million), largely offset by lower net outflows related to changes in accounts payable and contract liabilities ($37.6 million), lower net outflows related to provisions ($1.9 million), and lower net outflows related to deferred compensation ($14.6 million). 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 2023, the Company used $7.0 million of cash in investing activities compared to $3.4 million used in 2022. The Company had $2.8 million higher capital expenditures on property, equipment and intangibles in the current quarter, and received $0.9 million lower net proceeds on the sale of equipment and equity accounted investments, which was partially offset by $0.3 million higher inflows related to long-term assets, primarily related to the repayment of a note receivable in the current year quarter.

Financing Activities

During the fourth quarter of 2023, the Company used $24.3 million of cash related to financing activities, comprised of $5.8 million of dividend payments, $15.0 million of repayments of temporary draws on its revolving credit facility used to fund working capital requirements in prior quarters, and $6.2 million of scheduled repayments of loans and borrowings and ROU liabilities, partially offset by $2.6 million proceeds on new equipment financing. In the same period of 2022, the Company made dividend payments of $5.2 million, made net repayments of temporary draws on its revolving credit facility of $20.0 million, and made scheduled repayments of loans and borrowings and ROU liabilities of $6.5 million.

CONTRACTUAL OBLIGATIONS

At December 31, 2023, the Company has future contractual cash flow obligations of $826.7 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 and variable interest rates.

(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	$ 591,577	$ 48,345	$ 41	$ —	$ 639,963	$ 639,963
Dividends payable	1,925	—	—	—	$ 1,925	1,925
ROU liabilities	23,975	35,157	15,641	12,710	$ 87,483	78,430
Committed revolving credit facility	—	22,725	—	—	$ 22,725	22,725
Committed non-revolving term loan	5,938	36,812	—	—	$ 42,750	42,750
Equipment financing	2,717	4,167	1,328	—	$ 8,212	7,451
Acquisition holdback	—	300	—	—	$ 300	300
Lease commitments	5,287	—	—	—	$ 5,287	n/a
Other purchase commitments	6,094	7,659	4,349	—	$ 18,102	n/a
	$ 637,513	$ 155,165	$ 21,359	$ 12,710	$ 826,747	$ 793,544

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, or may use from time to time, expose the Company to credit, liquidity, market and currency risks. Refer to Note 31 to the December 31, 2023 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, 2023, accounts receivable outstanding for greater than 90 days and considered past due by the Company’s management represent 12.7% (December 31, 2022 – 16.6%) of the balance of progress billings on construction contracts receivable. Management has recorded an allowance of $0.3 million (December 31, 2022 - $1.6 million) against these past due receivables, net of amounts recoverable from others.

A significant customer is one that represents 10% or more of contract revenue earned during the year. For the years ended December 31, 2023 and 2022, no customer accounted for 10% or more of the contract revenue. 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, 2023, 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 (2022 – $0.7 million).

The Company has certain share-based compensation plans where the values are based on the common share price of the Company. At December 31, 2023, a 10 percent change in the share price applied to the Company's share based compensation plans would change income before income taxes by approximately $3.3 million (2022 – $1.4 million).

The Company has fixed a portion of the settlement costs of these plans by entering into a TRS derivative contract maturing in 2024. At December 31, 2023, a 10 percent change in the share price applied to the Company's TRS derivative would change income before income taxes by approximately $3.0 million (2022 – $1.6 million), largely offsetting the impact on the share-based compensation plans above caused by changes to market price of the Company's common shares.

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, 2023, a 10% movement in the Canadian and U.S. dollar exchange rate would have changed income before income taxes by approximately $0.1 million (2022 – $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		2023		2022
January 1 to March 31	$	0.1008	$	0.0975
April 1 to June 30	$	0.1074	$	0.0975
July 1 to September 30	$	0.1074	$	0.0975
October 1 to December 31	$	0.1074	$	0.0975

As of March 5, 2024, the Board of Directors has declared eligible dividends with a record date subsequent to December 31, 2023, for the following months:

Eligible dividends declared	Record date	Payment date		Dividend per share
January dividend	January 31, 2024	February 20, 2024	$	0.0358
February dividend	February 29, 2024	March 20, 2024	$	0.0358
March dividend	March 28, 2024	April 19, 2024	$	0.0467
April dividend	April 30, 2024	May 17, 2024	$	0.0467

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 53,891,909 common shares outstanding at March 5, 2024 (December 31, 2023 - 53,774,639). 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 $98.3 million at December 31, 2023 (December 31, 2022 - $87.8 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 33 to the December 31, 2023 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 34 to the December 31, 2023 consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

(in thousands of Canadian dollars, except per share amounts)	2022				**2023**			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	**Q4**
Revenue	$ 475,521	$ 576,688	$ 668,156	$ 648,967	$ 536,459	$ 686,415	$ 783,843	**$ 792,068**
Net income	6,361	14,104	14,466	14,932	5,149	13,714	28,795	**23,881**
Earnings per share	0.12	0.26	0.27	0.28	0.10	0.26	0.54	**0.44**
Adjusted Earnings(1)	6,546	8,491	15,502	15,485	5,272	15,680	28,983	**24,295**
Adjusted Earnings Per Share	0.12	0.16	0.29	0.29	0.10	0.29	0.54	**0.45**
Adjusted EBITDA(1)	17,835	21,508	31,203	30,639	16,082	29,457	49,342	**43,868**

(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 work program for mining clients and the timing of new project starts in its industrial work program. Contracts for industrial and institutional work 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. In the the fourth quarter of 2023, favourable winter weather conditions allowed additional progress to be achieved on multiple projects across the Company's work programs, resulting in higher work volumes being executed than in the third quarter of the year, which is typically the highest revenue quarter.

For the purpose 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. For certain types of projects, such estimating includes contingencies to allow for certain known and unknown risks, with the magnitude of contingencies depending on the nature and complexity of the remaining work to be performed. As a 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 may remain until the contract has been completed, or 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. Generally, 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 and early second quarter of each year, and significant acquisitions. In the fourth quarter of 2023, however, higher share-based compensation costs were experienced related to performance share units included in the Company's long term incentive plan due to a large increase in total shareholder return.

ACCOUNTING POLICIES

The Company's material accounting policies are outlined in the notes to the annual consolidated financial statements for the year ended December 31, 2023.

New Accounting Standards, Amendments and Interpretations Adopted

The Company has adopted new amendments effective January 1, 2023 related to amendments to IAS 1 *Disclosure of Accounting Policies,* IAS 8 *Definition of Accounting Estimates* and IAS 12 *Income Taxes* 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, 2024 that have not been applied in preparing the financial statements for the period ended December 31, 2023. 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, 2023 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, 2023 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

As permitted by NI 52-109, *Certification of Disclosures in Issuers’ Annual and Interim Filings*, Bird may limit its design of Disclosure Controls and Procedures or Internal Controls over Financial Reporting to exclude controls, policies and procedures of a business that was acquired not more than 365 days before the end of the financial period.

The controls and procedures set out below do not include controls, policies, and procedures for Trinity, acquired on February 1, 2023.

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, 2023. Based on this evaluation, the Company’s CEO and CFO have concluded that the design of the Company’s disclosure controls and procedures, as defined in NI 52-109, was effective as at December 31, 2023.

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, 2023, 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, 2023.

There have been no material changes in the Company’s internal controls over financial reporting during the period beginning on October 1, 2023 and ending on December 31, 2023, 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 significant risk factors relating to the business. 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 construction company 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 health and safety systems and programs which are continually reinforced and monitored 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.

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. With the Company's focus on collaborative contracting, many awards in both the public and private sectors are qualifications based, although price may still be an important factor in clients' procurement decisions. Qualifications may include factors such as the level of services offered, safety record, construction schedule, design (if applicable), project personnel, the composition of a 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, liquidity 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.

Performance of Subcontractors

Successful completion of a contract by Bird depends, in large part, on the satisfactory performance and availability of any 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 could 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 could 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 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.

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.

Joint Arrangement Risk

Bird sometimes forms joint arrangements to pursue and execute projects. A joint arrangement structure can be beneficial by permitting competitive advantages, pooling of resources required to complete a project and risk sharing between the joint arrangement partners. The joint arrangements in which Bird participates are typically formed to undertake a specific project, are jointly controlled by the partners and are dissolved upon completion of the project.

The agreements which govern these joint arrangements typically require that the partners supply their proportionate share of operating funds and staff and that they share profits and losses in accordance with specified percentages. Bird selects its joint arrangement partners based on a variety of criteria, including relevant expertise, past working relationships as well as analysis of the prospective partners' financial and construction capabilities.

Each joint arrangement party is typically liable for the obligations of the joint arrangement on a joint and several basis. In the event that any of Bird's joint arrangement partners fail to perform their obligations due to financial or other reasons, Bird may be required to provide additional resources to the project and assume responsibilities for the obligations of its joint arrangement partner(s) including responsibility for financial losses.

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.

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.

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.

Competitive Factors

Bird competes with many international, national, regional and local construction firms. Competitors may benefit from advantages in a particular market that Bird does not have, may have greater access to resources, or may have more experience or a better relationship with a particular client. On any given contract bid or negotiation, Bird assesses the level of real or perceived competitive advantage that its competitors have. Depending on this assessment, Bird will decide whether or not to pursue a contract, or may take other action to counteract such advantage when pursuing the work, such as adjusting the level of profit can be incorporated into its contract price and which personnel should be assigned to the contract. The accuracy of this assessment and the ability of Bird to respond to competitive factors affect Bird's success in securing new contracts and its profitability on contracts that it does secure.

Potential for Non-Payment

Before signing any construction contract, Bird conducts due diligence to satisfy itself that the potential client has adequate resources to make payments under the terms of the contract. Throughout the contract, Bird also attempts to ensure that payments are collected from clients before Bird's payments to subcontractors and suppliers for that contract fall due. However, because of the nature of Bird's contracts and occasionally because of delays in receiving customer payments, Bird may be required to utilize its working capital to temporarily fund construction costs where payment from its clients is delayed.

If a customer defaults in meeting its payment obligations to Bird on a project, Bird would generally have the right to register a lien against the project. If the customer was unable or unwilling to pay the amount owing to Bird, a lien against the property will normally provide some security that Bird may collect the amounts owing to it through the enforcement of its lien. However, in these situations, Bird's ability to collect the outstanding payments is never assured. Payment default by a client could result in a financial loss to Bird that could have a material effect on Bird's operating results and financial position.

Climate Change Risks and Opportunities

Transition to a Lower Carbon Economy

The transition to a lower-carbon economy could potentially be disruptive to traditional business models and investment strategies. Private and/or public-sector clients of the Company may choose to change their construction project priorities due to changes in project funding or public perception of the sustainability of the projects. Changing market demands are actively monitored by the Company, partially mitigating this risk as lower demand in some sectors may be offset with opportunities in others, by forming strategic partnerships and by pursuing sustainable innovations.

Government action to address climate change may include economic instruments such as carbon and energy consumption taxes as well as restrictions on economic sectors, such as cap-and-trade or more stringent regulation of greenhouse gas emissions and biodiversity protections 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.

The transition to a lower-carbon economy also presents opportunities as changing market demands are aligned to the Company’s diversified service offerings and operations in varied market sectors. Strategic acquisitions including Stuart Olson, Dagmar, Trinity and NorCan have enhanced the Company’s ability to secure and execute projects of increased scale and complexity. The Company is positioned to capture growth in key sectors including infrastructure, utilities, deep energy retrofits, nuclear and renewable energy, particularly for projects related to expanding electrification and decarbonization.

Financial

The Company’s cost of business, including insurance premiums, may increase due to the introduction of or changes to climate change measures. The Company may also incur additional expenses related to complying with environmental regulations and policies in regions where it does business. These costs could include requirements to purchase new equipment to reduce emissions to comply with new regulatory standards or to mitigate the financial impact of different forms of carbon pricing. The Company could also incur costs related to engaging with governments, regulators and industry organizations in order to proactively monitor regulatory trends, and costs to implement appropriate 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

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 and demonstrate due diligence within their value chain. 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 could be impacted as a result. In addition, the Company’s approach to climate change issues may influence stakeholders’ and clients' perceptions of the Company in relation to its peers and impact their investment and procurement decisions.

Weather Related

The probability and unpredictability of extreme weather events such as hurricanes, tornadoes, wildfires, floods, droughts and other associated incidents, such as earthquakes, may continue to increase due to climate change, and there may continue to be longer-term shifts in climate patterns. As many of the Company's construction activities are performed outdoors, extreme weather events can be disruptive to operations and cause the Company to incur additional costs such as 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 under unanticipated weather conditions. Although the Company mitigates some of these risks through contractual terms and insurance, extended periods of poor weather may have an adverse effect on profitability.

Conversely, the impact of extreme weather events on the built environment, and infrastructure in particular, creates increased demand for the construction of climate-resilient infrastructure and the post-construction hardening of existing infrastructure. The Company’s expanding capabilities to bid on and execute these types of projects creates profitable growth opportunities for the Company.

Access to Capital

The Company requires working capital to support its ongoing and future work program. Bird relies on its cash position and the availability of credit and capital markets to meet these working capital demands. As the Company’s businesses grow, the Company is continually seeking to enhance its access to funding in order to finance the higher working capital requirements associated with this growth. Further, instability or disruption of capital markets, or a weakening of the Company's cash position could restrict its access to, or increase the cost of obtaining, financing. Additionally, if the terms of the credit facility are not met, lenders may terminate the Company's right to use its credit facility, or may demand repayment in whole or in part of the Company's outstanding indebtedness, which could have a material adverse effect on the Company's financial position.

One or more third parties drawing on letters of credit or guarantees could have a material adverse effect on Bird's cash position and operations.

Some of Bird's clients also depend on the availability of credit to finance their projects. If clients cannot arrange financing, projects may be delayed or cancelled, which could have a material adverse effect on the Company's growth and financial position. Diminution of a client's access to credit may also affect the Company's ability to collect payments, negotiate change orders, and settle claims with clients which could have a material adverse effect on the Company's financial position.

Quality Assurance and Quality Control

Bird enters into contracts which specify the scope and specifications of the project to be designed and/or constructed, including quality standards. If all, or portions of the work fail to meet these standards, Bird could be exposed to additional costs for the correction of non-compliant work.

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.

Insurance Risk

In the normal course of business, Bird maintains insurance in order to satisfy the requirements of its construction contracts at a minimum, and to insure project and business risks as part of its corporate risk management policies, including risks relating to its assets. Bird places enterprise and project coverages consistent with a construction contractor of its size, complexity and breadth of operations. As a matter of business and risk assessment, Bird assesses its insurance programs routinely to ensure sufficiency of limits, breadth of coverage, and competitive pricing, all against the backdrop of a tightening insurance marketplace and restricting coverage and limits. Although Bird believes it maintains appropriate insurance coverage with sufficient limits, there can be no assurance that the Company's project-specific and corporate insurance arrangements will be sufficient to cover claims incurred. In addition, there can be no assurance that the Company's insurers and independent third-party insurers will interpret insurance policies and evaluate and adjust claims in the Company's favour in the first instance in all cases.

Access to Surety Support and Other Contract Security

On many of its construction contracts, Bird is required to provide surety bonds. Bird's ability to obtain surety bonds depends primarily upon its capitalization, working capital, past performance, capability and continuity of management, as well as its current level of activity and market conditions. As the value of Bird's backlog increases, Bird may be required to maintain higher levels of equity and working capital than it currently maintains in order to secure surety bonds.

The level of equity and working capital required to maintain ongoing surety support is subject to negotiation and other factors that cannot be determined precisely. Furthermore, the overall capacity of the surety market and claims experience of sureties will have an influence on the pricing and availability of bonds. There can be no assurance that Bird will have access to surety support on favourable or commercially reasonable terms, or at all, for contracts it would like to pursue. Bird's agreements with its surety company are on industry standard terms.

Completion and Performance Guarantees

Under some contracts, failure to meet a project deadline or other schedule milestone may, in addition to any delay-related expenses incurred by Bird, expose Bird to liquidated damages or other financial penalties that may include cost impacts to the client resulting from any delay. The Company mitigates its exposure to these risks by managing and monitoring schedule and completion progress on its projects, as well as by transferring part of the risks to its subcontractors and suppliers.

Under design-build contracts, the work, or portions thereof, may be required to meet certain performance specifications and/or other contractually specified needs of the customer. A failure to meet these requirements could expose Bird to liability for design flaws and/or additional construction costs that may result from such failures. The Company mitigates its exposure to these risks by subcontracting design services work and by subscribing for or otherwise obtaining professional liability insurance.

If Bird fails to meet completion schedules or performance or design obligations, the total costs of the project could exceed original estimates and could result in reduced profitability or a loss to Bird for that project. In extreme cases, such situations could have a material negative impact on the operating results and financial position of Bird.

Ethics and Reputational Risk

One of the Company's competitive advantages rests in its relationships with its customers and its long-standing reputation as a contractor that delivers high-quality projects and services on time, and in a safe and environmentally-friendly manner. Damage to the Company's reputation can result from the occurrence of a variety of actual or perceived events. Negative publicity can arise from a number of factors including, without limitation, the quality of service provided, business ethics and integrity, health and safety record and compliance with laws or regulations.

As part of its business dealings with governmental bodies, Bird must comply with public procurement laws and regulations aimed at ensuring that public sector bodies award contracts in a transparent, competitive, efficient, ethical and non-discriminatory manner. Although the Company has adopted control measures and implemented policies and procedures to mitigate the risk of non-compliance, these control measures, policies and procedures may not always be sufficient to protect the Company from the consequences of acts prohibited by public procurement and other laws and regulations committed by its directors, officers, employees and agents. If the Company fails to comply with these laws and regulations it could be subject to administrative or civil liabilities and to mandatory or discretionary exclusion or suspension, on a permanent or temporary basis, from contracting with governmental bodies in addition to other penalties and sanctions that could be incurred by the Company.

Negative opinion concerning any of these factors could potentially have an adverse effect on current operations and could limit the Company's prospects and impair its future success. The Company depends on its reputation as a construction company that abides by the highest ethical standards and has therefore implemented various policies and procedures to help mitigate this risk, including the adoption of: a comprehensive employee code of conduct; an anti-bribery and corruption policy; and a whistleblower policy. All employees are required to sign an acknowledgement of these policies, and to review and abide by them. In addition, the Company provides training to its employees regarding these policies, which include principles relating to harassment, fairness, conflicts of interest and other ethical business practices.

Compliance with Environmental Laws

Bird is subject to numerous federal, provincial and municipal environmental laws, and judicial, legislative and regulatory developments relating to environmental protection occur on an ongoing basis. Bird's projects can involve the handling of hazardous and environmentally sensitive materials, which, if improperly handled or disposed of, could subject Bird to civil and criminal penalties. While Bird strives to keep informed of and to comply with all applicable environmental laws, circumstances may arise and incidents may occur that are beyond Bird's control that could adversely affect Bird. Management is not aware of any pending environmental legislation or incidents that would be likely to have a materially adverse impact on any of Bird's operations, capital expenditure requirements or competitive position, although there can be no assurance that no future legislation will be enacted or incidents will occur which may have a material impact on Bird's operations.

Internal and Disclosure Controls

Bird has designed and implemented a system of internal controls and a variety of policies and procedures to provide reasonable assurance that material misstatements in the financial reporting and public disclosures are prevented and detected on a timely basis, and that other business risks are mitigated. In accordance with the guidelines adopted in Canada, the Company assesses the effectiveness of its internal and disclosure controls using a top-down, risk-based approach in which both qualitative and quantitative measures are considered. An internal control system, no matter how well it is planned, implemented and operated, can provide only reasonable, and not absolute, assurance to management and the Board of Directors regarding achievement of intended results. In addition, Bird's current system of internal and disclosure controls places reliance on key personnel across the Company to perform a variety of control functions including key reviews, analysis, reconciliations and monitoring. The failure of individuals to perform such functions or properly implement the controls as designed could adversely impact results.

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, 2023, and December 31, 2022; refer to Note 10 of the December 31, 2023 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,		Year ended December 31,	
	2023	2022	**2023**	2022
Net income	**$ 23,881**	$ 14,932	**$ 71,539**	$ 49,863
Add: Acquisition and integration costs	**561**	728	**2,132**	2,487
Add: Impairment of assets	**—**	—	**1,430**	—
Deduct: Gain on settlement of trade receivable	**—**	—	**—**	(7,596)
Income tax effect of the above items	**(147)**	(175)	**(871)**	1,270
Adjusted Earnings	**$ 24,295**	$ 15,485	**$ 74,230**	$ 46,024
Adjusted Earnings Per Share [1]	**$ 0.45**	$ 0.29	**$ 1.38**	$ 0.86

[1] Calculated as Adjusted Earnings divided by basic weighted average shares.

- **"Adjusted EBITDA"** represents earnings before interest, taxes, 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,	
	2023	2022	**2023**	2022
Net income	**$ 23,881**	$ 14,932	**$ 71,539**	$ 49,863
Add: Income tax expense	**7,385**	5,459	**21,692**	17,322
Add: Depreciation and amortization	**10,404**	8,798	**36,137**	36,439
Add: Finance and other costs	**4,247**	2,933	**13,158**	9,818
Less: Finance and other income	**(1,206)**	(904)	**(5,216)**	(10,341)
Add: Loss (gain) on sale of property and equipment	**(1,404)**	(1,307)	**(2,123)**	(4,403)
Add: Acquisition and integration costs	**561**	728	**2,132**	2,487
Add: Impairment of assets	**—**	—	**1,430**	—
Adjusted EBITDA	**$ 43,868**	$ 30,639	**$ 138,749**	$ 101,185
Adjusted EBITDA Margin [1]	**5.5 %**	4.7 %	**5.0 %**	4.3 %

[1] Calculated as Adjusted EBITDA divided by Construction 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 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 2024; expectations for Adjusted EBITDA Margins in 2024 and beyond; dividend rates, their sustainability, and expected dividend payout ratios; expectations with respect to anticipated revenue growth and seasonality, growth in earnings, cash flow, earnings per share and adjusted EBITDA in 2024 and beyond, and margin improvements; the ability of the Company to further leverage its cost structure; the Company's ability to capitalize on opportunities and grow profitably; the robustness of near to medium term demand in core markets; the sufficiency of working capital and liquidity to support growth and finance future capital expenditures; and with respect to Bird's ability to convert Pending Backlog to Backlog and the timing of conversions.

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 those listed under the section "Risks Relating to the Business" in this MD&A.

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.

2023

BIRD CONSTRUCTION INC.

Consolidated Financial Statements

for the years ended
December 31, 2023 and 2022

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 IFRS Accounting 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 5, 2024

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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, 2023 and December 31, 2022, 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 material accounting policy information (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, 2023 and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board.

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 Matter

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, 2023. 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 2023, the Entity recognized $2,798,785 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 2023 and estimated in the prior period.

For a selection of fixed price construction contracts at December 31, 2023, 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:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2023 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 information included 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 "2023 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.

- 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 5, 2024

Bird Construction Inc.
Consolidated Statement of Financial Position
As at December 31, 2023 and December 31, 2022

(in thousands of Canadian dollars)

	Note	2023	2022[1]
ASSETS			
Current assets			
Cash and cash equivalents	8	$ 177,529	$ 174,607
Accounts receivable	9	850,451	705,616
Contract assets	10	99,562	56,938
Inventory and prepaid expenses		12,076	10,385
Income taxes recoverable		5,565	13,633
Other assets	11	1,210	4,236
Assets held for sale	12	2,085	2,341
Total current assets		1,148,478	967,756
Non-current assets			
Other assets	11	3,649	5,539
Investments in equity accounted entities	13	10,479	9,786
Property and equipment	14	56,323	55,471
Right-of-use assets	15	74,114	66,136
Deferred income tax asset	20	28,935	31,564
Intangible assets	16	46,394	34,742
Goodwill	17	55,992	55,740
Total non-current assets		275,886	258,978
TOTAL ASSETS		$ 1,424,364	$ 1,226,734
LIABILITIES			
Current liabilities			
Accounts payable		$ 639,963	$ 570,679
Contract liabilities	10	206,342	146,986
Dividends payable to shareholders		1,925	1,745
Income taxes payable		12,496	10,848
Current portion of loans and borrowings	18	8,305	7,084
Current portion of right-of-use liabilities	19	20,750	17,790
Provisions	21	14,690	18,543
Other liabilities	22	9,997	9,449
Total current liabilities		914,468	783,124
Non-current liabilities			
Loans and borrowings	18	64,621	68,007
Right-of-use liabilities	19	57,680	55,469
Deferred income tax liability	20	40,959	35,756
Other liabilities	22	24,142	11,390
Total non-current liabilities		187,402	170,622
TOTAL LIABILITIES		1,101,870	953,746
SHAREHOLDERS' EQUITY			
Shareholders' capital	25	115,265	114,584
Contributed surplus		1,956	1,956
Retained earnings		205,314	156,537
Accumulated other comprehensive income (loss)		(41)	(89)
Total shareholders' equity		322,494	272,988
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 1,424,364	$ 1,226,734

[1] Certain comparative figures in 2022 have been reclassified to conform to the presentation adopted in the current year (note 36).

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, 2023 and 2022
(in thousands of Canadian dollars, except per share amounts)

	Note	2023	2022[1]
Construction revenue	10	$ 2,798,785	$ 2,369,332
Costs of construction	29	2,558,249	2,167,570
Gross profit		240,536	201,762
Income (loss) from equity accounted investments	13	3,418	(2,714)
General and administrative expenses	29	(142,781)	(132,386)
Income from operations		101,173	66,662
Finance and other income	27	5,216	10,341
Finance and other costs	28	(13,158)	(9,818)
Income before income taxes		93,231	67,185
Income tax expense	20	21,692	17,322
Net income for the period		$ 71,539	$ 49,863
Basic and diluted earnings per share	26	$ 1.33	$ 0.93

[1] Certain comparative figures in 2022 have been reclassified to conform to the presentation adopted in the current year (note 36).

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, 2023 and 2022

(in thousands of Canadian dollars)

	Note	2023	2022
Net income for the period		$ **71,539**	$ 49,863
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	**(24)**	908
Deferred tax recovery (expense)	20	**6**	(228)
		(18)	680
Items that may be reclassified to net income in subsequent periods:			
Foreign currency translation on equity accounted investments	13	**93**	(187)
Other foreign currency translation		**(38)**	53
Deferred tax recovery (expense)	20	**(7)**	32
		48	(102)
Total comprehensive income for the period		$ **71,569**	$ 50,441

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, 2023 and 2022
(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, 2022		$ 114,584	$ 1,956	$ 156,537	$ (89)	$ 272,988
Net income for the period		—	—	71,539	—	71,539
Other comprehensive income (loss) for the period		—	—	(18)	48	30
Total comprehensive income (loss) for the period		—	—	71,521	48	71,569
Common shares issued on acquisition of Trinity	7	681	—	—	—	681
Dividends declared to shareholders		—	—	(22,744)	—	(22,744)
		681	—	(22,744)	—	(22,063)
Balance at December 31, 2023		$ 115,265	$ 1,956	$ 205,314	$ (41)	$ 322,494
Dividends declared per share				$ 0.42		
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		—	—	680	(102)	578
Total comprehensive income (loss) for the period		—	—	50,543	(102)	50,441
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		

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, 2023 and 2022

(in thousands of Canadian dollars)

	Note	2023	2022[1]
Cash flows from (used in) operating activities			
Net income for the period		$ 71,539	$ 49,863
Items not involving cash:			
Amortization	16	5,998	6,665
Depreciation	14, 15	30,139	29,774
(Gain) loss on sale of property and equipment and other		(829)	(4,403)
(Income) loss from equity accounted investments	13	(3,418)	2,714
Finance and other income	27	(5,216)	(3,652)
Finance and other costs	28	13,158	9,818
Deferred compensation plan expense and other		11,584	5,985
Defined benefit pension plan expense, net of contributions		(218)	308
Unrealized (gain) loss on investments and other		(22)	(24)
Income tax expense (recovery)	20	21,692	17,322
Cash flows from operations before changes in non-cash working capital		144,407	114,370
Changes in non-cash working capital relating to operating activities	30	(55,554)	(59,317)
Interest received		4,185	4,559
Interest paid		(12,511)	(9,272)
Income taxes recovered (paid)		(4,727)	(6,941)
Net cash from (used in) operating activities		75,800	43,399
Cash flows from (used in) investing activities			
Capital distributions from equity accounted entities	12, 13	666	922
Proceeds on sale of investment in equity accounted entities	12, 13	2,408	1,501
Additions to property and equipment and intangible assets	14, 16	(30,956)	(27,766)
Proceeds on sale of property and equipment		4,278	6,444
Acquisitions, net of cash acquired	7	(5,827)	—
Other long-term assets		1,925	4,087
Net cash from (used in) investing activities		(27,506)	(14,812)
Cash flows from (used in) financing activities			
Dividends paid on shares		(22,564)	(20,941)
Net proceeds (repayment) of draws for working capital purposes	18	—	—
Proceeds from loans and borrowings	18	5,103	2,776
Repayment of loans and borrowings	18	(7,268)	(6,366)
Repayment of right-of-use liabilities	19	(20,627)	(19,747)
Net cash from (used in) financing activities		(45,356)	(44,278)
Net increase (decrease) in cash and cash equivalents during the period		2,938	(15,691)
Effects of foreign exchange on cash balances		(16)	107
Cash and cash equivalents, beginning of the period		174,607	190,191
Cash and cash equivalents, end of the period	8	$ 177,529	$ 174,607

[1] Certain comparative figures in 2022 have been reclassified to conform to the presentation adopted in the current year (note 36).

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, infrastructure and institutional 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"), alliance, 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 financial statements (the "financial statements") have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were authorized for issue on March 5, 2024 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 described 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 the Company's operating business units provide 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. Material 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 2023	2022
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%
Trinity Communication Services Ltd.	100%[1]	n/a
Proportionately consolidated joint arrangements		
Bird Kiewit Joint Venture	60%	60%
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%	50%
Bird Dawson Joint Venture	60%	60%
Bird Chandos Halifax Water	75%	n/a
LB LNG Constructors General Partnership	50%	n/a
Rail Connect Partners	50%	n/a

[1]Acquired on February 1, 2023 (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	
	2023	2022
Equity accounted investment in associates/joint ventures		
Chinook Resources Management General Partnership	50%	50%
Plenary Infrastructure ERMF GP	10%	10%
Stack Modular Structures Ltd.	50%	50%
Stack Modular Structures Hong Kong Limited	50%	50%
Stack Modular, Inc.	50%	n/a
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%
2Nations Bird Construction Ltd.	49%	n/a

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 Stack Modular, 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, is 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 makes 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 its 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 exceeds 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 by 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.

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	5 years or indefinite

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

Defined benefit ("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 is 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, 2023 or 2022.

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, 2023 related to amendments to IAS 1 *Disclosure of Accounting Policies,* IAS 8 *Definition of Accounting Estimates* and IAS 12 *Income Taxes* 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, 2024 that have not been applied in preparing the financial statements for the period ended December 31, 2023. These standards and interpretations are not expected to have a material impact on the Company's financial statements.

7. Business combinations

Acquisition of Trinity Communication Services Ltd.

On February 1, 2023, the Company acquired all of the issued and outstanding shares of Trinity Communication Services Ltd. ("Trinity"). Trinity is a diversified telecommunication and utility infrastructure contractor based in Ontario, and provides services to major national and regional telecommunication, utilities, power, and internet service providers. Trinity specializes in underground, aerial, commercial inside plant, and multi-dwelling unit installations. These self-perform capabilities enable cross-selling opportunities to the Company's sizeable national client base across multiple sectors. Overall, Trinity's capabilities complement the Company's significant electrical service offering and serve as a growth catalyst for the Company's utilities portfolio.

The purchase price of the transaction totalled $6,902 and included cash of $5,620, equity of $688, and a holdback and other liability of $594. The $594 holdback and other liability consisted of $294 related to a working capital reconciliation that was paid in the second quarter of 2023, and $300 relating to any indemnities provisions to be reconciled as at the second anniversary of the closing date.

In connection with this acquisition, the Company incurred acquisition costs of $85, comprised mainly of consulting and other professional fees, which were presented in general and administrative expenses in the statement of income. Transaction costs of $7 directly attributable to the issue of common shares related to the transaction were recognized as a reduction from shareholders' capital.

The Trinity acquisition has been accounted for as a business combination using the acquisition method of accounting whereby the assets acquired, and liabilities assumed are recognized at their fair value, except for deferred tax assets or liabilities and ROU assets and ROU liabilities identified in which the acquiree is the lessee. The fair value assigned to the net assets acquired is preliminary, and is based on estimates and assumptions using information available at the time of preparation of these consolidated financial statements. The value of the assets and liabilities associated with the Trinity acquisition were finalized subsequent to year end on February 1, 2024. 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 February 1, 2023.

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

Total common shares issued as consideration		**79,346**
Common share price at close on February 1, 2023	**$**	**8.67**
Equity consideration	$	688
Acquisition holdback and other liability		594
Cash consideration		5,620
Total Consideration	**$**	**6,902**

Fair value of assets and liabilities of Trinity acquired:		
Assets acquired		
Accounts receivable	$	6,624
Income taxes recoverable		120
Inventory and Prepaid expense		245
Property and equipment		524
ROU assets		2,414
Intangible assets		2,517
Liabilities assumed		
Bank Indebtedness		(200)
Accounts payable		(2,478)
ROU liabilities		(2,414)
Net deferred income tax liabilities		(702)
Net identifiable assets acquired	**$**	**6,650**
Goodwill		**252**
Net assets acquired	**$**	**6,902**

The fair value and gross amount of the trade receivables acquired amounted to $6,624.

Goodwill and intangible assets

Goodwill of $252 recognized as part of the acquisition is attributed to expected revenue growth and future market development, specifically in the telecom utilities sector. These benefits are not recognized separately from goodwill, as the future economic benefits arising from them cannot be reliably measured. The goodwill recognized is not deductible for tax purposes. Identifiable intangible assets acquired of $2,517 include computer software, backlog and customer relationships.

Acquisition of NorCan Electric Inc.

Subsequent to the year ended December 31, 2023, on January 18, 2024, the Company acquired the assets of NorCan Electric Inc. ("NorCan") a leading electrical and instrumentation contractor in Alberta. The purchase price of the transaction totalled $11,113 and included cash of 9,420 which was funded by debt and equity of $1,693.

The Company acquired all customer contracts, NorCan's share of the NorCan/Infinity Limited Partnership as a partner with Infinity Métis Corporation, property and equipment, and the highly qualified workforce providing services to clients. Other than certain prepaid assets, no working capital was acquired as part of the transaction.

In connection with this acquisition, the Company incurred acquisition costs of $162, comprised mainly of consulting and other professional fees, which are presented in general and administrative expenses in the statement of income.

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

The NorCan acquisition has been accounted for as a business combination using the acquisition method of accounting whereby the assets acquired, and liabilities assumed are recognized at their fair value, except for ROU assets and ROU liabilities identified in which the acquiree is the lessee. The fair value assigned to the assets acquired is preliminary, and is based on estimates and assumptions using information available at the date these consolidated financial statements were authorized for issue. The purchase price allocation may be adjusted in the future because certain fair values have not yet been finalized.

Total common shares issued as consideration		**117,270**
Common share price at close on January 18, 2024	**$**	**14.44**
Equity consideration	$	1,693
Cash consideration		9,420
Total Consideration	**$**	**11,113**
Fair value of assets and liabilities of NorCan acquired:		
Assets acquired		
Other current assets		36
Property and equipment		740
ROU assets		408
Intangible assets		6,645
Liabilities assumed		
ROU liabilities		(408)
Net identifiable assets acquired	**$**	**7,421**
Goodwill		**3,692**
Net assets acquired	**$**	**11,113**

Goodwill and intangible assets

Goodwill of $3,692 recognized as part of the acquisition is attributed to expected revenue growth and future market development, specifically in the industrial sector. These benefits are not recognized separately from goodwill, as the future economic benefits arising from them cannot be reliably measured. Identifiable intangible assets acquired of $6,645 include customer relationships and trade names.

8. Cash and cash equivalents

		2023		2022
Accessible cash	**$**	**79,884**	$	96,011
Cash held for joint operations		**62,529**		15,622
Restricted cash and cash equivalents		**35,116**		62,974
	$	**177,529**	$	174,607

9. Accounts receivable

		2023		2022 (note 36)
Progress billings on construction contracts	**$**	**564,704**	$	454,524
Holdbacks receivable (due within one operating cycle)		**280,582**		244,791
Other		**5,165**		6,301
	$	**850,451**	$	705,616

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

Accounts receivable are reported net of an allowance for doubtful accounts of $345 as at December 31, 2023 (December 31, 2022 – $1,632). 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.

		2023		2022 (note 36)
Public Private Partnerships ("PPP")	$	**123,427**	$	55,129
Alternative finance projects and complex design-build		**149,708**		120,636
Stipulated sum, unit price and standard specification design-build		**1,275,641**		1,333,889
Construction management, cost plus and IPD		**1,250,009**		859,678
	$	**2,798,785**	$	2,369,332

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, 2023, the aggregate amount of remaining performance obligations from construction contracts was $3,448,237. 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 or other formal documents to proceed to be performed as part of recurring revenue agreements.

The Company expects to recognize approximately 62% 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:

		2023		2022 (note 36)
Progress billings and holdbacks receivable (note 9)	$	**845,286**		699,315
Contract assets		**99,562**		56,938
Contract liabilities		**(206,342)**		(146,986)
	$	**738,506**	$	609,267

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.

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

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.

		2023		2022
		Construction Contracts		Construction contracts
Balance, December 31, 2022	$	**56,938**	$	55,949
Additions to contract assets		**1,201,418**		887,930
Reduction of contract assets due to progress billings		**(1,158,794)**		(886,941)
Balance, December 31, 2023	$	**99,562**	$	56,938

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, 2023, $146,986 of revenue (2022 – $130,315) was recognized that was included in the contract liability balance at the beginning of the year.

For the year ended December 31, 2023, $4,022 of revenue (2022 - $6,937) 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.

11. Other assets

		2023		2022
Subcontractor / Supplier insurance deposits	$	**1,103**	$	1,751
Lease receivables		**3,142**		4,702
TRS derivative (note 24)		**48**		2,950
Other		**566**		372
Other assets	$	**4,859**	$	9,775
Less: current portion				
TRS derivative		**48**		2,950
Lease receivables		**1,162**		1,286
Current portion		**1,210**		4,236
Non-current portion	$	**3,649**	$	5,539

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.

In December 2023, the Company amended the terms of the TRS derivative to reset the notional share price to the then current market share price of Bird common shares, resulting in a partial settlement of the derivative and cash receipt of $16,847.

The Company subleases certain facilities. The following is a detailed maturity analysis of the undiscounted finance lease payments receivable as at December 31, 2023:

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

	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	$ 3,142	$ 3,399	$ 1,241	$ 1,742	$ 416	$ —

12. Assets held for sale

Assets held for sale	2023	2022
Balance, beginning of period	$ 2,341	$ 4,416
Reclassifications into (out of) held for sale	2,319	(436)
Capital distributions received	(298)	(242)
Sale of investment	(2,277)	(1,397)
Balance, end of period	$ 2,085	$ 2,341

Investments in equity accounted entities classified as held for sale

During the first quarter of 2023, the Company initiated plans to sell an investment in an entity accounted for using the equity method. The investment was sold for a nominal gain in the second quarter of 2023.

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.

	2023		
	Joint ventures	Associates	Total
Total current assets	$ 50,343	$ 26,233	$ 76,576
Total non-current assets	113,057	169,092	282,149
Total assets	163,400	195,325	358,725
Total current liabilities	45,304	7,889	53,193
Total non-current liabilities	100,032	159,832	259,864
Total liabilities	145,336	167,721	313,057
Net assets – 100%	$ 18,064	$ 27,604	$ 45,668
Attributable to the Company	$ 7,719	$ 2,760	$ 10,479
Revenue – 100%	$ 231,555	$ 8,452	$ 240,007
Total comprehensive income (loss) – 100%	$ 8,533	$ 2,663	$ 11,196
Attributable to the Company	$ 3,021	$ 266	$ 3,287

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

	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 (loss) – 100%	$ (7,411)	$ 2,318	$ (5,093)
Attributable to the Company	$ (3,050)	$ 232	$ (2,818)

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

Investments in equity accounted entities	**2023**	2022
Balance, beginning of period	**$ 9,786**	$ 13,471
Share of net income (loss) for the period	**3,287**	(2,818)
Share of other comprehensive income (loss) for the period	**93**	(187)
	13,166	10,466
Capital distributions received	**(368)**	(680)
Investments in equity accounted entities reclassified as held for sale (note 12)	**(2,319)**	—
Balance, end of period	**$ 10,479**	$ 9,786

	2023	2022
Share of net income (loss) for the period	**$ 3,287**	$ (2,818)
Gain on sale of investments in equity accounted entities	**131**	104
Income (loss) from equity accounted investments	**$ 3,418**	$ (2,714)

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

14. Property and equipment

2023	Land	Buildings	Leasehold improvements	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost						
Balance, December 31, 2022	$ 2,788	$ 12,895	$ 20,121	$ 103,462	$ 3,137	$ 142,403
Acquisition (note 7)	—	—	64	442	18	524
Additions	—	616	2,841	11,819	547	15,823
Impairment	—	—	(433)	—	—	(433)
Disposals	(40)	—	(717)	(9,811)	(197)	(10,765)
Balance, December 31, 2023	2,748	13,511	21,876	105,912	3,505	147,552
Accumulated depreciation						
Balance, December 31, 2022	—	7,680	10,769	66,288	2,195	86,932
Disposals	—	—	(712)	(8,207)	(170)	(9,089)
Depreciation expense	—	434	2,233	10,442	277	13,386
Balance, December 31, 2023	—	8,114	12,290	68,523	2,302	91,229
Net book value	$ 2,748	$ 5,397	$ 9,586	$ 37,389	$ 1,203	$ 56,323

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

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

15. Right-of-use assets

	2023			
	Buildings	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost				
Balance, December 31, 2022	$ 51,068	$ 54,542	$ 1,856	$ 107,466
Acquisition (note 7)	1,551	852	11	2,414
Additions	9,068	15,200	—	24,268
Impairment	(997)	—	—	(997)
Disposals	(5,779)	(3,822)	—	(9,601)
Balance, December 31, 2023	54,911	66,772	1,867	123,550
Accumulated depreciation				
Balance, December 31, 2022	18,520	21,219	1,591	41,330
Disposals	(5,457)	(3,190)	—	(8,647)
Depreciation expense	6,618	9,901	234	16,753
Balance, December 31, 2023	19,681	27,930	1,825	49,436
Net book value	$ 35,230	$ 38,842	$ 42	$ 74,114

	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

During the second quarter of 2023, the Company conducted a process to rationalize its leased office space, including office locations added through recent acquisitions. As a result of the process, certain leased premises were no longer expected to be utilized in the future. Accordingly, a number of asset impairments and onerous cost provisions were recorded, and reflected in the statement of income as acquisition and integration costs in general and administrative expenses.

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

16. Intangible assets

	2023				
	Trade names	Backlog	Customer relationships	Computer software	Total
Cost					
Balance, December 31, 2022	$ 8,000	$ 4,500	$ 15,500	$ 27,565	$ 55,565
Acquisition (note 7)	—	304	2,207	6	2,517
Additions	—	—	—	15,133	15,133
Disposals	—	—	—	(1,018)	(1,018)
Balance, December 31, 2023	8,000	4,804	17,707	41,686	72,197
Accumulated amortization					
Balance, December 31, 2022	267	3,499	4,431	12,626	20,823
Amortization expense	200	1,305	2,537	1,956	5,998
Disposals	—	—	—	(1,018)	(1,018)
Balance, December 31, 2023	467	4,804	6,968	13,564	25,803
Net book value	$ 7,533	$ —	$ 10,739	$ 28,122	$ 46,394

	2022				
	Trade names	Backlog	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

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

17. Goodwill

	2023	2022
Cost		
Balance, beginning of period	$ 69,891	$ 69,891
Acquisition (note 7)	252	—
Balance, end of period	70,143	69,891
Accumulated impairment	14,151	14,151
Net book value	$ 55,992	$ 55,740

At December 31, 2023 and 2022, 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, 2023 and 2022 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:

	2023	2022
Industrial	$ 22,595	$ 41,375
Buildings	12,794	12,794
Infrastructure, Commercial Systems and Utilities	20,603	1,571
	$ 55,992	$ 55,740

Key assumptions and sensitivity analysis

The recoverable amount of the CGUs were determined based on a value-in-use calculation using cash flow projections from financial forecasts derived from the Company's 2024 Business Plan, which was reviewed by management with the Board of Directors, and the management estimates for 2025-2027.

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		2023		2022
Committed revolving credit facility	December 15, 2026	Variable	$	**22,725**	$	22,725
Committed non-revolving term loan facility	December 15, 2026	Variable		**42,750**		47,500
Equipment financing	2024 – 2028	Fixed 2.05%-6.45%		**7,451**		4,866
				72,926		75,091
Current portion				**8,305**		7,084
Non-current portion			$	**64,621**	$	68,007

The following table provides details of the changes in the Company's Loans and Borrowings for the Year ended December 31, 2023:

		Syndicated committed revolving credit facility		Syndicated committed non-revolving term loan facility		Equipment financing		Total
Balance, December 31, 2022	$	**22,725**	$	**47,500**	$	**4,866**	$	**75,091**
Net proceeds (repayment) of draws for working capital purposes		—		—		—		—
Proceeds		—		—		5,103		5,103
Repayments		—		(4,750)		(2,518)		(7,268)
Balance, December 31, 2023	$	**22,725**	$	**42,750**	$	**7,451**	$	**72,926**

During the year ended December 31, 2023, the Company made short term draws on the revolving credit facility to fund working capital. The aggregate of short term draws throughout the year totalled $85,000 with offsetting repayments totalling $85,000. (2022 -$50,000 draws and $50,000 repayments).

Syndicated credit facility

During the fourth quarter of 2023, the Company amended its syndicated credit facility (the "Syndicated Facility"), adding additional capacity under the revolving and non-revolving credit facilities and extending the maturity date to December 15, 2026. The Syndicated Facility is subject to a number of customary covenants that are tested quarterly, including financial covenants such as a minimum Debt Service Coverage Ratio, maximum Total Funded Debt to EBITDA Ratio, and maximum Direct Funded Debt to EBITDA Ratio. The Company was in compliance with its covenants under each facility as at December 31, 2023. 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 $250,000 (December 31, 2022 – $220,000) that includes up to $30,000 swingline which allows the Company to enter into an overdraft position, and $125,000 letters of credit availability. Borrowings under the facility bear interest at variable rates based on the bank prime rate or Canadian benchmark rate plus a spread. A standby fee is payable quarterly on the unutilized portion of the facility.

At December 31, 2023, the Company has $11,816 letters of credit outstanding on the facility (December 31, 2022 – $25,312) and has drawn $22,725 on the facility (December 31, 2022 – $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 2026.

Committed non-revolving term loan facility

The Company has a committed non-revolving term loan facility totalling $47,500 which was fully drawn in a prior year to finance the acquisitions of Stuart Olson and Dagmar in 2020 and 2021 respectively. The term loan has scheduled repayments due quarterly until the maturity date of December 15, 2026. Any repayment of the facility cannot be reborrowed. Borrowings under the facility bear interest at variable rates based on the bank prime rate or Canadian benchmark rate plus a spread. As at December 31, 2023, the Company has an outstanding balance of $42,750 on the facility (December 31, 2022 – $47,500).

The amended facility included an additional term loan availability of up to $14,000, available in a single draw, to fund acquisitions. This facility was used subsequent to year end to fund $9,420 cash proceeds for the NorCan acquisition (note 7). Any repayment of the term loan availability cannot be reborrowed.

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.

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, 2023, $1,018 is outstanding (December 31, 2022 – $2,057). Borrowings under the facilities are secured by a first charge against the equipment financed using the facilities. Interest on the borrowings is charged at a fixed rate and 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, 2023, the balance outstanding on these term loans amounted to $6,433 (December 31, 2022 – $2,809). 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

Letters of credit represent performance guarantees issued to support the Company’s performance obligations on major construction projects. The Company has authorized operating letters of credit facilities totalling $150,000. At December 31, 2023, the facilities were drawn for outstanding letters of credit of $38,853 (December 31, 2022 – $51,627). 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, 2023, EDC has issued performance security guarantees totalling $38,763 (December 31, 2022 – $51,537).

The remaining letters of credit are supported through the hypothecation of certain financial instruments having a market value at December 31, 2023 of $90 (December 31, 2022 – $90).

(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 eleven years but may have extension options.

The following table provides details of the changes in the Company's ROU liabilities during the period ended December 31, 2023:

		2023		2022
Balance, beginning of period	$	**73,259**	$	79,358
Acquisition (note 7)		**2,414**		—
Additions		**23,855**		15,045
Interest		**3,130**		2,805
Lease terminations and modifications		**(471)**		(1,397)
Repayment		**(23,757)**		(22,552)
Balance, end of period		**78,430**		73,259
Current portion		**20,750**		17,790
Non-current	$	**57,680**	$	55,469

Potential undiscounted cash outflows of $60,723 (December 31, 2022 - $51,903) have not been included in the measurement of the Company's ROU liabilities as at December 31, 2023 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 $9,139 for the year ended December 31, 2023 (2022 - $7,774). Total cash outflows for leases for the year ended December 31, 2023 were $32,896 (2022 - $30,326).

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, 2023, the Company had used $7,999 (December 31, 2022 – $6,460) under these facilities.

20. Income taxes

Provision for income taxes

		2023		2022
Income tax expense (recovery) comprised of:				
Current income taxes	$	**14,563**	$	5,340
Deferred income taxes		**7,129**		11,982
	$	**21,692**	$	17,322

Income tax rate reconciliation

	2023	2022
Combined federal and provincial income tax rate	**25.5%**	25.6%
Increase (reductions) applicable to:		
Non-taxable items	**0.3%**	0.5%
Other	**(2.5%)**	(0.3%)
Effective rate	**23.3%**	25.8%

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

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

		2023		2022
Provisions and accruals	$	5,259	$	4,675
Pension and other compensation		8,022		4,620
Timing of recognition of construction profits		(29,184)		(29,714)
Property and equipment		(12,606)		(5,836)
Right of use assets and liabilities and lease receivables		1,754		2,372
Intangible assets		(3,413)		(4,798)
Investment in equity accounted entities		(1,595)		(805)
Other		(3,752)		(3,365)
Tax loss carry forward		23,491		28,659
	$	(12,024)	$	(4,192)
Presentation in the statement of financial position				
Deferred income tax asset		28,935		31,564
Deferred income tax liability		(40,959)		(35,756)
	$	(12,024)	$	(4,192)

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.

	2023				
	Balance, December 31, 2022	Recognized in profit or loss	Recovery in other comprehensive income	Acquisition (note 7)	Balance, December 31, 2023
Provisions and accruals	$ 4,675	$ 584	$ —	$ —	$ 5,259
Pension and other compensation	4,620	3,396	6	—	8,022
Timing of recognition of construction profits	(29,714)	530	—	—	(29,184)
Property and equipment, including software	(5,836)	(6,733)	—	(37)	(12,606)
ROU assets and liabilities	2,372	(618)	—	—	1,754
Intangible assets, excluding software	(4,798)	2,050	—	(665)	(3,413)
Investments in equity accounted entities	(805)	(783)	(7)	—	(1,595)
Other	(3,365)	(387)	—	—	(3,752)
Tax loss carry forward	28,659	(5,168)	—	—	23,491
	$ (4,192)	$ (7,129)	$ (1)	$ (702)	$ (12,024)

(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, including software	(7,254)	1,418	—	(5,836)
ROU assets and liabilities	3,342	(970)	—	2,372
Intangible assets, excluding software	(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)

21. Provisions

	Warranty claims and other	**Legal**	**Total**
Balance, December 31, 2022	**$ 10,254**	**$ 8,289**	**$ 18,543**
Provisions made during the period	**8,277**	**943**	**9,220**
Provisions used during the period	**(3,849)**	**(1,051)**	**(4,900)**
Provisions reversed during the period	**(6,848)**	**(1,325)**	**(8,173)**
Balance, December 31, 2023	**$ 7,834**	**$ 6,856**	**$ 14,690**

	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

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.

Warranty claims and other provisions made in 2023 include $1,024 of onerous contract provisions resulting from the Company's decision to optimize its leased office space, including leased premises added through recent acquisitions.

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

22. Other liabilities

	2023	2022
Liabilities for cash-settled share-based compensation plans (note 24)	**$ 32,764**	$ 18,511
Leasehold inducements	**1,075**	1,328
Acquisition holdback and other liability	**300**	1,000
	34,139	20,839
Less: current portion		
Cash-settled share-based compensation plans (note 24)	**9,729**	8,181
Leasehold inducements	**268**	268
Acquisition holdback and other liability	**—**	1,000
Current portion	**9,997**	9,449
Non-current portion	**$ 24,142**	$ 11,390

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 of 2022, the Company commenced the process of winding up one of the pension plans, which remains in process at December 31, 2023. In connection with the winding up process, in 2022 a partial settlement of the plan occurred resulting in the derecognition of obligations totalling $13,732, a settlement loss of $558 recorded in general and administrative expenses, and $844 other comprehensive income related to changes in the asset ceiling.

DC pension plans

The total expense recognized in the statement of income during the year ended December 31, 2023 of $479 (2022 - $583) 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.

Fair market value of plan assets

	2023	2022
Equity securities	**$ 5,048**	$ 5,092
Fixed income allocation	**8,485**	7,744
Debt securities	**—**	—
Other return seeking investments	**2,891**	2,711
Cash and cash equivalents	**145**	720
	$ 16,569	$ 16,267

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

Reconciliation of amounts in the financial statements

	2023	2022
Accrued benefit obligation		
Balance, beginning of period	**$ 15,899**	$ 37,339
Employer current service cost	**152**	230
Interest cost on the defined benefit obligation	**755**	906
Benefit payments	**(1,951)**	(1,649)
Actuarial (gain) loss due to experience adjustments	**(571)**	93
Actuarial (gain) loss due to changes in financial assumptions	**1,640**	(7,288)
Settlements	**83**	(13,732)
Balance, end of period	**$ 16,007**	$ 15,899

	2023	2022
Fair value of plan assets		
Balance, beginning of period	**$ 16,267**	$ 37,928
Employer contributions	**604**	981
Interest income on plan assets	**778**	909
Actuarial gain (loss) on plan assets, excluding interest income	**1,044**	(7,131)
Benefit payments	**(1,951)**	(1,650)
Administration costs	**(322)**	(480)
Settlements	**149**	(14,290)
Balance, end of period	**$ 16,569**	$ 16,267

	2023	2022
Recognized asset (liability) for defined benefit obligations	**$ 562**	$ 368

	2023	2022
Asset ceiling		
Balance, beginning of period	**$ —**	$ 821
Interest on asset ceiling	**—**	23
Change in asset ceiling	**—**	(844)
Balance, end of period	**$ —**	$ —

During the period ended December 31, 2023, $385 (2022 – $1,289) was recorded in general and administrative expenses in the statement of income, and a loss of $24 (2022 – gain of $908) before tax, was recorded in other comprehensive income, relating to the DB plans. The loss relates to investment earnings being less than the expected interest income on the plans' assets and changes in financial assumptions.

Actuarial assumptions

	2023	2022
Discount rate on net benefit obligations	**4.6 %**	5.1 %
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 $1,994 (December 31, 2022 – $1,873).

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

24. Share-based compensation plans

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

	2023	2022
MTIP liability	$ 203	$ 1,168
EIP liability	19,250	8,975
DSU liability	13,311	8,368
Liabilities for cash-settled share-based compensation plans	32,764	18,511
Less: current portion		
MTIP liability	105	1,168
EIP liability	8,288	4,707
DSU liability	1,336	2,306
Current portion	9,729	8,181
Non-current portion	$ 23,035	$ 10,330

	2023			2022		
	MTIP	EIP[1]	DSUs	MTIP	EIP[1]	DSUs
Units, beginning of period	188,906	1,712,974	1,030,552	809,213	1,398,029	813,258
Granted [2]	43,720	865,153	187,254	47,980	735,192	217,294
Forfeited	(11,961)	—	—	(18,687)	—	—
Vested and paid	(183,976)	(553,215)	(293,419)	(649,600)	(420,247)	—
Units, end of period	36,689	2,024,912	924,387	188,906	1,712,974	1,030,552

[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, 2023, the Company had 1,012,456 outstanding RSUs and 1,012,456 outstanding PSUs, before the impact of the performance multiplier (December 31, 2022 – 856,487 and 856,487units, respectively). The outstanding PSU balance as at December 31, 2023, adjusted for the performance conditions that modify the vested value, is 1,277,184 units (December 31, 2022 – 956,192 units).

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 2.0, 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 2023, the Company granted 40,190, 41,390, 32,855 and 23,029 units under the DSU plan at a fair market value of $9.05, $8.20, $10.33 and $14.56 respectively, excluding dividend reinvestments. The Company also granted 719,234 units under the EIP plan in March 2023 at a fair market value of $9.34, excluding dividend reinvestments.

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

As at December 31, 2023, a total of 2,061,600 unvested phantom units of the MTIP and EIP (December 31, 2022 – 1,901,880) are outstanding and valued at $33,499 (December 31, 2022 - $16,253) of which $19,453 has been recognized to date in the statement of income (2022 - $10,143).

Pursuant to the Company's MTIP granted in 2023, the units vest over periods ranging from November 2024 to November 2027. Payments pursuant to the Company's EIP granted in 2021, 2022 and 2023 vest on December 2024, December 2025 and December 2026, 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]

		2023		2022
MTIP	$	**1,222**	$	399
EIP		**16,343**		3,543
DSU		**8,214**		382
	$	**25,779**	$	4,324

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

The Company entered into a TRS derivative contract 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 gain of $13,945 on these derivatives in the statement of income in general and administrative expenses for the year ended December 31, 2023 (2022 - $1,946 loss).

25. Shareholders’ capital

The Company is authorized to issue an unlimited number of common shares. The Company is authorized to issue unlimited preference shares, which can be issued in series with rights set by the Board of Directors. As at December 31, 2023 and December 31, 2022, no preferred shares have been issued. During the year ended December 31, 2023, transaction costs of $7 directly attributable to the issuance of common shares for the acquisition of Trinity were recognized as a deduction from shareholders' capital (note 7).

	2023			2022		
	Number of shares		**Amount**	Number of shares		Amount
Balance, beginning of period	**53,695,293**	$	**114,584**	53,695,293	$	114,584
Common shares issued (note 7)	**79,346**		**681**	—		—
Balance, end of period	**53,774,639**	$	**115,265**	53,695,293	$	114,584

26. Earnings per share

		2023		2022
Net income	$	**71,539**	$	49,863
Weighted average number of common shares (basic and diluted)		**53,767,900**		53,695,293
Basic and diluted earnings per share	$	**1.33**	$	0.93

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

27. Finance and other income

	2023	2022
Interest income on lease receivables	$ 116	$ 151
Gain on settlement of trade accounts receivable	—	7,596
Other interest income	5,100	3,497
Gain (loss) on warrants	—	(903)
	$ 5,216	$ 10,341

In the prior year ended December 31, 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 included 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

	2023	2022 (note 36)
Interest on loans and borrowings	$ 8,864	$ 6,362
Interest on ROU liabilities	3,130	2,805
Other	1,164	651
	$ 13,158	$ 9,818

29. Personnel costs

	2023	2022
Short-term employee benefits	$ 805,139	$ 667,032
Defined benefit and defined contribution plan expense (note 23)	864	1,872
Deferred compensation (note 24)	25,779	4,324
	$ 831,782	$ 673,228

For the year ended December 31, 2023, personnel costs of $733,012 were included in costs of construction (2022 – $594,518) and $98,770 in general and administrative expenses (2022 – $78,710). 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. Other cash flow information

Changes in non-cash working capital relating to operating activities

	2023	2022 (note 36)
Accounts receivable	$ (137,295)	$ (108,864)
Contract assets	(42,624)	(989)
Inventory and prepaid expenses	(1,446)	(979)
Other assets	124	(92)
Accounts payable	66,160	55,804
Contract liabilities	59,356	16,671
Provisions	(3,853)	(8,773)
Deferred compensation plan expense and other	4,024	(12,095)
	$ (55,554)	$ (59,317)

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

Change in liabilities arising from financing activities

	2023			
	Dividend payable	Loans and borrowings	ROU liabilities	Total
Balance, December 31, 2022	$ 1,745	$ 75,091	$ 73,259	$ 150,095
Acquisition (note 7)	—	—	2,414	2,414
Cash flows				
Proceeds	—	5,103	—	5,103
Repayments	—	(7,268)	(23,757)	(31,025)
Dividends paid on shares	(22,564)	—	—	(22,564)
Non-cash changes				
Net additions to ROU liabilities	—	—	23,384	23,384
Interest accretion	—	—	3,130	3,130
Dividends declared	22,744	—	—	22,744
Balance, December 31, 2023	$ 1,925	$ 72,926	$ 78,430	$ 153,281

	2022 (note 36)			
	Dividend payable	Loans and borrowings	ROU liabilities	Total
Balance, December 31, 2021	$ 1,745	$ 78,681	$ 79,358	$ 159,784
Cash flows				
Proceeds	—	2,776	—	2,776
Repayments	—	(6,366)	(22,552)	(28,918)
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

31. 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 TRS derivative contract (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, 2023 and 2022.

(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.

A significant customer is one that represents 10% or more of contract revenue earned during the year. For the year ended December 31, 2023, no customer accounted for 10% or more of the contract revenue (2022 - nil).

Short-term deposits and short-term investments, if any, 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, 2023, accounts receivable outstanding for greater than 90 days and considered past due by the Company represent 12.7% (December 31, 2022 – 16.6%) of the balance of progress billings on construction contracts receivable. The Company has recorded an allowance of $345 (December 31, 2022 – $1,632) against these past due receivables, net of amounts recoverable from others.

	Amounts past due			
	Up to 12 months	Over 12 months	2023	2022
Trade receivables	$ 43,429	$ 28,194	$ 71,623	$ 76,298
Impairment	—	(345)	(345)	(1,632)
Total Trade receivables	$ 43,429	$ 27,849	$ 71,278	$ 74,666

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.

The Company has working capital of $234,010 (December 31, 2022 – $184,632) 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 $35,026 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 improve the Company's access to liquidity. At December 31, 2023, the Company had a total undrawn balance on its committed revolving credit facility of $215,459 (December 31, 2022 – $171,963). 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 $38,982 is undrawn as at December 31, 2023 (December 31, 2022 – $37,943). 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.

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

The following are the contractual obligations, including estimated interest payments, as at December 31, 2023, 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 and variable interest rates.

	Carrying amount	Contractual cash flows	Not later than 1 year	2 – 3 years	4 – 5 years	Later than 5 years
Trade payables	$ 639,963	$ 639,963	$ 591,577	$ 48,345	$ 41	$ —
Dividends payable	1,925	1,925	1,925	—	—	—
ROU liabilities	78,430	87,483	23,975	35,157	15,641	12,710
Committed revolving credit facility	22,725	22,725	—	22,725	—	—
Committed non-revolving term loan	42,750	42,750	5,938	36,812	—	—
Equipment financing	7,451	8,212	2,717	4,167	1,328	—
Acquisition holdback and other liability (note 7)	300	300	—	300	—	—
	$ 793,544	$ 803,358	$ 626,132	$ 147,506	$ 17,010	$ 12,710

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:

	2023	2022
Fixed-rate facilities	$ 7,451	$ 4,866
Variable-rate facilities	65,475	70,225
Total loans and borrowings	$ 72,926	$ 75,091

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, 2023, 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 $655 (2022 – $702).

The Company has certain share-based compensation plans, where the values are based on the common share price of the Company. At December 31, 2023, a 10 percent change in the share price applied to the Company's share based compensation plans would change income before income taxes by approximately $3,276 (2022 – $1,352).

The Company has fixed a portion of the settlement costs of these plans by entering into a TRS derivative contract maturing in 2024. The TRS derivative is not designated as a hedge. The change in the value of the TRS derivative is recorded each quarter based on the difference between the notional price and the market price of the Company's common shares at the end of each quarter. The TRS derivative is classified as derivative financial instrument. At December 31, 2023, a 10 percent change in the share price applied to the Company's TRS derivative would change the fair value of the derivative by approximately $3,036 (2022 – $1,640), with a corresponding impact to income before income taxes.

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, 2023, a 10 percent movement in the Canadian and U.S. dollar exchange rate would have changed the carrying value of U.S. dollar denominated assets and liabilities by approximately $127 (2022 – $233), with a corresponding impact to income before income taxes.

32. 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 a 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.

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

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:

		2023		2022
Working capital	$	**234,010**	$	184,632
Loans and borrowings – non current	$	**64,621**	$	68,007
Shareholders' equity	$	**322,494**	$	272,988

33. 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, 2023 totalled $98,335 (December 31, 2022 – $87,787). 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, 2022 – $1,816).

During the year ended December 31, 2023, the Company signed orders with a fleet management provider for leases totalling $5,287 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, 2023, the Company has minimum payments under contracts for other purchase obligations that are not recognized as liabilities in the statement of financial position of $6,094 due within the next 12 months, $7,659 from 1 to 3 years, and $4,349 from 3 to 5 years.

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.

34. 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.

		2023		2022
Short-term benefits	$	**7,812**	$	5,889
Share-based compensation		**16,513**		2,319
	$	**24,325**	$	8,208

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 $3,200 (2022 - $1,037) and the outstanding balance receivable, including holdbacks receivable, at December 31, 2023 was $3,275 (December 31, 2022 - $571).

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

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, 2023 totalled $36,943 (2022 - $34,979).

The Company has accounts receivable from the joint arrangements at December 31, 2023 totalling $5,466 (December 31, 2022 - $5,017).

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, 2023 totalled $172,495 (2022 – $57,607), and $182,649 has been recognized in revenue in 2023 (2022 - $53,093). The Company's proportionate share of payments made to the joint arrangements for the year ended December 31, 2023 totalled $2,595 (2022 - $580). 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, 2023 totalled $51,772 (December 31, 2022 - $24,378).

35. 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, 2024	February 20, 2024	$0.0358
February dividend	February 29, 2024	March 20, 2024	$0.0358
March dividend	March 28, 2024	April 19, 2024	$0.0467
April dividend	April 30, 2024	May 17, 2024	$0.0467

Business acquisition:

Subsequent to the year end, the Company acquired the assets of NorCan Electric Inc. ("NorCan") a leading electrical and instrumentation service provider in Alberta. The total consideration for the transaction was $11,113, which was funded through a combination of debt of $9,420 and the Company's common shares of $1,693. See Note 7.

36. Comparative figures

Certain comparative figures for the prior period have been reclassified to conform to the presentation adopted in the current period. There was no resultant impact on net income, comprehensive income, cash flow, or financial position of the Company from the reclassifications.

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Bank of Montreal

SURETY

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STOCK EXCHANGE LISTING

Toronto Stock Exchange (Symbol "BDT")

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services

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