



**Q3 2023**

**BIRD CONSTRUCTION INC.  
MANAGEMENT'S  
DISCUSSION & ANALYSIS**

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for the three and nine month periods ended  
September 30, 2023 and 2022

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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 nine months ended September 30, 2023, should be read in conjunction with the September 30, 2023 unaudited interim condensed consolidated financial statements. This MD&A has been prepared as of November 7, 2023. Unless otherwise specified, all amounts are expressed in Canadian dollars. The information presented in this MD&A is presented in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted.

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

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

## EXECUTIVE SUMMARY

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

Nine months ended September 30,  
2023 2022

### Income Statement Data

Revenue	\$ 2,006,717	\$ 1,720,365
Net income	47,658	34,931
Basic and diluted earnings per share ("EPS")	0.89	0.65
Adjusted Earnings <sup>(1)</sup>	49,935	30,539
Adjusted Earnings Per Share <sup>(1)</sup>	0.93	0.57
Adjusted EBITDA <sup>(1)</sup>	94,881	70,546
Adjusted EBITDA Margin <sup>(1)</sup>	4.7 %	4.1 %

### Cash Flow Data

Net (decrease) increase in cash and cash equivalents	\$ (70,546)	\$ (86,394)
Cash flows from operations before changes in non-cash working capital	96,854	80,905
Capital expenditures <sup>(2)</sup>	(21,514)	(21,152)
Cash dividends paid	(16,789)	(15,706)
Cash dividends declared per share	0.32	0.29

### Balance Sheet Data

	September 30, 2023	December 31, 2022
Total assets	\$ 1,357,984	\$ 1,229,279
Working capital	196,931	184,632
Loans and borrowings	86,753	75,091
ROU Liabilities	79,581	73,259
Shareholders' equity	304,369	272,988

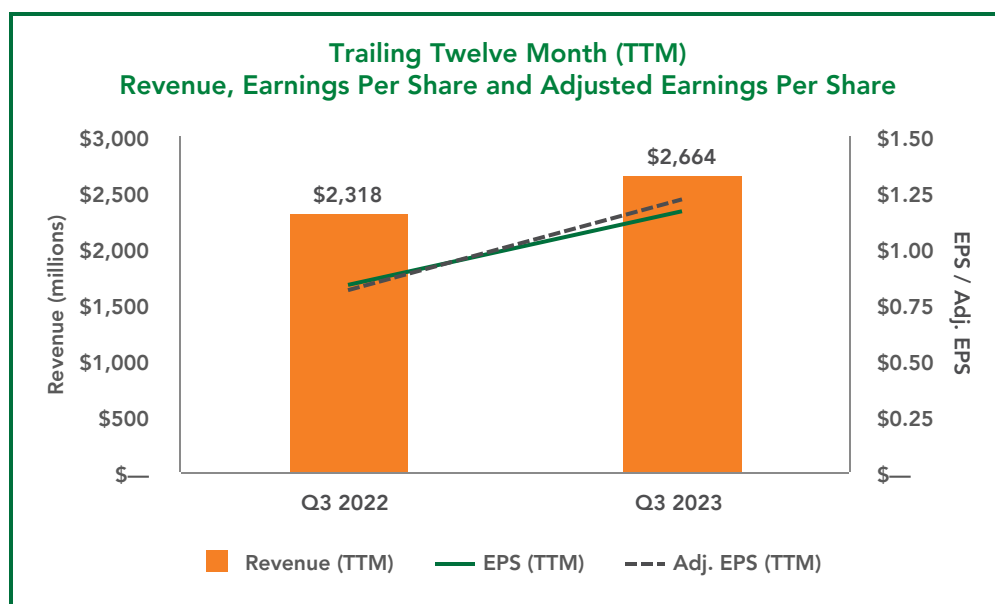
### Key Performance Indicators

Pending Backlog <sup>(1)</sup>	\$ 3,315,100	\$ 2,489,900
Backlog <sup>(3)</sup>	2,818,832	2,636,543

<sup>(1)</sup> 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."

<sup>(2)</sup> Represented by "Additions to property and equipment and intangible assets" in the consolidated statement of cash flows.

<sup>(3)</sup> 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."



## Q3 2023 HIGHLIGHTS

Strong first-half business momentum continued into the third quarter with the Company delivering considerable organic revenue growth of approximately 16% in the quarter and year to date, coupled with sustained margin accretion. Bird's improving gross profit and notable 35% increase in Adjusted EBITDA for the first nine months of 2023 is a result of strategic positioning over the past few years. The Company is experiencing significant growth across virtually all markets with both public and private clients, notably in our institutional buildings, our infrastructure platform catalyzed by the Dagmar acquisition in 2021, and our industrial construction and services highlighted by a decade-high mining backlog and growing presence in Canada's nuclear sector. Visibility into future performance is provided by the Company's risk-balanced, highly collaborative Backlog and Pending Backlog, characterized by enhanced margins and significant multi-year recurring revenue from Master Service Agreements ("MSA").

### THIRD QUARTER 2023 COMPARED TO THIRD QUARTER 2022

- Construction revenue of \$783.8 million compared to \$668.2 million, representing a 17.3% increase year-over-year.
- Net income and earnings per share were \$28.8 million and \$0.54, respectively, compared to \$14.5 million and \$0.27 in Q3 2022.
- Adjusted Earnings<sup>1</sup> and Adjusted Earnings Per Share were \$29.0 million and \$0.54, respectively, compared to \$15.5 million and \$0.29 in Q3 2022.
- Adjusted EBITDA<sup>1</sup> of \$49.3 million, or 6.3% of revenues, compared to \$31.2 million, or 4.7% of revenues in Q3 2022.

### YEAR-TO-DATE 2023 COMPARED TO YEAR-TO-DATE 2022

- Construction revenue of \$2,006.7 million was earned in the first nine months of 2023, compared to \$1,720.4 million in 2022, representing a 16.6% increase year-over-year.
  - Net income and earnings per share for the first nine months of the year were \$47.7 million and \$0.89, respectively, compared to \$34.9 million and \$0.65 in 2022.
  - Adjusted Earnings<sup>1</sup> and Adjusted Earnings Per Share were \$49.9 million and \$0.93 year-to-date in 2023, respectively, compared to \$30.5 million and \$0.57 in the prior year.
  - Adjusted EBITDA<sup>1</sup> for the first nine months of 2023 was \$94.9 million, or 4.7% of revenues, compared to \$70.5 million, or 4.1% of revenues in 2022.
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- Bird achieved significant revenue growth of 17.3% in the third quarter of 2023, delivering revenues of \$783.8 million driven predominantly by organic growth, with additional contributions from Trinity, acquired on February 1, 2023.
  - The Company's margin profiles in the third quarter of 2023 continued to improve, with Gross Profit Percentage increasing to 9.3% compared to 8.8% in the prior year, and Adjusted EBITDA Margin increasing to 6.3% from 4.7%.
  - Bird maintained a strong Backlog and Pending Backlog at September 30, 2023, adding \$612.1 million in securements to Backlog (\$2.2 billion year-to-date) and \$211.8 million to Pending Backlog (\$825.2 million year-to-date) during the quarter. Pending Backlog continues to include approximately \$1.1 billion of MSA and other recurring revenue to be earned over the next seven years.
  - Bird maintains a strong liquidity position at September 30, 2023, recording positive operating cashflows for the quarter while continuing to fund the working capital required to support the significant growth in the Company's work program. At the end of the third quarter, Bird had \$104.1 million of cash and cash equivalents and an additional \$157.0 million available under the Company's Syndicated Credit Facility.

<sup>1</sup> Adjusted Earnings and Adjusted EBITDA are non-GAAP financial measures. See "Terminology and Non-GAAP & Other Financial Measures."

- During the third quarter of 2023, the Company announced that it was awarded the following projects and contracts:
  - Bird was awarded multiple contracts for industrial and civil work in the energy and mining sectors valued at approximately \$180 million, including a contract for civil and concrete scopes to support processing infrastructure development at the Blackwater Mine project in central British Columbia, two contracts for rehabilitation work on hydroelectric power-related structures in northeastern Ontario, and a contract for final site earthworks, grading and asphalt paving at an existing project site in northwestern British Columbia.
  - Bird was selected as the preferred proponent for the Southern Alberta Institute of Technology's (SAIT) Campus Centre Redevelopment Project, the Victor Philip Dahdaleh Hall project at St. Francis Xavier University, and two long-term care facilities in Nova Scotia. The combined value of the contracts is over \$350 million.
  - Bird was awarded two new contracts at the ArcelorMittal Mont-Wright Mine in Quebec, and an award for the 2Nations Bird joint venture for Fine Tailings works on BHP's Jansen Stage 1 Potash Project in Saskatchewan. The combined value of the awards was over \$110 million.
  - Bird was selected as construction manager for the Vancouver Community College Centre for Clean Energy and Automotive Innovation and the University of Victoria Engineering Expansion Project. The combined value of the contracts was approximately \$280 million.
  - Bird was awarded an additional task order under the previously announced Port Hope Area Initiative Master Construction Contract by Canadian Nuclear Laboratories, and awarded a multi-year contract for civil works on sites in the Heartland Region of Alberta by an undisclosed client. The combined value of the awards is approximately \$100 million, to be executed over the next three years.
- Subsequent to the quarter end, the Company announced that it was awarded the following projects and contracts:
  - Bird, as part of a 50/50 general partnership, entered into an agreement for early works at a new LNG project in Western Canada. Bird's portion of the limited notice to proceed contracts exceeds \$150 million.
- The Board has declared eligible dividends of \$0.0358 per common share for each of November 2023, December 2023, January 2024 and February 2024.

## 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 September 30,		
	2023	2022	% change
Construction revenue	\$ 783,843	\$ 668,156	17.3 %
Costs of construction	710,884	609,533	16.6 %
Gross profit	72,959	58,623	24.5 %
Income (loss) from equity accounted investments	600	(1,264)	147.5 %
General and administrative expenses	(34,519)	(35,534)	(2.9)%
Income from operations	39,040	21,825	78.9 %
Finance and other income	1,323	182	626.9 %
Finance and other costs	(2,932)	(2,793)	5.0 %
Income before income taxes	37,431	19,214	94.8 %
Income tax expense	8,636	4,748	81.9 %
Net income for the period	\$ 28,795	\$ 14,466	99.1 %
Total comprehensive income for the period	\$ 28,721	\$ 14,608	96.6 %
Basic and diluted earnings per share	\$ 0.54	\$ 0.27	100.0 %
Adjusted Earnings <sup>(1)</sup>	\$ 28,983	\$ 15,502	87.0 %
Adjusted Earnings Per Share	\$ 0.54	\$ 0.29	86.2 %
Adjusted EBITDA <sup>(1)</sup>	\$ 49,342	\$ 31,203	58.1 %
Adjusted EBITDA Margin	6.3%	4.7%	1.6 %

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

The Company recorded construction revenue of \$783.8 million in the third quarter of 2023, representing a \$115.7 million, or 17.3%, increase over amounts reported in the same period of 2022. The revenue increase for the quarter consisted of over 16% organic growth driven primarily by industrial construction, a strong mining work program and institutional building construction, with additional contributions from Trinity which was acquired in February 2023. Revenue for the third quarter was bolstered to a limited extent by schedule acceleration on a number of larger work programs, resulting in revenues being recognized earlier in the year than planned.

Gross profit of \$73.0 million for the third quarter of 2023, representing a Gross Profit Percentage<sup>2</sup> of 9.31%, was \$14.3 million higher than the \$58.6 million gross profit (8.77% Gross Profit Percentage) recorded a year ago. The increase in gross profit margins was driven primarily by project mix in the quarter, primarily due to improved margin profiles on newer work, as well as a higher proportion of industrial construction executed in the quarter compared to the prior year. Margin profiles continue to be strengthened by disciplined project selection and cost control, growing self-perform capabilities and cross-selling opportunities across the Company.

Income from equity accounted investments in the third quarter of 2023 was \$0.6 million, compared to losses of \$1.3 million recorded in same period of 2022. The improvement was primarily driven by higher income from Stack Modular, and higher income from a multi-school project in Alberta compared to the prior year. Partially offsetting

<sup>2</sup> "Gross Profit Percentage" does not have a standardized meaning under IFRS and may not be comparable with similar measures presented by other companies. See "Terminology and Non-GAAP & Other Financial Measures."

these increases was lower equity income from a project in Western Canada that was classified as held for sale during the first quarter of 2023 and subsequently sold.

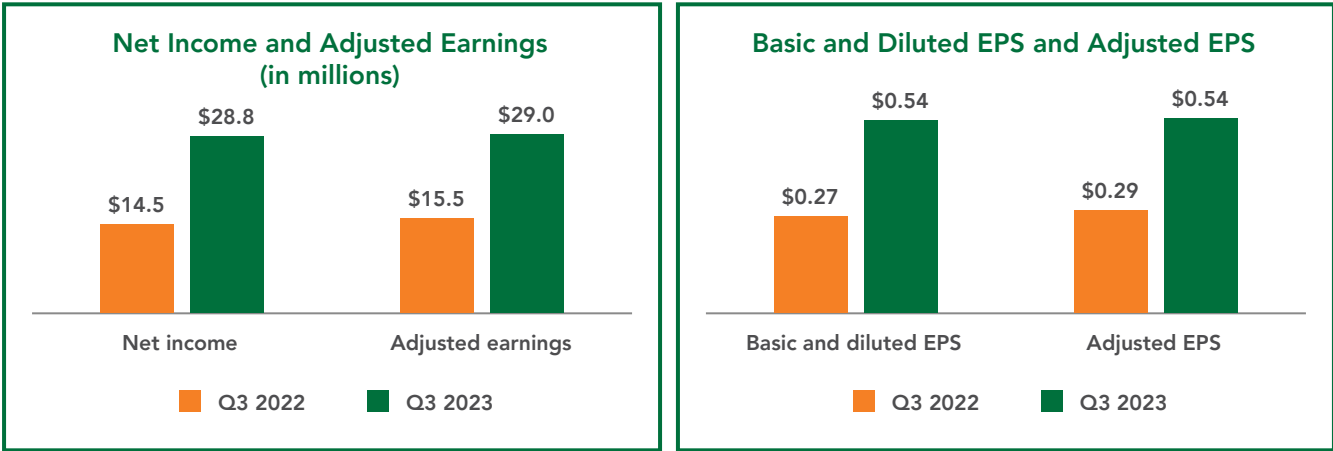
In the third quarter of 2023, general and administrative expenses were \$34.5 million (4.4% of revenue<sup>3</sup>) versus \$35.5 million (5.3% of revenue) in the corresponding period a year ago. The primary driver of the \$1.0 million decrease was \$1.1 million lower acquisition and integration costs in the current year. Compensation costs in the current year, including the impact of increased accrued compensation costs, share-based payment costs and related derivatives, were comparable to the third quarter of 2022. Growth-related increases to travel, business development and pursuit costs of \$0.4 million were driven by activity levels increasing compared to 2022, but were more than offset by an aggregate \$0.5 million lower other costs, including the impact of general and administrative costs of Trinity.

Finance and other income for the third quarter of 2023 was \$1.1 million higher than in the prior year period, primarily due to higher interest earned on the Company's cash balances, including restricted cash and cash equivalents and cash held for joint operations, due to significant increases in deposit interest rates compared to the prior year. The increased interest earned on cash balances more than offset additional interest expense incurred on loans and borrowings reported in Finance and other costs, discussed further below.

Finance and other costs of \$2.9 million in the third quarter of 2023 was comparable with the same period of 2022, with impacts related to significant increases to the Canadian prime rate applied to the Company's variable rate debt largely offset by a lower average debt balance for the period.

In the third quarter of 2023, income tax expense was \$8.6 million, compared to \$4.7 million recorded in the third quarter of 2022. Higher income tax expense for the third quarter of 2023 was driven by higher net income before tax in the current year, partially offset by a lower effective tax rate.

In the third quarter of 2023, total comprehensive income was \$28.7 million, compared to \$14.6 million in the third quarter of 2022. The increase is primarily due to the increase in net income of \$14.3 million described above and lower foreign currency losses on equity accounted investments, partially offset by lower actuarial gains on pension plans.



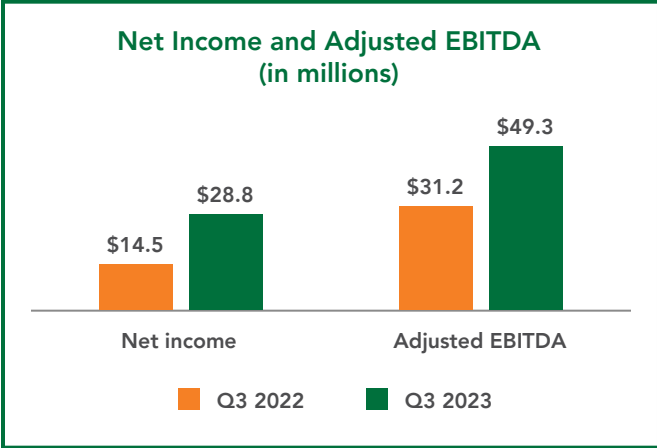
Adjusted Earnings<sup>4</sup> for the third quarter of 2023 was \$29.0 million, compared with Adjusted Earnings in the third quarter of 2022 of \$15.5 million, an increase of \$13.5 million. Adjusted Earnings reflects higher gross profit for the current quarter, increases in income from equity accounted investments, \$1.1 million higher finance and other income, offset by higher income taxes, as described above. General and administrative expenses, excluding the after-tax impact of acquisition and integration expenses which are excluded from Adjusted Earnings, were comparable to the third quarter of 2022.

Basic and diluted earnings per share was \$0.54 in the third quarter of 2023, compared to \$0.27 in the same quarter of 2022. Adjusted Earnings Per Share was \$0.54 and \$0.29 in the third quarter of 2023 and 2022, respectively. In addition to changes in Net Income and Adjusted Earnings discussed above, the weighted average

<sup>3</sup> "General and Administrative expenses as a percentage of revenue" does not have a standardized meaning under IFRS and may not be comparable with similar measures presented by other companies. See "Terminology and Non-GAAP & Other Financial Measures."

<sup>4</sup> Adjusted Earnings is a non-GAAP financial measure. See "Terminology and Non-GAAP & Other Financial Measures."

shares outstanding for the third quarter of 2023 was higher by 79,346 shares related to the Trinity acquisition on February 1, 2023.



Adjusted EBITDA<sup>5</sup> in the third quarter of 2023 was \$49.3 million compared to \$31.2 million recorded in the third quarter of 2022. The \$18.1 million year-over-year increase was consistent with higher gross profit and the increase in income from equity accounted investments discussed above, with general and administrative expenses, including the expenses of Trinity which was acquired in February 2023, comparable to the prior year. The Company's Adjusted EBITDA Margin improved to 6.3% in the third quarter of 2023 compared 4.7% in the same period in 2022, reflecting improvements in Gross Profit Percentage, discussed above, as well as gaining leverage on general and administrative costs as the Company's revenue grew significantly compared to the prior year.

<sup>5</sup> Adjusted EBITDA is a non-GAAP financial measure. See "Terminology and Non-GAAP & Other Financial Measures."



## YEAR-TO-DATE RESULTS OF OPERATIONS

### Consolidated Statement of Income and Additional Financial Indicators

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

	Nine months ended September 30,		
	2023	2022	% change
Construction revenue	\$ 2,006,717	\$ 1,720,365	16.6 %
Costs of construction	1,839,393	1,576,681	16.7 %
Gross profit	167,324	143,684	16.5 %
Income (loss) from equity accounted investments	1,817	(1,590)	214.3 %
General and administrative expenses	(102,275)	(97,852)	4.5 %
Income from operations	66,866	44,242	51.1 %
Finance and other income	4,010	9,437	(57.5)%
Finance and other costs	(8,911)	(6,885)	29.4 %
Income before income taxes	61,965	46,794	32.4 %
Income tax expense	14,307	11,863	20.6 %
Net income for the period	\$ 47,658	\$ 34,931	36.4 %
Total comprehensive income for the period	\$ 47,669	\$ 35,184	35.5 %
Basic and diluted earnings per share	\$ 0.89	\$ 0.65	36.9 %
Adjusted Earnings <sup>(1)</sup>	\$ 49,935	\$ 30,539	63.5 %
Adjusted Earnings Per Share	\$ 0.93	\$ 0.57	63.2 %
Adjusted EBITDA <sup>(1)</sup>	\$ 94,881	\$ 70,546	34.5 %
Adjusted EBITDA Margin	4.7%	4.1%	0.6 %

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

For the nine months ended September 30, 2023, the Company recorded construction revenue of \$2,006.7 million, a \$286.4 million, or 16.6%, increase compared with \$1,720.4 million of construction revenue recorded in the same period of 2022. The revenue increase for the nine month period consisted of almost 16% organic growth led primarily by industrial construction and institutional building construction. New industrial work drove revenue growth year-to-date, more than replacing revenues from a large industrial work program which concluded during 2022. Trinity, acquired in February 2023, also modestly contributed to revenue growth for the nine month period.

The Company's gross profit of \$167.3 million for 2023, representing an 8.34% Gross Profit Percentage, compares to \$143.7 million gross profit (8.35% Gross Profit Percentage) recorded in 2022. The Company's highly collaborative work program, growing Backlog with enhanced margin profiles, and expanded self-perform capabilities continue to drive strong gross profits on significant revenue growth, largely offsetting the favourable Gross Profit Percentage impact of a large, mostly self-performed, industrial work program that benefited the early part of 2022.

Income from equity accounted investments for 2023 totalled \$1.8 million, compared with losses of \$1.6 million in 2022. The higher income in 2023 was primarily due to \$2.9 million higher earnings related to Stack Modular and \$0.8 million higher income from a multi-school project in Alberta compared to the prior year, partially offset by lower income from a PPP concession entity that was classified as held for sale and sold in 2023.

General and administrative expenses were \$102.3 million (5.1% of revenue) for the nine months ended September 30, 2023, compared to \$97.9 million (5.7% of revenue) in 2022. The primary drivers for the \$4.4 million

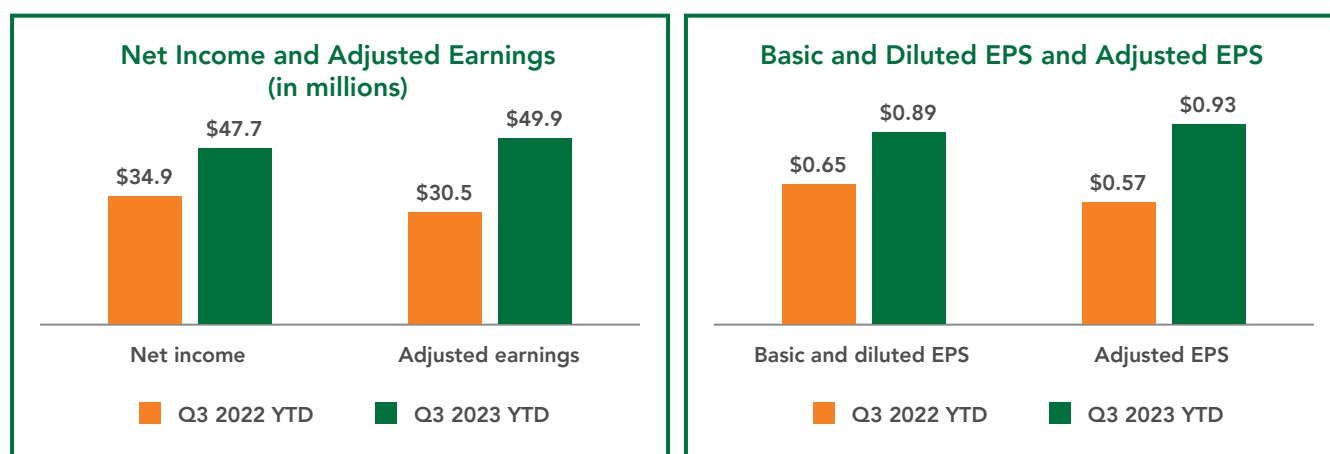
year-over-year increase were: \$1.2 million higher acquisition and integration costs and asset impairments driven primarily from the rationalization of the Company's leased office space during the second quarter; \$1.9 million higher compensation costs, including accrued compensation costs, share-based payment costs and the impact of related derivatives; \$0.9 million higher aggregate growth-related increases to travel, business development and pursuit costs as activity levels increased compared to 2022; and \$1.4 million aggregate increases across other categories, including general and administrative expenses of Trinity. Partially offsetting these increases were \$0.7 million lower amortization and depreciation, and \$0.3 million higher gains on sale of property and equipment.

Finance and other income of \$4.0 million in 2023 was \$5.4 million lower than 2022 primarily due to a \$7.6 million gain and \$1.7 million of interest income recorded in the the second quarter of 2022 related to a settlement of historical construction billings and related interest charges with a customer, partially offset by a \$0.6 million fair value loss on warrants received as part of the settlement. Partially offsetting this impact was \$2.9 million higher interest earned on the Company's cash balances due primarily to increases in deposit interest rates compared to the prior year. The increased interest earned on cash balances more than offset additional interest expense incurred on loans and borrowings reported in Finance and other costs, discussed further below.

Finance and other costs of \$8.9 million in 2023 was \$2.0 million higher than in the same period of 2022 primarily due to increases to the Canadian prime rate applied to the Company's variable rate debt, partly offset by the Company carrying a lower average debt balance outstanding on variable rate credit facilities in the current year.

For the nine months ended September 30, 2023, income tax expense of \$14.3 million increased compared to the \$11.9 million expense recorded in 2022 driven by higher taxable income in the current year, which more than offset the impact of a lower effective tax rate.

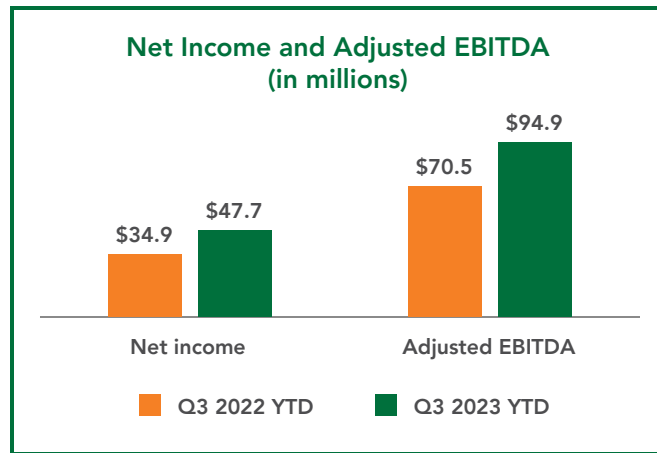
Total comprehensive income was \$47.7 million for 2023, compared to \$35.2 million in 2022. The increase was primarily due to the Company's \$12.7 million higher net income, discussed above, partially offset by lower gains on the Company's pension plans.



Adjusted Earnings<sup>6</sup> for the nine months ended September 30, 2023 was \$49.9 million, compared with Adjusted Earnings of \$30.5 million in 2022. Adjusted Earnings reflects significant increases in year-to-date revenues and gross profit, increases in income from equity accounted investments, described above, as well as \$0.3 million higher finance and other income, excluding the after-tax impact of a one-time gain which is excluded from Adjusted Earnings, related to the settlement of historical construction billings in 2022. These increases were partially offset by \$3.2 million higher general and administrative expenses, excluding the after-tax impact of acquisition and integration expenses and asset impairments which are excluded from Adjusted Earnings, \$2.0 million higher finance and other costs driven by increasing interest rates, and higher income taxes.

Basic and diluted earnings per share was \$0.89 for the first nine months of 2023, compared to \$0.65 for the same period in 2022. Adjusted Earnings Per Share was \$0.93 and \$0.57 for 2023 and 2022, respectively. In addition to the impacts of changes in Net Income and Adjusted Earnings discussed above, the basic weighted average shares outstanding for 2023 was higher by 70,336 due to common shares issued in connection with the Trinity acquisition in February 2023.

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



Adjusted EBITDA<sup>7</sup> for the nine months ended September 30, 2023 was \$94.9 million compared to \$70.5 million recorded in 2022. The \$24.3 million year-over year increase was consistent with the increases in gross profit and income from equity accounted investments discussed above, partially offset by growth-related increases in general and administrative expenses, including compensation costs, and the inclusion of expenses of Trinity which was acquired during the first quarter of 2023. Adjusted EBITDA margin was 4.7% for the first nine months of 2023 compared to 4.1% in 2022, with 2023 margins being lower in the first quarter, and higher than 2022 amounts in the second and third quarters. Adjusted EBITDA and Adjusted EBITDA Margin in the prior year benefited from a large, mostly self-performed, industrial work program that concluded in 2022.

## KEY PERFORMANCE INDICATORS

### Securements, Pending Backlog and Backlog

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:

<i>(in thousands of Canadian dollars)</i>	September 30, 2023	December 31, 2022
Pending Backlog	\$ 3,315,100	\$ 2,489,900
Backlog	\$ 2,818,832	\$ 2,636,543

Pending Backlog at September 30, 2023 was \$3,315.1 million compared to \$2,489.9 million at December 31, 2022, an increase of \$825.2 million or 33.1%. The Company's Backlog of \$2,818.8 million at September 30, 2023 exceeded the balance at December 31, 2022, with new contracts secured exceeding executed work by \$182.3 million, representing a 6.9% increase in the first nine months of 2023.

Bird has a strong reputation for delivering sophisticated projects in a collaborative framework. As the Company pursues and participates in more of these projects, there may be client-driven requirements for early contractor involvement and pre-construction services. Bird's participation at earlier stages of the project development cycle can result in significant amounts of awarded project value being booked to and remaining in Pending Backlog for longer periods of time before transitioning to contracted Backlog. Due to the nature of the early involvement, smaller portions of work are typically contracted during initial phases of the project while working collaboratively to ensure the cost estimate, schedule forecast, and project planning are sufficiently advanced before contracts are executed for construction phases.

Pending Backlog includes almost \$1,100 million of recurring revenue contracts, and primarily consists of multi-year MSA, maintenance, task order, and similar contractual arrangements. These contracts are typically with industrial clients, span multiple years, and represent a recurring revenue stream over the next seven years, with the Company converting these contracts to Backlog on a regular basis as purchase orders or other formal

<sup>7</sup> Adjusted EBITDA is a non-GAAP financial measure. See "Terminology and Non-GAAP & Other Financial Measures."

documents to proceed are received. The remaining projects included in Pending Backlog are geographically diverse, span multiple sectors, and are generally lower risk contract types and collaborative in nature.

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

<i>(in millions of Canadian dollars)</i>	Nine months ended September 30, 2023	Year ended December 31, 2022	Nine months ended September 30, 2022
Opening balance	\$ 2,636.5	\$ 3,002.5	\$ 3,002.5
Securements, change orders & other adjustments	2,189.0	2,011.5	1,658.6
Realized in construction revenues	(2,006.7)	(2,377.5)	(1,720.4)
Closing balance	<b>\$ 2,818.8</b>	<b>\$ 2,636.5</b>	<b>\$ 2,940.7</b>

## Gross Profit Percentage

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

During the third quarter of 2023, the Company realized a Gross Profit Percentage of 9.31% compared with 8.77% in third quarter of 2022. For the first nine months of 2023, the Company realized a Gross Profit Percentage of 8.34% compared with 8.35% in 2022. The year-over-year changes in Gross Profit Percentage for the quarter and year-to-date are discussed in the sections above titled "Quarterly Results of Operations" and "Year-to-Date Results of Operations".

## Financial Condition

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

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

<i>(in thousands of Canadian dollars)</i>	September 30, 2023	December 31, 2022
Working capital	\$ 196,931	\$ 184,632
Shareholders' equity	\$ 304,369	\$ 272,988

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

## Health, Safety & Environment

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

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

	Nine months ended September 30, 2023	Year ended December 31, 2022	Nine months ended September 30, 2022
Person-hours of work	7,807,880	10,002,845	7,453,857
Lost time incidents ("LTI")	0	1	0
Lost time incidents frequency ("LTIF")	0.00	0.02	0.00

## OUTLOOK

Bird continues to deliver on its strategic priorities, approaching the end of 2023 with improving margin performance and significant revenue growth. The visibility provided by the Company's Backlog and Pending Backlog of work with higher embedded margins, as well as a healthy bid pipeline, sets the stage for continued robust performance and increased shareholder value through 2024.

With continued strong revenue growth in the third quarter, Bird's financial performance exceeded expectations on both revenue growth and Adjusted EBITDA Margin. The Company expects fourth quarter performance consistent with prior expectations, with full year financial performance that reflects the strength of results achieved in the first nine months of the year.

The Company's risk-balanced and diversified combined backlog, consisting of \$2.8 billion Backlog and \$3.3 billion Pending Backlog, provides good visibility into 2024 organic revenue growth and further margin improvements. Supported by a combination of higher embedded margins in combined backlog and achieving additional leverage on the Company's cost structure, Adjusted EBITDA Margin is expected to continue to improve in 2024, resulting in Adjusted EBITDA and earnings per share growth that will outpace revenue growth.

The Company's bid pipeline remains robust, underpinned by sustained demand across Bird's core markets - industrial, institutional and infrastructure. Bird continues to capitalize on the opportunity presented by the energy transition, infrastructure modernization, and enhanced commodities environment, aligning our self-perform capabilities and services, as well as innovative solutions such as Stack's rapid delivery solution, with the evolving market needs across sectors. New awards during the quarter reflect this alignment, and highlighted Bird's robust portfolio of recurring revenue MSAs, its position as a sought-after energy and mining service provider, and its innovative building services which are supporting the transition to a lower carbon future. Bird continues to pursue new work selectively, ensuring strategic alignment between capabilities, project type and delivery model. Bird's strong focus on early contractor involvement and collaborative opportunities drives a larger share of negotiated work and improves project delivery and outcomes for all parties. Across all sectors, Bird is leveraging its significant self-perform capabilities, safely delivering projects in line with client expectations.

While delivering sustained margin accretion and revenue growth, Bird remains focused on maintaining a strong balance sheet. The Company's capital allocation strategy aims to drive business growth, robust profitability, and enhanced long-term shareholder value through a blend of M&A, smart capital investments to support productivity and growth, and returning capital to shareholders through dividends. Bird's highly skilled teams have been pivotal in establishing our strong reputation with clients and across target markets, and their execution capabilities have built the sturdy foundation that is essential for the Company's ongoing growth and profitable future.

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

**- We Create Opportunity "**

## 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:

<i>(in thousands of Canadian dollars)</i>	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 104,065	\$ 174,607
Non-cash working capital	92,866	10,025
Working capital	\$ 196,931	\$ 184,632
Non-current loans and borrowings	\$ 64,261	\$ 68,007
Non-current right-of-use liabilities	\$ 58,674	\$ 55,469
Shareholders' equity	\$ 304,369	\$ 272,988

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

As a component of working capital, the Company maintains a balance of cash and cash equivalents. At September 30, 2023, this balance totalled \$104.1 million. Accessible cash at September 30, 2023 was \$56.3 million (\$96.0 million at December 31, 2022) with the remaining cash and cash equivalents balance held in trust or in joint operations' accounts. Accessible cash at September 30, 2023 decreased due to investments in working capital to support the seasonal growth of the Company's work programs, investments in property, plant and equipment and intangible software, the acquisition of Trinity, and net repayment of borrowings and ROU liabilities, with partially offsetting shifts in geographical project mix and stage of completion on certain major projects in regions where trust cash requirements are enacted.

Non-cash working capital was \$92.9 million at September 30, 2023, compared to \$10.0 million at December 31, 2022. The investment in non-cash working capital utilized \$82.8 million of cash year-to-date in 2023. The overall use of cash is consistent with the Company's seasonal expectations and is mainly due to the shifts in project mix and the stage of completion on certain major projects.

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

At September 30, 2023, the Company had working capital of \$196.9 million compared with \$184.6 million at December 31, 2022, an increase of \$12.3 million. The primary driver of the increase was net income of \$47.7 million exceeding dividends paid of \$16.8 million by \$30.9 million, with reductions driven primarily of \$6.2 million repayments of non-current loans and borrowings, \$5.3 million net investments in property, plant, equipment and intangibles, \$7.3 million repayments of non-current ROU liabilities in excess of related asset depreciation, and the Company's acquisition of Trinity net of acquired working capital of \$1.8 million. The Company's current ratio<sup>8</sup> at September 30, 2023 was 1.22 compared to 1.23 at December 31, 2022.

The \$31.4 million increase in shareholders' equity since December 31, 2022 was primarily due to the Company's net income of \$47.7 million exceeding dividends declared by \$30.7 million, plus the issuance of \$0.7 million of Bird common shares in connection with the acquisition of Trinity during the first quarter.

### Credit Facilities

The Company has a number of credit facilities in place, including a Syndicated Credit Facility, Equipment Financing facilities, and Letters of Credit facilities, available to access in order to support the issuance of letters of

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

credit, finance future capital expenditures and finance the day-to-day operations of the business. The composition and terms of these facilities are more fully described in Note 18 to the September 30, 2023 interim condensed consolidated financial statements.

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

<i>(in thousands of Canadian dollars)</i>	September 30, 2023	December 31, 2022
Committed revolving credit facility	\$ 220,000	\$ 220,000
Letters of credit issued from committed revolving credit facility	25,312	25,312
Drawn from committed revolving credit facility	37,725	22,725
Available committed revolving credit facility	<u>156,963</u>	171,963
Committed non-revolving term loan facility	\$ 47,500	\$ 47,500
Cumulative repayments of committed non-revolving term loan facility	(3,750)	—
Drawn committed non-revolving term loan facility	<u>43,750</u>	47,500
Non-committed Available Accordion	\$ 50,000	\$ 50,000
Letters of credit facilities	\$ 150,000	\$ 150,000
Letters of credit issued from letters of credit facilities	38,455	51,627
Available letters of credit facilities	<u>111,545</u>	98,373
Collateral pledged to support letters of credit	\$ 90	\$ 90
Guarantees provided by EDC	\$ 38,364	\$ 51,537

## Quarterly Cash Flow Data

The following table provides an overview of cash flows during the three months ended September 30, 2023 and 2022:

<i>(in thousands of Canadian dollars)</i>	Three months ended September 30,		
	2023	2022	\$ change
Cash flows from operations before changes in non-cash working capital	\$ 50,395	\$ 32,444	\$ 17,951
Changes in non-cash working capital and other	(49,179)	36	(49,215)
Cash flows from (used in) operating activities	<u>1,216</u>	32,480	(31,264)
Investments net of capital distributions from equity accounted entities	165	43	122
Additions to property, equipment and intangible assets	(8,200)	(7,665)	(535)
Proceeds on sale of property and equipment	552	1,941	(1,389)
Other long-term assets	1,399	358	1,041
Cash flows from (used in) investing activities	<u>(6,084)</u>	(5,323)	(761)
Dividends paid on shares	(5,776)	(5,235)	(541)
Proceeds from loans and borrowings	15,000	32,776	(17,776)
Repayment of loans and borrowings	(770)	(30,923)	30,153
Repayment of right-of-use liabilities	(6,694)	(4,875)	(1,819)
Cash flows from (used in) financing activities	<u>1,760</u>	(8,257)	10,017
Increase (decrease) in cash and cash equivalents	<u>\$ (3,108)</u>	\$ 18,900	\$ (22,008)

## Operating Activities

During the third quarter of 2023, cash flows from operating activities generated cash of \$1.2 million, a decrease of \$31.3 million compared to \$32.5 million cash generated in the third quarter of 2022, with the difference relating to changes in non-cash working capital.

Cash flows from operations before changes in non-cash working capital of \$50.4 million was \$18.0 million higher than the \$32.4 million cash generated in 2022. The improvement resulted from higher net income of \$14.3 million in the current quarter and \$3.6 million higher addbacks for non-cash items on an aggregate basis.

Cash used to fund changes in non-cash working capital and other increased \$49.2 million compared to the third quarter of 2022 driven mainly by increased net cash outflows related to changes in accounts payable and contract liabilities (\$56.0 million), higher outflows related to share-based compensation plans (\$2.3 million), and lower inflows related to provisions (\$2.4 million), partially offset by higher net inflows related to changes in accounts receivable and contract assets (\$6.0 million), and higher income taxes recovered (\$4.7 million). The non-cash working capital position fluctuates significantly in the normal course of business from period to period, primarily due to the timing of differences between the settlement of payables due to subcontractors and suppliers, billings and collection of receivables from clients, and the timing of the settlement of income taxes payable.

## Investing Activities

During the third quarter of 2023, the Company used \$6.1 million of cash in investing activities compared to \$5.3 million used in 2022. The Company had \$1.4 million higher capital expenditures on property, equipment and intangibles in the current quarter, and received \$0.5 million lower net proceeds on the sale of equipment and equity accounted investments, which was partially offset by \$1.0 million higher inflows related to long-term assets, primarily related to the repayment of a note receivable in the current year quarter.

## Financing Activities

During the third quarter of 2023, the Company generated \$1.8 million of cash related to financing activities, comprised of \$15.0 million drawn on its revolving credit facility used to fund temporary working capital requirements, partially offset by \$5.8 million of dividend payments, and \$7.5 million of scheduled repayments of loans and borrowings and ROU liabilities. In the same period of 2022, the Company made dividend payments of \$5.2 million, made scheduled repayments of loans and borrowings and ROU liabilities of \$5.8 million, received \$2.8 million net proceeds on equipment financing, and borrowed and repaid \$30.0 million on its revolving credit facility to fund temporary working capital requirements.



## Year-to-Date Cash Flow Data

The following table provides an overview of cash flows for the nine months ended September 30, 2023 and 2022:

(in thousands of Canadian dollars)	Nine months ended September 30,		
	2023	2022	\$ change
Cash flows from operations before changes in non-cash working capital	\$ 96,854	\$ 80,905	\$ 15,949
Changes in non-cash working capital and other	(125,827)	(143,308)	17,481
Cash flows from (used in) operating activities	(28,973)	(62,403)	33,430
Investments net of capital distributions from equity accounted entities	485	658	(173)
Proceeds on sale of investment in equity accounted entities	2,408	1,501	907
Additions to property, equipment and intangible assets	(21,514)	(21,152)	(362)
Proceeds on sale of property and equipment	2,155	3,389	(1,234)
Acquisitions, net of cash acquired	(5,827)	—	(5,827)
Other long-term assets	1,747	4,200	(2,453)
Cash flows from (used in) investing activities	(20,546)	(11,404)	(9,142)
Dividends paid on shares	(16,789)	(15,706)	(1,083)
Proceeds from loans and borrowings	57,483	52,776	4,707
Repayment of loans and borrowings	(45,821)	(34,799)	(11,022)
Repayment of right-of-use liabilities	(15,900)	(14,858)	(1,042)
Cash flows from (used in) financing activities	(21,027)	(12,587)	(8,440)
Increase (decrease) in cash and cash equivalents	\$ (70,546)	\$ (86,394)	\$ 15,848

### Operating Activities

For the nine months ended September 30, 2023, cash flows from operating activities used cash of \$29.0 million, \$33.4 million less than the \$62.4 million cash used in the comparable period in 2022.

Cash flows from operations before changes in non-cash working capital of \$96.9 million was \$15.9 million higher than the \$80.9 million cash generated in 2022 due to \$12.7 million higher net income, in addition to \$3.2 million higher net addbacks of non-cash items.

Cash used to fund changes in non-cash working capital and other improved \$17.5 million compared to 2022 driven mainly by reduced net cash outflows from accounts payable and contract liabilities (\$15.5 million), lower outflows related to provisions (\$3.0 million), prepaid expenses (\$1.5 million) and deferred compensation (\$1.5 million), and lower income tax payments (\$7.1 million), partially offset by reduced net inflows related to accounts receivable and contract assets (\$9.5 million), and higher net interest paid (\$1.7 million). The Company's non-cash working capital position fluctuates significantly from period to period, during the normal course of business, primarily due to timing differences between billings and collection of receivables, settlement of payables due to subcontractors and suppliers, and the timing of income taxes payable.

### Investing Activities

For the nine months ended September 30, 2023, the Company used \$20.5 million of cash in investing activities compared to \$11.4 million used in 2022. The \$9.1 million higher use of cash was primarily due to \$5.8 million net cash used to acquire Trinity in February 2023, \$2.5 million lower inflows related to long-term assets, primarily related to a higher release of insurance deposits in the prior year, and \$1.6 million higher capital expenditures on property, equipment and intangibles, partly offset by \$0.7 million increased net proceeds on sale of equity accounted investments.

### Financing Activities

For the nine months ended September 30, 2023, the Company used \$21.0 million of cash to fund financing activities compared to \$12.6 used in 2022. The Company made \$16.8 million of dividend payments and \$21.7 million of scheduled repayments of loans and borrowings and ROU liabilities, offset by net borrowing of \$15.0

million drawn on its revolving credit facility used to fund temporary working capital requirements, and proceeds from equipment financing of \$2.5 million. In 2022, the Company made dividend payments of \$15.7 million and scheduled repayments of other loans and borrowings and ROU liabilities of \$19.6 million, offset by temporary advances on the Company's revolving credit facility of \$20 million to fund working capital requirements, and \$2.8 million proceeds on equipment loans.

## FINANCIAL INSTRUMENTS

The financial instruments that Bird uses expose the Company to credit, market and currency risks. Refer to Note 29 to the September 30, 2023 interim condensed consolidated financial statements for further details.

### Credit Risk

The Company is primarily exposed to credit risk through accounts receivable. At September 30, 2023, accounts receivable outstanding for greater than 90 days and considered past due by the Company's management represent 12.1% (December 31, 2022 – 16.6%) of the balance of progress billings on construction contracts receivable. Management has recorded an allowance of \$0.3 million (December 31, 2022 - \$1.6 million) against these past due receivables, net of amounts recoverable from others.

### Market Risk

The Company is exposed to interest rate risk to the extent that its credit facilities are based on variable rates of interest. At September 30, 2023, a one percent change in the interest rate applied to the Company's variable rate long-term debt would change annual income before income taxes by approximately \$0.8 million (2022 – \$0.9 million).

The Company has certain share-based compensation plans where the values are based on the common share price of the Company. At September 30, 2023, a 10 percent change in the share price applied to the Company's share based compensation plans would change income before income taxes by approximately \$2.2 million (2022 – \$1.4 million).

The Company has fixed a portion of the settlement costs of these plans by entering into a TRS derivative contract maturing in 2024. At September 30, 2023, a 10 percent change in the share price applied to the Company's TRS derivatives would change income before income taxes by approximately \$2.2 million (2022 – \$1.2 million), largely offsetting the impact on the share-based compensation plans above.

### Currency Risk

The Company uses foreign currency to settle payments to certain vendors and subcontractors. At September 30, 2023, a 10% movement in the Canadian and U.S. dollar exchange rate would have changed income before income taxes by approximately \$0.2 million (2022 – \$0.1 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		
January 1 to March 31, 2022	\$	0.0975
April 1 to June 30, 2022	\$	0.0975
July 1 to September 30, 2022	\$	0.0975
October 1 to December 31, 2022	\$	0.0975
January 1 to March 31, 2023	\$	0.1008
April 1 to June 30, 2023	\$	0.1074
July 1 to September 30, 2023	\$	0.1074

As of November 7, 2023, the Board of Directors has declared eligible dividends with a record date subsequent to September 30, 2023, for the following months:

Eligible dividends declared	Record date	Payment date	Dividend per share
October dividend	October 31, 2023	November 20, 2023	\$ 0.0358
November dividend	November 30, 2023	December 20, 2023	\$ 0.0358
December dividend	December 29, 2023	January 19, 2024	\$ 0.0358
January dividend	January 31, 2024	February 20, 2024	\$ 0.0358
February dividend	February 29, 2024	March 20, 2024	\$ 0.0358

## OUTSTANDING COMMON SHARE DATA AND STOCK EXCHANGE LISTING

The Company is authorized to issue an unlimited number of common shares. The Company had a total of 53,774,639 common shares outstanding at November 7, 2023 (December 31, 2022 - 53,695,293). The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol BDT.

## OFF BALANCE SHEET ARRANGEMENTS

The Company has surety lien bonds issued on behalf of the Company valued at \$95.5 million at September 30, 2023 (December 31, 2022 - \$87.8 million).

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

Further details of commitments and contingencies are included in Note 30 to the September 30, 2023 interim condensed consolidated financial statements.

## SUMMARY OF QUARTERLY RESULTS

	2021				2022				2023		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3			
Revenue	\$ 597,803	\$ 475,521	\$ 576,688	\$ 668,156	\$ 657,184	\$ 536,459	\$ 686,415	\$ 783,843			
Net income	9,917	6,361	14,104	14,466	14,932	5,149	13,714	28,795			
Earnings per share	0.18	0.12	0.26	0.27	0.28	0.10	0.26	0.54			
Adjusted Earnings <sup>(1)</sup>	13,046	6,546	8,491	15,502	15,485	5,272	15,680	28,983			
Adjusted Earnings Per Share	0.24	0.12	0.16	0.29	0.29	0.10	0.29	0.54			
Adjusted EBITDA <sup>(1)</sup>	28,399	17,835	21,508	31,203	30,639	16,082	29,457	49,342			

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

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

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

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

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

## ACCOUNTING POLICIES

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

### New Accounting Standards, Amendments and Interpretations Adopted

The Company has adopted new amendments effective January 1, 2023 related to amendments to IAS 1 *Disclosure of Accounting Policies*, IAS 8 *Definition of Accounting Estimates* and IAS 12 *Income Taxes* that did not have a material impact on the Company's financial statements.

### Future Accounting Changes

There are new accounting standards and amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2024 that have not been applied in preparing the financial statements for the period ended September 30, 2023. These standards and interpretations are not expected to have a material impact on the Company's financial statements.

## CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

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

Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amount of an asset or liability and/or the reported amount of revenue and expense in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates and judgements used in the preparation of these financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2022, as described in Note 3 of the financial statements, and include:

- Assets and liabilities acquired in a business combination
- Revenue and gross profit recognition

- Provisions
- Impairment of non-financial assets
- Measurement of pension obligations
- Share-based payments
- Leases
- Income taxes

## CONTROLS AND PROCEDURES

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

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

### Disclosure Controls and Procedures

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

An evaluation of the effectiveness of the design of the Company's disclosure controls and procedures was carried out under the supervision of management, including the CEO and CFO, with oversight by the Board of Directors and Audit Committee, as at September 30, 2023. Based on this evaluation, the Company's CEO and CFO have concluded that the design of the Company's disclosure controls and procedures, as defined in NI 52-109, was effective as at September 30, 2023.

### Internal Controls over Financial Reporting

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

An evaluation of the effectiveness of the design of the Company's internal controls over financial reporting was carried out under the supervision of management, including the CEO and CFO, with oversight by the Board of Directors and Audit Committee, as at September 30, 2023, using the control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control - Integrated Framework (2013). Based on this evaluation, the Company's CEO and CFO have concluded that the design of the Company's internal controls over financial reporting, as defined in NI 52-109, was effective as at September 30, 2023.

There have been no material changes in the Company's internal controls over financial reporting during the period beginning on July 1, 2023 and ending on September 30, 2023, that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

## RISKS RELATING TO THE BUSINESS

The following are the more significant risk factors relating to the business. For a detailed discussion of all risk factors relating to the business, refer to the Company's most recently filed Annual Information Form dated

March 7, 2023 which is available through SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.bird.ca](http://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
- Maintaining Safe Work Sites
- Economy and Cyclicalities
- Ability to Secure Work
- Global Pandemics
- Performance of Subcontractors
- Accuracy of Cost to Complete Estimates
- Estimating Costs and Schedules/Assessing Contract Risks
- Adjustments and Cancellations of Backlog
- Work Stoppages, Strikes and Lockouts
- Acquisition and Integration Risk
- Litigation/Potential Litigation
- Design Risks
- Information Systems and Cyber-security Risk
- Climate Change Risk

## TERMINOLOGY AND NON-GAAP & OTHER FINANCIAL MEASURES

### Terminology

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

- **"Backlog"** is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the most recently completed quarter. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course. It includes all the Company's remaining performance obligations in its contracts with its clients, including work orders and other formal documents to proceed issued in connection with multi-year recurring revenue contracts such as MSAs, maintenance, task order, and similar contractual arrangements. It does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders or other formal documents to proceed to be performed as part of recurring revenue agreements. The Company's Backlog equates to the Company's remaining performance obligations as at September 30, 2023, and December 31, 2022; refer to Note 10 of the September 30, 2023 interim condensed 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.

<b>ADJUSTED EARNINGS</b>				
<i>(in thousands of Canadian dollars, except per share amounts)</i>				
	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net income	\$ 28,795	\$ 14,466	\$ 47,658	\$ 34,931
Add: Acquisition and integration costs	248	1,362	1,571	1,759
Add: Impairment of assets	—	—	1,430	—
Deduct: Gain on settlement of trade receivable	—	—	—	(7,596)
Income tax effect of the above items	(60)	(326)	(724)	1,445
<b>Adjusted Earnings</b>	<b>\$ 28,983</b>	<b>\$ 15,502</b>	<b>\$ 49,935</b>	<b>\$ 30,539</b>
<b>Adjusted Earnings Per Share <sup>(1)</sup></b>	<b>\$ 0.54</b>	<b>\$ 0.29</b>	<b>\$ 0.93</b>	<b>0.57</b>

<sup>(1)</sup> Restructuring costs as defined in accordance with IFRS.  
<sup>(1)</sup> Calculated as Adjusted Earnings divided by basic weighted average shares.

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

<b>ADJUSTED EBITDA</b>				
<i>(in thousands of Canadian dollars, except percentage amounts)</i>				
	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net income	\$ 28,795	\$ 14,466	\$ 47,658	\$ 34,931
Add: Income tax expense	8,636	4,748	14,307	11,863
Add: Depreciation and amortization	9,786	9,593	25,733	27,641
Add: Finance and other costs	2,932	2,793	8,911	6,885
Less: Finance and other income	(1,323)	(182)	(4,010)	(9,437)
Add: Loss (gain) on sale of property and equipment	268	(1,577)	(719)	(3,096)
Add: Acquisition and integration costs	248	1,362	1,571	1,759
Add: Impairment of assets	—	—	1,430	—
<b>Adjusted EBITDA</b>	<b>\$ 49,342</b>	<b>\$ 31,203</b>	<b>\$ 94,881</b>	<b>\$ 70,546</b>
<b>Adjusted EBITDA Margin <sup>(1)</sup></b>	<b>6.3 %</b>	<b>4.7 %</b>	<b>4.7 %</b>	<b>4.1 %</b>

<sup>(1)</sup> 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 pre-construction activities, collaborative contracting arrangements and future work orders to be performed as part of multi-year MSA, maintenance, task order, and similar contractual arrangements. Management does not provide any assurance that a contract will be finalized, or revenue recognized in the future.
- **“Gross Profit Percentage”** is the percentage derived by dividing gross profit by construction revenue. Gross profit is calculated by subtracting construction costs from construction revenue.
- **“Current ratio”** is the percentage derived by dividing total current assets by total current liabilities.
- **“General and Administrative expenses as a percentage of revenue”** is the percentage derived by dividing general and administrative expenses by construction revenue.

## FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and information (“forward-looking statements”) within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this MD&A are based on the expectations, estimates and projections of management of Bird as of the date of this MD&A unless otherwise stated. The use of any of the words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “outlook”, “potential”, “estimated”, “intends”, “continue”, “may”, “will”, “should” and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this MD&A contains forward-looking statements concerning: anticipated financial performance; the outlook for 2023 and 2024; expectations for Adjusted EBITDA Margins in 2023 and 2024; dividend rates and expected dividend payout ratios; expectations with respect to anticipated revenue growth, growth in earnings per share and adjusted EBITDA in 2023 and beyond, and margin improvements; the ability of the Company to further leverage its cost structure; the Company’s ability to capitalize on opportunities and grow profitably; the sufficiency of working capital; and with respect to Bird’s ability to convert Pending Backlog to Backlog and the timing of conversions.

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

- Ability to hire and retain qualified and capable personnel
- Maintaining safe work sites
- Economy and cyclicalities
- Ability to secure work
- Global pandemics
- Performance of subcontractors
- Accuracy of cost to complete estimates
- Estimating costs and schedules/assessing contract risks
- Adjustments and cancellations of Backlog
- Work stoppages, strikes and lockouts
- Acquisition and integration risk
- Potential for non-payment
- Litigation/potential litigation
- Design risks
- Information systems and cyber-security risk
- Competitive factors
- Completion and performance guarantees
- Access to capital
- Quality assurance and quality control
- Access to surety support and other contract security
- Insurance risk



- Climate change risk
- Joint venture risk
- Ethics and reputational risk
- Compliance with environmental laws
- Internal and disclosure controls
- Payment of dividends

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

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.