bird

2021 Annual Report

Major Industrial Site, BC

CONTENTS

LETTER TO SHAREHOLDERS

Over our 100 year history, Bird has evolved from humble beginnings in Moose Jaw, Saskatchewan, to a nationally recognized and respected publicly-traded company with over $2 billion in revenue, operations from coast-to-coast, and an exceptional team of over 5,000 dedicated employees. More recently, we have positioned ourselves to accelerate future growth through the acquisitions of Stuart Olson and Dagmar.

These acquisitions have strengthened our combined team, diversified our geographical reach and capabilities, and afforded us the opportunity to successfully pursue projects that were traditionally beyond Bird's reach. This, coupled with a continued focus on collaborative contracting methods and the de-risking of our project portfolio, has resulted in the execution and delivery of higher margin work.

Throughout our evolution, Bird has remained rooted in a culture of prudence and pragmatism that is driven by our dedicated employees. Our focus on world -class safety and superior customer service, while maintaining a healthy balance sheet, has resulted in a strong work program, and increased overall visibility to future opportunities and improved margins. Bird's 2021 results highlight the combined strengths of the organization and the execution against our strategic priorities, with record revenue and over $3 billion of Backlog at year-end.

Revenue

$2.2B

Record Backlog

$3.0B

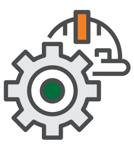
Putting safety first

Safety has always been our top priority. We are committed to work in collaboration with all employees, trade contractors, clients, and suppliers to achieve the healthy and safe work environment that every worker deserves so that everyone goes home safe every day. This commitment was further embedded during the COVID-19 pandemic, which continued to disrupt global health and the economy in 2021. Bird's robust approach to health and safety measures mitigated major disruptions to the business. Our approach included the introduction of a testing and vaccination policy that allowed our teams to reduce the threat of COVID-19. The health and safety of our employees remains paramount, which is why we believe that by working together, we can protect those around us, and ensure a safe and healthy workplace.

Bird's robust approach to health and safety measures mitigated major disruptions to the business.

Bird's three-year Strategic Plan is built upon three key pillars:

TEAM



PERFORM

DIVERSIFY

Creating value through diversification

The transformational acquisition of Stuart Olson in 2020 increased our geographic footprint and service offering, and enhanced our extremely talented pool of employees. We have since realized over $25 million in annualized cost synergies, and expect to realize further cost savings as we continue our integration journey. The acquisition of Dagmar in 2021 will provide additional opportunities for growth, particularly within Ontario – Canada's largest civil infrastructure market. Dagmar's extensive experience within the specialized civil infrastructure market, specifically within the rail sector, expands Bird's capabilities and relationships, and will be a significant catalyst for long-term growth within this sector. These acquisitions, combined with organic growth, cross-selling opportunities, and a focus on collaborative contracting methods, will continue to drive growth and generate value for our shareholders.

Embedding sustainability

Bird's long-term Environmental, Social, and Governance (ESG) vision remains rooted in our belief that the construction industry plays an important role in providing sustainable, innovative, and lasting solutions not only for our employees, clients, and partners, but also for the communities in which we live and work. We strive to maximize our positive social and environmental impact, such as through our Mass Timber Centre of Excellence, robust health and safety programs, and respectful engagement with Indigenous communities. Our strong corporate governance framework ensures accountability and stewardship across all our operations. We look forward to sharing more about our ESG Program in the 2021 Sustainability Overview, which will be released in May of this year.

Charting a course for future success

In September, Bird held its inaugural virtual Investor Day where we outlined the Company's 2022-2024 Strategic Plan, which is built upon three key pillars: Team, Perform and Diversify. The plan focuses on the further development of Bird's team, strong project execution, and the geographic diversification of our expanded service offerings. We believe that the achievement of our strategic objectives in three years' time will position Bird as a leader across our industry with world-class safety, high employee engagement, and strong collaboration across our teams and operating groups.

Executing excellence with strong teams

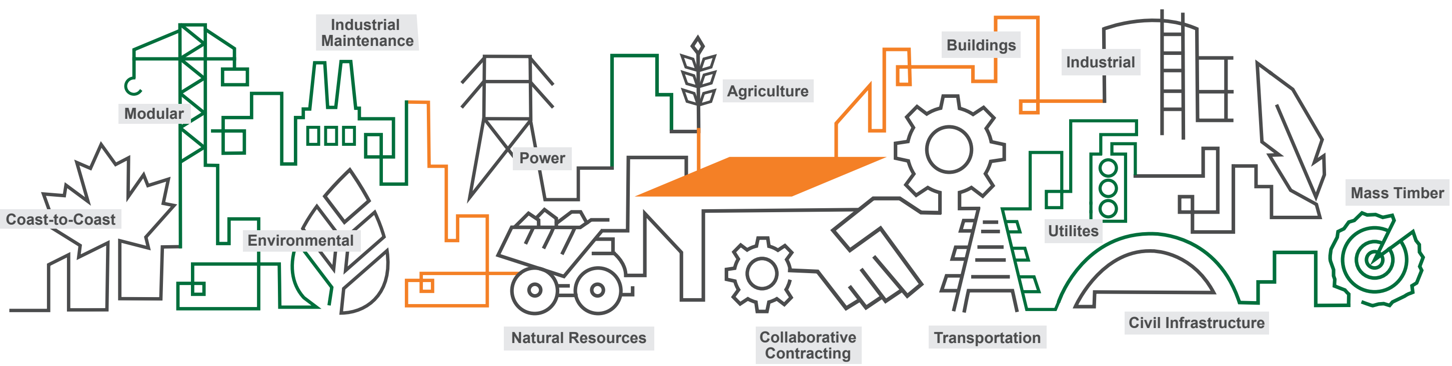
As we close out 2021 and look to the future, we are proud of the company that Bird is today. We have made tremendous strides to build a solid foundation for the execution of our strategic priorities by leveraging our deep roots, maintaining a measured and consistent approach, and capitalizing on a robust pipeline of opportunities that were not available to our organization prior to the acquisitions of Stuart Olson and Dagmar. We believe the priorities Bird will execute over the near to medium term will drive superior, risk-adjusted shareholder returns.

We expect Bird's momentum to continue to build as we remain focused on our collaborative approach and continue to deliver on our strategic priorities. With a strong balance sheet and record Backlog, as well as a favourable backdrop of strong infrastructure spending and a positive commodity price environment, we are ideally situated to capitalize on the significant growth opportunities ahead of us.

Thank you for your support as we continue our journey,

Paul R. Raboud
Chairman of the Board

Terrance L. McKibbon
President and CEO

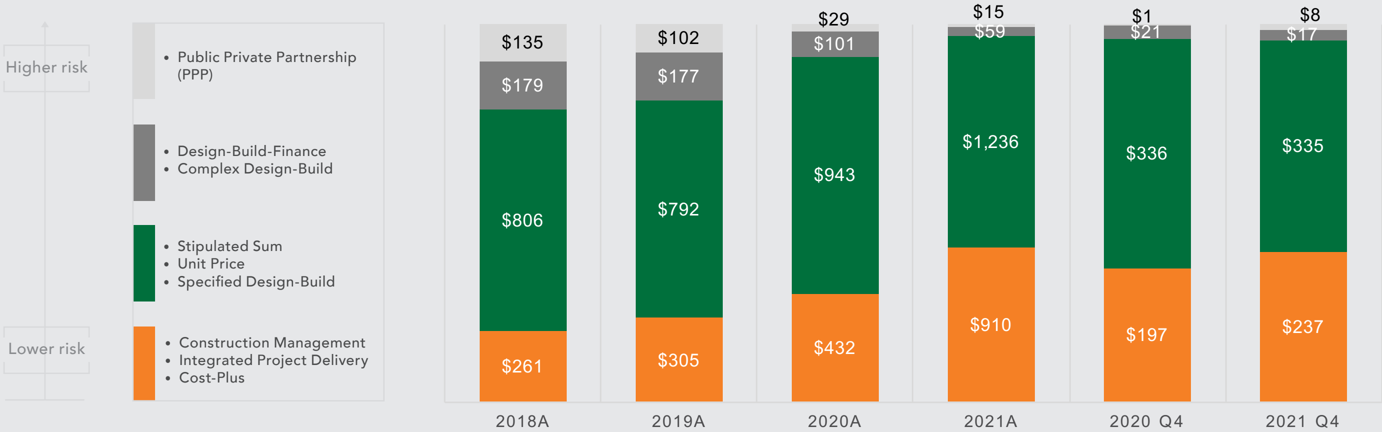


2021 FINANCIAL HIGHLIGHTS

Revenue	Record Backlog[1]	Pending Backlog[1]
$2.2B	**$3.0B**	**$1.6B**
Net Income	Adjusted EBITDA[2]	Adjusted Earnings[2]
$43M	**$108M**	**$51M**

Diversifying Risk: Revenue by Contract Type

in $millions of Canadian dollars

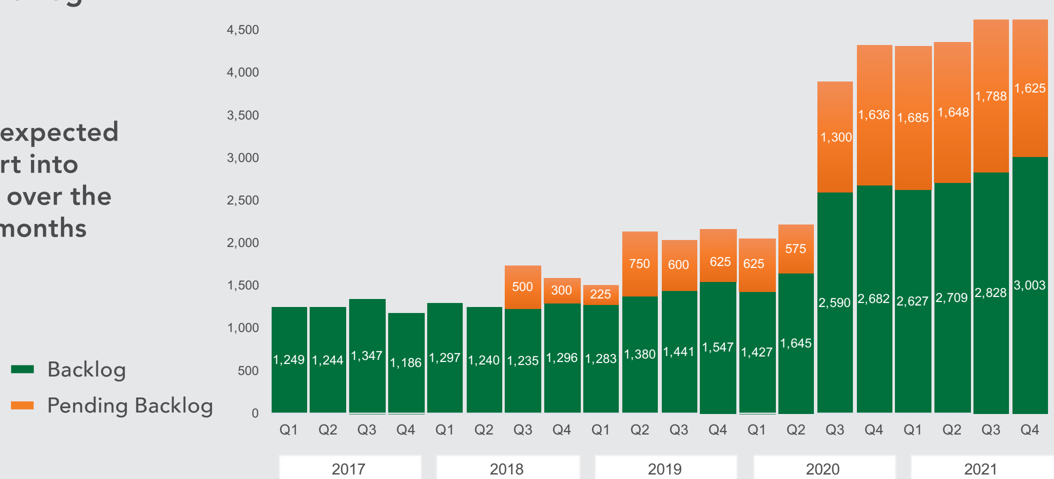


- Increased diversification across services, end-markets and geographies; well-balanced portfolio of low-to-medium risk projects.
- **Over 95% percent of 2021 revenue is considered low-to-medium risk** and supports the company balanced revenue mix target.
- Focus on maintaining balance going forward.

Backlog and Pending Backlog

in $millions of Canadian dollars

Backlog expected to convert into Revenue over the next 12 months



(1) Adjusted EBITDA and Adjusted Earnings are non-GAAP financial measures. Refer to the Terminology and Non-GAAP & Other Financial Measures section of Management's Discussion and Analysis.

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

HEALTH AND SAFETY

COVID-19 Response

The health and safety of employees is paramount and, as a result of the pandemic, the Company increased health and safety initiatives to meet or exceed guidance from applicable public health authorities. Adding to its repertoire of robust protocols, the Company released a vaccination and testing policy to reduce the threat of COVID-19.

The duration of the pandemic and the associated impact to future financial and operational measures are unknown. As a result, the corresponding impacts to key variables including our workforce, supply chain, project pursuit and awards cycle, and project site measures is uncertain. The situation remains extremely fluid; however, the Company responded well to the challenges presented to date and is well-positioned to continue reacting appropriately to fluctuating scenarios.

Throughout the pandemic, our employees have remained dedicated to safely and effectively delivering on project commitments. Their ability to navigate through fluid situations is both recognized and appreciated by the Company, its executives, and Directors.

HEALTH AND SAFETY HIGHLIGHTS

2021 Canadian Safety Achievement Awards

The Industrial Maintenance, Repair, and Operations (MRO) team was awarded the **General Presidents', Safety Excellence Award,** the **William Warchow Safety Leadership & Innovation Award**, the **Tripartite Zero Injury Turnaround Award**, and the **365 Daily Maintenance Award.**

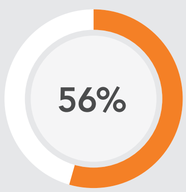
- **General Presidents' Safety Excellence Award:**
  Quartile 4 – 1,024,497 Injury Free Craft Hours & 0.00 TRIR
- **William Warchow Safety Leadership & Innovation Award:**
  COVID-19 Pandemic Program
- **Tripartite Zero Injury Turnaround Award:**
  TA – 220,754 Injury Free Craft Hours
- **365 Daily Maintenance Award:**
  803,743 Injury Free Craft Hours

New Brunswick District recognized at 2021 NBCSA Awards

The New Brunswick Construction Safety Association awarded Bird's local team with the **Best Practice Award** for their ongoing

Highlights Continued

work with an electronic mobile safety software, which has enhanced the accessibility of project documents, expediting records requests for auditors, inspectors, and officers.



Notably, since implementing the software, the time required for corrective actions has been lowered by 56%.

Distinguished Achievement in Health and Safety

Bird's team in Ontario received the **Distinguished Achievement in Health and Safety** from the Ontario General Contractors Association for the second year in a row for achieving a zero-injury frequency.

2021 Alberta Construction Safety Association Achievement Awards

The Industrial MRO team was awarded the Lakeland Regional **Trailblazer Award** as part of the Alberta Construction Safety Association 2021 Achievement Awards. The award is presented to organizations that demonstrate their commitment to enhancing workplace safety and their dedication in promoting health and safety within the communities they serve.

National Construction Safety Officer™ (NCSO™) of the Year

Industrial team member, Kayla Smith, was awarded the **NCSO™ of the Year Award.** This achievement recognizes individuals who are dedicated to their careers in safety, and go beyond managing projects and initiatives, partaking in extracurricular activities such as training and volunteering. An NCSO™ is a valuable resource for a company's management, ensuring the diligent implementation and administration of its health and safety programs.

Safety Professional of the Year

Alex Webb of Bird's New Brunswick district was awarded **Safety Professional of the Year** from the New Brunswick Construction Safety Association for his outstanding contributions to Bird's safety culture. Recognized as a leader on site, Alex continuously strives to meet industry best practices and provide a safe environment.

Pacesetter Award

The Industrial MRO team secured an Alberta Construction Safety Award with Catherine Connauton being awarded the **Pacesetter Award**. This award recognizes a safety professional for outstanding service to their teams, and for their commitment and leadership in promoting health and safety in their communities.

YEAR IN REVIEW

Building Long-term Shareholder Value

- On September 1, 2021, Bird announced the **acquisition of Dagmar Construction,** a high-performing Ontario-based civil infrastructure construction business. The acquisition created a significant opportunity to leverage Dagmar's experience in delivering complex, specialized projects, and drive higher self-perform margins. Through Dagmar's extensive experience across key civil infrastructure sub-sectors including bridge, rail, sewer and water, road and commercial-institutional sites, Bird achieved increased diversification in Ontario's established, high growth market. The Dagmar acquisition is a catalyst for long-term growth in the infrastructure sector and has provided opportunities for Bird to combine its national civil resources with Dagmar's extensive experience in Ontario. The acquisition supports the strategy to diversify across both geography and market segments.

- Consistent with its strategic priorities, Bird maintained a strong balance sheet with significant financial flexibility and strong liquidity in 2021. In September, Bird **extended its Syndicated Credit Facility** by an additional year, to mature into 2024, and expanded the committed Syndicated Credit Facility to $235 million. These adjustments to the credit facility allow Bird to continue to capitalize on a robust bidding pipeline and improving growth prospects.

- In September, Bird hosted its **inaugural virtual Investor Day.** The event featured presentations from the Company's senior executive leadership team and Chair of the Board of Directors. Topics covered included operational priorities, ESG and people strategy updates, financial overview and outlook, and an overview of the Company's 2022-2024 Strategic Plan.

Consistent with its strategic priorities, Bird maintained a strong balance sheet with significant financial flexibility and strong liquidity in 2021.

August 31, 2021, Bird announced the acquisition of Dagmar Construction

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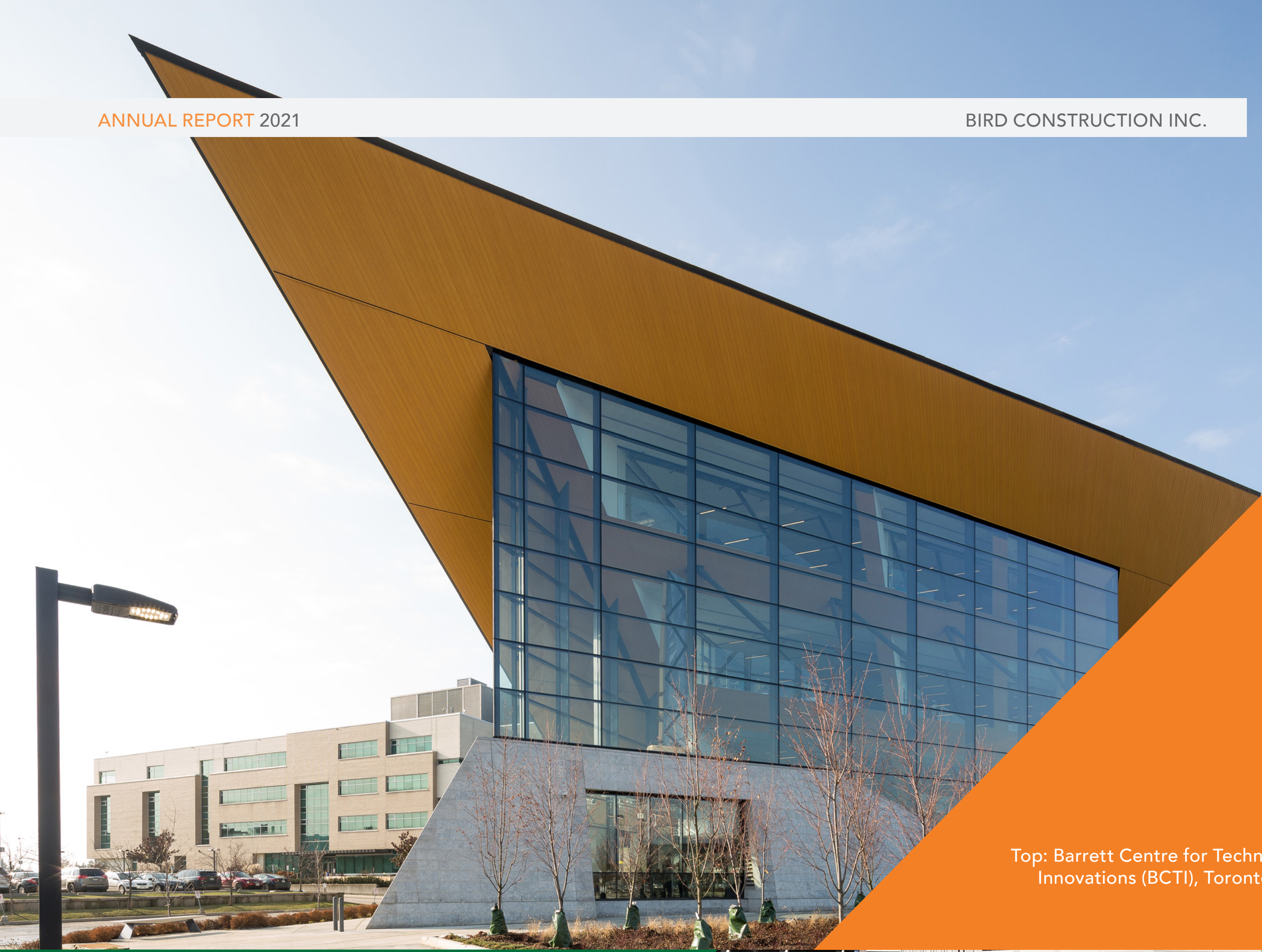
$235M

Bird hosted its inaugural virtual Investor Day



Top: Barrett Centre for Technology Innovations (BCTI), Toronto, ON

Bottom: Edmonton Convention Centre Atrium Skylight, Edmonton, AB

ESG in Action

Bird is committed to entrenching sustainability best practices within all areas of the business, transforming the way we work, build, and live. **Bird's ESG Program** is based on research, industry best practices, materiality to the business and stakeholders, and expert external guidance. Last year, the Company released its first Sustainability Overview, which provided a snapshot of some of the ESG initiatives at Bird. The 2021 Sustainability Overview will be released in the second quarter of 2022 and will showcase some of the achievements from the past year as Bird continues the journey of learning, evolving, innovating, and growing.

An Indigenous fancy dancer performing at a Bird Industrial site.

— Indigenous Relations

Bird strives to be a positive contributor to the overall well-being of Indigenous Peoples and groups with whom we interact across Canada.

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

- Over the past year, Bird has entered into new partnerships, built upon existing relationships, and undertaken a range of initiatives with and within Indigenous communities across the country. This includes awarding more than **$87.5 million** in subcontracts and joint ventures to Indigenous groups and partners, investing more than $50,000 in community initiatives, and providing $7,500 in scholarships to Indigenous students.

- Bird received the Top Employer of Indigenous Apprentices Award for 2020, presented by Alberta Apprenticeship and Industry Training (AIT). This award recognizes employers who have an outstanding commitment to recruiting and training Indigenous apprentices, which helps to strengthen and diversify the apprenticeship and industry training system, now and into the future.

Bird was the recipient of the Top Employer of Indigenous Apprentices Award for 2020, presented by Alberta Apprenticeship and Industry Training.

- Bird was awarded the **2021 Employer Partnership of the Year Award** and acknowledged for outstanding efforts to create inclusive workplaces and innovative employment programs in partnership with an Indigenous community at the BC Career Development Association Top Achievement Awards.

$87.5+ million in subcontracts and joint ventures to Indigenous groups and partners.

— Indigenous Relations continued

- Bird has expanded the reach of online Indigenous Cultural Awareness Training Program, which was developed in cooperation with NVision, an Inuit-owned company. It aims to educate management and employees and enable them to deliver on Bird's commitment to its Indigenous Relations Policy, strategies and plans. The Cultural Awareness Training is mandatory for all employees, including the recently acquired companies as well as Stack Modular, and is the first step each Bird employee takes to promote positive relationships with Indigenous individuals, businesses, and communities.

- The Bird Construction/Paul and Gerri Charette Endowment Fund was established which will ensure the ongoing financing of a new bursary offered to Indigenous students across the country. The Charettes generously seeded the fund with $100,000, which was matched by Bird. The vision is to advance reconciliation and empower Indigenous individuals and communities by removing barriers to education for learners, while promoting a culture of respect and inclusion. For the 2021-2022 school year, the first distribution of the Bird Construction/Paul and Gerri Charette Fund will include four bursaries of $2,500 each.

  Paul Charette is currently an Independent Director on Bird's Board of Directors, having previously served as Chair of the Board for 20 years.

— Build Green

The MacKimmie Tower Project at the University of Calgary achieved substantial completion in 2021. The innovative and sustainable design incorporated cutting edge technology and building analytics to deliver one of the most energy efficient buildings on a Canadian post-secondary campus. The new tower envelope consists of a state-of-the-art double facade curtain wall that responds to changing weather and works in concert with the photovoltaic panels on the rooftop and the mechanical system to decrease energy consumption and improve the indoor environment. The complex system for air quality and temperature control is

— Build Green continued

supported by a Gigabit Passive Optical Network (GPON). Real time building analytics provided by reporting through Bird's Centre for Building Performance gave the team accurate insights into the building's system performance throughout the project and allowed the team to understand the best way forward for the complex integrations associated with the project. Targeting Net Zero Carbon Building Certification, the Tower achieved net zero carbon standards in 2020, and the team was awarded the 2020 Zero Carbon Green Building Excellence Award by the Canada Green Building Council.

In October 2021, Bird entered into an **Alliance Agreement with renewable energy company Noventa Energy Partners** to pursue opportunities for wastewater energy transfer (WET) projects across Canada. The WET projects will deploy the Huber ThermWin® System, for which Noventa Energy is the exclusive distributor in Canada and the United States. Bird's first project with Noventa is the Toronto Western Hospital WET project. This is the world's largest raw wastewater energy transfer project and, once complete, it will provide over 19MW of low-carbon thermal energy to the hospital facility, which is approximately 90 percent of the hospital's heating and cooling requirements.

— Work Green

Bird and Chandos Construction entered a three-year strategic partnership for the **Building Good initiative**. This thought leadership initiative aims to catalyze owners and industry partners to change the way the architecture, engineering, and construction industry designs and builds for the betterment of people and the planet. Through this partnership, Bird and Chandos will drive sustainable change through the promotion, discussion, and execution of Building Good's three focus areas – Industry Transformation, Equity and Inclusion, and Sustainability. Through Building Good's key channels, including the Building Good blog and podcast, partners and industry guests will discuss architecture, engineering, and construction's (AEC) biggest challenges, innovative solutions, and the opportunities that these changes bring organizations, government, and the public.

THREE FOCUS AREAS

1. Industry Transformation
2. Diversity, Equity, and Inclusion
3. Sustainability

— Live Green

Bird teams across the country gave back through a variety of community initiatives this year.

HIGHLIGHTS

$70,000

- Team members across the country participated in the Sunrise Challenge in support of the Centre for Addiction and Mental Health by rising with the sun for one week. The goal was to raise $20,000 across all groups, and Bird's fundraising efforts totaled over $70,000.

- The Annual Festival of Trees is a major fundraising event for the Northern Lights Regional Health Foundation and serves as the Foundation's largest source of unrestricted revenue, supporting operations and health initiatives. Bird's donation of $10,000 to the 32nd Festival of Trees fundraiser contributed to the event's fundraising total of $410,000.

Go Girls!

- The St. John's team participated in the Big Brothers Big Sisters of Canada annual Go Girls Golf Tournament, raising money to support the "Go Girls! Healthy Bodies, Healthy Minds" mentoring program.

- The nine-metre Four Food Chiefs Indigenous sculpture at the new Okanagan College Health Sciences Centre was unveiled in 2021. Created by local Indigenous artist Clint George, the sculpture was cosponsored with GEC and Faction Projects.

$12,000

- Bird was proud to support the sixth Annual Adopt-a-Family event, organized by the Children's Centre, which pairs donors with families in need to assist in making their holidays brighter. This year, the team adopted two seniors and three local families to help make their Christmas merry and raised over $12,000.

- Our teams from coast-to-coast raised awareness and over $7,450 in support of men's health during Movember.

- The Annual 2021 Bird Golf Tournament raised $3,720 for the Awasisak Indigenous Health Program at the Stollery Children's Hospital in Edmonton.

PROJECT HIGHLIGHTS AND MILESTONES

Through the strength of our diverse team, Bird continues to evolve its well-developed suite of service offerings. With a continuous focus on innovation, we can deliver traditional, complex, and highly specialized projects from coast to coast.

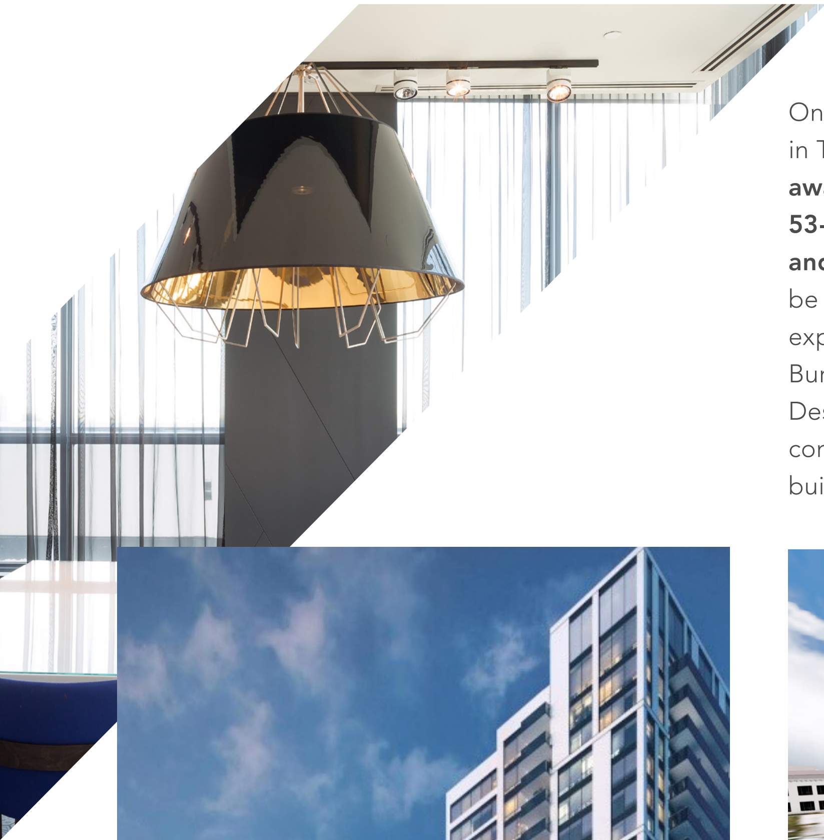
PROJECT HIGHLIGHTS

Delivering Beyond Expectations

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

Appleby GO Transit Station,
Burlington, ON

PROJECT HIGHLIGHTS



On the heels of the significant KIP I and KIP II developments in Toronto for Concert Properties, in 2021, **Bird was also awarded their Sherborne Project, or the Burke. This 53-storey residential tower is also located in Toronto and valued at approximately $172 million.** This will be a 'best-in-class' building that demonstrates Bird's expertise in sustainable construction, as it will add The Burke to its 200+ Leadership in Energy and Environmental Design (LEED®) project portfolio. The new building will be constructed to a LEED® Gold standard, leveraging green building practices and environmentally sound solutions.

The Kip District, Toronto, ON

The Sherbourne Project (Burke) Rendering, Toronto, ON

In 2021, **Bird was also awarded a construction services contract with the international real estate firm Hines for a 17-storey, mixed-use project in the heart of Toronto.** Hines is globally recognized as a leader in environmental stewardship, and the new building will be constructed according to leading green building practices and sustainable solutions.

PROJECT HIGHLIGHTS

Modular Momentum

The Bird and Stack Modular strategic partnership continues to demonstrate unique value offerings, which led to the **first place award from the Modular Building Institute for "Permanent Modular Hotel Over 10,000 square feet" for their work on the Aqsarniit Hotel and Conference Centre.** The award winning property is owned by the Qikiqtaaluk Business Development Corporation, a wholly Inuit owned development corporation. This full service energy efficient hotel is equipped with 94 rooms, a 5,000 square feet conference centre, lounge, restaurant, gym, spa, and commercial space. This important build marked a significant milestone for Bird and Stack Modular, completing their first project as partners, and delivering a sophisticated turnkey modular construction solution with an integrated conventional build.

Photo credit: Bill Williams

Aqsarniit Hotel & Conference Centre,
Iqaluit, NU

PROJECT HIGHLIGHTS

Underpinning Bird and Stack Modular's proven ability to provide rapid delivery solutions, **the valued partnership was awarded the contract for the accelerated builds at Kenora Jail and Thunder Bay Correctional Centre.** This award came on the heels of the successful delivery of Phases I and II of the Ontario Provincial Police Modernization Projects, executed through a consortium led by Bird, and delivered for Infrastructure Ontario and the Ministry of the Solicitor General. The Kenora Jail and Thunder Bay Correctional Centre expansions leverage both Bird's integrated conventional site construction and Stack Modular's innovative modular construction solutions. When complete, the additions will address capacity pressures and provide additional space for effective programming and improved services.

Rendering of Kenora Jail & Thunder Bay Correctional Centre Expansion Projects

Indigenous Social Housing Tower, Vancouver, BC

Bird and Stack Modular are collaborating with additional partners for the design of an **Indigenous social housing tower** for Indigenous individuals experiencing or at risk of homelessness, in Vancouver. The permanent modular volumetric steel building solution will allow for quick construction, passive house features, and minimization of construction waste. At this stage of design, the new 14-storey social housing tower will contain over 100 modular studio units complete with bathrooms, kitchens, a living area, and storage. The ground and second floors will be utilized as service spaces and offices for tenant support workers, as well as a shared laundry facility and a common dining area. Outdoor amenity spaces will also be provided on nine decks, along with a large outdoor rooftop area.

PROJECT HIGHLIGHTS

Consistent Performance Driving Repeat Business

PROJECT HIGHLIGHTS

- Bird was awarded a three-year contract with a two-year extension option for **mechanical and electrical maintenance services for the North West Redwater Partnership.** The total value of the multi-year contract award is valued at upwards of $75 million. This award highlights Bird's ability to bundle services and create efficiencies for valued industry partners, which is being recognized by existing long-term clients. Through the consistent performance and strong client service approach of our operations team, this multi-year award positively contributes to our growing recurring revenue streams.

Bird was awarded **two contracts for civil works on two separate sites:** an existing project site in northwestern British Columbia, and a site in northern Alberta. The combined value of the contracts awarded is approximately $135 million.

At the existing project site in British Columbia, the contracted work includes the construction of **two storm and effluent ponds**, primarily utilizing Bird's own forces to complete the substantial earthworks, piping, and concrete placement.

"One of the key pillars of Bird's growth strategy is to continue to increase our recurring revenue streams as they reduce seasonality and provide good visibility over time. These contract awards further validate our Stuart Olson acquisition and exemplifies our strategic focus and commitment to deliver sustainable, profitable growth and build long-term shareholder value."

\- **Mr. Teri McKibbon**, President and CEO of Bird Construction

- **A five-year contract valued in excess of $550 million was awarded for the services for a long-standing industrial customer in Alberta.** Under the terms of the multi-site, multi-use agreement, the Industrial MRO team will deliver a multi-disciplined offering for maintenance services, turnarounds, and sustaining capital construction projects, drawing on the full suite of services of both Stuart Olson and Bird. The Industrial MRO team has maintained a best-in-class service offering in addition to an unparalleled client-first relationship that has successfully translated into the renewal of this significant contract for an additional five years.

The complex works will be executed over an 18-month period and will be supported through Bird's growing self-perform capabilities and its familiarity with the site. Bird's sustained presence in this region has led to strong relationships with local Indigenous communities and the forging of partnerships for training, procurement, and employment.

In Alberta, the lump-sum contract includes **construction of an overpass** that will facilitate access to the ore preparation plant from the mine. Installation of the cast-in-place concrete structure will be supported by substantial earthworks and a high voltage electrical relocation.

PROJECT HIGHLIGHTS

Strong Relationships Supporting Long-Term Value Creation and Shareholder Returns

- **Bird was awarded the first phase of the Engineering, Procurement, and Construction contract for the Ontario Power Generation Clarington Corporate Campus**. Developed in collaboration with Stantec and Indigenous Firm Two Row Architect, designs for the campus will include optimization of building performance and energy conservation to align with OPG's long term strategic goals. The first phase of the contract is expected to continue through most of 2022.

Nanaimo Correctional Centre Rendering, Nanaimo, BC

- **A $154 million design-build contract for the Nanaimo Correctional Centre (NCC) Replacement Project in Nanaimo** was also awarded in 2021. The NCC Replacement Project features modernized spaces for educational, vocational, and certified trades training in addition to rehabilitative and culturally responsive Indigenous programming. It also includes Vancouver Island's first provincial custody capacity for women. The two local First Nations, Snuneymuxw and Snaw'Naw'As, will also have input into the design, as well as job and contract opportunities during construction.

Lake City Studios Rendering, Burnaby, BC

- **Bird was awarded the contract, in excess of $200 million, for construction of Lake City Studios in Burnaby.** Once complete, Lake City Studios will create a significant economic development opportunity in the community, and result in a world-class film studio with the potential to attract major productions and support the overall growth of the film industry locally. The project includes over 1.3 million sq.ft. of space and incorporates 21 sound stages, production offices, general office space, storage and workshops, an underground parkade, as well as site works and landscaping.

- Concert-Bird Partners achieved financial close in September, 2021, for the contract with Alberta's government for the **Design, Build, Finance, and Maintain (DBFM) contract for five Alberta high schools.** The project has a total combined contract value in excess of $300 million. Designs for the schools will include considerations for optimized building performance, energy conservation and other sustainable building features, including achieving a LEED® Silver Certification. The target total availability date for all five schools is May 31, 2024.

Collaborating for Success

- In November 2021, **Bird announced that in a joint venture with Chandos Construction Inc. and M. Sullivan & Son Limited, it had successfully completed the validation phase of the Integrated Project Delivery contract for the Advanced Nuclear Materials Research Centre (ANMRC) for Canadian Nuclear Laboratories.** Bird's share of the joint venture is 44% or over $220 million, and it has been reporting its share of the Project in Pending Backlog.

  The **ANMRC is considered Canada's largest Integrated Project Delivery (IPD) project.** It will be one of the largest nuclear research facilities ever constructed in Canada, and will enable world-class research in nuclear energy, health, environmental stewardship, and global security. Overall, services provided at the ANMRC will be critical to the life extension and long-term reliability of existing reactors, including Canada's fleet of Canada Deuterium Uranium (CANDU) nuclear power reactors and other designs deployed around the world.

- In October, **Bird announced it had been selected to participate in three IPD contracts in Western Canada with a combined value in excess of $150 million,** providing construction services from early planning through construction and commissioning.

- **Bird was given a limited notice to proceed as the constructor for a substantial food and beverage facility expansion project** and has continued to work with the client and other parties to form the multi-party agreement and advance early planning activities.

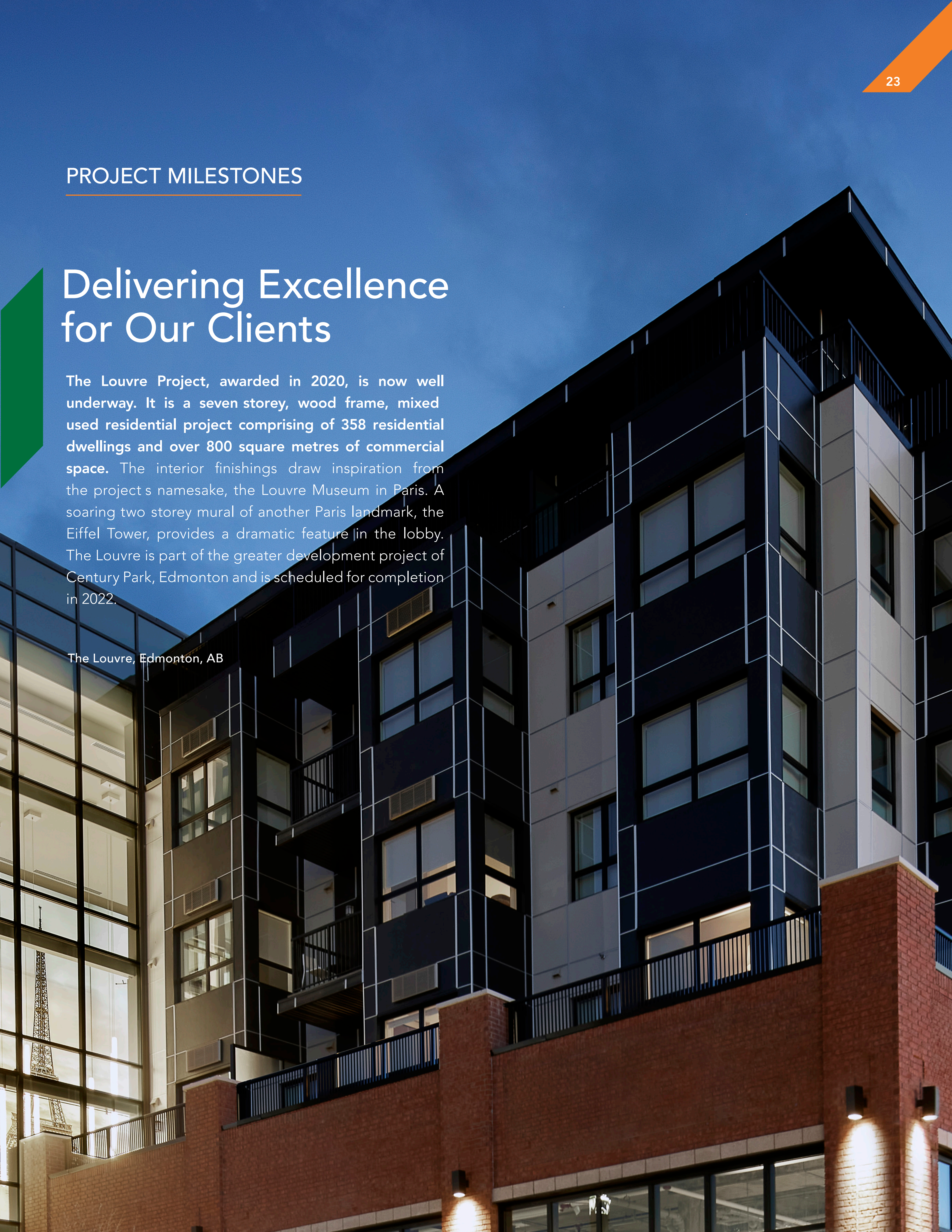
- **Bird also announced that it has been selected as the successful proponent for the Okanagan Indian Band water system upgrade project.** This is the first IPD project in Canada for an Indigenous owner group, and it will be executed in cooperation with local trade contractorsand local Indigenous workers. This project will provide clean drinking water for the Indigenous community.

- **Bird has been selected as the successful IPD General Contractor proponent for the North Okanagan Wastewater Recovery Project (NOWRP).** The project will replace aging septic systems and provide sewer service to the Township of Spallumcheen's industrial area, and residents and businesses in the Regional District of North Okanagan (RDNO) and parts of OKIB.

PROJECT MILESTONES

Delivering Excellence for Our Clients

The Louvre Project, awarded in 2020, is now well underway. It is a seven storey, wood frame, mixed used residential project comprising of 358 residential dwellings and over 800 square metres of commercial space. The interior finishings draw inspiration from the project s namesake, the Louvre Museum in Paris. A soaring two storey mural of another Paris landmark, the Eiffel Tower, provides a dramatic feature in the lobby. The Louvre is part of the greater development project of Century Park, Edmonton and is scheduled for completion in 2022.



The Louvre, Edmonton, AB

PROJECT MILESTONES

Projects Progressing From Coast-To-Coast

- **In October, Bird and representatives from Ontario Provincial Police (OPP), and the Ontario Government celebrated the groundbreaking for Cambridge's new OPP detachment.** This is the final detachment in a series of nine detachments in Phase I and ten in Phase II of the OPP Modernization Project. Bird was tasked with completing the design, build, and finance, of the OPP detachments in various communities across Ontario.

Ontario Provincial Police Detachment, Cambridge, ON

Work continues at **The Leaf at Canada's Diversity Gardens in Winnipeg.** The Leaf will be a magnificent indoor, multi seasonal attraction, and one of the most visually stunning places of its kind in North America. The project includes event spaces, retail, office and support spaces, classrooms with outdoor teaching areas, and a restaurant with a kitchen and outdoor terrace.

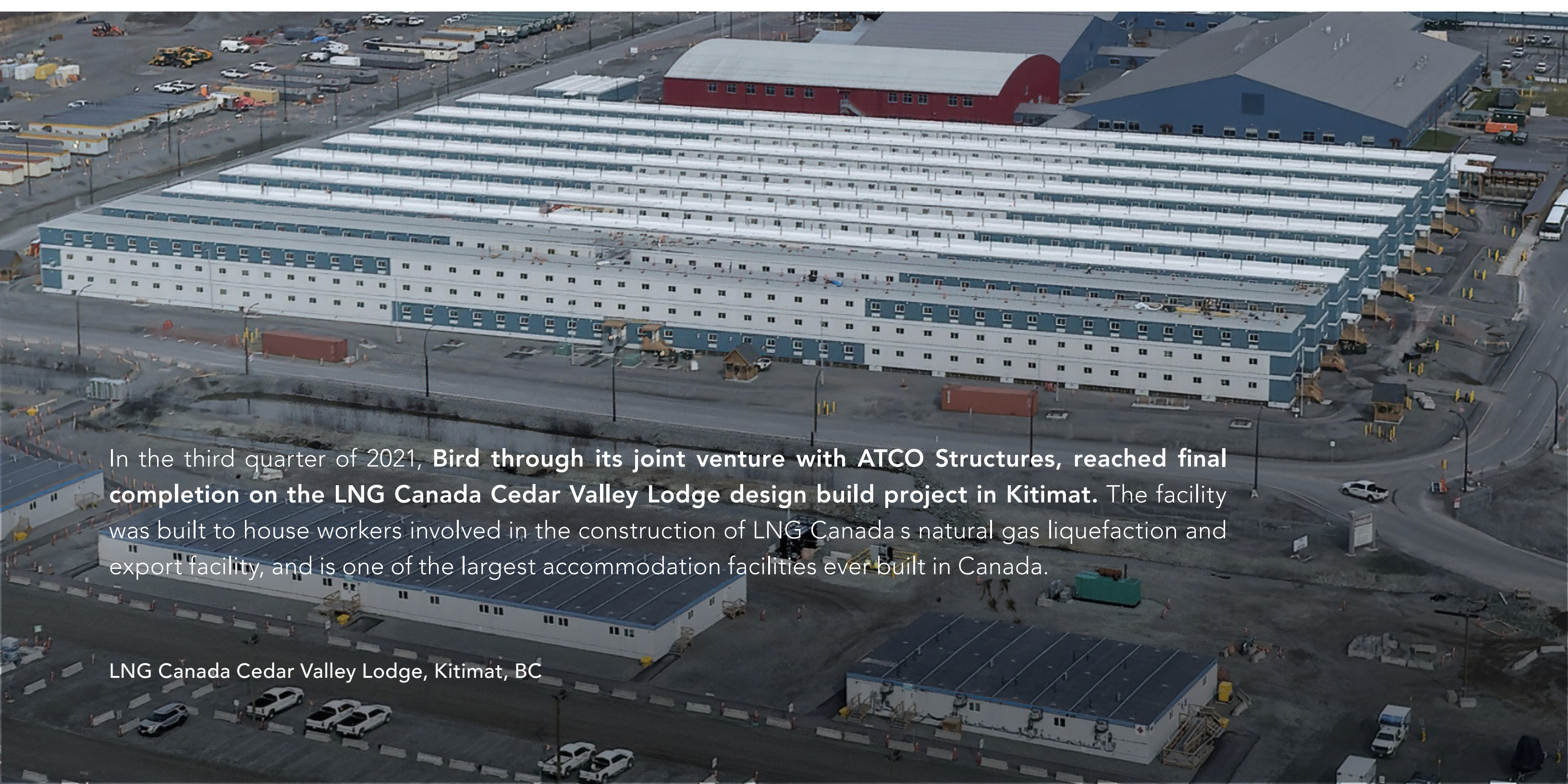
The Leaf at Canada's Diversity Gardens, Winnipeg, MB

PROJECT MILESTONES

- Awarded in late 2019, **Bird has made great progress in its delivery of seven of the sixteen Confederation Line Stage 2 light rail transit stations and one light maintenance and storage facility for the East-West Connectors**. This consortium was contracted by the City of Ottawa to design, build, and finance the Stage 2 Confederation Line Extension project in Ottawa. This project represents a significant advancement for commuter travel in the Greater Ottawa Area.

- **Richmond Yards is one of Halifax's newest mixed-used community developments, consisting of residential, retail, office, and commercial space.** The large development is well underway, and Bird's teams have optimized the use of BIM/VDC technology on the project, which allows for enhanced collaboration between client, designers, builders, and future building operations and function. This technology is effectively utilized throughout construction, Bird has employed modeling and digitization to minimize construction risk by enhancing schedule, reducing rework, improving information availability for decision making, and facilitating coordination of construction teams and activities.

Richmond Yards Rendering, Halifax, NS



In the third quarter of 2021, **Bird through its joint venture with ATCO Structures, reached final completion on the LNG Canada Cedar Valley Lodge design build project in Kitimat.** The facility was built to house workers involved in the construction of LNG Canada s natural gas liquefaction and export facility, and is one of the largest accommodation facilities ever built in Canada.

LNG Canada Cedar Valley Lodge, Kitimat, BC

OUR STRATEGY FOR 2022-2024

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

3

Management believes that the achievement of its strategic objectives in three years' time

will position Bird as a leader across the industry with world class safety, high employee engagement, and collaboration across Bird's teams and operating groups.

The plan keeps true to Bird's roots

while providing superior client service, delivering first class project execution, and maintaining a strong balance sheet with a balanced approach to capital allocation.

TEAM

A highly engaged, high-performance team with industry-leading people programs will enable the Company to continue building a world-class safety program and fully realize the One Bird approach.

PERFORM

Accountability is a key driver for success and is rooted in exceptional project delivery and client service, and supported by a strong financial framework, robust risk management, and continued focus on accretively building the Company's Backlog.

DIVERSIFY

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

2021

MANAGEMENT'S DISCUSSION & ANALYSIS

for the years ended December 31, 2021 and 2020

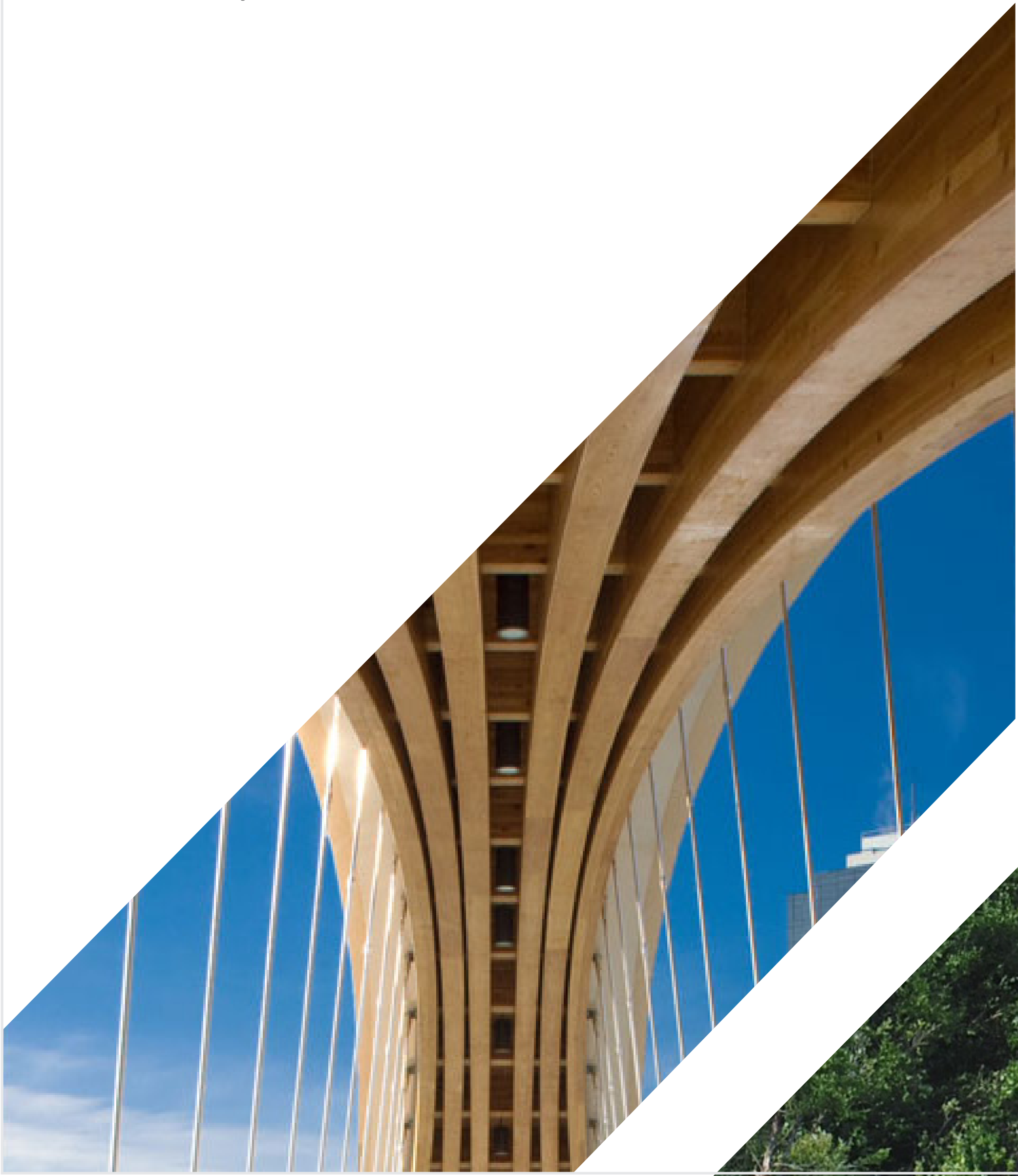


TABLE OF CONTENTS

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 month periods ended December 31, 2021, should be read in conjunction with the December 31, 2021 consolidated annual financial statements. This MD&A has been prepared as of March 8, 2022. Unless otherwise specified, all amounts are expressed in Canadian dollars. The information presented in this MD&A is presented in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted.

This discussion contains forward-looking information, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by this information. See "Forward-Looking Information". Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under "Risks Relating to the Business" included in the Company's most current Annual Information Form dated March 8, 2022. Additional information about the Company is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on the Company's website at www.bird.ca.

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

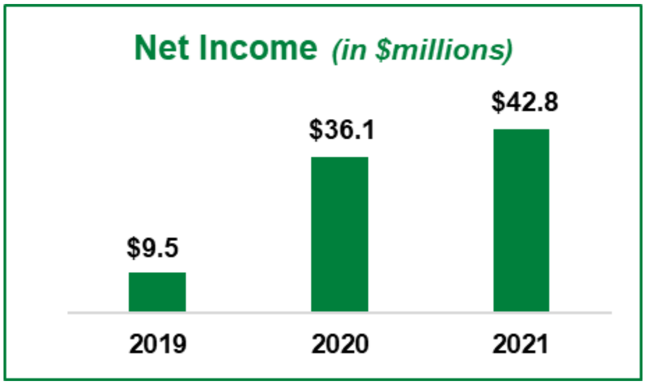
EXECUTIVE SUMMARY

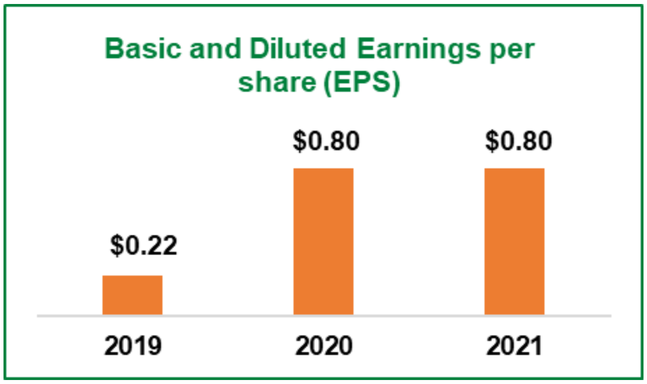
Income Statement Data	2021	2020	2019
(in thousands of Canadian dollars, except per share amounts)			
Revenue	**$ 2,220,026**	$ 1,504,432	$ 1,376,408
Net income	**42,783**	36,103	9,484
Basic and diluted earnings per share ("EPS")	**0.80**	0.80	0.22
Adjusted Earnings [(1)]	**50,954**	41,579	9,484
Adjusted Earnings Per Share [(1)]	**0.96**	0.92	0.22
Adjusted EBITDA [(1)]	**108,136**	81,937	32,292
Adjusted EBITDA Margin [(1)]	**4.9%**	5.5%	2.4%
Cash Flow Data			
Net (decrease) increase in cash and cash equivalents	**$ (21,725)**	$ 31,765	$ 21,763
Cash flows from operations before changes in non-cash working capital	**102,623**	71,696	30,201
Capital expenditures [(2)]	**11,756**	14,227	14,431
Cash dividends paid	**20,749**	17,607	16,582
Cash dividends declared per share	**0.39**	0.39	0.39
Balance Sheet Data			
Total assets	**$ 1,137,148**	$ 1,067,550	$ 856,787
Working capital	**151,810**	130,255	80,503
Loans and borrowings	**78,681**	72,913	40,621
ROU Liabilities	**79,358**	78,075	31,100
Shareholders' equity	**243,488**	212,610	127,720
Key Performance Indicators			
Pending Backlog [(1)]	**$ 1,624,700**	$ 1,635,900	$ 625,000
Backlog [(3)]	**3,002,509**	2,682,498	1,547,427

[(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

Bird's comprehensive and diverse range of services provide integrated solutions for the entire project lifecycle. Bird deploys cutting edge technology and draws on the vast experience of a workforce of over 5,000 employees to deliver exceptional operational performance and collaborative execution across all project sizes and delivery models for new construction, renovations, and retrofits; industrial maintenance, repair and operations services ("MRO"); heavy civil construction and mine support services; civil infrastructure; modular construction; and vertical infrastructure and specialty trades.

> "Bird's strategic evolution has positioned the Company to accelerate growth initiatives, while never losing sight of our deep roots spanning more than 100 years in Canada."
>
> **Teri McKibbon, President & CEO**

PROJECT DELIVERY METHODS

In all sectors, Bird contracts with its clients using a combination of Construction Management, Cost Plus, Integrated Project Delivery ("IPD"), Stipulated Sum, Unit Price, Standard Specification Design-Build, Alternative Finance Projects, Complex Design-Build, Progressive Design Build, and Public Private Partnerships ("PPP").

Bird selectively invests equity in PPP projects to support construction operations, and has enhanced its ability to deliver collaborative contracting such as IPD and Alliance, which are contractual approaches to project delivery designed as co-operative arrangements that are premised on complementary strengths and mutual benefit, offering strategic advantages to all parties particularly in terms of better sharing of risks and rewards.

OUR LOCATIONS

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

MANAGING RISK

While Bird is capable of self-performing larger projects, particularly in the industrial market and MRO space, for many projects the overall construction risk rests with Bird's subcontractors.

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 should mitigate exposure to possible additional costs should a subcontractor not be able to meet its contractual obligations.

Bird's primary constraints on growth are the ability to secure new work at reasonable margins and the availability of qualified professional staff who can be assigned to manage the projects.

INDUSTRY SECTORS	
	INDUSTRIAL Within the industrial sector, Bird has substantial experience executing large and complex projects for clients primarily operating in the oil and gas, liquefied natural gas ("LNG"), mining, renewables, water and wastewater, and nuclear sectors. Additionally, Bird constructs large, complex industrial buildings including manufacturing, processing, distribution, and warehouse facilities. Bird has significant self-perform capabilities for structural, mechanical, piping, electrical and instrumentation, including off-site metal and modular fabrication. These industrial service capabilities have been further enhanced with the addition of Stuart Olson Inc. ("Stuart Olson"), which was acquired on September 25, 2020. The Company's industrial self-perform capabilities now include insulation, metal siding and cladding, ductwork, asbestos abatement, mechanical, and electrical and instrumentation abilities, including high voltage testing and commissioning, as well as power line construction. These maintenance service abilities are augmented with civil and facilities maintenance services, and the combined service offering opens the door to a wider range of clients including those in the oil and gas, mining, and nuclear sectors. In general, Bird has gained an expanded industrial general contracting business and more notably is now an industrial maintenance contractor with opportunities for additional maintenance clients in a broader geographical footprint.
	INFRASTRUCTURE Within the infrastructure sector, Bird has a well-developed offering of civil construction capabilities including site preparation and earthworks, underground piping, and foundations and other concrete services. Bird also has broad capabilities in mine support services and hydroelectric construction. The Company's acquisition of Dagmar Construction Inc. ("Dagmar") on September 1, 2021 provides a platform to expand Bird's national civil capabilities, including self-perform capacity across key civil infrastructure sub-sectors including road, bridge, rail, and underground utilities installation. Dagmar's capabilities and service offerings, integrated with Bird's existing civil business, improves Bird's competitive position nationally as well as enables access to the attractive Ontario market. Enhanced access to these markets contributes to increased diversification in a growing end-market with a strong outlook bolstered by government infrastructure commitments. Opportunities to capitalize on a higher portion of self-perform work in larger, complex projects further reinforces the future potential of the integrated business.
	INSTITUTIONAL, COMMERCIAL, AND RESIDENTIAL Within the institutional sector, Bird constructs and renovates hospitals, post-secondary education facilities, K-12 schools, recreation facilities, prisons, courthouses, government buildings, long term care facilities, and senior housing. Within the commercial and residential sector, Bird's operations include the construction and renovation of office buildings, shopping malls, big box stores, hotels, and selected mixed-use high-rise and mid-rise residential. The Company has developed expertise in the construction of vertical elements and overall management of transportation-related projects and will continue to enhance its abilities in this market.
	COMMERCIAL SYSTEMS Within the commercial systems business, Bird provides electrical and related system services such as complex electrical and mechanical infrastructure design and installation, data communications, security, and lifecycle services, including national roll-out services that provide private and public sector clients with a range of ongoing electrical maintenance service functions across Canada. The Company's commercial systems business is one of Canada's largest electrical and data system contractors.

INNOVATIVE SOLUTIONS

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

MASS TIMBER

Bird is a North American leader in mass timber construction, with an extensive resume including post-secondary education, recreation and seniors' living facilities. Bird has the expertise, experience, and supply chain knowledge 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. 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, laying multiple lines and several kilometers of material per day. 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 expertise from across Bird's districts, divisions, and businesses, 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.

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.

2021 HIGHLIGHTS

FULL-YEAR 2021 COMPARED TO FULL-YEAR 2020

- Construction revenue of $2,220.0 million compared to $1,504.4 million, representing a 47.6% increase year-over-year.
- Net income and earnings per share were $42.8 million and $0.80, respectively, compared to $36.1 million and $0.80 in 2020.
- Backlog of $3,002.5 million, an increase of $320 million or 11.9% from the $2,682.5 million reported at the end of 2020.
- Adjusted Earnings[1] and Adjusted Earnings Per Share were $51.0 million and $0.96, respectively, compared to $41.6 million and $0.92 in 2020.
- Adjusted EBITDA[1] of $108.1 million, or 4.9% of revenues, reflects a 32.0% increase in Adjusted EBITDA.

FOURTH QUARTER 2021 COMPARED TO FOURTH QUARTER 2020

- Construction revenue of $597.8 million compared to $555.0 million, representing an 7.7% increase year-over-year.
- No recoveries were recorded under the Canada Emergency Wage Subsidy ("CEWS") program in Q4 2021, compared to the $21.7 million 9-month cumulative recoveries recorded in Q4 2020.
- Net income and earnings per share were $9.9 million and $0.18, respectively, compared to $20.5 million and $0.39 in Q4 2020.
- Adjusted Earnings[1] and Adjusted Earnings Per Share were $13.0 million and $0.24, respectively, compared to $21.5 million and $0.41 in Q4 2020.
- Adjusted EBITDA[1] of $28.4 million, or 4.8% of revenues, compared to $40.0 million, or 7.2% of revenues in Q4 2020.

- In September 2021, the Company completed its acquisition of Dagmar, an Ontario-based construction company with extensive experience across key civil infrastructure sub-sectors including road, bridge, rail, sewer and water, and commercial-institutional sites. Dagmar's capabilities and service offerings for both private and public owners across Ontario, integrated with Bird's existing civil business, will act as a catalyst in this attractive end market. In selected national markets where Bird has civil activity, Dagmar will add specialized capabilities to broaden client service offerings and increase diversification.

- Fiscal 2021 represents the first full year consolidating the results of Stuart Olson following the Company's transformational acquisition of the business on September 25, 2020. Since the acquisition, Bird has worked to successfully combine the two strong, experienced workforces and integrate and harmonize their policies, processes and people. Annualized cost synergies resulting from the integration of Stuart Olson exceeded $25.0 million, and were achieved as expected in 2021. The Company has also benefitted, and will continue to benefit, from revenue synergies and cross-selling opportunities of the combined operations.

- The Company further improved its record-setting Backlog at December 31, 2021 to $3,002.5 million, growing 11.9% year-over-year, while maintaining a strong Pending Backlog of $1,624.7 million. During 2021, the Company secured $2,540.0 million of new contract awards and change orders and executed $2,220.0 million of construction revenues. Compared to Backlog and Pending Backlog of $2,682.5 million and $1,635.9 million, respectively, at December 31, 2020, the net growth in combined Backlog and Pending Backlog was achieved despite timing delays in project tenders and awards from clients related to COVID-19.

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

- During 2021, Bird extended the maturity date of its Syndicated Credit Facility (the “Credit Facility”) by an additional year and expanded the committed Credit Facility to $235.0 million, consisting of a $185.0 million revolving credit facility, and a $50.0 million non-revolving term debt facility. At December 31, 2021, amounts available under this revolving facility of $140.3 million, in addition to the Company’s accessible cash balance of $103.0 million, provide the Company with substantial liquidity to support the execution of its strategic initiatives.
- During the fourth quarter of 2021, the Company announced that it was awarded the following projects and contracts:
  - The first phase of a progressive Design-Build contract with early collaborative contractor involvement for the Ontario Power Generation (“OPG”) Clarington Corporate Campus Project. Construction is expected to begin in 2022, with completion in 2024.
  - The Company will participate in three IPD contracts in Western Canada with a combined value in excess of $150 million. The contracts include a substantial food and beverage facility expansion project, the Okanagan Indian Band water system upgrade and the North Okanagan Wastewater Recovery Project.
  - Through its Alliance Agreement with the renewable energy company, Noventa Energy Partners, the Company announced the successful financial close of the recently announced Toronto Western Hospital wastewater energy transfer (“WET”) project valued at approximately $42.9 million. The alliance was formed to jointly pursue opportunities for WET projects across Canada, with Bird acting as the exclusive constructor.
  - The Company, in a joint venture has successfully completed the validation phase of the IPD contract for the Advanced Nuclear Materials Research Centre (“ANMRC” or “the Project”) for Canadian Nuclear Laboratories ("CNL"). The approximate project value is over $500 million, and the completion of the validation phase means that the project will now proceed. Bird’s share of the project value is expected to exceed $220 million.
  - The Company has been awarded a contract for construction of Lake City Studios, in Burnaby, British Columbia. The project has a contract value in excess of $200 million.
- The Board has declared an eligible dividend of $0.0325 per common share for each of March and April 2022.

ANNUAL RESULTS OF OPERATIONS

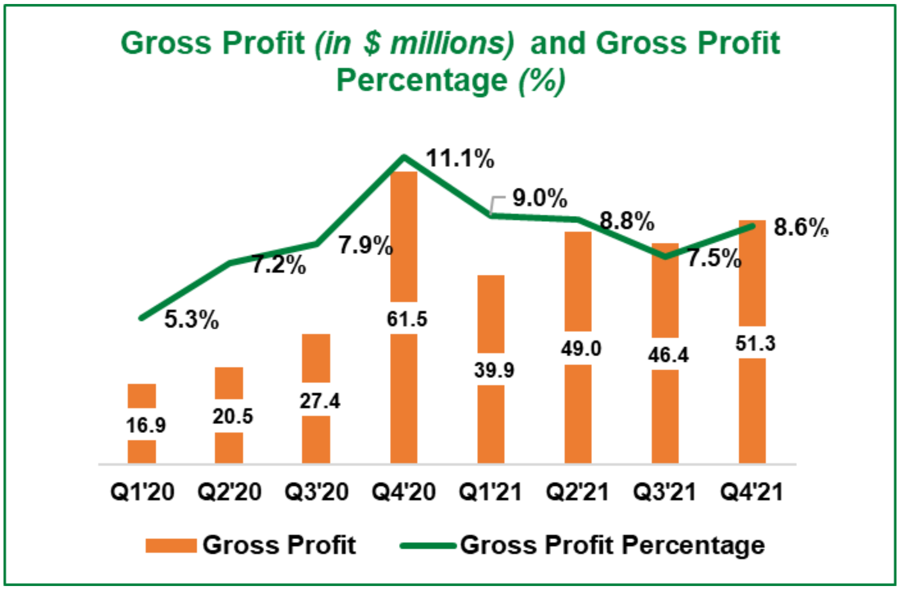
Consolidated Statement of Income and Additional Financial Indicators
(in thousands of Canadian dollars except per share amounts and percentages)

	For the year ended 2021	2020	% change
Construction revenue	$ **2,220,026**	$ 1,504,432	47.6%
Costs of construction	**2,033,341**	1,378,132	47.5%
Gross profit	**186,685**	126,300	47.8%
Income from equity accounted investments	**4,187**	7,792	-46.3%
General and administrative expenses	**(127,014)**	(78,777)	61.2%
Income from operations	**63,858**	55,315	15.4%
Finance income	**1,322**	1,511	-12.5%
Finance and other costs	**(7,550)**	(7,506)	0.6%
Income before income taxes	**57,630**	49,320	16.8%
Income tax expense	**14,847**	13,217	12.3%
Net income for the period	$ **42,783**	$ 36,103	18.5%
Total comprehensive income for the period	$ **45,128**	$ 37,302	21.0%
Basic and diluted earnings per share	$ **0.80**	$ 0.80	0.0%
Adjusted Earnings [(1)]	$ **50,954**	$ 41,579	22.5%
Adjusted Earnings Per Share	$ **0.96**	$ 0.92	4.3%
Adjusted EBITDA[(1)]	$ **108,136**	$ 81,937	32.0%
Adjusted EBITDA Margin	**4.9%**	5.5%	-0.6%

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

In fiscal 2021, the Company recorded net income of $42.8 million on construction revenue of $2,220.0 million compared with net income of $36.1 million on $1,504.4 million of construction revenue in 2020.

The year-over-year increase in revenue of 47.6% was mainly driven by the inclusion of post-acquisition revenue from Stuart Olson which was completed late in the third quarter of 2020. The Company’s year-to-date revenues were impacted by certain restrictive provincial measures, particularly in the first quarter of 2021 in British Columbia, where worksite protocols limited the number of employees on specific project sites, impacting several large contracts. As certain COVID-19 restrictive measures implemented in some provinces were eased during the second and third quarters of 2021, the Company experienced an increase in revenues for certain projects that were previously temporarily delayed by clients. Notwithstanding ongoing vaccination programs and government policies enacted in response to the pandemic, the Canadian construction industry continued to face volatility late in the fourth quarter as a result of the Omicron variant.



The Company's 2021 annual gross profit of $186.7 million was $60.4 million higher than the $126.3 million gross profit recorded in 2020. Gross Profit Percentage[1] for 2021 was 8.4%, similar to the 8.4% recorded a year ago. The year-over-year increase in gross profit is due to a combination of additional gross profit from the inclusion of Stuart Olson for the full year in 2021 and continued diversification of the Company's work program, as well as improving year-over-year margins in operations, particularly due to increased activity in the Company's self-perform industrial projects. During the year, the Company's gross profit and Gross Profit Percentage continued to be impacted by reduced productivity and project delays resulting from the pandemic, which were partially offset by recoveries of compensation expense under the CEWS program of $18.8 million that were included in costs of construction, compared to $21.2 million of recoveries in 2020 when revenues were lower.

The year-over-year increase in net income reflects the Company's increased gross profit offset by a corresponding increase in general and administrative expenses resulting from the full-year inclusion of Stuart Olson, inclusive of synergies and non-recurring integration and restructuring costs, as well as reduced income from equity accounted investments and other changes further described below. Net income in both 2021 and 2020 was negatively impacted by the pandemic, as noted above, but was partially offset by aggregate pre-tax compensation expense recoveries, included in costs of construction and general and administrative expenses, of $21.9 million in 2021 and $24.8 million in 2020 recognized under the CEWS program.

Income from equity accounted investments in 2021 was $4.2 million, compared with $7.8 million in 2020. Increased equity earnings from Stack Modular in 2021 were offset by lower equity income from PPP concession entities and lower activity in equity accounted projects in Eastern Canada compared to 2020. In addition, prior year amounts included $3.1 million of gains related to the sale of equity accounted investments during 2020.

For the year ended December 31, 2021, general and administrative expenses of $127.0 million (5.7% of revenue[1]) were $48.2 million higher than $78.8 million (5.2% of revenue) in the corresponding period a year ago. The primary driver for the year-over-year increase was the addition of Stuart Olson results post-acquisition, which was completed late in the third quarter of 2020. Compensation costs were higher year-over-year by $27.4 million, net of $3.1 million related to cost recoveries from the CEWS program (2020 - $3.6 million). The increase in compensation costs was due to the addition of Stuart Olson employees, and higher share-based compensation expense due to the improvement in the Company's share price year-over-year. Also driving the year-over-year increase were $12.9 million of higher amortization and depreciation costs, higher technology costs of $4.9 million and higher professional fees of $2.1 million related to integration activities. During 2021, the Company also recorded lower gains on disposal of property and equipment of $1.7 million which contributed to the higher expenses. Partially offsetting the increase in expenses were lower discretionary costs of $1.2 million, largely due to COVID-19 restrictions, and an

[1] "Gross Profit Percentage" and "General and Administrative expenses as a percentage of revenue" 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."

improvement in foreign exchange of $0.4 million. General and administrative expenses for 2021 and 2020 included non-recurring acquisition and integration costs of $10.8 million and $7.2 million, respectively.

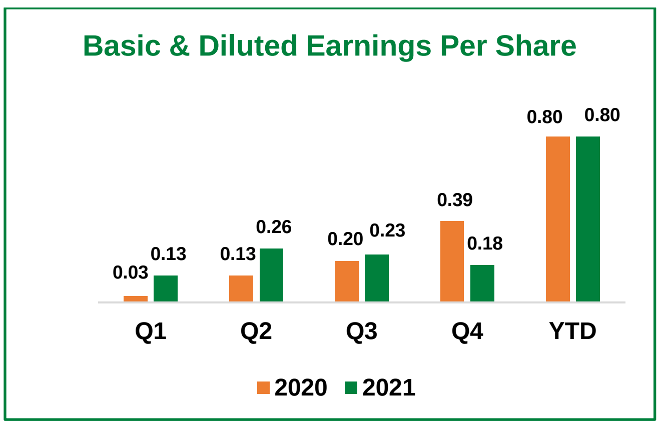
Finance income of $1.3 million in fiscal 2021 was $0.2 million lower than the $1.5 million recorded in fiscal 2020 due to lower average cash balances during 2021, combined with lower interest rates.

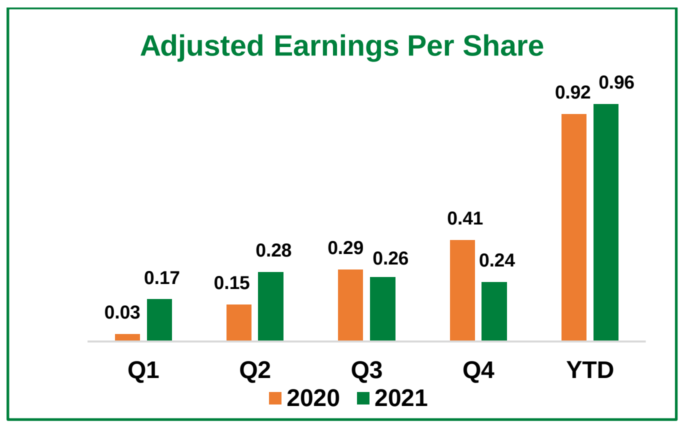
Finance and other costs of $7.6 million were $0.1 million than the $7.5 million reported in fiscal 2020. Interest expense on loans and borrowings and right-of-use ("ROU") liabilities was higher by $2.5 million and other finance costs were higher by $0.5 million due to the addition of Stuart Olson results post-acquisition. This was offset by $3.5 million of lower interest on non-recourse project financing, net of $0.6 million lower gains on interest rate swaps, due to the repayment of the loan facility on completion of the project in the fourth quarter of 2020 .

In 2021, income tax expense was $14.8 million, compared to $13.2 million recorded in 2020. The increase in income tax expense was in line with the improvement in year-over-year income before taxes, partially offset by a lower effective tax rate. The effective tax rate was 25.8% in 2021 compared to 26.8% in 2020 primarily due to a lower average combined federal and provincial statutory income tax rate and lower non-deductible transaction costs.

In 2021, total comprehensive income was $45.1 million, compared to $37.3 million in 2020. In addition to the year-over-year improvement in net income discussed above, the Company recorded an higher gain of $1.2 million, net of deferred tax, on its defined benefit pension plans, as a result of an increase in the discount rate and gains on the plans' assets due to investment earnings being higher than the expected investment income for the year.

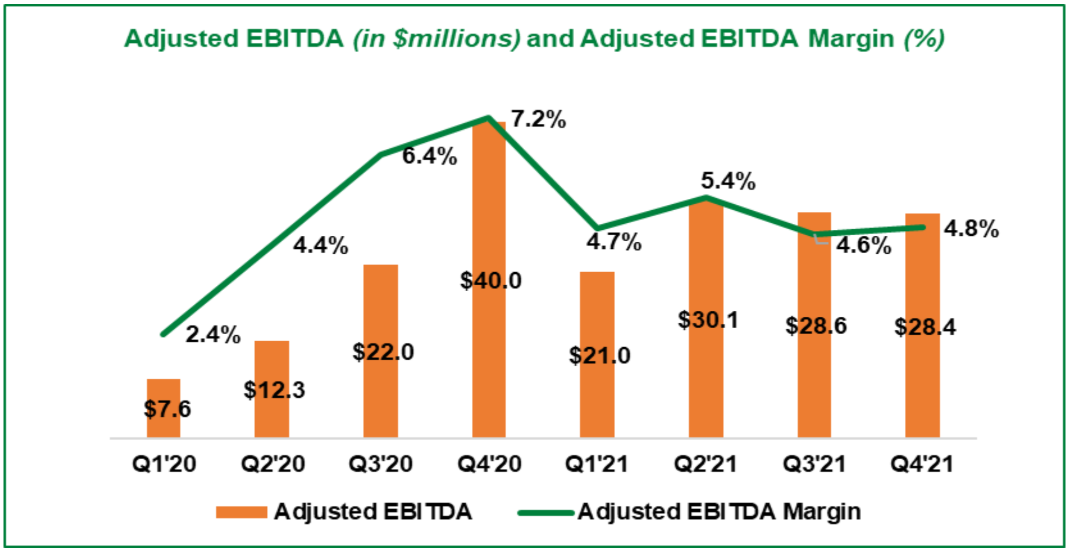
Adjusted Earnings[1] for fiscal 2021 was $51.0 million compared with Adjusted Earnings of $41.6 million for fiscal 2020. The year-over-year increase of $9.4 million in Adjusted Earnings is reflective of the improvement in net income described above and the year-over-year increase of $2.7 million of tax effected acquisition, integration and restructuring expenses, which are excluded from Adjusted Earnings.





Basic and diluted earnings per share was $0.80 in fiscal 2021 and 2020. Adjusted Earnings Per Share was $0.96 and $0.92 for fiscal 2021 and 2020, respectively. The weighted average shares outstanding used to calculate basic and diluted earnings per share and Adjusted Earnings Per Share was 53,258,316 for 2021, compared to 45,334,239 for the 2020 year-end.

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



Adjusted EBITDA[1] in 2021 was $108.1 million and increased $26.2 million from Adjusted EBITDA of $81.9 million in 2020. The year-over year increase is reflective of the improvement in earnings described above and a year-over-year increase in the addback for amortization and depreciation of $12.8 million and the year-over-year increase of $3.5 million of pre-tax acquisition, integration and restructuring expenses, which are excluded from Adjusted EBITDA. Adjusted EBITDA Margin was 4.9% and 5.5% in 2021 and 2020, respectively, with the decrease consisent with the items discussed above.

[1] 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, 2021		2020	% change
Construction revenue	$	**597,803**	$ 554,960	7.7%
Costs of construction		**546,489**	493,426	10.8%
Gross profit		**51,314**	61,534	-16.6%
Income (loss) from equity accounted investments		**901**	(189)	-576.7%
General and administrative expenses		**(37,135)**	(32,822)	13.1%
Income from operations		**15,080**	28,523	-47.1%
Finance income		**426**	178	139.3%
Finance and other costs		**(1,890)**	(1,731)	9.2%
Income before income taxes		**13,616**	26,970	-49.5%
Income tax expense		**3,699**	6,436	-42.5%
Net income for the period	$	**9,917**	$ 20,534	-51.7%
Total comprehensive income for the period	$	**10,039**	$ 21,771	-53.9%
Basic and diluted earnings per share	$	**0.18**	$ 0.39	-53.8%
Adjusted Earnings (1)	$	**13,046**	$ 21,526	-39.4%
Adjusted Earnings Per Share	$	**0.24**	$ 0.41	-41.5%
Adjusted EBITDA(1)	$	**28,399**	$ 40,011	-29.0%
Adjusted EBITDA Margin		**4.8%**	7.2%	-2.4%

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

During the fourth quarter of 2021, the Company earned net income of $9.9 million on construction revenue of $597.8 million, compared with net income of $20.5 million on $555.0 million of construction revenue in 2020. In the fourth quarter of 2021, despite the ongoing COVID-19 pandemic, the Company observed modest increases in revenues across all of its work programs as the market began to recover to pre-pandemic levels.

The Company's 2021 fourth quarter gross profit of $51.3 million was $10.2 million lower than the $61.5 million gross profit recorded a year ago. Gross Profit Percentage in the fourth quarter of 2021 was 8.6% compared to 11.1% recorded a year ago. The year-over-year decrease in gross profit and Gross Profit Percentage is primarily due to the recovery of $18.7 million of compensation expense in costs of construction under the CEWS program recorded the fourth quarter of 2020 which helped to offset additional costs incurred by the Company related to the pandemic, whereas no amounts for CEWS were recognized in the fourth quarter of 2021. Overall, diversification of the Company's work program, particularly in the Company's self-perform industrial projects continues to positively impact Gross Profit Percentage. The pandemic continued to have a negative impact on gross profit due to project delays, increased costs due to reduced productivity and additional personal protective equipment required on project sites.

The year-over-year decrease in fourth quarter net income is consistent with the Company's lower gross profit and increases in general and administrative expenses, partially offset by increased income from equity accounted investments, lower income taxes and other items further discussed below.

Income from equity accounted investments in the fourth quarter of 2021 was $0.9 million, compared with losses of $0.2 million in same period of 2020. The higher income in the fourth quarter of 2021 was primarily due to higher earnings related to Stack Modular, while in the fourth quarter of 2020 lower equity income from PPP concession entities contributed to the losses in that period.

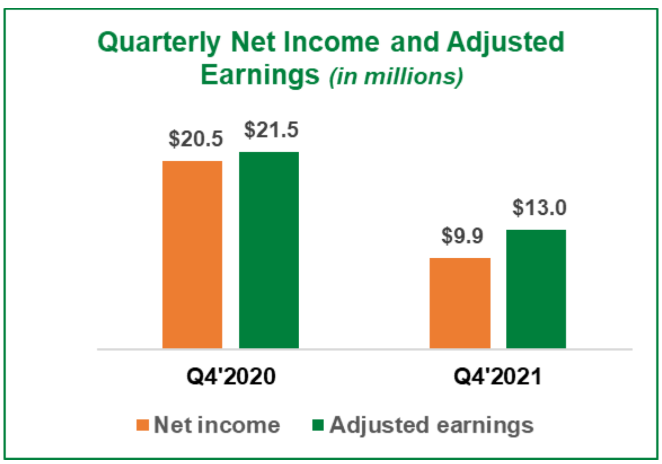
In the fourth quarter of 2021, general and administrative expenses were $37.1 million (6.2% of revenue) versus $32.8 million (5.9% of revenue) in the corresponding period a year ago. The primary drivers for the $4.3 million year-over-year increase were higher compensation costs of $2.2 million, including the impact of a $3.0 million CEWS recovery of compensation costs in 2020, and higher on-going integration activities associated with the Stuart Olson acquisition of $2.0 million. Also driving the year-over-year increase were $0.8 million of higher amortization and depreciation costs and higher technology costs of $0.3 million. Partially offsetting the increase in expenses were lower discretionary costs of $0.9 million. General and administrative expenses for the quarter included non-recurring acquisition and integration costs of $4.1 million compared to $2.1 million in the prior year.

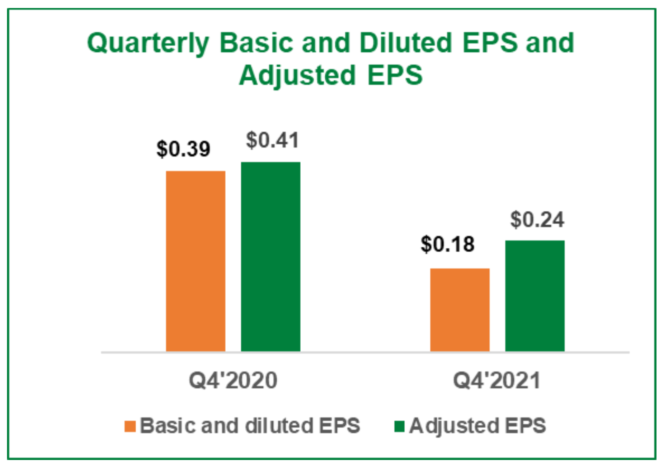
Finance income of $0.4 million in the fourth quarter of 2021 was higher than the $0.2 million recorded in the same period of 2020 due to higher average cash balances arising from higher cash collections.

Finance and other costs of $1.9 million were higher than the $1.7 million reported in the fourth quarter of 2020. The increase of $0.2 million was due to higher interest expense on loans and borrowings.

In the fourth quarter of 2021, income tax expense was $3.7 million, compared to $6.4 million recorded in the fourth quarter of 2020. The decrease in income tax expense was primarily due to the decrease in year-over-year income before taxes.

In the fourth quarter of 2021, total comprehensive income was $10.0 million, compared to $21.8 million in the fourth quarter of 2020. The year-over-year decrease of $11.8 million was primarily due to the decrease in net income of $10.6 million described above, and a $1.1 million lower gain, net of tax, on its defined benefit pension plans as a result of a decrease in the discount rate impacting the pension obligation and a small loss on the plans' assets due to investment earnings being lower than the expected interest income.

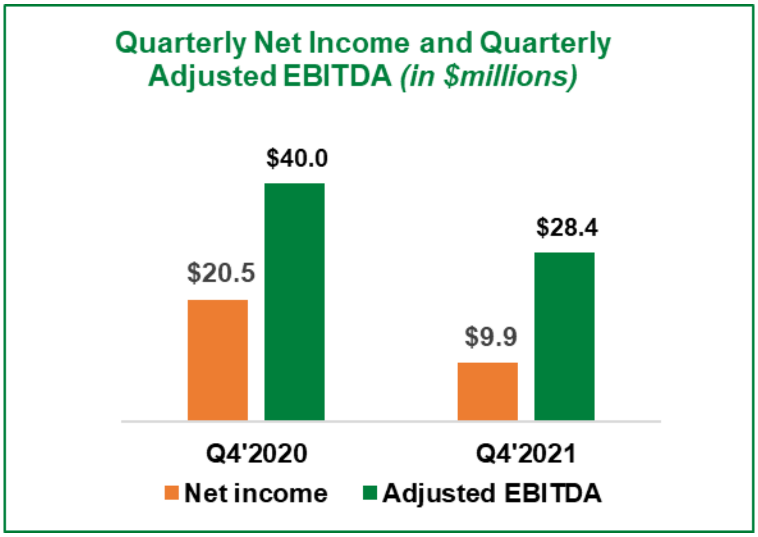




Adjusted Earnings[1] in the fourth quarter of 2021 was $13.0 million, compared with Adjusted Earnings in the fourth quarter of 2020 of $21.5 million. The year-over-year decrease in fourth quarter Adjusted Earnings of $8.5 million is reflective of the decrease in net income of $10.6 million, partially offset by the year-over-year increase of $2.1 million of tax effected acquisition, integration and restructuring expenses, which are excluded from Adjusted Earnings.

Basic and diluted earnings per share was $0.18 in the fourth quarter of 2021, compared to $0.39 in 2020. Adjusted Earnings Per Share was $0.24 and $0.41 in the fourth quarter of 2021 and 2020, respectively. In addition to the impacts of changes in Net Income and Adjusted Earnings discussed above, the basic weighted average shares outstanding at the end of fourth quarter of 2021 was higher by 656,364 common shares issued in connection with the Dagmar acquisition.

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



Adjusted EBITDA[1] in the fourth quarter of 2021 was $28.4 million compared to $40.0 million recorded in the fourth quarter of 2020. The year-over year decrease was consistent with the decrease in quarterly net income, partially offset by $2.0 million of higher pre-tax acquisition, integration and restructuring expenses, which are excluded from Adjusted EBITDA. Adjusted EBITDA Margin was 4.8% and 7.2% in the fourth quarter of 2021 and 2020, respectively.

KEY PERFORMANCE INDICATORS

Securements, Pending Backlog and Backlog

Securing profitable construction contracts and then controlling the costs during the execution of that work are the key drivers of success for the Company. To achieve this, new work must be available, which is a function of the general state of the economy. In periods of strong economic growth, client capital spending will generally increase and there will be more opportunities available in the construction industry. In economic downturns, fewer opportunities typically exist and competition for those opportunities becomes even 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)	2021	2020
Pending Backlog	$ **1,624,700**	$ 1,635,900
Backlog	$ **3,002,509**	$ 2,682,498

Pending Backlog at December 31, 2021 was $1,624.7 million compared to $1,635.9 million at December 31, 2020, a decrease of $11.2 million or 0.7%. The Company's Backlog of $3,002.5 million at December 31, 2021 increased $320.0 million or 11.9% from December 31, 2020. The growth in Backlog compared to December 31, 2020 and added visibility to the Company's work program through strong Pending Backlog reflects the Company's expanded

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

capabilities and scale, the addition of Dagmar and an improvement in market conditions, notwithstanding the continued impact of the COVID-19 pandemic.

Pending Backlog includes approximately $800 million of Master Service Agreement ("MSA")-type contracts. These contracts are typically with industrial clients, that span multiple years for MRO services, and represent a recurring revenue steam over the next one to five years. The Company expects to convert these MSAs to Backlog on a regular basis as purchase orders are received. The remaining projects comprising Pending Backlog are geographically diverse and span multiple sectors and contracting methods.

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)		2021		2020
Opening balance	$	**2,682.5**	$	1,547.4
Acquisition of Stuart Olson		**-**		995.7
Securements, change orders & other adjustments		**2,540.0**		1,643.8
Realized in construction revenues		**(2,220.0)**		(1,504.4)
Closing balance	$	**3,002.5**	$	2,682.5

Gross Profit Percentage

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

For the fiscal year ended December 31,2021 and 2020, the Company realized a Gross Profit Percentage of 8.4%. During the fourth quarter of 2021 the Company realized a Gross Profit Percentage of 8.6% compared with 11.1% in fourth quarter of 2020. The year-over-year change in Gross Profit Percentage for the fourth quarter and 2021 is discussed in the sections above entitled "Quarterly Results of Operations".

Financial Condition

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

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

(in thousands of Canadian dollars)		2021		2020
Working capital	$	**151,810**	$	130,255
Shareholders' equity	$	**243,488**	$	212,610

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 approach to health, safety & the environment ("HS&E") continues to evolve and advance in response to new technologies, tools, strategies, and challenges such as COVID-19. At Bird, ensuring that all work on the Company's sites is executed to exacting quality standards begins with the commitment to creating and sustaining a culture in which the identification, assessment, and elimination or control of HS&E hazards and risks is incorporated into every aspect of operations. This is a cornerstone of the Company's philosophy and approach towards operational excellence.

Bird's approach to developing a healthy safety culture begins with senior leadership articulating HS&E values and policy coupled with an integrated/ long-term strategic focus on risk reduction. This foundation extends to project risk mitigation beginning with pre-project safety planning and strong safety execution practices ranging from competent project leadership, thorough frontline onboarding routines, through to regular HS&E program oversight and evaluation. The Company's HS&E philosophy subscribes to being a *learning organization* constantly seeking opportunities to improve. All the foregoing is underpinned by all workers and trade partners being highly engaged in day-to-day safety expectations.

Ensuring that all workers leave the jobsite every day just as healthy and safe as when they arrived is a shared commitment and, by working collaboratively with employees and trade partners to achieve this, the Company minimizes risk and creates the appropriate conditions for the safe execution of construction activity, on-time, on-budget, and to client's satisfaction. The Company believes this shared commitment is critical to its overall success.

The Bird HS&E strategy is foundational to achieving all 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.

At Bird, personal engagement & ownership is not just a vision or a philosophy, it is a daily routine practiced with discipline and rigour on all Bird job sites.

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

	2021	2020
Person-hours of work	**10,131,291**	5,641,819
Lost time incidents ("LTI")	**1**	1
Lost time incidents frequency ("LTIF")	**0.02**	0.04

COVID 19 AND COMPANY RESPONSE

The COVID-19 pandemic continued to disrupt global health and the economy in 2021. Notwithstanding ongoing vaccination programs and government policies enacted in response to the pandemic, the Canadian construction industry continued to face volatility as each provincial government responded by implementing measures to address the public health threat. With the identification and global transmission of new COVID-19 variants, some of which may have greatly increased transmission risk and health impacts, many regions in Canada experienced a resurgence of daily cases and at year-end 2021 had reintroduced additional preventative safety measures that varied from province to province. The highly contagious Omicron variant has impacted some project sites late in the fourth quarter, and into the first quarter of 2022; however, the Company has mitigated major disruption through a continued approach to robust health and safety measures as outlined below in our COVID-19 response plan.

The duration of the pandemic and the associated impact to future financial and operational measures are unknown. As a result, the corresponding impacts to key variables including our workforce, supply chain, project pursuit and awards cycle, and project site measures remain uncertain. The situation remains extremely fluid; however, the Company responded well to the challenges presented to date and is well positioned to continue responding to fluctuating scenarios.

The health and safety of employees is paramount and, as a result of the pandemic, the Company increased health and safety initiatives to meet or exceed guidance from applicable public health authorities. Adding to its repertoire of robust protocols, the Company released its vaccination and testing policy in October 2021 to continue to work together to stop the spread of COVID-19.

In addition to this new policy, other elements of the Company's COVID-19 response plan include:

- Best practices for both office and field employees and managers.
- Self-assessment tools and new COVID-19 measure audits.
- Enhanced cleaning protocols and hygiene measures and physical distancing practices.
- Proximity activity hazard management process, including additional personal protective equipment requirements, such as face coverings, mandated for specific circumstances both in offices and in the field.
- Strategies to reduce concentrations of site workers such as staggered start times, breaks, and lunch times have been implemented on construction sites. Online COVID-19 information centres have also been created for employees and managers to ensure all team members are kept informed as the situation continues to evolve.
- Remote work practices facilitated by information technology have been implemented and offices have also been adapted to ensure employee safety for those not working remotely.
- The Company continues to communicate on a regular basis with all employees and has highlighted the additional support offered by the provider of the Employee and Family Assistance Program ("EFAP") to support employees and their families during this time.

Throughout the pandemic, Bird's employees have remained dedicated to safely and effectively delivering on project commitments. Their ability to navigate through fluctuating situations is both recognized and appreciated by the Company, its executives, and Directors.

2022 2024 STRATEGIC PLAN

Bird's 2022-2024 Strategic Plan, approved in the third quarter, focuses on the further development of the Company's team, strong project execution, and the diversification of service offerings across Canada. Management believes that the achievement of its strategic objectives in three years' time will position Bird as a leader across the industry with world class safety, high employee engagement, and collaboration across Bird's teams and operating groups.

The plan keeps true to Bird's roots of providing superior client service, delivering first class project execution, and maintaining a strong balance sheet with a balanced approach to capital allocation. Further details of the plan were presented as a part of Bird's investor day materials, which can be found under the "Investors" section on the Company's website. Bird's Strategic Plan is built upon the three pillars of **Team**, **Perform** and **Diversify**:

Team: A highly engaged, high-performance team with industry leading people programs will enable the Company to continue building a world class safety program and fully realize the One Bird approach.

The Company will focus on internal partnerships and shifting from a district focus to a national focus by leveraging cross-selling opportunities between teams, as well as sharing expertise in certain sectors nationally.

Perform: Accountability is a key driver for success and is rooted in exceptional project delivery and client service, and supported by a strong financial framework, robust risk management, and continued focus on accretively building the Company's backlog.

The Company will maintain a diligent focus on capitalizing on cross-selling opportunities, increasing its project self-perform capabilities, pursuing higher margin potential projects, and providing innovative client solutions. The harmonization and development of new processes, tools, and systems to support consistent performance and efficiency will ensure that Bird employees will have a common and nimble technology platform that provides the necessary agility, consistency, and innovation required to successfully respond to the constantly evolving landscape.

The Company is committed to entrenching sustainability best practices within all areas of the business and will develop and execute a comprehensive strategy that will result in the recognition of Bird as a sustainable organization within the construction industry. Providing sustainable, innovative, and lasting solutions for communities, as well as clients, partners, and employees, aligns with the Company's core values and contributes to the achievement of accountability and stewardship across all operations.

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

Within the industrial sector, Bird will pursue a strategy of continued organic growth coupled with increasing the geographic balance of operations through expansion. This will be supported by strategic, accretive acquisitions, and by providing existing service offerings to long-standing clients' eastern operations. The augmentation of self-perform maintenance, repair, and operations services provides a source of consistent recurring revenue.

	For Bird's institutional, commercial and residential sector, the combined experience and talent pool as a result of the acquisition of Stuart Olson will drive the successful pursuit of projects that neither company could do on its own previously. This, coupled with collaborative contracting methods will continue to de-risk Bird's project portfolio, and allow the company to deliver higher margin projects with less volatility. Additionally, establishing Centres of Excellence to leverage experience in key sectors nationally will support an appropriately balanced mix of projects through various project delivery models, geographic representation, and higher margin potential projects. Bird's continued partnership with Stack Modular, a global design-build structural steel frame modular manufacturer, will provide opportunities for innovative solutions in the multi-family, hospitality, resource, and student and senior housing sectors, and complements the Company's diversification strategy by leveraging specialty service offerings in a sector with high growth potential. The commercial systems business will expand targeted capabilities nationally and grow in markets with limited competition. This will include the expansion of the specialized security and facilities maintenance services portfolios with current clients, as well as expanding mechanical service offerings nationally. The recent acquisition of Dagmar provides a platform to expand Bird's national civil capabilities, including self-perform capacity, across key civil infrastructure sub-sectors including road, bridge, rail, and underground utilities installation. In addition to enhancing Bird's competitive position nationally, it also contributes to increased diversification in a growing end-market with a strong outlook bolstered by government infrastructure commitments.

The transformative acquisition of Stuart Olson on September 25, 2020 significantly expanded Bird's geographic footprint and service offering, further balancing the Company's risk profile and enhancing Bird's talented pool of constructors. The acquisition of Dagmar Construction on September 1, 2021 provided additional geographic and client diversification, as Dagmar's specialized civil infrastructure offerings provide Bird a platform to expand capabilities and relationships in Canada's largest civil infrastructure market. The rail sector in particular will be a significant catalyst for long-term growth in the civil infrastructure sector for Bird.

Overall, the culmination of the Company's efforts has resulted in Bird becoming more diversified by geography and end market and having increased overall visibility to forward revenue generation and improved operating margins. Bird's 2022-2024 Strategic Plan expands upon these achievements and is bolstered by the solid foundation for resilient operating margin accretion that has been established, and which will continue to create sustainable, profitable growth for shareholders.

OUTLOOK

Bird's overall outlook remains optimistic for 2022 with positive market conditions foreseeable in the near- to medium-term and encouraging growth prospects. The Company's bidding pipeline remains robust, and the acquisitions of Stuart Olson and Dagmar Construction are bearing fruit as significant cross-selling opportunities continue to emerge.

Throughout the second half of 2021, market conditions continued to improve and the Company was able to leverage its combined expertise to grow Backlog 11.9% year-over-year. Cross-selling opportunities were realized, as evidenced by Bird's fourth quarter 2021 Backlog and Pending Backlog of $3.0 billion and $1.6 billion respectively, which are comparable to the record combined Backlog and Pending Backlog reported at the end of the third quarter. Notably, contracts announced in the fourth quarter, including the Alliance Agreement with Noventa Energy Partners, the Ontario Power Generation Clarington Corporate Campus Project, and the completion of the validation phase for the IPD contract for Canadian Nuclear Laboratories are attributable to the concerted effort by management to further diversify its industrial capabilities throughout Canada and to leverage cross-selling in order to penetrate new end markets. Recent awards, including the substantial Lake City Studios project in BC announced prior to year-end, exemplify the positive momentum resulting from the combined team's expertise, its further development of collaborative contracting experience and formation of important external partnerships.

Providing additional stability and strong visibility to the Company's future work program is approximately $800 million in MSA contracts within Pending Backlog that represent a recurring revenue stream over the next five years. With the backdrop of a healthy combined Backlog and Pending Backlog providing good visibility, coupled with expected substantial government stimulus spending and a higher commodity price environment which are driving increased capital expenditure budgets in LNG, agriculture, oil and gas and mining, revenues are expected to see solid organic growth in 2022 and in the years following.

Despite the overall positive results and outlook, the emergence of the COVID-19 Omicron variant late in the fourth quarter resulted in an increase in employee absenteeism, modest delays in project tenders and awards from clients, and intermittent supply chain challenges - all which combined to restrain revenues and associated profitability in the fourth quarter of 2021. These pressures continued to have an impact in January and early February of 2022, but have started to subside in March. Management has had a strong focus over the past several years to secure projects with an appropriate and manageable risk profile in our portfolio of services and enter 2022 with a Backlog that reflects this focus. Management expects conditions to improve throughout 2022 and remains optimistic on the year.

The key strategic priorities to diversify across geographies and end markets, pursue collaborative contracting methods and drive top-line synergies across its platform, bolstered by the acquisitions of Stuart Olson and Dagmar Construction, are yielding tangible benefits. The Company is well positioned to capitalize on top-line growth opportunities and deliver an improved margin profile.

Consistent with its strategic priorities, Bird maintains a strong balance sheet with significant financial flexibility and significant liquidity, which allows management to uphold its disciplined and balanced approach to capital allocation. In the short term, management expects to deploy cash generated from operating activities towards investments in the business and in further strengthening its balance sheet, which will position the Company to successfully capitalize on additional productivity advancements, organic growth, and suitable acquisition opportunities if they arise.

Overall, we expect the healthy economic backdrop combined with Bird's trusted position with its clients and within its end markets to provide a solid foundation that allows the Company to grow profitably, improve its overall margin profile, and build shareholder value.

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. The belief is explained in sections of this MD&A dealing with financial condition and liquidity.

In addition to financial capacity, the success of the Company is dependent upon the management and leadership skills of senior management. A highly engaged, high-performance team with industry leading people programs is a key objective outlined in the Company's 2022-2024 strategic plan. On an annual basis, high-performing candidates are identified for training and progression into more senior positions within the Company. The Company's performance management system emphasizes the development of leadership skills. In addition, the Company sponsors internal and external training programs, including the Bird Leadership Academy, the Bird Site Management program and the Taking Flight management training program, to provide a forum for high-potential candidates to develop their leadership skills.

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)		2021		2020
Cash and cash equivalents	$	**190,191**	$	212,068
Non-cash working capital		**(38,381)**		(81,813)
Working capital	$	**151,810**	$	130,255
Non-current loans and borrowings	$	**71,211**	$	64,903
Non-current right-of-use liabilities	$	**59,576**	$	59,327
Shareholders' equity	$	**243,488**	$	212,610

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

As a component of working capital, the Company maintains a balance of cash and cash equivalents. At December 31, 2021, this balance totalled $190.2 million. Accessible cash at December 31, 2021 was $103.0 million ($96.7 million at December 31, 2020) with the remaining cash and cash equivalents balance held in trust or in joint operations' accounts. Accessible cash improved year over year due to improvement in working capital.

Non-cash working capital was in a net liability position of $38.4 million at December 31, 2021, compared to a net liability position of $81.8 million at December 31, 2020. The decrease in the net liability position utilized $43.4 million of cash in 2021. The overall use of cash is consistent with the Company's expectations and is mainly due to the shifts in project mix and the stage of completion on certain major projects.

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 in the settlement of income taxes payable. The Company's cash balances 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, 2021, the Company had working capital of $151.8 million compared with $130.3 million at December 31, 2020, an increase of $21.5 million. The $21.5 million increase is primarily the result of the Company's net income of $42.8 million exceeding the $20.8 million of dividends by $22.1 million. The Company's current ratio[1] at December 31, 2021 was 1.21, which is comparable to the current ratio of 1.19 at December 31, 2020.

The $30.9 million increase in shareholders' equity since December 31, 2020 was primarily the result of the Company's 2021 net income of $42.8 million, other comprehensive income of $2.3 million and $6.5 million of share capital issued in connection with the Dagmar acquisition, partially offset by $20.8 million of dividends declared.

During the third quarter of 2021, the Company extended its Credit Facility by an additional year and expanded the committed Credit Facility to $235.0 million, adding further scale and liquidity. The Company is well-served by its long-held philosophy of maintaining a strong balance sheet and, as a result, is well-positioned at December 31, 2021 with $103.0 million of accessible cash and cash equivalents (excluding cash held in joint ventures and trust accounts) and $140.3 million of capacity available via its committed, Credit Facility, as well as a non-committed accordion option of up to an additional $50.0 million.

During the third quarter of 2021, Bird also amended its agreement with EDC to provide for an increase in performance security guarantees from $75.0 million to $100.0 million for letters of credit issued by financial institutions on behalf of the Company. Bird uses this facility when letters of credit have been issued as contract security for projects that meet the EDC criteria, which further increases liquidity. Despite the negative financial impacts from the COVID-19 pandemic, the Company has sufficient funding to meet its foreseeable operating requirements and expects to remain in compliance with all banking covenants.

Credit Facilities

The Company has several 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.

Syndicated Credit Facility

The Company has a three-year committed, syndicated credit facility (the "Syndicated Facility") secured by a general interest in the assets of the Company. The Syndicated Facility consists of the following:

Committed revolving credit facility

The Company has a committed revolving credit facility up to $185.0 million, maturing on September 1, 2024. The revolving credit facility includes a $20.0 million swingline which allows the Company to enter into an overdraft position. Borrowings under the facility bear interest at a rate per annum equal to the Canadian prime rate plus a spread. A standby fee is payable quarterly on the unutilized portion of the facility.

At December 31, 2021, the Company has $22.0 million (December 31, 2020 - $22.7 million) in letters of credit outstanding on the facility and has drawn $22.7 million on the facility (December 31, 2020 - $25.0 million). The $22.7 million draw amount is presented as non-current loans and borrowings on the Company's statement of financial position.

Committed non-revolving term loan facility

The Company has a committed non-revolving term loan facility totalling $50.0 million which was used to finance the acquisitions of Stuart Olson and Dagmar. The term loan has scheduled repayments due quarterly until the maturity date of September 1, 2024. Any repayment of the facility cannot be reborrowed. Borrowings under the facility bear interest at a rate per annum equal to the Canadian prime rate plus a spread.

At December 31, 2021, the Company has an outstanding balance of $49.4 million on the term loan facility (December 31, 2020 - $35.0 million).

Accordion

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

The Company has a non-committed accordion of up to an additional $50.0 million to increase the limit of the committed revolving credit facility and the committed non-revolving term debt facility. The aggregate increase to the committed revolving credit facility and committed non-revolving term debt facility may not exceed $50.0 million. Any increases under the accordion require creditor approval before becoming available to the Company.

The Company was in compliance with its covenants under each respective facility at December 31, 2021 and December 31, 2020.

Letters of Credit Facilities

The Company has available $150.0 million of demand facilities used primarily to support the issuance of letters of credit. 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 EDC. At December 31, 2021, the Company has $67.4 million in letters of credit outstanding on these facilities (December 31, 2020 - $44.5 million).

The Company has an agreement with EDC to support the issuance of contract performance security letters of credit issued by financial institutions on behalf of the Company. The Company is able use this facility only when letters of credit have been issued as contract security for projects that meet the EDC mandate. Letters of credit are typically issued to support the Company’s performance obligations on major construction projects.

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)	2021	2020
Committed revolving credit facility	**$ 185,000**	$ 165,000
Letters of credit issued from committed revolving credit facility	**21,989**	22,702
Drawn from committed revolving credit facility	**22,725**	25,000
Available committed revolving credit facility	**140,286**	117,298
Committed non-revolving term loan facility	**$ 50,000**	$ 35,000
Repayment of committed non-revolving term loan facility	**(625)**	-
Drawn committed non-revolving term loan facility	**49,375**	35,000
Non-committed Available Accordion	**$ 50,000**	$ 50,000
Letters of credit facilities	**$ 150,000**	$ 125,000
Letters of credit issued from letters of credit facilities	**67,426**	44,490
Available letters of credit facilities	**82,574**	80,510
Collateral pledged to support letters of credit	**$ 139**	$ 139
Guarantees provided by EDC	**$ 67,289**	$ 44,353

Equipment Financing

The Company has committed term credit facilities of up to $40.0 million that may be used to finance equipment purchases. Borrowings under the facilities are secured with a first charge on the equipment being financed. At December 31, 2021, there is $5.2 million outstanding on the facilities of which $nil is classified as ROU liabilities (December 31, 2020 - $9.2 million of which $0.6 million is classified as ROU liabilities). Interest on the facilities is charged at a fixed rate based on the Bank of Canada bond rate plus a spread. Interest is paid monthly in arrears.

The Company also has multiple, fixed interest rate, term loans which were used to finance equipment purchases. At December 31, 2021, the balance outstanding on these term loans amounted to $1.3 million (December 31, 2020 - $3.6 million). Principal and interest are payable monthly, and these term loans are secured by a first charge against the specific equipment financed using these facilities.

At December 31, 2021 and December 31, 2020, the Company was in compliance with the covenants relating to these equipment financing loans and facilities.

Annual Cash Flow Data

The following table provides an overview of cash flows for the years ended December 31, 2021 and 2020:

(in thousands of Canadian dollars)	2021	2020	$ change
Cash flows from operations before changes in non-cash working capital	$ **102,623**	$ 71,696	$ 30,927
Changes in contract assets - alternative finance projects	**113**	75,067	(74,954)
Changes in non-cash working capital and other	**(66,910)**	(17,816)	(49,094)
Cash flows from operating activities	**35,826**	128,947	(93,121)
Investments net of capital distributions from equity accounted entities	**1,425**	435	990
Proceeds on sale of investment in equity accounted entities	**-**	11,034	(11,034)
Additions to property, equipment and intangible assets	**(11,756)**	(14,227)	2,471
Proceeds on sale of property and equipment	**3,614**	9,211	(5,597)
Acquisitions, net of cash acquired	**(20,563)**	(59,960)	39,397
Other long-term assets	**3,975**	(392)	4,367
Cash flows used in investing activities	**(23,305)**	(53,899)	30,594
Proceeds from issue of common shares	**-**	39,876	(39,876)
Dividend paid on shares	**(20,749)**	(17,607)	(3,142)
Proceeds from non-recourse project financing	**-**	46,782	(46,782)
Repayment of non-recourse project financing	**-**	(131,849)	131,849
Proceeds from loans and borrowings	**58,600**	88,283	(29,683)
Repayment of loans and borrowings	**(52,832)**	(56,658)	3,826
Repayment of right-of-use liabilities	**(19,265)**	(12,110)	(7,155)
Cash flows used in financing activities	**(34,246)**	(43,283)	9,037
(Decrease) increase in cash and cash equivalents	**(21,725)**	31,765	(53,490)

Operating Activities

During 2021, cash flows from operating activities generated cash of $35.8 million, a decrease of $93.1 million from the cash of $128.9 million generated in 2020.

Cash flows from operations before changes in non-cash working capital of $102.6 million increased $30.9 million year-over-year from the $71.7 million of cash generated in 2020 primarily due to the $6.7 million improvement in net income and higher non-cash addbacks for income tax ($1.6 million), amortization and depreciation ($12.8 million) and deferred compensation ($5.4 million). In addition, there was a $3.6 million lower non-cash deduction for income from equity accounted investments, and a $0.8 million lower gain on sale of property and equipment.

Changes in contract assets – alternative finance projects in 2021 decreased $75.0 million from the change in 2020. This variance relates to the OPP Modernization Phase 2 alternative finance project which reached substantial completion and was billed and collected during the fourth quarter of 2020, enabling the full repayment of the non-recourse project financing discussed under Financing Activities below.

Cash use driven by changes in non-cash working capital and other was $66.9 million in 2021 compared to $17.8 million in the prior year. As discussed previously, the Company's non-cash working capital position fluctuates significantly in the normal course of business from period to period. In 2021, the cash use related to changes in non-cash working capital and other relates primarily to increases in accounts receivable and higher income tax related payments, partially offset by an increase in accounts payable. In contrast, during 2020, the slowdown in activity as a result of the COVID-19 pandemic resulted in the conversion of non-cash working capital to cash.

Investing Activities

During 2021, the Company used $23.3 million of cash in investing activities compared to the $53.9 million used in 2020. The year-over-year change of $30.6 million was primarily driven by a decrease in cash requirements related to acquisitions. In 2020, the Company used $60.0 million of cash in its acquisition of Stuart Olson while in 2021, the

Company used $20.6 million of cash in its acquisition of Dagmar. Also contributing to the change were lower additions to property, equipment and intangible assets of $2.5 million, an increase in other long-term assets of $4.3 million and $1.0 million net lower incremental investments in equity accounted entities. This was offset by lower proceeds on the sale of property and equipment of $5.6 million and lower proceeds from the sale of investments in equity accounted entities of $11.0 million.

Financing Activities

During 2021, the Company used $34.2 million of cash in financing activities compared to $43.3 million used in 2020. The year-over-year change of $9.1 million was primarily driven by the net lower repayment of non-recourse project financing of $85.1 million related to the alternative finance project described in Operating Activities above. This was offset by a decrease in proceeds from the issuance of common shares of $39.9 million related to the Stuart Olson acquisition completed in the third quarter of 2020 and lower proceeds on loans and borrowings of $29.7 million. Additionally, repayment of loans and borrowings and ROU liabilities were $3.3 million higher than in 2020 and dividend payments in 2021 increased by $3.1 million as a result of additional shares issued in relation to the Stuart Olson and Dagmar acquisitions.

Quarterly Cash Flow Data

The following table provides an overview of cash flows during the three months ended December 31, 2021 and 2020:

(in thousands of Canadian dollars)	Three months ended December 31, 2021	2020	$ change
Cash flows from operations before changes in non-cash working capital	$ **25,791**	$ 39,806	$ (14,015)
Changes in contract assets - alternative finance projects	**-**	139,980	(139,980)
Changes in non-cash working capital and other	**31,398**	19,650	11,748
Cash flows from operating activities	**57,189**	199,436	(142,247)
Investments net of capital distributions from equity accounted entities	**205**	1,346	(1,141)
Additions to property, equipment and intangible assets	**(5,539)**	(6,068)	529
Proceeds on sale of property and equipment	**1,117**	2,843	(1,726)
Other long-term assets	**(944)**	(1,134)	190
Cash flows used in investing activities	**(5,161)**	(3,013)	(2,148)
Dividend paid on shares	**(5,235)**	(5,171)	(64)
Proceeds from non-recourse project financing	**-**	1,891	(1,891)
Repayment of non-recourse project financing	**-**	(131,849)	131,849
Proceeds from loans and borrowings	**-**	26,376	(26,376)
Repayment of loans and borrowings	**(6,984)**	(26,684)	19,700
Repayment of right-of-use liabilities	**(4,953)**	(6,094)	1,141
Cash flows used in financing activities	**(17,172)**	(141,531)	124,359
Increase in cash and cash equivalents	**34,856**	54,892	(20,036)

Operating Activities

During the fourth quarter of 2021, cash flows from operating activities generated cash of $57.2 million, a decrease of $142.2 million from the $199.4 million of cash generated in the fourth quarter of 2020.

Cash flows from operations before changes in non-cash working capital of $25.8 million decreased $14.0 million from the $39.8 million cash generated in 2020 primarily due to the $10.6 million decrease in net income, lower non-cash addbacks for income taxes ($2.7 million), amortization and depreciation ($0.5 million), income from equity accounted investments ($1.1 million), partially offset by higher deferred compensation ($0.8 million).

Changes in contract assets – alternative finance projects decreased $140.0 million year-over-year. This change was partially offset by the $131.8 million reduction in repayment of non-recourse financing. These variances relate to the OPP Modernization Phase 2 alternative finance project which reached substantial completion and was billed and collected during the fourth quarter of 2020, enabling the full repayment of the non-recourse project financing in the same quarter.

Cash from changes in non-cash working capital and other increased $11.7 million year-over-year and was driven mainly by decreases in accounts receivable and contract assets ($29.4 million), provisions ($4.6 million), lower outflows for income taxes ($4.1 million) and other items ($0.2 million). This was partially offset by increases in accounts payable and contract liabilities ($40.2 million) and prepaid expenses (1.6 million). The year-over-year impact on working capital in 2021 results from the Stuart Olson acquisition due to a shift in project mix and increased activity on self-perform projects. 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 2021, the Company used $5.2 million of cash in investing activities compared to $3.0 million used in 2020. The change of $2.2 million was primarily due to net lower distributions of $1.1 million from equity accounted entities and lower proceeds on sale of property and equipment of $1.7 million. Offsetting this were lower additions to property, equipment and intangible assets of $0.5 million and a decrease in other long-term assets.

Financing Activities

During the fourth quarter of 2021, the Company used $17.2 million of cash related to financing activities, comprised of a $5.0 million voluntary repayment of non-current loans and borrowings, $5.2 million of dividend payments and $6.9 million of scheduled repayments of other loans and borrowings and ROU liabilities. In the same period of 2020, the Company made net repayments of non-recourse project financing of $130.0 million related to the alternative finance project described above, dividend payments of $5.2 million and net repayments of other loans and borrowings and ROU liabilities of $6.4 million.

CONTRACTUAL OBLIGATIONS

At December 31, 2021, the Company has future contractual cash flow obligations of $711.0 million. Interest payments on the committed revolving credit facility and committed non-revolving term loan facility are not included in the table below since they are subject to variability based upon outstanding balances at various points throughout the period.

(in thousands of Canadian dollars)		Not later than 1 year	2 - 3 years	4 - 5 years	Later than 5 years	Contractual cash flows	Carrying amount
Accounts payable	$	452,697	59,863	1,770	-	514,330	514,330
Dividends payable		1,745	-	-	-	1,745	1,745
Right-of-use liabilities		22,157	34,191	18,302	14,801	89,451	79,358
Committed revolving credit facility		-	22,725	-	-	22,725	22,725
Committed non-revolving term loan		3,125	46,250	-	-	49,375	49,375
Equipment financing		4,476	2,159	126	-	6,761	6,581
Acquisition holdback		1,364	1,000	-	-	2,364	2,364
Lease commitments		4,989	-	-	-	4,989	n/a
Other purchase commitments		2,597	6,188	6,146	4,349	19,280	n/a
	$	493,150	172,376	26,344	19,150	711,020	676,478

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 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 employ hedge accounting for any of its derivative contracts currently in place. The Company does not hold or use any derivative instruments for trading or speculative purposes. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews corporate policies on an ongoing basis. The financial instruments that Bird uses expose the Company to credit, liquidity, market and currency risks. Refer to Note 33 to the December 31, 2021 annual consolidated financial statements for further details.

Credit Risk

The Company is primarily exposed to credit risk through accounts receivable. Before entering into any construction contract and during the course of the construction project, the Company satisfies itself that the customer has adequate resources to fulfil its contractual payment obligations as construction work is completed. If a customer 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. The Company reviews impairment of its accounts receivable at each reporting period and reviews the provision for doubtful accounts for expected future credit losses. The Company takes into consideration the customer's payment history, creditworthiness, and the current economic environment in which the customer operates, to assess impairment. In determining the quality of accounts receivable, the Company considers any change in the credit quality of customers from the date credit was initially granted up to the end of the reporting period. At December 31, 2021, accounts receivable outstanding for greater than 90 days and considered past due by the Company's management represent 14.8% (December 31, 2020 – 17.5%) of the balance of progress billings on construction contracts receivable. Management has recorded an allowance of $1.5 million (December 31, 2020 - $1.5 million) against these past due receivables, net of amounts recoverable from others. Management does not believe there is additional material risk regarding the credit quality and collectability of these accounts, as the Company's customers are predominantly large in scale and of high creditworthiness, and the concentration of credit risk is limited due to the Company's sizeable and unrelated customer base.

A significant customer is one that represents 10% or more of contract revenue earned during the year. For the year ended December 31, 2021, the Company had revenue of $323.6 million from one significant customer (2020 - $206.3 million).

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting 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.

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 and TRS derivatives are based on variable rates of interest. For the year ended December 31, 2021, 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 (2020 – $0.6 million).

The Company has certain share-based compensation plans where the values are based on the common share price of the Company. The Company has fixed a portion of the settlement costs of these plans by entering into various TRS derivative contracts maturing in 2022. For the year ended December 31, 2021, a 10 percent change in the share price applied to the Company's TRS derivatives would change income before income taxes by approximately $1.5 million (2020 – $1.2 million).

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. During 2021, the Company entered into foreign currency forward contracts to buy US dollars for the purpose of managing its foreign currency risk. These derivative contracts have settlement dates extending to November 2022. For the year ended December 31, 2021, a 10% movement in the Canadian and U.S. dollar exchange rate would have changed income by approximately $0.2 million (2020 – $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	2021	2020
January 1 to March 31	$ 0.0975	$ 0.0975
April 1 to June 30	$ 0.0975	$ 0.0975
July 1 to September 30	$ 0.0975	$ 0.0975
October 1 to December 31	$ 0.0975	$ 0.0975

As of March 8, 2022, the Board of Directors has declared eligible dividends with a record date subsequent to December 31, 2021 for the following months:

Eligible dividends declared	Record date	Payment date	Dividend per share
January dividend	January 31, 2022	February 18, 2022	$ 0.0325
February dividend	February 28, 2022	March 18, 2022	$ 0.0325
March dividend	March 31, 2022	April 20, 2022	$ 0.0325
April dividend	April 29, 2022	May 20, 2022	$ 0.0325

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 53,695,293 common shares outstanding at March 8, 2022 (December 31, 2020 - 53,038,929). 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 $93.1 million at December 31, 2021 (December 31, 2020 - $93.4 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 35 to the December 31, 2021 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 36 to the December 31, 2021 consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

(in thousands of Canadian dollars, except per share amounts)	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	**Q4**
Revenue	$321,646	$282,766	$345,060	$554,960	$444,637	$556,362	$621,224	**$597,803**
Net income	1,123	5,624	8,822	20,534	7,119	13,630	12,117	**9,917**
Earnings per share	0.03	0.13	0.20	0.39	0.13	0.26	0.23	**0.18**
Adjusted Earnings	1,123	6,566	12,364	21,526	9,137	14,950	13,821	**13,046**
Adjusted Earnings Per Share	0.03	0.15	0.29	0.41	0.17	0.28	0.26	**0.24**
Adjusted EBITDA	7,562	12,328	22,036	40,011	21,040	30,112	28,585	**28,399**

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

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

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

There are also several other factors that can affect the Company’s revenues and profit from quarter-to-quarter. These include the timing of contract awards, the value of subcontractor billings and project scheduling. Management does not believe that any individual factor is responsible for changes in revenue from quarter-to-quarter, except for seasonality in the first quarter of each year and the impact of the COVID-19 pandemic. The COVID-19 pandemic impact has put downward pressure on the Company’s revenue and earnings with more significant impacts in the second quarter of 2020 and the first half of 2021. The transformational acquisition of Stuart Olson on September 25, 2020 led to the significant change in quarterly results between the third and fourth quarters of 2020.

ACCOUNTING POLICIES

The Company’s significant accounting policies are outlined in the notes to the annual consolidated financial statements for the year ended December 31, 2021.

New Accounting Standards, Amendments and Interpretations Adopted

The Company adopted amendments to IFRS 16 Leases on a prospective basis on January 1, 2021. On May 28, 2020, the IASB issued COVID-19-Related Rent Concessions (Amendment to IFRS 16). The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before June 30, 2021. Subsequently, on March 31, 2021, the IASB extended the practical expedient by 12 months; permitting lessees to apply it to rent concessions that reduce lease payments originally due on or before June 30, 2022. The new 2021 amendments are effective for annual periods beginning on or after April 1, 2021. Early adoption is permitted. The adoption of these amendments to IFRS 16 did not have a material impact on the financial statements.

Future Accounting Changes

There are new accounting standards, amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2022 and have not been applied in preparing the financial statements for the period ended December 31, 2021. 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.

Impact of the COVID-19 pandemic

The COVID-19 pandemic has continued to disrupt global health and the economy in 2021. Notwithstanding ongoing vaccination programs and government policies enacted in response to the pandemic, the Canadian construction industry continues to face volatility as each provincial government has responded, and continues to respond, by implementing measures to address the public health threat. The duration of the pandemic and the associated impact to future financial and operational measures are unknown. As a result, the corresponding impacts to key variables including, our workforce, supply chain, project pursuit and awards cycle, and project site measures remain uncertain. The situation remains extremely fluid; however, the Company has responded well to the challenges presented to date and is well positioned to continue responding to fluctuating scenarios.

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 their estimated fair value at the time of acquisition. The determination of fair value requires the Company to make assumptions, estimates and judgements regarding cash flow projections, valuation techniques, economic risk, weighted average cost of capital and future events. The measurement of the purchase consideration and allocation process is therefore inherently subjective and impacts the amounts assigned to individually 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 including the calculation 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. Many 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 and 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, 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 is 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 18 of the December 31, 2021 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, including supplementary executive retirement plans, are determined using actuarial valuations and are dependent on many 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, which have not been anticipated at this time. Actual experience that differs from assumptions will result in gains or losses that will be disclosed in future accounting valuations. Refer to Note 24 of the December 31, 2021 consolidated financial statements for further details regarding the Company's DB plans as well as a sensitivity analysis of a change in the discount rate assumption used in the calculations and the resultant impact to financial results.

Share-based payments

Compensation expense accrued for performance share units ("PSU") is dependent on an adjustment to the final number of PSU awards that will eventually vest based on 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. 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.

Lease liabilities have been 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 Dagmar, acquired on September 1, 2021.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the President and Chief Executive Officer (CEO) and Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding information to be included in public disclosures required under provincial and territorial 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, 2021. 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, 2021.

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, 2021. Based on this evaluation, the Company's CEO and CFO have concluded that the design of the Company's internal controls over financial reporting, as defined in NI 52-109, was effective as at December 31, 2021.

There have been no material changes in the Company's internal controls over financial reporting for the year ended December 31, 2021 that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

RISKS RELATING TO THE BUSINESS

The following are the more significant risk factors relating to the business. For a detailed discussion of all risk factors relating to the business, refer to the Company's most recently filed Annual Information Form dated March 8, 2022 which is available through SEDAR at www.sedar.com and on the Company's website at www.bird.ca. Readers are also encouraged to review the "Forward-Looking Information" section of this MD&A.

Ability to Hire and Retain Qualified and Capable Personnel

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

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

Maintaining Safe Work Sites

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

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

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

Global Pandemics

A global 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.

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak to be a public health emergency of international concern and, on March 11, 2020, COVID-19 was declared to be a pandemic. Since that time the sweeping impacts of the virus and the various countermeasures instituted by governments across the globe and at all levels within Canada have had significant and unparalleled effects on the global economy and society in general. The operations of the Company are highly sensitive to such sweeping impacts and risks. At this time the Company cannot accurately predict what effects these conditions will continue to have on our operations or financial results, including uncertainties relating to the geographic spread of the virus and future variants, the severity of the disease, the duration of the pandemic, the duration of restrictive public health measures that have been or may be imposed by either the Federal government or the governments of impacted provinces in Canada, and increased costs or project delays due to pandemic-related personnel or supply chain issues.

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

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

In addition, there is uncertainty around how the public health crisis created by COVID-19 pandemic may affect the Company, including our contractual commitments, supply chain and labour force. Generally, to the extent that a severe public health emergency negatively affects the economy due to availability of labour or impacts to the supply chain, Bird's business may also be affected.

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 creep, 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.

Ability to Secure Work

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

In order to be afforded an opportunity to bid for large projects and in the PPP market, a strong balance sheet measured in terms of an adequate level of working capital and equity is typically required. Bird operates in markets that are highly competitive and there is constant pressure to find and maintain a competitive advantage. In the current economic climate, competition is intense. This presents significant challenges for the Company. If those competitive challenges are not met, Bird's client base could be eroded or it could experience an overall reduction in profits.

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.

Government-funded projects also typically have long and sometimes unpredictable lead times associated with government review and approval. The time delays associated with this process can constitute a risk to general contractors pursuing these projects. Certain government-funded projects, particularly PPP and alternative finance projects, may also require significant bid costs which can only be recovered if Bird is the successful bidder. A number of governments in Canada have procured a significant value of projects under a PPP and/or alternative finance contract format.

Performance of Subcontractors

Successful completion of a contract by Bird depends, in large part, on the satisfactory performance of its subcontractors who are engaged to complete the various components of the work. Subcontractor defaults tend to increase during depressed 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 Bird. 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 the judgements of Bird's field and office personnel. To the extent that the costs to complete estimates are based on inaccurate or incomplete information, or on faulty judgements, the accuracy of reported construction revenues and profits can be compromised. Bird has adopted many internal control policies and procedures aimed at mitigating exposure to this risk.

Competitive Factors

Bird competes with many international, national, regional and local construction firms. Competitors often enjoy advantages in a particular market that Bird does not have, or they may have more experience or a better relationship with a particular client. On any given contract bid or negotiation, Bird will attempt to assess the level of competitive pressure it may face, and it will attempt to neutralize or overcome any perceived advantage that its competitors have. Depending on this assessment, Bird will decide whether or not to pursue a contract. In addition, this assessment bears directly on decisions that Bird will make, including what level of profit can be incorporated into its contract price and what 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.

Estimating Costs and Schedules/Assessing Contract Risks

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

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.

It is management's opinion that adequate provision has been made in Bird's 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.

Adjustments and Cancellations of Backlog

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

Work Stoppages, Strikes and Lockouts

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

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. The COVID-19 pandemic has caused an elevated risk and threat actors may attempt to exploit businesses while there is general instability during the COVID-19 pandemic.

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 has a dedicated team of technology and cybersecurity professionals that 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 include ensuring sufficient information security insurance coverage and the regular engagement of third-party expertise to assess our information security systems.

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.

Climate Change Risk

Risks in Transitioning to a Lower Carbon Economy

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

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

Financial Risks

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

Market and Reputational Risk

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

Weather Related Risks

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

TERMINOLOGY AND NON GAAP & OTHER FINANCIAL MEASURES

Terminology

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

- **"Backlog"** is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the most recently completed quarter. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course. It includes all the Company's remaining performance obligations in its contracts with its clients, including work orders issued from MSAs related to MRO services. It does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders to be performed as part of MSAs. The Company's Backlog equates to the Company's remaining performance obligations as at December 31, 2021 and December 31, 2020; refer to Note 10 of the December 31, 2021 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.

ANNUAL ADJUSTED EARNINGS (in thousands of Canadian dollars, except per share amounts)		2021		2020		2019
Net income	$	**42,783**	$	36,103	$	9,484
Add: Acquisition and integration costs		**10,780**		7,236		-
Add: IFRS restructuring costs [1]		**-**		-		-
Income tax effect of the above costs		**(2,609)**		(1,760)		-
Adjusted Earnings	$	**50,954**	$	41,579	$	9,484
Adjusted Earnings Per Share [2]	$	**0.96**	$	0.92	$	0.22

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

QUARTERLY ADJUSTED EARNINGS (in thousands of Canadian dollars, except per share amounts)		Three months December 31,		
		2021		2020
Net income	$	**9,917**	$	20,534
Add: Acquisition and integration costs		**4,111**		2,125
Add: IFRS restructuring costs [1]		**-**		-
Income tax effect of the above costs		**(982)**		(1,133)
Adjusted Earnings	$	**13,046**	$	21,526
Basic weighted average shares outstanding		**53,695**		53,039
Adjusted Earnings Per Share [2]	$	**0.24**	$	0.41

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

- **"Adjusted EBITDA"** represents earnings before taxes, interest, depreciation and amortization, finance and other costs, finance 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.

ANNUAL ADJUSTED EBITDA (in thousands of Canadian dollars, except percentage amounts)			
	2021	**2020**	**2019**
Net income	**$ 42,783**	$ 36,103	$ 9,484
Add: Income tax expense	**14,847**	13,217	2,475
Add: Depreciation and amortization	**34,537**	21,702	15,814
Add: Finance and other costs	**7,550**	7,506	5,558
Less: Finance income	**(1,322)**	(1,511)	(2,596)
Add: Loss (gain) on sale of property and equipment	**(1,576)**	(2,359)	(1,346)
Add: IFRS restructuring costs [(1)]	**-**	-	-
Add: Other restructuring and severance costs [(2)]	**537**	43	2,903
Add: Acquisition and integration costs	**10,780**	7,236	-
Adjusted EBITDA	**$ 108,136**	$ 81,937	$ 32,292
Adjusted EBITDA Margin [(3)]	**4.9%**	5.5%	2.4%

Notes

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

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

(3) Calculated as Adjusted EBITDA divided by Revenue.

QUARTERLY ADJUSTED EBITDA (in thousands of Canadian dollars, except percentage amounts)	**Three months December 31,**	
	2021	**2020**
Net income	**$ 9,917**	$ 20,534
Add: Income tax expense	**3,699**	6,436
Add: Depreciation and amortization	**9,714**	9,959
Add: Finance and other costs	**1,890**	1,731
Less: Finance income	**(426)**	(178)
Add: Loss (gain) on sale of property and equipment	**(608)**	(639)
Add: IFRS restructuring costs [(1)]	**-**	-
Add: Other restructuring and severance costs [(2)]	**102**	44
Add: Acquisition and integration costs	**4,111**	2,125
Adjusted EBITDA	**$ 28,399**	$ 40,012
Adjusted EBITDA Margin [(3)]	**4.8%**	7.2%

Notes

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

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

(3) Calculated as Adjusted EBITDA divided by Revenue.

Non-GAAP Financial Ratios

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

Supplementary Financial Measures

- **"Pending Backlog"** is the total potential revenue of awarded but not contracted projects including where the Company has been named preferred proponent, where a contract has not been executed and where the letter of intent or agreement received is non-binding. It may also include estimated amounts for agency relationship construction management projects, pre-construction activities, collaborative contracting arrangements and future work orders to be performed as part of MSAs. 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", "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: the anticipated benefits of the Stuart Olson and Dagmar acquisitions to Bird, its shareholders and all other stakeholders, including anticipated synergies; the plans and strategic priorities of the combined company; and with respect to Bird's share of the project value for certain joint venture projects.

In respect of the forward-looking statements concerning the anticipated benefits of the acquisition, Bird has provided such in reliance on certain assumptions that it believes are reasonable at this time, including in respect of the combined company's services and anticipated synergies, capital efficiencies and cost savings.

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

- Ability to access sufficient capital from internal and external sources
- Ability to secure work
- Accuracy of cost to complete estimates
- Adjustments and cancellations of Backlog
- Changes in legislation, including but not limited to tax laws and environmental regulations
- Client concentration
- Climate change
- Collection of recognized revenue
- Commodity price, interest rate and exchange rate fluctuations
- Competition, ethics, and reputational risks
- Completion and performance guarantees
- Compliance with environmental laws risks
- Corporate guarantees and letters of credit
- Cyber-security risks
- Failure to realize the anticipated benefits of business acquisitions including the Stuart Olson and Dagmar transactions
- Global pandemics
- Health, safety and environmental risks
- Industry and inherent project delivery risks
- Insurance risk
- Internal and disclosure controls
- Joint venture risk
- Labour matters
- Litigation risk
- Loss of key management; ability to hire and retain qualified and capable personnel
- Maintaining safe worksites
- Operational risks
- Payment of dividends
- Performance bonds and contract security

- Default under the Company's credit facilities could result in the suspension of dividends
- Delays or changes in plans with respect to growth projects or capital expenditures, costs and expenses
- Dependence on the public sector
- Design and design/build risks
- Economy and cyclicality
- Estimating costs and schedules/assessing contract risks
- Failure of clients to obtain required permits and licenses
- Potential for non-payment and credit risk and ongoing financing availability
- PPP equity investments
- PPP project risk
- Quality assurance and quality control
- Regional concentration
- Regulations
- Repayment of credit facility
- Subcontractor performance
- Unanticipated shutdowns, work stoppages, strikes and lockouts
- Volatility of market trading

The forward-looking statements in this MD&A should not be interpreted as providing a full assessment or reflection of the unprecedented impacts of the COVID-19 pandemic and the resulting indirect global and regional economic impacts.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of the parties, and the combined company, including any risk factors related to COVID-19, are included in reports on file with applicable securities regulatory authorities, including but not limited to; Annual Information Form for the year ended December 31, 2021, each of which may be accessed on Bird's SEDAR profile at www.sedar.com.

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

2021

CONSOLIDATED FINANCIAL STATEMENTS

for the years ended December 31, 2021 and 2020

Management's Responsibility for Financial Reporting

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

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

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

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

Terrance L. McKibbon

President & Chief Executive Officer

Wayne R. Gingrich

Chief Financial Officer

March 8, 2022

KPMG LLP
1900 - 360 Main Street
Winnipeg MB
R3C 3Z3

Telephone (204) 957-1770
Fax (204) 957-0808
www.kpmg.ca

INDEPENDENT AUDITORS' 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, 2021 and December 31, 2020, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2021 and December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. 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 auditors' 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 2021, Entity recognized $2,220,026 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 cope 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.

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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 2021 and estimated in the prior period.

For a selection of fixed price construction contracts at December 31, 2021, we evaluated the appropriateness of the Entity's determination of costs to complete and variable consideration to be received by performing the following:

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

Other Information

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

- Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- Information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2021 Annual Report".

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

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

We obtained the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' 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 auditors' report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2021 Annual Report" is expected to be made available to us after the date of this auditors' 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditors' report is Austin Abas.

Winnipeg, Canada

March 8, 2022

Bird Construction Inc.
Consolidated Statement of Financial Position
As at December 31, 2021 and 2020
(in thousands of Canadian dollars)

	Note	2021	2020 [1]
ASSETS			
Current assets			
Cash and cash equivalents	8	**$ 190,191**	$ 212,068
Accounts receivable	9	**597,814**	530,166
Contract assets	10	**55,949**	60,031
Contract assets - alternative finance projects	10,11	**-**	113
Inventory and prepaid expenses		**9,406**	8,038
Income taxes recoverable		**9,175**	7,484
Other assets	12	**6,119**	2,577
Assets held for sale	14	**4,416**	-
Total current assets		**873,070**	820,477
Non-current assets			
Other assets	12	**9,104**	13,171
Investments in equity accounted entities	13	**13,471**	14,710
Property and equipment	15	**55,004**	59,435
Right-of-use assets	16	**67,497**	61,511
Deferred income tax asset	21	**32,784**	33,760
Intangible assets	17	**30,478**	27,526
Goodwill	18	**55,740**	36,960
Total non-current assets		**264,078**	247,073
TOTAL ASSETS		**$ 1,137,148**	$ 1,067,550
LIABILITIES			
Current liabilities			
Accounts payable		**$ 514,330**	$ 490,470
Contract liabilities	10	**130,315**	121,504
Dividends payable to shareholders		**1,745**	1,724
Income taxes payable		**7,991**	20,187
Current portion of loans and borrowings	19	**7,470**	8,010
Current portion of right-of-use liabilities	20	**19,782**	18,748
Provisions	22	**27,316**	27,569
Other liabilities	23	**12,311**	2,010
Total current liabilities		**721,260**	690,222
Non-current liabilities			
Loans and borrowings	19	**71,211**	64,903
Right-of-use liabilities	20	**59,576**	59,327
Deferred income tax liability	21	**24,798**	23,110
Other liabilities	23	**16,583**	13,778
Pension liabilities	24	**232**	3,600
Total non-current liabilities		**172,400**	164,718
TOTAL LIABILITIES		**893,660**	854,940
SHAREHOLDERS' EQUITY			
Shareholders' capital	26	**114,584**	108,064
Contributed surplus		**1,956**	1,956
Retained earnings		**126,935**	102,520
Accumulated other comprehensive income		**13**	70
Total shareholders' equity		**243,488**	212,610
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 1,137,148**	$ 1,067,550

[1] December 31, 2020 comparatives have been restated as a result of measurement period adjustments made to the purchase price allocation at September 25, 2020. (See note 7b).

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, 2021 and 2020
(in thousands of Canadian dollars, except per share amounts)

	Note	2021	2020
Construction revenue	10	$ **2,220,026**	$ 1,504,432
Costs of construction	30	**2,033,341**	1,378,132
Gross profit		**186,685**	126,300
Income from equity accounted investments	13	**4,187**	7,792
General and administrative expenses	30	**(127,014)**	(78,777)
Income from operations		**63,858**	55,315
Finance income	28	**1,322**	1,511
Finance and other costs	29	**(7,550)**	(7,506)
Income before income taxes		**57,630**	49,320
Income tax expense	21	**14,847**	13,217
Net income for the period		$ **42,783**	$ 36,103
Basic and diluted earnings per share	27	$ **0.80**	$ 0.80

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

Bird Construction Inc.
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2021 and 2020
(in thousands of Canadian dollars)

	Note	2021	2020
Net income for the period		**$ 42,783**	$ 36,103
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)	24	**3,197**	1,540
Deferred tax recovery (expense)		**(795)**	(371)
		2,402	1,169
Items that may be reclassified to net income in subsequent periods:			
Foreign currency translation on equity accounted investments	13	**(21)**	47
Other foreign currency translation		**(18)**	(17)
Deferred tax recovery (expense)		**(18)**	-
		(57)	30
Total comprehensive income for the period		**$ 45,128**	$ 37,302

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, 2021 and 2020
(in thousands of Canadian dollars, except per share amounts)

	Note	Shareholders' capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity
Balance at December 31, 2020		**$ 108,064**	**$ 1,956**	**$ 102,520**	**$ 70**	**$ 212,610**
Net income for the period		**-**	**-**	**42,783**	**-**	**42,783**
Other comprehensive income (loss) for the period	13,24	**-**	**-**	**2,402**	**(57)**	**2,345**
Total comprehensive income (loss) for the period		**-**	**-**	**45,185**	**(57)**	**45,128**
Contributions by and dividends to owners						
Common shares issued on acquisition of Dagmar	7(a)	**6,520**	**-**	**-**	**-**	**6,520**
Dividends declared to shareholders		**-**	**-**	**(20,770)**	**-**	**(20,770)**
		6,520	**-**	**(20,770)**	**-**	**(14,250)**
Balance at December 31, 2021		**$ 114,584**	**$ 1,956**	**$ 126,935**	**$ 13**	**$ 243,488**
Dividends declared per share				**$ 0.39**		
Balance at December 31, 2019		42,527	$ 1,956	$ 83,197	$ 40	$ 127,720
Net income for the period		-	-	36,103	-	36,103
Other comprehensive income (loss) for the period		-	-	1,169	30	1,199
Total comprehensive income (loss) for the period		-	-	37,272	30	37,302
Contributions by and dividends to owners						
Common shares issued on acquisition of Stuart Olson	7(b)	65,537	-	-	-	65,537
Dividends declared to shareholders		-	-	(17,949)	-	(17,949)
		65,537	-	(17,949)	-	47,588
Balance at December 31, 2020		$ 108,064	$ 1,956	$ 102,520	$ 70	$ 212,610
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, 2021 and 2020
(in thousands of Canadian dollars)

	Note		2021		2020
Cash flows from (used in) operating activities					
Net income for the period		$	**42,783**	$	36,103
Items not involving cash:					
Amortization	17		**6,258**		2,370
Depreciation	15,16		**28,279**		19,332
Gain on sale of property and equipment			**(1,576)**		(2,359)
Income from equity accounted investments	13		**(4,187)**		(7,792)
Finance income	28		**(1,322)**		(1,511)
Finance and other costs	29		**7,550**		7,506
Deferred compensation plan expense and other			**10,056**		4,699
Defined benefit pension plan expense, net of contributions	24		**(171)**		117
Unrealized (gain) loss on investments and other	24		**106**		14
Income tax expense (recovery)	21		**14,847**		13,217
Cash flows from operations before changes in non-cash working capital			**102,623**		71,696
Changes in non-cash working capital relating to operating activities	32		**(31,535)**		69,093
Interest received			**1,321**		2,037
Interest paid			**(7,243)**		(7,815)
Income taxes recovered (paid)			**(29,340)**		(6,064)
Net cash from (used in) operating activities			**35,826**		128,947
Cash flows from (used in) investing activities					
Investments in equity accounted entities	13		**(768)**		(5,088)
Capital distributions from equity accounted entities	13		**2,193**		5,523
Proceeds on sale of investment in equity accounted entities	14		**-**		11,034
Additions to property and equipment and intangible assets	15,17		**(11,756)**		(14,227)
Proceeds on sale of property and equipment	15		**3,614**		9,211
Acquisitions, net of cash acquired	7		**(20,563)**		(59,960)
Other long-term assets			**3,975**		(392)
Net cash from (used in) investing activities			**(23,305)**		(53,899)
Cash flows from (used in) financing activities					
Proceeds from issue of common shares, net of issue costs	7		**-**		39,876
Dividends paid on shares			**(20,749)**		(17,607)
Proceeds from non-recourse project financing	11		**-**		46,782
Repayment of non-recourse project financing	11		**-**		(131,849)
Proceeds from loans and borrowings	19		**58,600**		88,283
Repayment of loans and borrowings	19		**(52,832)**		(56,658)
Repayment of right-of-use liabilities	20		**(19,265)**		(12,110)
Net cash from (used in) financing activities			**(34,246)**		(43,283)
Net increase (decrease) in cash and cash equivalents during the period			**(21,725)**		31,765
Effects of foreign exchange on cash balances			**(152)**		(31)
Cash and cash equivalents, beginning of the period			**212,068**		180,334
Cash and cash equivalents, end of the period	8	$	**190,191**	$	212,068

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

Table of Contents – Notes to the Consolidated Financial Statements

1. Structure of the company

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

The Company operates from coast-to-coast and services all of Canada's major geographic markets. The Company provides a comprehensive range of construction services from new construction for industrial, commercial, institutional markets and civil infrastructure markets; to industrial maintenance, repair and operations ("MRO") services, heavy civil construction and mine support services; as well as vertical infrastructure including, electrical, mechanical, and specialty trades. The Company uses a variety of contract delivery methods including fixed price, design-build, unit price, cost reimbursable, guaranteed upset price, construction management and integrated project delivery ("IPD") contract delivery methods.

2. Basis of preparation

Statement of compliance

These consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were authorized for issue on March 8, 2022 by the Company's Board of Directors.

Functional and presentation currency

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

Basis of measurement

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

Segmented results

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

Impact of the COVID-19 pandemic

The COVID-19 pandemic continued to disrupt global health and the economy in 2021. Notwithstanding ongoing vaccination programs and government policies enacted in response to the pandemic, the Canadian construction industry continues to face volatility as each provincial government has responded, and continues to respond, by implementing measures to address the public health threat. The duration of the pandemic and the associated impact to future financial and operational measures are unknown. As a result, the corresponding impacts to key variables including our workforce, supply chain, project pursuit and awards cycle, and project site measures remain uncertain. The situation remains extremely fluid; however, the Company has responded well to the challenges presented to date and is well positioned to continue responding to fluctuating scenarios.

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 their estimated fair value at the time of acquisition. The determination of fair value requires the Company to make assumptions, estimates and judgements regarding cash flow projections, valuation techniques, economic risk, weighted average cost of capital and future events. The measurement of the purchase consideration and allocation process is therefore inherently subjective and impacts the amounts assigned to individually 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. Many 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 and 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 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 is 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 18 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, including supplementary executive retirement plans, are determined using actuarial valuations and are dependent on many 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, which have not been anticipated at this time. Actual experience that differs from assumptions will result in gains or losses that will be disclosed in future accounting valuations. Refer to note 24 for further details regarding the Company's DB plans as well as a sensitivity analysis of a change in the discount rate assumption used in the calculations and the resultant impact to financial results.

Share-based payments

Compensation expense accrued for performance share units ("PSU") is dependent on an adjustment to the final number of PSU awards that will eventually vest based on 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. 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.

Lease liabilities have been estimated using a discount rate equal to the Company-specific incremental borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment terms and security in a similar economic environment.

Income taxes

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

4. Significant accounting policies

Consolidation

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

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

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

Company	Ownership / Voting Interest 2021	2020
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.[1]	100%	100%
Stuart Olson Buildings Ltd.[1]	100%	100%
Stuart Olson Construction Ltd.[1]	100%	100%
Stuart Olson Industrial Inc.[1]	100%	100%
Stuart Olson Industrial Services Ltd.[1]	100%	100%
Stuart Olson Industrial Projects Inc.[1]	100%	100%
Stuart Olson Industrial Constructors Inc.[1]	100%	100%
Canem Systems Ltd.[1]	100%	100%
The Churchill Corporation[1]	100%	100%
Dagmar Construction Inc. [2]	100%	n/a
Proportionately consolidated joint arrangements		
Bird Kiewit Joint Venture	60%	60%
Pomerleau/O'Connell JV	50%	50%
Bird – Maple Reinders JV	50%	50%
Maple Reinders – Bird JV	50%	50%
Bird – ATCO Joint Venture	60%	60%
CBS Joint Venture	42.5%	42.5%
Chandos Bird Joint Venture	50%	50%
BCIFSL – TCMLP JV	49%	n/a
Acciona Stuart Olson Joint Venture[1]	50%	50%
Stuart Olson/Nunavut Ltd.[1]	40%	40%
Canem/Plan Group Joint Venture[1]	50%	50%
Stuart Olson Industrial Contractors/Andritz Hydro Canada Inc.[1]	50%	50%
FCG Construction/Stuart Olson, a Joint Venture[1]	50%	50%

[1] Acquired on September 25, 2020 (note 7b)
[2] Acquired on September 1, 2021 (note 7a)

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 2021	2020
Equity accounted investment in associates/joint ventures		
Chinook Resources Management General Partnership	50%	50%
Harbour City Solutions General Partnership	20%	20%
Hartland Resource Management General Partnership	20%	20%
Plenary Infrastructure ERMF GP	10%	10%
Stack Modular Structures Ltd.	50%	50%
Stack Modular Structures Hong Kong Limited	50%	50%
Niagara Falls Entertainment Partners	20% / 16.2%	20% / 16.2%
Timmiak Construction Limited Partnership	69.99% / 33.33%	69.99% / 33.33%
Bird Capital P3SB2 Holdings Inc.	20%	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 Innovative Trenching USA Inc which is incorporated and registered in Delaware.

Revenue recognition

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

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

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

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

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

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

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

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

Costs of construction

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

Contract assets and liabilities

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

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

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

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

Business combinations

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

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

- 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;
- 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 sum of the fair value of the consideration transferred, if any, over the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Government assistance

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

Property and equipment

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

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

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

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

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

Leases

Lessee arrangements

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

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

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

- 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.

- 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.
- 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. Subsequently, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized.

Intangible assets

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

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

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

Impairment of non-financial assets

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

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

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

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

Provisions and contingent assets

Provisions

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

i. Provisions for potential legal claims relating to the Company's performance and completion of construction contracts. The Company attempts to settle claims within the construction period of the contracts, but a legal claim may take years to settle.
ii. Provisions for potential warranty claims relating to construction projects. These claims are usually settled during the project's warranty period.
iii. Provisions for loss contracts are recorded when costs are estimated to be greater than total revenues for the contract. Losses from construction contracts are recognized in full in the period the loss becomes known. The loss provision will be net of management's estimate of probable expected recoveries, which differs from the criterion used for revenue recognition.

Contingent assets

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

Subcontractor/ supplier performance default insurance

The Company maintains an insurance policy which provides the Company with comprehensive coverage in respect of subcontractor or supplier default on certain projects where the subcontractor or supplier is enrolled in the program. The total insurance premium paid by the Company to the insurer is comprised of a non-refundable premium and a deposit premium. The deposit premium paid by the Company is included in other non-current assets on the consolidated statements of financial position (the "statements of financial position"). The liabilities included in provisions on the statements 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.

Basic and diluted earnings per share

The Company's basic earnings per share calculation is based on the net income available to common shareholders for the period divided by the weighted average number of common shares outstanding for the period. Diluted earnings per share is calculated by dividing the net income available to common shareholders for the period by the weighted average number of common shares outstanding for the period, adjusted for the effects of all dilutive potential common shares, including stock options granted to employees.

Post-employment benefits

The Company maintains two registered pension plans. Each plan includes a defined contribution ("DC") provision and a non-contributory DB provision. The DB provision covers salaried employees for two of its subsidiaries. Annual employer contributions to the DB provision of each plan, which are actuarially determined by an independent actuary, are made on the basis of being not less than the minimum amounts required by provincial pension supervisory authorities. Unlike the DB provision, there is no obligation recorded for the DC provision. The DC contributions made by the Company are measured on an undiscounted basis and are expensed as the related services are provided.

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

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

Medium term incentive plan

The Company's Medium Term Incentive Plan ("MTIP") is a cash-settled share-based payment plan which provides for the granting of phantom shares. The phantom shares provide the holder with the opportunity to earn a cash benefit in relation to the value of a specified number of underlying notional shares. Annually, the Board of Directors determines the amount of the initial award, 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 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 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 cash-settled when the eligible 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 as an expense 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.

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, 2021 or 2020.

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
Notes 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 Company uses foreign currency forward contracts to buy US dollars for the purpose of managing its foreign currency risk. The fair value of the foreign currency forward contracts is recognized in general and administrative expenses in the statement of income. The Company does not employ hedge accounting for any of its derivative contracts currently in place.

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 income and finance costs

Finance 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 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 adopted amendments to IFRS 16 *Leases* on a prospective basis on January 1, 2021. On May 28, 2020, the IASB issued *COVID-19-Related Rent Concessions (Amendment to IFRS 16)*. The amendments are effective for annual periods beginning on or after June 1, 2020. Early adoption is permitted. The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before June 30, 2021. Subsequently, on March 31, 2021, the IASB extended the practical expedient by 12 months; permitting lessees to apply it to rent concessions that reduce lease payments originally due on or before June 30, 2022. The new 2021 amendments are effective for annual periods beginning on or after April 1, 2021. Early adoption is permitted. The adoption of these amendments to IFRS 16 did not have a material impact on the financial statements.

6. Future accounting changes

There are new accounting standards, amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2022 and have not been applied in preparing the financial statements for the period ended December 31, 2021. These standards and interpretations are not expected to have a material impact on the Company’s financial statements.

7. Business combinations

(a) Acquisition of Dagmar Construction Inc.

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

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

The purchase price of the transaction totalled $32,502 and included cash of $23,600, equity of $6,538 and a holdback and other liability of $2,364. The $2,364 holdback and other liability consists of $1,364 related to a final working capital reconciliation and $1,000 relating to any indemnities provisions to be reconciled as at the second anniversary of the closing date.

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

The Dagmar 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 value of the assets and liabilities associated with the Dagmar acquisition were not finalized by March 8, 2022 and therefore are preliminary figures. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition that identifies adjustments to the amounts noted below, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

During the three months ended December 31, 2021, measurement period adjustments were made to the purchase price allocation to reflect new information obtained by management with respect to facts and circumstances that existed as of September 1, 2021. The impact of these measurement period adjustments include: $3,945 decrease in ROU assets and $3,945 decrease in ROU liabilities.

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

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

Goodwill and intangible assets

Goodwill of $18,780 recognized as part of the acquisition is attributed to expected revenue growth and future market development specifically in the civil infrastructure sector. These benefits are not recognized separately from goodwill, as the future economic benefits arising from them cannot be reliably measured. The goodwill recognized is not deductible for tax purposes. Identifiable intangible assets acquired of $6,004 include computer software, backlog and agency contracts, customer relationships and trade names.

(b) Acquisition of Stuart Olson Inc.

On July 29, 2020, the Company entered into an arrangement agreement (“Arrangement Agreement”) pursuant to which, among other things, the Company agreed to acquire all of the outstanding common shares of Stuart Olson Inc. (“Stuart Olson”) by way of a plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement").

The principal activities of Stuart Olson and its subsidiaries are to provide general contracting and electrical building systems contracting in the public and private construction markets, as well as general contracting, electrical, mechanical and specialty trades, such as insulation, cladding and asbestos abatement, in the industrial construction and services market. Stuart Olson provides its services to a wide array of clients within Canada. One of the key rationales for the business combination was to further diversify the Company’s risk profile by expanding its service offerings and revenue streams. The Company has grown its industrial general contracting business, including industrial maintenance, repair, and operations. In the institutional and commercial sectors, the Company has added capability in construction management services, and its newly acquired commercial systems business is one of Canada’s largest electrical and data system contractors. The acquisition further enhances the Company’s ability to provide MRO services.

On September 25, 2020, the Arrangement was completed, pursuant to which the Company acquired all of the issued and outstanding common shares of Stuart Olson in exchange for common shares of the Company and cash consideration and completed the payout and termination of all indebtedness as detailed below. Under the terms of the Arrangement:

- Stuart Olson's secured creditors received an aggregate cash payment of $70,000 in full satisfaction of all obligations, indebtedness and liabilities of Stuart Olson and its affiliates under the bank credit facility, including unpaid interest, fees and expenses;

- Canso Investment Counsel Ltd. ("Canso"), in its capacity as portfolio manager for and on behalf of certain accounts managed by it, acquired an aggregate of 6,329,114 common shares for gross proceeds of approximately $40,000;

- Those accounts managed by Canso, in its capacity as portfolio manager, that held the convertible unsecured subordinated debentures due September 20, 2024 (the “Debentures”), received 3,560,127 common shares valued at $21,800 based on a deemed issue price equal to $6.32 per share for $22,500 of principal value of Debentures in full satisfaction of all indebtedness, accrued interest and obligations of Stuart Olson and its affiliates under the indenture governing the Debentures; and

- Stuart Olson shareholders received an aggregate of 632,835 common shares, based on an exchange ratio of 0.02006051 common shares for each Stuart Olson common share. Those Stuart Olson shareholders entitled to receive less than one common share for all Stuart Olson shares received a cash payment determined by reference to the volume weighted average trading price of the Company’s common shares on the TSX for the five trading days immediately preceding September 25, 2020.

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

In connection with this acquisition, the Company incurred acquisition costs of approximately $5,570 comprised mainly of consulting and other professional fees, which were presented in general and administrative expenses in the statement of income. Transaction costs of $124 directly attributable to the issue of common shares are recognized as a reduction from shareholders' capital.

The Arrangement 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 income tax assets or liabilities, assets or liabilities related to employee benefit arrangements and any ROU assets and ROU liabilities identified in which the acquiree is the lessee.

The value of the assets and liabilities associated with the Stuart Olson acquisition were finalized on September 25, 2021. During the nine month period ended September 30, 2021, measurement period adjustments were made to the purchase price allocation to reflect new information obtained by management with respect to facts and circumstances that existed as of September 25, 2020. The impact of these measurement period adjustments include a: $341 increase in accounts receivable, $1,353 increase in net deferred tax assets, $1,450 increase in contract liabilities, $4,150 increase in provisions and $3,906 increase in goodwill.

Number of common shares issued to Stuart Olson shareholders		**632,835**
Number of common shares issued on settlement of Debentures		**3,560,127**
Total common shares issued as consideration		**4,192,962**
Common share price at close on September 25, 2020	**$**	**6.12**
Equity consideration	$	25,661
Cash consideration		70,000
Total Consideration	**$**	**95,661**

Fair value of assets and liabilities of Stuart Olson acquired:		
Assets acquired		
Cash and cash equivalents	$	10,040
Accounts receivable		270,077
Contract assets		33,534
Income taxes recoverable		622
Lease receivables		7,506
Other assets		3,634
Property and equipment		15,483
ROU assets		26,728
Intangible assets		25,430
Net deferred income tax assets		9,615
Liabilities assumed		
Accounts payable		(190,450)
Contract liabilities		(57,766)
Income taxes payable		(7,913)
Provisions		(18,632)
Pension liabilities		(5,023)
Loans and borrowings		(667)
ROU liabilities		(46,887)
Other liabilities		(241)
Net identifiable assets acquired	**$**	**75,090**
Goodwill		20,571
Net assets acquired	**$**	**95,661**

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

The fair value of the trade receivables acquired amounts to $270,077. The gross amount of trade receivables was $282,443, of which $12,366 was expected to be uncollectible at the acquisition date.

Goodwill and intangible assets

Goodwill of $20,571 recognized as part of the acquisition is attributed to expected revenue growth, future market development, the assembled workforce and the synergies achieved from the integration of Stuart Olson into the Company's business. 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 $25,430 includes computer software, backlog and agency contracts, customer relationships and trade names.

8. Cash and cash equivalents

Cash and cash equivalents		**2021**		2020
Accessible cash	**$**	**102,972**	$	96,671
Cash held for joint operations		**22,708**		60,200
Restricted cash and blocked accounts		**64,421**		55,107
Restricted short-term deposits held to support letters of credit		**90**		90
	$	**190,191**	$	212,068

Restricted cash and cash equivalents		**2021**		2020
Cash and cash equivalents held to support letters of credit (note 19)	**$**	**139**	$	139
Cash deposited in blocked accounts for special projects		**–**		1,033
Restricted cash held in trust		**64,372**		54,025
	$	**64,511**	$	55,197

Support for letters of credit

In the normal course of business, the Company issues letters of credit on certain projects to guarantee its performance. These projects are typically design-build contracts relating to PPP arrangements and other major construction projects. In certain instances, the letters of credit are supported by the hypothecation of cash and cash equivalents that are not available for general corporate purposes (note 19).

Blocked accounts

The terms of non-recourse project financing require scheduled loan advances to be deposited in a blocked bank account which cannot be accessed directly by the Company for general corporate purposes. Upon recommendation by the lender's technical advisor, cash is released monthly from the blocked account and paid to the Company based on the progress made on the related construction project. Once PPP projects that only involve short term financing reach final completion and the debt is repaid, any remaining amounts in the project accounts become unrestricted and available for general corporate purposes.

Restricted cash

Restricted cash and cash equivalents represent amounts that are not available for general operating purposes. Restricted cash held in trust relates to trust obligations on certain projects for which we have segregated accounts.

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

9. Accounts receivable

		2021		2020
Progress billings on construction contracts	$	**412,674**	$	336,627
Holdbacks receivable (due within one operating cycle)		**178,898**		160,364
Other		**6,242**		33,175
	$	**597,814**	$	530,166

Accounts receivable are reported net of an allowance for doubtful accounts of $1,527 as at December 31, 2021 (December 31, 2020 - $1,471). 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. Included in other accounts receivable are government assistance receivables of $nil as at December 31, 2021 (December 31, 2020 - $25,847) related to the Canada Emergency Wage Subsidy ("CEWS"). See note 31.

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.

		2021		2020
Public Private Partnerships ("PPP")	$	**14,920**	$	28,760
Alternative finance projects and complex design-build		**58,883**		100,572
Stipulated sum, unit price and standard specification design-build		**1,235,828**		942,776
Construction management, cost plus and IPD		**910,395**		432,324
	$	**2,220,026**	$	1,504,432

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, 2021, the aggregate amount of the transaction price allocated to total remaining performance obligations from construction contracts was $3,002,509. The value of remaining performance obligations does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders to be performed as part of master services agreements.

The Company expects to recognize approximately 58% 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 management'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.

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

Summary of contract balances

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

		2021		2020
Progress billings and holdbacks receivable (note 9)	$	**591,572**	$	496,991
Contract assets		**55,949**		60,031
Contract assets – alternative finance projects (note 11)		**–**		113
Contract liabilities		**(130,315)**		(121,504)
	$	**517,206**	$	435,631

Progress billings and holdbacks receivable

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

Contract assets including alternative finance projects

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, while alternative finance projects (note 11) follow a contractually agreed billing schedule and contract assets are recognized in accounts receivable upon substantial performance.

		2021				
		Construction contracts		**Alternative finance projects**		**Total**
Balance, December 31, 2020	$	**60,031**	$	**113**	$	**60,144**
Acquisition (note 7a)		**50**		**–**		**50**
Reduction of contract assets due to progress billings		**(1,139,620)**		**(113)**		**(1,139,733)**
Additions to contract assets		**1,135,488**		**–**		**1,135,488**
Balance, December 31, 2021	$	**55,949**	$	**–**	$	**55,949**

		2020				
		Construction contracts		Alternative finance projects		Total
Balance, December 31, 2019	$	31,018	$	75,180	$	106,198
Acquisition (note 7b)		33,534		–		33,534
Reduction of contract assets due to progress billings		(325,692)		(149,837)		(475,529)
Additions to contract assets		321,171		74,770		395,941
Balance, December 31, 2020	$	60,031	$	113	$	60,144

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, 2021, $121,504 of revenue (2020 – $112,126) was recognized that was included in the contract liability balance at the beginning of the year.

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

For the year ended December 31, 2021, $3,964 of revenue ($nil - December 31, 2020) 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. Alternative finance projects

During 2018, the Company was awarded a fixed-price design-build-finance contract to construct the Ontario Provincial Police Modernization Phase 2 project. The project obtained substantial completion and was billed during the fourth quarter of 2020.

The Company had arranged a $138,475 loan facility related to the project, and the loan was repaid in full in the fourth quarter of 2020. The terms of the debt financing agreement required that scheduled loan advances be deposited into a bank account that could not be accessed directly by the Company unless recommended by the lender's technical advisor that cash was to be released monthly based on the progress of the work (note 8).

Borrowings under the facility had interest at a rate per annum equal to the bankers' acceptance rate plus a spread. Interest expense on the loan during the year ended December 31, 2021 of $nil (2020 – $3,522) were included in finance costs. As part of the loan facility, the Company entered into an interest rate swap agreement that effectively fixed the interest rate at 3.29%. The interest rate swap agreement was settled in the fourth quarter of 2020. The notional amounts of the interest rate swap agreement matched the estimated draws under the loan facility. The interest rate swap agreement was not designated as a hedge, and changes in the fair market value were recorded in finance costs in the statement of income.

12. Other assets

		2021		2020
Subcontractor / Supplier insurance deposits	$	**4,403**	$	5,197
Notes receivable		**–**		1,806
Lease receivables		**5,895**		7,141
Total Return Swap ("TRS") derivatives		**4,896**		1,604
Foreign currency forward swaps		**29**		–
Other assets		**15,223**		15,748
Less: current portion				
TRS derivatives		**4,896**		1,330
Lease receivables		**1,194**		1,247
Foreign currency forward swaps		**29**		–
Current portion		**6,119**		2,577
Non-current portion	$	**9,104**	$	13,171

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

The Company has promissory notes (notes receivable) from an equity accounted joint arrangement. One promissory note is available to the borrower for working capital purposes and is due on September 8, 2022. As at December 31, 2021 the balance outstanding on this note was $nil (December 31, 2020 - $1,806). During the year ended December 31, 2021 the Company issued an additional promissory note available to the borrower for a specific project, that was due upon completion of the project, and was fully repaid in 2021.

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

The Company entered into TRS derivative contracts for the purpose of managing its exposure to changes in the fair value of its MTIP, EIP and DSU share-based compensation plans, due to changes in the fair value of the Company's common shares. The TRS derivative contracts are not designated as a hedge and changes in the fair market value are recorded as compensation expense in general and administrative expenses in the statement of income.

The Company also entered into foreign currency forward contracts to buy US dollars for the purpose of managing its foreign currency risk. The foreign currency derivatives are not designated as a hedge and 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. These derivative contracts have settlement dates extending to November 2022. During the year ended December 31, 2021, the Company recognized a gain on these derivatives of $29 (2020 - $nil).

The Company subleases certain facilities. The following is a detailed maturity analysis of the undiscounted finance lease payments receivable as at December 31, 2021:

	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	$ 5,895	$ 6,328	$ 1,344	$ 2,826	$ 1,742	$ 416

13. Projects and entities accounted for using the equity method

The Company performs some 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.

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

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

	2020					
		Joint ventures		Associates		Total
Total current assets	$	100,893	$	38,966	$	139,859
Total non-current assets		163,170		167,778		330,948
Total assets		264,063		206,744		470,807
Total current liabilities		13,150		12,840		25,990
Total non-current liabilities		214,239		167,759		381,998
Total liabilities		227,389		180,599		407,988
Net assets – 100%	$	36,673	$	26,145	$	62,818
Attributable to the Company	$	12,008	$	2,615	$	14,623
Revenue – 100%	$	56,009	$	8,074	$	64,083
Total comprehensive income – 100%	$	7,205	$	2,379	$	9,584
Attributable to the Company	$	4,456	$	232	$	4,688

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

Investments in equity accounted entities		**2021**		2020
Balance, beginning of period	**$**	**14,710**	$	10,185
Share of net income for the period		**4,187**		4,688
Share of other comprehensive income (loss) for the period		**(21)**		47
Investments in equity accounted entities		**768**		5,088
		19,644		20,008
Capital distributions received		**(2,193)**		(5,298)
Investments in equity accounted entities reclassified as held for sale (note 14)		**(3,980)**		–
Balance, end of period	**$**	**13,471**	$	14,710

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

		2021		2020
Share of net income for the year	**$**	**4,187**	$	4,688
Gain on sale of investments in equity accounted entities (note 14)		**-**		3,104
Income from equity accounted investments	**$**	**4,187**	$	7,792

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

Transactions with these related parties are described in note 36. Amounts committed for future capital injections to concession entities are described in note 35.

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

14. Assets held for sale

Assets held for sale		**2021**		2020
Balance, beginning of period	$	**–**	$	6,978
Investments in equity accounted entities classified as held for sale		**3,980**		–
Property classified as held for sale		**436**		–
Capital distributions received		**–**		(225)
Sale of investment		**–**		(6,753)
Balance, end of period	$	**4,416**	$	–

Investments in equity accounted entities classified as held for sale

During the year, the Company initiated plans to sell two of its investments in entities accounted for using the equity method. Buyers have been located and the sales are expected to be completed within the next 12 months. As at December 31, 2021, the investments are classified as an asset held for sale on the statement of financial position at the lesser of its carrying amount and fair value less costs to sell. The estimated fair value less cost to sell of the two investments are expected to exceed their carrying value.

During the year ended December 31, 2020, the Company disposed of investments in three entities accounted for using the equity method for proceeds of $11,034 and received distributions of $225. The Company recognized net gains on these transactions of $3,104 which was included in income from equity accounted entities on the statement of income. These investments were previously classified as investments held for sale on the statement of financial position.

Property classified as held for sale

The Company has initiated plans to sell land located in Northern Alberta. The sale is expected to be completed within the next 12 months. As at December 31, 2021, the asset is classified as an asset held for sale on the statement of financial position at the lesser of its carrying amount and fair value less costs to sell. The estimated fair value less cost to sell of the property is expected to exceed its carrying value.

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

15. Property and equipment

2021	Land	Buildings	Leasehold improvements	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost						
Balance, December 31, 2020	$ 2,557	$ 12,181	$ 16,730	$ 98,808	$ 3,156	$ 133,432
Acquisition (note 7a)	–	–	26	3,069	116	3,211
Reclassified as held for sale (note 14)	(436)	–	–	–	–	(436)
Additions	231	504	619	7,089	107	8,550
Disposals	–	–	(93)	(10,271)	(195)	(10,559)
Balance, December 31, 2021	2,352	12,685	17,282	98,695	3,184	134,198
Accumulated depreciation						
Balance, December 31, 2020	–	6,719	5,836	59,315	2,127	73,997
Disposals	–	–	(53)	(8,436)	(173)	(8,662)
Depreciation expense	–	491	2,669	10,463	236	13,859
Balance, December 31, 2021	–	7,210	8,452	61,342	2,190	79,194
Net book value	$ 2,352	$ 5,475	$ 8,830	$ 37,353	$ 994	$ 55,004

2020	Land	Buildings	Leasehold improvements	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost						
Balance, December 31, 2019	$ 2,130	$ 12,129	$ 8,932	$ 92,114	$ 2,752	$ 118,057
Acquisition (note 7b)	436	–	6,848	8,027	172	15,483
Additions	–	52	950	13,061	270	14,333
Disposals	(9)	–	–	(14,394)	(38)	(14,441)
Balance, December 31, 2020	2,557	12,181	16,730	98,808	3,156	133,432
Accumulated depreciation						
Balance, December 31, 2019	–	6,192	4,478	59,415	1,956	72,041
Disposals	–	–	–	(8,497)	(30)	(8,527)
Depreciation expense	–	527	1,358	8,397	201	10,483
Balance, December 31, 2020	–	6,719	5,836	59,315	2,127	73,997
Net book value	$ 2,557	$ 5,462	$ 10,894	$ 39,493	$ 1,029	$ 59,435

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

16. Right-of-use assets

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

	2020			
	Buildings	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost				
Balance, December 31, 2019	$ 17,564	$ 26,125	$ 136	$ 43,825
Acquisition (note 7b)	15,286	9,827	1,615	26,728
Additions	2,415	9,587	275	12,277
Disposals	(180)	(4,486)	(126)	(4,792)
Balance, December 31, 2020	35,085	41,053	1,900	78,038
Accumulated depreciation				
Balance, December 31, 2019	2,572	6,759	34	9,365
Disposals	(140)	(1,506)	(41)	(1,687)
Depreciation expense	3,625	4,990	234	8,849
Balance, December 31, 2020	6,057	10,243	227	16,527
Net book value	$ 29,028	$ 30,810	$ 1,673	$ 61,511

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

17. Intangible assets

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

	2020				
	Trade names	Backlog and agency contracts	Customer relationships	Computer software	Total
Cost					
Balance, December 31, 2019	$ –	$ –	$ –	$ 8,542	$ 8,542
Acquisition (note 7b)	7,000	4,000	11,000	3,430	25,430
Additions	–	–	–	1,982	1,982
Balance, December 31, 2020	7,000	4,000	11,000	13,954	35,954
Accumulated amortization					
Balance, December 31, 2019	–	–	–	6,058	6,058
Amortization expense	–	333	393	1,644	2,370
Balance, December 31, 2020	–	333	393	7,702	8,428
Net book value	$ 7,000	$ 3,667	$ 10,607	$ 6,252	$ 27,526

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

18. Goodwill

		2021		2020
Cost				
Balance, December 31, 2020	$	**51,111**	$	30,540
Acquisition (note 7a)		**18,780**		**–**
Acquisition (note 7b)		–		20,571
Balance, December 31, 2021		**69,891**		51,111
Accumulated impairment				
Balance, December 31, 2020		**14,151**		14,151
Balance, December 31, 2021		**14,151**		14,151
Net book value	$	**55,740**	$	36,960

At December 31, 2021 and 2020, the Company conducted an impairment test of its goodwill and indefinite life intangible asset. The carrying value of goodwill and the Company's indefinite life intangible asset at December 31, 2021 and 2020 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:

Goodwill		2021		2020
Industrial	$	**41,375**	$	22,595
Buildings		**12,794**		12,794
Commercial Systems Group		**1,571**		1,571
	$	**55,740**	$	36,960

Key assumptions and sensitivity analysis

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

The Company selected a three-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 15.0%, 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)

19. Loans and borrowings

Loans and borrowings

	Maturity	Interest rate		2021		2020
Committed revolving credit facility	Sept 1, 2024	Variable		**22,725**		25,000
Committed non-revolving term loan facility	Sept 1, 2024	Variable		**49,375**		35,000
Equipment financing	2022 – 2025	Fixed 2.04%-3.73%		**6,581**		12,315
Note payable (note 7b)		Fully repaid		**–**		598
			$	**78,681**	$	72,913
Current portion			**$**	**7,470**	$	8,010
Non-current portion			**$**	**71,211**	$	64,903

Syndicated credit facility

The Company has a three-year committed, syndicated credit facility (the "Syndicated Facility") secured by a general interest in the assets of the Company. The Syndicated Facility consists of the following:

Committed revolving credit facility

The Company has a committed revolving credit facility of up to $185,000 (December 31, 2020 - $165,000) that includes a $20,000 swingline which allows the Company to enter into an overdraft position. At December 31, 2021, the Company has $21,989 letters of credit outstanding on the facility (December 31, 2020 - $22,702) and has drawn $22,725 on the facility (December 31, 2020 - $25,000). The full amount outstanding is recorded as non-current, as the facility is due and payable on September 1, 2024. Borrowings under the facility bear interest at a rate per annum equal to the Canadian prime rate plus a spread. A standby fee is payable quarterly on the unutilized portion of the facility.

Committed non-revolving term loan facility

The Company has a committed non-revolving term loan facility totalling $50,000 used to finance the acquisitions of Stuart Olson and Dagmar (note 7). As at December 31, 2021, the Company has an outstanding balance of $49,375 on the facility (December 31, 2020 - $35,000). The term loan has scheduled repayments due quarterly until the maturity date of September 1, 2024. Any repayment of the facility cannot be reborrowed. Borrowings under the facility bear interest at a rate per annum equal to the Canadian prime rate plus a spread.

Accordion

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 aggregate increases to the committed revolving credit facility and Committed non-revolving term debt facility combined may not exceed $50,000. The accordion requires creditor approval before it is available.

The Company was in compliance with its covenants under each facility as at December 31, 2021 and December 31, 2020.

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

Equipment financing

The Company has committed term credit facilities of up to $40,000 to be used to finance equipment purchases. At December 31, 2021, $5,242 is outstanding, of which $nil is classified as ROU liabilities (December 31, 2020 - $9,248 was outstanding, of which $572 was classified as ROU liabilities). Borrowings under the facilities are secured by a first charge against the equipment financed using the facilities. Interest on the facilities is charged at a fixed rate based on the Bank of Canada bond rate plus a spread. Interest is paid monthly in arrears.

The Company also has multiple, fixed interest rate, term loans which were used to finance equipment purchases. At December 31, 2021, the balance outstanding on these term loans amounted to $1,339 (December 31, 2020 - $3,639). Principal and interest are payable monthly, and these term loans are secured by a first charge against the specific equipment financed using these facilities.

Letters of credit facilities

The Company has authorized operating letters of credit facilities totalling $150,000. At December 31, 2021 the facilities were drawn for outstanding letters of credit of $67,426 (December 31, 2020 - $44,490). 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 meet the EDC criteria. At December 31, 2021 EDC has issued performance security guarantees totalling $67,289 (December 31, 2020 - $44,353).

The letters of credit represent performance guarantees issued to support the Company’s performance obligations on major construction projects. These letters of credit are supported through the hypothecation of certain financial instruments having a market value at December 31, 2021 of $139 (December 31, 2020 - $139).

The following table provides details of the changes in the Company’s Loans and Borrowings during the year ended December 31, 2021:

		Syndicated revolving credit facility		Syndicated committed non-revolving term loan facility		Note payable		Equipment financing		Total
Balance, December 31, 2020	$	**25,000**	$	**35,000**	$	**598**	$	**12,315**	$	**72,913**
Proceeds		**42,725**		**15,875**		**–**		**–**		**58,600**
Repayment		**(45,000)**		**(1,500)**		**(598)**		**(5,734)**		**(52,832)**
Balance, December 31, 2021	$	**22,725**	$	**49,375**	$	**–**	$	**6,581**	$	**78,681**

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

20. Leases and right-of-use liabilities

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

The following table provides details of the changes in the Company's ROU liabilities during the year ended December 31, 2021:

		2021		2020
Balance, beginning of period	$	**78,075**	$	31,100
Acquisition (note 7b)		**5,489**		46,887
Additions		**15,997**		12,277
Interest		**2,937**		1,262
Lease terminations and modifications		**(938)**		(79)
Repayment		**(22,202)**		(13,372)
Balance, end of period	$	**79,358**	$	78,075
Current portion	$	**19,782**	$	18,748
Non-current	$	**59,576**	$	59,327

Potential undiscounted cash outflows of $55,328 (December 31, 2020 - $50,636) have not been included in the measurement of the Company's ROU liabilities as at December 31, 2021 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 $2,423 for the year ended December 31, 2021 (2020 - $5,697). Total cash outflows for leases for the year ended December 31, 2021 were $24,625 (2020 - $19,069).

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 right of use liabilities, with the lease obligations being secured by the specific leased equipment. At December 31, 2021, the Company had used $6,864 (December 31, 2020 - $10,008) under these facilities.

21. Income taxes

Provision for income taxes

		2021		2020
Income tax expense (recovery) comprised of:				
Current income taxes	$	**15,786**	$	18,382
Deferred income taxes		**(939)**		(5,165)
	$	**14,847**	$	13,217

Income tax rate reconciliation

	2021	2020
Combined federal and provincial income tax rate	**25.9%**	26.6%
Increase (reductions) applicable to:		
Effect of different tax rate on equity investments	**–**	(1.5%)
Non-taxable items	**0.3%**	0.4%
Other	**(0.4%)**	1.3%
Effective rate	**25.8%**	26.8%

The Company's statutory tax rate is the combined federal and provincial tax rates in the jurisdictions in which the Company operates. The year-over-year decline in the statutory rate reflects the decline in the Alberta corporate income tax rate in 2020.

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

Composition of deferred income tax assets and liabilities

		2021		2020
Provisions and accruals	$	**5,255**	$	4,325
Pension and other compensation		**7,658**		4,544
Timing of recognition of construction profits		**(22,007)**		(16,533)
Property and equipment		**(7,254)**		(4,305)
Right of use assets and liabilities and lease receivables		**3,342**		3,464
Intangible assets		**(6,258)**		(5,792)
Investment in equity accounted entities		**(1,653)**		(911)
Other		**(3,270)**		(2,191)
Tax loss carry forward		**32,173**		28,049
	$	**7,986**	$	10,650
Presentation in the statement of financial position				
Deferred income tax asset		**32,784**		33,760
Deferred income tax liability		**(24,798)**		(23,110)
	$	**7,986**	$	10,650

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. The Company has deferred tax assets in the amount of $945 that have not been recognized in these financial statements in respect of capital losses realized on the disposal of bonds and preferred share investments in 2011, 2013 and 2015. A deferred tax asset has not been recognized because it is not probable the Company will generate future taxable capital gains.

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

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

	2020					
	Balance December 31, 2019	Recognized in profit or loss	Recovery in other comprehensive income	Disposition of equity investment (note 13)	Acquisition (note 7b)	Balance December 31, 2020
Provisions and accruals	$ 2,559	$ 1,175	–	–	591	$ 4,325
Pension and other compensation	2,245	1,436	(371)	–	1,234	4,544
Timing of recognition of construction profits	(35,745)	22,060	–	–	(2,848)	(16,533)
Property and equipment	(3,854)	(562)	–	–	111	(4,305)
ROU assets and liabilities	620	(117)	–	–	2,961	3,464
Intangible assets	(203)	653	–	–	(6,242)	(5,792)
Investments in equity accounted entities	(2,715)	2,982	–	(1,178)	–	(911)
Other	195	(826)	–	–	(1,560)	(2,191)
Tax loss carry forward	34,317	(21,636)	–	–	15,368	28,049
	$ (2,581)	$ 5,165	(371)	(1,178)	9,615	$ 10,650

22. Provisions

	Warranty claims and other	Legal	Total
Balance, December 31, 2020	**$ 16,311**	**$ 11,258**	**$ 27,569**
Provisions made during the period	**24,254**	**5,775**	**30,029**
Provisions used during the period	**(15,578)**	**(834)**	**(16,412)**
Provisions reversed during the period	**(8,561)**	**(5,309)**	**(13,870)**
Balance, December 31, 2021	**$ 16,426**	**$ 10,890**	**$ 27,316**
Balance, December 31, 2019	$ 5,218	$ 2,545	$ 7,763
Acquisition (note 7b)	12,676	5,956	18,632
Provisions made during the period	22,578	6,903	29,481
Provisions used during the period	(16,761)	(986)	(17,747)
Provisions reversed during the period	(7,400)	(3,160)	(10,560)
Balance, December 31, 2020	$ 16,311	$ 11,258	$ 27,569

Various claims and litigation arise in the normal course of the construction business. It is management'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.

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

23. Other liabilities

		2021		2020
Liabilities for cash-settled share-based compensation plans (note 25)	$	**24,918**	$	13,929
Leasehold inducements		**1,612**		1,808
Acquisition holdback and other liability (note 7a)		**2,364**		–
Interest rate swaps		**–**		51
	$	**28,894**	$	15,788
Less: current portion				
Cash-settled share-based compensation plans (note 25)		**10,630**		1,795
Leasehold inducements		**317**		164
Acquisition holdback and other liability (note 7a)		**1,364**		–
Interest rate swaps		**–**		51
Current portion	$	**12,311**	$	2,010
Non-current portion	$	**16,583**	$	13,778

24. Pension obligations

DC pension plans

The total expense recognized in the statement of income during the year ended December 31, 2021 of $274 (2020 - $154) represents contributions to these plans by the Company at rates specified in the rules of the plans.

DB pension plans

The Company maintains two non-contributory DB provisions that cover salaried employees for two of the operating entities. 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

		2021		2020
Equity securities	$	**8,255**	$	23,188
Fixed income allocation		**24,907**		–
Debt securities		–		12,916
Other return seeking investments		**4,649**		–
Cash and cash equivalents		**117**		208
	$	**37,928**	$	36,312

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

Reconciliation of amounts in the financial statements

		2021		2020
Accrued benefit obligation				
Balance, beginning of period	$	**39,912**	$	–
Acquisition (note 7b)		–		39,065
Employer current service cost		**275**		64
Interest cost on the defined benefit obligation		**980**		291
Benefit payments		**(1,937)**		(469)
Actuarial loss due to experience adjustments		**60**		–
Actuarial (gain) loss due to changes in financial assumptions		**(1,951)**		961
Balance, end of period	$	**37,339**	$	39,912

		2021		2020
Fair value of plan assets				
Balance, beginning of period	$	**36,312**	$	–
Balance, at acquisition (note 7b)		–		34,042
Employer contributions		**867**		144
Interest income on plan assets		**892**		269
Actuarial gain on plan assets, excluding interest income		**2,127**		2,501
Benefit payments		**(1,937)**		(469)
Administration costs		**(333)**		(175)
Balance, end of period	$	**37,928**	$	36,312

		2021		2020
Funded status – (surplus) deficit	$	**(589)**	$	3,600
Unrecognized amount due to asset ceiling		**821**		–
Recognized liability for defined benefit obligations	$	**232**	$	3,600

		2021		2020
Change in asset ceiling				
Balance, beginning of period	$	–	$	–
Change in asset ceiling		**821**		–
Balance, end of period	$	**821**	$	–

During the period ended December 31, 2021, $696 (2020 – $261) was recorded in general and administrative expenses in the statement of income, and a gain of $3,197 (2020 – $1,540) before tax, was recorded in other comprehensive income, relating to the DB plans. The gain relates to investment earnings being greater than the expected interest income on the plans' assets and changes in financial assumptions, which is partially offset by the impact of an asset ceiling.

Actuarial assumptions

	2021	2020
Discount rate on net benefit obligations	**2.9%**	2.5%
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 $4,983 (December 31, 2020 – $5,659).

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

25. Share-based compensation plans

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

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

	2021	2020
MTIP liability	$ 6,347	$ 2,865
EIP liability	10,585	5,618
DSU liability	7,986	5,446
Liabilities for cash-settled share-based compensation plans	$ 24,918	$ 13,929
Less: current portion		
MTIP liability	5,540	491
EIP liability	5,090	1,304
Current portion	$ 10,630	$ 1,795
Non-current portion	$ 14,288	$ 12,134

	2021			2020		
	MTIP	EIP[1]	DSUs	MTIP	EIP[1]	DSUs
Units, beginning of period	1,082,701	1,130,053	680,718	408,181	1,136,098	482,404
Granted [2]	36,741	561,016	132,540	697,498	499,398	198,314
Forfeited	(152,522)	(83,580)	–	(34,358)	(260,402)	–
Change in estimate	(61,597)	–	–	60,016	–	–
Vested and paid	(96,110)	(209,460)	–	(48,636)	(245,041)	–
Units, end of period	809,213	1,398,029	813,258	1,082,701	1,130,053	680,718

[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, 2021, the Company had 715,155 outstanding RSUs and 682,874 outstanding PSUs, before the impact of the performance multiplier (December 31, 2020 – 585,667 and 544,386 units, respectively). The outstanding PSU balance as at December 31, 2021, adjusted for the performance conditions that modify the vested value, is 999,422 units (December 31, 2020 – 796,428 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, 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.

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

In the second quarter of 2021, the Company granted 505,815 units under the EIP plan at a fair market value of $8.96, excluding dividend reinvestments. Payments pursuant to the Company's EIP granted in 2021 are due by December 2024.

During the first, second, third and fourth quarter of 2021, the Company granted 26,054, 26,221, 23,244 and 23,635 units under the DSU plan at a fair market value of $8.74, $8.75, $9.94 and $9.77 respectively, excluding dividend reinvestments. Payments pursuant to the Company's DSU Plan are cash settled when the eligible Director ceases to hold any position within the Company.

As at December 31, 2021, a total of 2,207,242 unvested phantom units of the MTIP and EIP (December 31, 2020 – 2,212,754) are outstanding and valued at $24,686 (December 31, 2020 - $19,718) of which $16,932 has been recognized to date in the statement of income (2020 - $8,483).

Payments required pursuant to the Company’s MTIP granted in 2019 are due on the vesting dates of November 2022, or upon retirement, if earlier. Pursuant to the Company’s MTIP granted in 2020, payments are due on the vesting dates between December 2022 and November 2023 respectively, or upon retirement, if earlier. Payments pursuant to the Company's EIP granted in 2019, 2020 and 2021 are due by December 2022, December 2023 and December 2024, respectively. Payments pursuant to the Company's DSU Plan are cash settled when the eligible Director ceases to hold any position within the Company.

Expenses arising from share-based payment transactions[1]

		2021		2020
MTIP	**$**	**4,420**	$	2,116
EIP		**6,583**		2,858
DSU		**2,540**		1,996
	$	**13,543**	$	6,970

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

The Company enters into TRS derivative contracts for the purpose of managing its exposure to changes in the fair value of its MTIP, EIP and DSU share-based compensation plans, due to changes in the fair value of the Company’s common shares. The Company recognized a gain of $3,292 on these derivatives in the statement of income in general and administrative expenses for the year ended December 31, 2021 (2020 - $1,875).

26. Shareholders’ capital

The Company is authorized to issue an unlimited number of common shares. The Company is authorized to issue preference shares in series with rights set by the Board of Directors, up to a balance not to exceed 35% of the outstanding common shares. As at December 31, 2021 and December 31, 2020, no preferred shares have been issued. Transaction costs of $18 directly attributable to the issuance of common shares for the acquisition of Dagmar (2020 - $124 directly attributable to the issuance of common shares for the acquisition of Stuart Olson) are recognized as a deduction from shareholders’ capital (note 7).

	2021			2020		
	Number of shares		**Amount**	Number of shares		Amount
Balance, beginning of period	**53,038,929**	**$**	**108,064**	42,516,853	$	42,527
Common shares issued (note 7)	**656,364**		**6,520**	10,522,076		65,537
Balance, end of period	**53,695,293**	**$**	**114,584**	53,038,929	$	108,064

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

27. Earnings per share

	2021	2020
Net income (basic and diluted)	$ **42,783**	$ 36,103
Weighted average number of common shares (basic and diluted)	**53,258,316**	45,334,239
Basic and diluted earnings per share	$ **0.80**	$ 0.80

28. Finance income

	2021	2020
Interest income on lease receivables	$ **183**	$ 51
Other interest income	**1,139**	1,460
	$ **1,322**	$ 1,511

29. Finance and other costs

	2021	2020
Interest on loans and borrowings	$ **3,785**	$ 2,989
Interest on ROU liabilities	**2,937**	1,262
Loss (gain) on interest rate swaps (note 23)	**(51)**	(683)
Interest on non-recourse project financing	**–**	3,522
Other	**879**	416
	$ **7,550**	$ 7,506

30. Personnel costs

	2021	2020
Short-term employee benefits	$ **644,463**	$ 330,580
Defined benefit and defined contribution plan expense (note 24)	**970**	322
Deferred compensation (note 25)	**13,543**	6,971
	$ **658,976**	$ 337,873

For the year ended December 31, 2021, personnel costs of $577,845 were included in costs of construction (2020 – $291,433) and $81,131 in general and administrative expenses (2020 – $46,440). 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.

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

31. Government assistance

On April 11, 2020, the Government of Canada passed the CEWS to support a company's ability to continue employing its workforce in the face of revenue declines because of the COVID-19 pandemic. During the year ended December 31, 2021, the Company recognized a recovery of compensation expense in costs of construction of $18,798 (2020 - $21,196) and general and administrative expenses of $3,141 (2020 - $3,590). As at December 31, 2021, the Company has no receivable related to CEWS included in accounts receivable in the statement of financial position (December 31, 2020 - $25,847).

32. Other cash flow information

Changes in non-cash working capital relating to operating activities

		2021		2020
Accounts receivable	$	**(60,944)**	$	153,398
Contract assets		**4,132**		4,521
Contract assets – alternative finance projects*		**113**		75,067
Inventory and prepaid expenses		**(1,294)**		(1,260)
Other assets		**53**		5,971
Accounts payable		**21,444**		(119,903)
Contract liabilities		**7,768**		(48,388)
Provisions		**(253)**		1,173
Deferred compensation plan expense and other		**(2,554)**		(1,486)
	$	**(31,535)**	$	69,093

* Contract assets – alternative finance project changes are driven by design-build-finance projects.

Change in liabilities arising from financing activities

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

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

	2020				
	Dividend payable	Non- recourse project financing	Loans and borrowings	ROU liabilities	Total
Balance, December 31, 2019	$ 1,382	$ 85,374	$ 40,621	$ 31,100	$ 158,477
Acquisition (note 7b)	–	–	667	46,887	47,554
Cash flows					
Proceeds	–	46,782	88,283	–	135,065
Repayments	–	(131,849)	(56,658)	(13,372)	(201,879)
Dividends paid on shares	(17,607)	–	–	–	(17,607)
Non-cash changes					
Net additions to ROU liabilities	–	–	–	12,198	12,198
Transaction costs, net of amortization	–	369	–	–	369
Change in fair value of interest rate swaps	–	(676)	–	–	(676)
Interest accretion	–	–	–	1,262	1,262
Dividends declared	17,949	–	–	–	17,949
Balance, December 31, 2020	$ 1,724	$ –	$ 72,913	$ 78,075	$ 152,712

33. Financial instruments

Carrying values and fair values

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

The hierarchy of inputs is summarized below:

i. Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
ii. Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and
iii. Level 3 - inputs used in a valuation technique are not based on observable market data in determining fair values of the instruments.

The Company's foreign currency forward contract (note 12), interest rate swaps (note 23) and TRS derivative contracts (note 12) 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 December 31, 2021 and 2020.

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:

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

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, 2021, the Company had revenue of $323,648 from one significant customer (2020 - $206,255).

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

At December 31, 2021, accounts receivable outstanding for greater than 90 days and considered past due by the Company's management represent 14.8% (December 31, 2020 – 17.5%) of the balance of progress billings on construction contracts receivable. Management has recorded an allowance of $1,527 (December 31, 2020 - $1,471) against these past due receivables, net of amounts recoverable from others.

	Amounts past due			
	Up to 12 months	**Over 12 months**	**2021**	2020
Trade receivables	$ **22,798**	$ **38,409**	$ **61,207**	$ 59,081
Impairment	**(41)**	**(1,486)**	**(1,527)**	(1,471)
Total Trade receivables	$ **22,757**	$ **36,923**	$ **59,680**	$ 57,610

The movement in the allowance for impairment in respect of loans and receivables during the period was as follows:

	2021	2020
Balance, beginning of period	$ **1,471**	$ 1,538
Impairment loss recognized	**280**	747
Amounts written off as uncollectible	**(104)**	(814)
Amounts recovered	**(120)**	–
Balance, end of period	$ **1,527**	$ 1,471

ii. Liquidity risk

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

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

The Company has working capital of $151,810 (December 31, 2020 - $130,255) 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 $139 hypothecated to support outstanding letters of credit and $64,372 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 19 in respect of the Syndicated facility and the Company's other debt instruments, which further improves the Company's access to liquidity. At December 31, 2021, the Company had a total undrawn balance on its committed revolving credit facility and committed non-revolving term loan facility of $140,286 (December 31, 2020 - $117,298). 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 $34,758 is undrawn as at December 31, 2021 (December 31, 2020 - $30,752). The Company believes that it has access to sufficient funding through the use of these facilities and its cash and cash equivalents to meet its foreseeable operating requirements.

The following are the contractual obligations, including estimated interest payments, as at December 31, 2021, in respect of the financial obligations of the Company. Interest payments on the committed revolving credit facility and committed non-revolving term loan facility are not included in the table below since they are subject to variability based upon outstanding balances at various points throughout the period.

	Carrying amount	Contractual cash flows	Not later than 1 year	2 – 3 years	4 – 5 years	Later than 5 years
Trade payables	$ 514,330	$ 514,330	$ 452,697	$ 59,863	$ 1,770	$ –
Dividends payable	1,745	1,745	1,745	–	–	–
ROU liabilities	79,358	89,451	22,157	34,191	18,302	14,801
Committed revolving credit facility	22,725	22,725	–	22,725	–	–
Committed non-revolving term loan	49,375	49,375	3,125	46,250	–	–
Equipment financing	6,581	6,761	4,476	2,159	126	–
Acquisition holdback and other liability (note 7a)	2,364	2,364	1,364	1,000	–	–
	$ 676,478	$ 686,751	$ 485,564	$ 166,188	$ 20,198	$ 14,801

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:

	2021	2020
Fixed-rate facilities	$ 6,581	$ 12,315
Variable-rate facilities	72,100	60,598
Total loans and borrowings	$ 78,681	$ 72,913

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.

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

For the year ended December 31, 2021, a one percent change in the interest rate applied to the Company's variable rate long-term debt would change income before income taxes by approximately $721 (2020 – $606).

The Company has certain share-based compensation plans, where the values are based on the common share price of the Company. The Company has fixed a portion of the settlement costs of these plans by entering into various TRS derivative contracts maturing in 2022. The TRS derivatives are not designated as a hedge. The change in the value of the TRS derivatives is recorded each quarter based on the difference between the fixed price and the market price of the Company's common shares at the end of each quarter. The TRS derivatives are classified as derivative financial instruments. For the year ended December 31, 2021, a 10 percent change in the share price applied to the Company's TRS derivatives would change income before income taxes by approximately $1,502 (2020 – $1,175).

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. For the year ended December 31, 2021, a 10% movement in the Canadian and U.S. dollar exchange rate would have changed income before income taxes by approximately $246 (2020 – $210).

34. 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 construction industry, as well as unforeseen events with an appropriate level of investment in working capital and available committed credit capacity;
iii. pursue a balanced capital allocation strategy that will deliver superior shareholder value;
iv. generate sufficient cash flow to maintain and grow the dividend in a consistent and sustainable way as determined by the Board of Directors; and
v. provide investors with maximum risk adjusted long-term returns on equity.

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

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

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

		2021		2020
Shareholders' equity	**$**	**243,488**	$	212,610
Working capital	**$**	**151,810**	$	130,255
Loans and borrowings – non current	**$**	**71,211**	$	64,903

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

35. 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, 2021 totalled $93,135 (December 31, 2020 - $93,375). 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, 2020 - $1,918).

During the year ended December 31, 2021, the Company signed orders with a fleet management provider for leases totalling $4,989 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, 2021, the Company has minimum payments under contracts for other purchase obligations that are not recognized as liabilities in the statement of financial position of $2,597 due within the next 12 months, $6,188 from 1 to 3 years, $6,146 from 3 to 5 years, and $4,349 thereafter.

Contingencies

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

36. 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.

		2021		2020
Short-term benefits	**$**	**6,615**	$	6,808
Share-based compensation		**7,059**		3,388
	$	**13,674**	$	10,196

A Director or related parties hold positions in other entities that result in them having control over the financial reporting or operating policies of those entities. The aggregate value of transactions during the year with entities over which Directors have control was $1,030 (2020 - $657) and the outstanding balance receivable at December 31, 2021 was $2 (December 31, 2020 - $nil).

Transactions with proportionally consolidated joint arrangements

The Company provides services of its employees, management services, cost reimbursements, parental guarantees and letters of credit to the joint arrangements. These services were transferred at the exchange amount, agreed to between the parties. The amounts recognized for services provided by the Company for the year ended December 31, 2021 totalled $45,632 (2020 - $47,349).

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

The Company has accounts receivable from the joint arrangements at December 31, 2021 totalling $706 (December 31, 2020 - $22,314).

Transactions with equity accounted joint arrangements

The Company and its proportionately consolidated joint arrangements (note 3), 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, 2021 totalled $26,696 (2020 – $16,492), of which $15,077 has been recognized in revenue in 2021 (2020 - $28,257). The Company's proportionate share of payments made to the joint arrangements for the year ended December 31, 2021 totalled $17,548 (2020 - $11,849). 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, 2021 totalled $12,423 (December 31, 2020 - $14,341). The Company also has notes receivable from an equity accounted joint arrangement at December 31, 2021 totalling $nil (December 31, 2020 - $1,806).

37. 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, 2022	February 18, 2022	$0.0325
February dividend	February 28, 2022	March 18, 2022	$0.0325
March dividend	March 31, 2022	April 20, 2022	$0.0325
April dividend	April 29, 2022	May 20, 2022	$0.0325

Bird Construction Inc.
Five Year Summary
December 31, 2021
(in thousands of Canadian dollars, except Other Information)

OPERATING RESULTS		2021	2020	2019	2018	2017 [1]
Revenue	$	**2,220,026**	1,504,432	1,376,408	1,381,784	1,418,557
Income before income taxes	$	**57,630**	49,320	11,959	(2,674)	13,078
Income taxes		**14,847**	13,217	2,475	(1,661)	4,242
Net income	$	**42,783**	36,103	9,484	(1,013)	8,836
Dividends declared to shareholders	$	**20,770**	17,949	16,582	16,582	16,582
Cash flows from operations before changes in non-cash working capital	$	**102,623**	71,696	30,201	12,320	26,938

Notes:

[1] 2017 reported figures have been restated applying IFRS 15.

FINANCIAL POSITION		2021	2020[1]	2019	2018[2]	2017[3]
Current assets	$	**873,070**	820,477	729,358	546,553	607,979
Current liabilities		**721,260**	690,222	648,855	476,338	523,901
Working capital	$	**151,810**	130,255	80,503	70,215	84,078
Property and equipment	$	**55,004**	59,435	46,016	43,153	52,397
Right-of-use assets	$	**67,497**	61,511	34,460	13,073	n/a
Shareholders' equity	$	**243,488**	212,610	127,720	136,229	153,816

Notes:

[1] 2020 The value of the assets and liabilities associated with the Stuart Olson acquisition were finalized on September 25, 2021.
[2] 2018 Property and equipment figures have been reclassified following the adoption of IFRS 16 on January 1, 2019.
[3] 2017 reported figures have been restated applying IFRS 15.

		2021	2020	2019	2018	2017
BACKLOG	$	**3,002,509**	2,682,498	1,547,427	1,295,940	1,186,000
OTHER INFORMATION						
Weighted average number of shares outstanding		**53,258,316**	45,334,239	42,516,853	42,516,853	42,516,853
Return on revenue [1]	%	**1.93**	2.40	0.69	(0.07)	0.62
Return on prior year shareholders' equity [2]	%	**20.12**	28.27	6.96	(0.66)	5.47
Net income per share	$	**0.80**	0.80	0.22	(0.02)	0.21
Book value per share	$	**4.57**	4.69	3.00	3.20	3.62

[1] Return on revenue is derived by dividing net income by construction revenue.
[2] Return on prior year shareholders' equity is derived by dividing current year net income by the prior year's shareholders' equity balance.

Eligible Dividends

Bird Construction Inc. designates any and all dividends paid or deemed for Canadian federal, provincial or territorial income tax purposes to be paid on or after January 1, 2007 to be "eligible dividends", unless indicated otherwise in respect of dividends paid subsequent to this notification, and thereby notifies all recipients of such dividends of this designation.

LOCATIONS FROM COAST TO COAST

CORPORATE OFFICES

Mississauga
5700 Explorer Drive,
Suite 400
Mississauga, ON L4W 0C6
T: 905.602.4122

Calgary
4820 Richard Road SW
Suite 600
Calgary, AB T3E 6L1
T: 403.685.7777

BRITISH COLUMBIA

Vancouver
6900 Graybar Road, Unit 2370 -
Building 2000
Richmond, BC V6W 0A5
T: 604.271.4600
F: 604.271.1850

ALBERTA

Edmonton
17007 - 107 Avenue NW
Edmonton, AB T5S 1G3
T: 780.452.8770
F: 780.455.2807

Edmonton
201 2627 Ellwood Drive
SW Edmonton, AB T6X 0P7
Industrial T: 780.481.9600
Buildings T: 780.452.4260

Calgary
Suite 350, 1200 - 59th Avenue SE,
Calgary, AB T2H 2M4
T: 403.319.0470
F: 403.319.0476

SASKATCHEWAN

Regina
#1, 134 Husum Road
Regina, SK, S4K 0A4
PO Box 26088
T: 306.565.3120

MANITOBA

Winnipeg
1055 Erin Street,
Winnipeg, MB R3G 2X1
T: 204.775.7141
F: 204.783.8119

ONTARIO

Toronto
5700 Explorer Drive,
Suite 400
Mississauga, ON L4W 0C6
T: 905.602.4122
F: 905.602.6319

Ottawa
900 Morrison Drive,
Suite 206,
Ottawa, ON, K2H 8K7
T: 613-912-7738

Sudbury
670 Falconbridge Road, Unit 1
Sudbury, ON P3A 4S4
T: 705.222.4848

Thunder Bay
946 Cobalt Crescent, Unit 1
Thunder Bay, ON P7B 5W3
T: 807.768.9753

QUEBEC

Montreal
1868 Boul. Des Sources,
Suite 200
Pointe-Claire, QC H9R 5R2
T: 514.426.1333
F: 514.426.1339

NEW BRUNSWICK

Saint John
120 Millenium Drive,
Quispamsis, NB E2E 0C6
T: 506.849.2473
F: 506.847.0270

NOVA SCOTIA

Halifax
20 Duke Street, Suite 201
Bedford, NS B4A 2Z5
T: 902.835.8205
F: 902.835.8245

NEWFOUNDLAND AND LABRADOR

St. John's
90 O'Leary Ave, Suite 101
St. John's, NL A1B 2C7
T: 709.726.9095
F: 709.726.9106

Wabush
2 Old Airport Road,
Wabush, NL A0R 1B0
T: 709.282.5633
F: 709.282.3500

2021 ANNUAL REPORT

for the year ended December 31, 2021

CORPORATE OFFICES	**Mississauga** 5700 Explorer Drive, Suite 400 Mississauga, ON L4W 0C6	**Calgary** 4820 Richard Road SW Suite 600 Calgary, AB T3E 6L1
DIRECTORS	J. Richard Bird, Ph.D., MBA	Calgary
	Karyn A. Brooks, FCPA, FCA (1)	Calgary
	Paul A. Charette	Oakville
	D. Greg Doyle, FCPA, FCA	Victoria
	Bonnie D. DuPont, AOE., M.Ed., F.ICD.D (2)	Calgary
	Teri L. McKibbon	Canmore
	Luc J. Messier, P.Eng.(3)	Texas, USA
	Ron D. Munkley, BSc, Hon (Eng)	Oakville
	Paul R. Raboud, P.Eng., MSc, MBA (Chair)	Toronto
	Arni C. Thorsteinson, CFA	Winnipeg
	(1) Audit Committee Chair *(2) Human Resources & Governance Committee Chair* *(3) Health, Safety & Environment Committee Chair*	
SENIOR LEADERSHIP	Teri L. McKibbon	President & Chief Executive Officer
	Wayne R. Gingrich, CPA, CMA, ICD.D	Chief Financial Officer & Treasurer
	Gilles G. Royer, P.Eng.	Chief Operating Officer
	Charles J. Caza, BA. Sc. Eng., LL.B.	Executive Vice President & Chief Legal Officer
	Brian C. Henry	Chief People Officer
	Rick Begg	Chief Information Officer
	Peter Lineen	Executive Vice President, Health, Safety & Environment
	J. Paul Bergman, CET	Executive Vice President, Buildings East
	Rob Otway, P.Eng., GSC, ICD.D	Executive Vice President, Buildings West
	Tannis Proulx, P.Eng.	Executive Vice President, Industrial Construction
	David Keep	Executive Vice President, MRO and Commercial Systems
	Denis Bigioni	President, Dagmar Construction Inc.
	Arthur Krehut	Senior Vice President, Operational Services
	Paul Pastirik, CPA, MBA	Senior Vice President, Strategic Development
AUDITORS	KPMG LLP	
LEAD BANK	Bank of Montreal	
SURETY	Travelers Guarantee Company of Canada	
STOCK EXCHANGE LISTING	Toronto Stock Exchange (Symbol "BDT")	
TRANSFER AGENT AND REGISTRAR	Computershare Investor Services	
WEBSITE	www.bird.ca	

bird

Bird Construction Inc.
5700 Explorer Drive, Suite 400
Mississauga, ON L4W 0C6
Tel: (905) 602-4122
www.bird.ca

2021 Annual Report