Bird Construction Inc.

Management's Discussion and Analysis

For the three and nine month periods ended September 30, 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 nine month periods ended September 30, 2021, should be read in conjunction with the September 30, 2021 unaudited interim condensed consolidated financial statements. This MD&A has been prepared as of November 9, 2021. 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 9, 2021. 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.

Certain measures in this MD&A do not have any standardized meaning as prescribed by IFRS and, therefore, are considered non-GAAP measures. These non-GAAP measures are commonly used in the construction industry, and by management of Bird, as alternative methods for assessing operating results and to provide a consistent basis of comparison between periods. Therefore, the non-GAAP measures in this MD&A are unlikely to be comparable to similar measures used by other entities. Non-GAAP measures include: Adjusted Earnings; Adjusted Earnings Per Share; Adjusted EBITDA; and Adjusted EBITDA Margin. Further information regarding these measures can be found in the "Terminology & Non-GAAP Measures" section of this MD&A.

EXECUTIVE SUMMARY

Income Statement Data	Nine months ended September 30, 2021	2020
(in thousands of Canadian dollars, except per share amounts)		
Revenue	$ **1,622,223**	$ 949,472
Net income	**32,866**	15,569
Basic and diluted earnings per share ("EPS")	**0.62**	0.36
Adjusted Earnings (1)	**37,908**	20,053
Adjusted Earnings Per Share (1)	**0.71**	0.47
Adjusted EBITDA (1)	**79,737**	41,926
Adjusted EBITDA Margin (1)	**4.9%**	4.4%
Cash Flow Data		
Net decrease in cash and cash equivalents	**(56,581)**	(23,127)
Cash flows from operations before changes in non-cash working capital (2)	**76,832**	31,890
Capital expenditures (3)	**6,217**	8,159
Cash dividends paid	**15,514**	12,436
Cash dividends declared per share	**0.29**	0.29

Balance Sheet Data	September 30, 2021	December 31, 2020
Total assets	$ **1,157,640**	$ 1,067,550
Working capital	**154,883**	130,255
Loans and borrowings (current and non-current)	**85,665**	72,913
ROU Liabilities (current and non-current)	**81,287**	78,075
Shareholders' equity	**238,684**	212,610

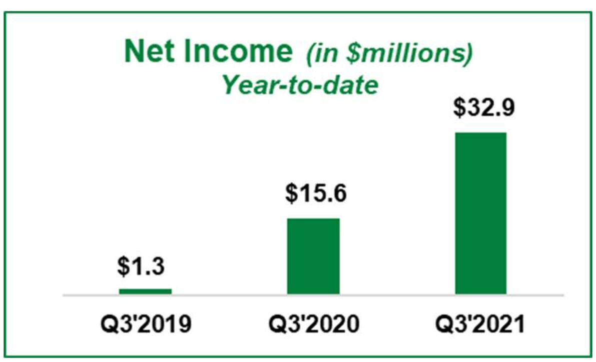
Key Performance Indicators	September 30, 2021	December 31, 2020
Pending Backlog (4)	$ **1,787,700**	$ 1,635,900
Backlog (4)	**2,827,956**	2,682,498

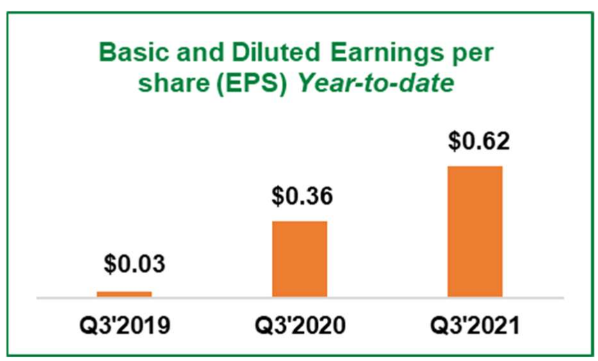
(1) Adjusted Earnings, Adjusted Earnings Per Share, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures and do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."

(2) Refer to the consolidated statement of cash flows.

(3) Capital expenditures include property, plant and equipment additions and computer software purchases classified as intangible assets. Refer to the notes to the financial statements.

(4) Pending Backlog and Backlog are terms that may not be comparable with similar terms presented by other companies. See "Terminology and Non-GAAP 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.

> "For over 100 years, Bird has been a people focused company with an unwavering commitment to safety and a high level of service that provides long-term value for all stakeholders."
>
> 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.

INDUSTRIAL SECTOR

Within the industrial sector, Bird has significant self-perform capabilities for structural, mechanical, piping, electrical and instrumentation including off-site metal and modular fabrication. 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.

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 SECTOR

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 SECTOR

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, 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 SECTOR

The commercial systems business is one of Canada's largest electrical and data system contractors, providing 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. Projects generally entail the construction, expansion, or renovation of buildings for clients in every province from British Columbia to Ontario.

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.

CENTRE FOR BUILDING PERFORMANCE

Paving the way for the future of smart building technology and seamless construction delivery that minimizes environmental impacts throughout every step of the construction process, the Centre for Building Performance offers a variety of services from equipment and building systems testing, to software development, and integration of equipment throughout the building. This in-house service enables clients and teams to work efficiently and effectively throughout every step of the construction process. 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, reduces operating costs, and improves efficiency.

INNOVATIVE TRENCHING SOLUTIONS (“ITS”)

This boutique service underground utilities contractor utilizes custom-built, proprietary specialized equipment for single-pass trenching that enables the installation of numerous kilometres of utility products in a single day.

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.

Q3 2021 HIGHLIGHTS

THIRD QUARTER 2021 COMPARED to THIRD QUARTER 2020

- Construction revenue of $621.2 million compared to $345.1 million, representing an 80.0% increase year-over-year.
- Net income and earnings per share were $12.1 million and $0.23, respectively, compared to $8.8 million and $0.20 in Q3 2020.
- Adjusted Earnings and Adjusted Earnings Per Share were $13.8 million and $0.26, respectively, compared to $12.4 million and $0.29 in Q3 2020.
- Adjusted EBITDA of $28.6 million, or 4.6% of revenues, reflects a 29.7% increase in Adjusted EBITDA.

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- Construction revenue of $1,622.2 million compared to $949.5 million, representing a 70.9% increase year-over-year.
- Net income and earnings per share were $32.9 million and $0.62, respectively, compared to $15.6 million and $0.36 in 2020.
- Adjusted Earnings and Adjusted Earnings Per Share were $37.9 million and $0.71, respectively, compared to $20.1 million and $0.47 in 2020.
- Adjusted EBITDA of $79.7 million, or 4.9% of revenues, reflects a 90.2% increase in Adjusted EBITDA.

- On September 1, 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.

- The third quarter of 2021 also represents the first anniversary of the Company's transformational acquisition of Stuart Olson which was completed on September 25, 2020. Since the acquisition, Bird has worked to successfully combine two strong, experienced workforces and integrate and harmonize its policies, processes and people. The previously stated $25.0 million in annualized cost synergies will be achieved as expected by the end of 2021 resulting from the integration of Stuart Olson. The Company is also benefitting from revenue synergies as cross-selling opportunities yield results.

- The Company set records for both its Backlog and Pending Backlog at September 30, 2021. During 2021, the Company secured $1,767.7 million of new contract awards and change orders and executed $1,622.2 million of construction revenues. The Company's Backlog of $2,828.0 million at September 30, 2021 increased from Backlog of $2,682.5 million at December 31, 2020. The Company's Pending Backlog at September 30, 2021 was $1,787.7 million compared to $1,635.9 million at December 31, 2020. Growth in both Backlog and Pending Backlog has resumed after remaining relatively flat due to COVID-19 related timing delays in project tenders and awards from clients.

- During the third quarter, Bird extended 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 committed, revolving credit facility, and a $50.0 million committed, non-revolving term debt facility. There is also an additional uncommitted accordion for up to $50.0 million. This Credit Facility replaces the Company's $165.0 million committed, revolving credit facility and $35.0 million committed, term debt facility. The Credit Facility matures on September 1, 2024. In addition, Bird changed its agreement with Export Development Canada ("EDC") to provide for an increase in performance security guarantees by $25.0 million to $100.0 million for letters of credit issued by financial institutions on behalf of the Company.

- During the third quarter, the Company hosted its inaugural investor day and released details of its new three-year strategic plan which will guide the Company through 2024. Details from the investor day can be found under the "Investors" section on the Company's website. As discussed in the "2022-2024 Strategic Plan" section of this MD&A, key facets of the new strategic plan include a focus on the further development of Bird's team, strong project execution and the geographic diversification of service offerings.
- In the third quarter of 2021, the Company, through its joint venture with ATCO Structures, reached final completion on the LNG Canada Cedar Valley Lodge design-build project in Kitimat, British Columbia. 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.
- During the third quarter of 2021, the Company announced that it was awarded the following projects and contracts:
  - The Company has negotiated a construction services contract with the international real estate firm Hines for a mixed-use project in the heart of Toronto, Ontario. The project is a 17-storey mixed-use building that will be constructed by leveraging green building practices with sustainable solutions.
  - Under the PPP model, the consortium, Concert-Bird Partners, was awarded a Design, Build, Finance, and Maintain ("DBFM") contract for five Alberta high schools with the Alberta government. The project has a total combined contract value in excess of $300.0 million and is a part of Alberta's Recovery Plan to create jobs and diversify the economy.
- The Board has declared an eligible dividend of $0.0325 per common share for each of October 2021, November 2021, December 2021, January 2022 and February 2022.
- Subsequent to quarter end, the Company announced that it was awarded the following projects:
  - The Company has been awarded the first phase of a progressive Design-Build contract with early collaborative contractor involvement for the Ontario Power Generation ("OPG") Clarington Corporate Campus Project. The project is divided into three phases to reflect the design's progressive nature, and ensure the cost estimate, schedule forecast, and project planning are sufficiently advanced before construction. Construction is expected to begin in 2022, with completion in 2024.
  - The Company will participate in three Integrated Project Delivery ("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. These projects will be recorded in pending backlog until purchase orders are issued by the clients for the full value.
  - The Company entered into an Alliance Agreement with the renewable energy company, Noventa Energy Partners, to jointly pursue opportunities for wastewater energy transfer ("WET") projects across Canada, with Bird acting as the exclusive constructor. Currently developing opportunities represent over $500 million. The Alliance relationship commences with the successful financial close of the recently announced Toronto Western Hospital WET project that is valued at approximately $42.9 million.

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, 2021	2020	% change
Construction revenue	$ **621,224**	$ 345,060	80.0%
Costs of construction	**574,791**	317,686	80.9%
Gross profit	**46,433**	27,374	69.6%
Income from equity accounted investments	**1,168**	4,135	-71.8%
General and administrative expenses	**(29,918)**	(17,695)	69.1%
Income from operations	**17,683**	13,814	28.0%
Finance income	**304**	242	25.6%
Finance and other costs	**(1,720)**	(1,132)	51.9%
Income before income taxes	**16,267**	12,924	25.9%
Income tax expense	**4,150**	4,102	1.2%
Net income for the period	$ **12,117**	$ 8,822	37.3%
Total comprehensive income for the period	$ **11,749**	$ 8,850	32.8%
Basic and diluted earnings per share	$ **0.23**	$ 0.20	15.0%
Adjusted Earnings	$ **13,821**	$ 12,364	11.8%
Adjusted Earnings Per Share	$ **0.26**	$ 0.29	-10.3%
Adjusted EBITDA	$ **28,585**	$ 22,036	29.7%
Adjusted EBITDA Margin	**4.6%**	6.4%	-1.8%

During the third quarter of 2021, the Company earned net income of $12.1 million on construction revenue of $621.2 million, compared with net income of $8.8 million on $345.1 million of construction revenue in 2020. The year-over-year revenue increase in the third quarter of 80.0% was driven by the inclusion of revenue from Stuart Olson in 2021. In the third quarter of 2021, despite the fourth wave of the COVID-19 pandemic, the Company observed increases in revenues across all of its work programs as the market has begun to recover to pre-pandemic levels. In contrast to the third quarter of 2020, revenues in the third quarter of 2021 were not significantly impacted by restrictive provincial or public health measures or project delays as a result of the COVID-19 pandemic.

The year-over-year increase in third quarter net income reflects a combination of additional margin from the acquisition of Stuart Olson, inclusive of synergies, as well as ongoing progress in diversifying the work program, and improving year-over-year margins in operations particularly due to increased activity in the Company's self-perform industrial projects.

The Company's 2021 third quarter gross profit of $46.4 million was $19.0 million higher than the $27.4 million gross profit 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 and diversification of the Company's work program in the third quarter of 2021, particularly in the Company's self-perform industrial projects. In contrast, during the third quarter of 2020, the pandemic had a significant negative impact on gross profit due to project delays, increased costs due to reduced productivity and additional personal protective equipment required on project sites.

Gross Profit Percentage in the third quarter of 2021 was 7.5% and slightly lower than the 7.9% recorded a year ago. During the third quarter of 2020, Gross Profit Percentage included a recovery of $2.5 million of compensation expense in costs of construction for the Canada Emergency Wage Subsidy ("CEWS") program, which helped to offset additional costs incurred by the Company related to the pandemic, whereas in the third quarter of 2021, the Company did not recognize a cost recovery under the CEWS program. Overall, diversification of the Company's work program in the third quarter of 2021, particularly in the Company's self-perform industrial projects continues to positively impact Gross Profit Percentage.

Income from equity accounted investments in the third quarter of 2021 was $1.2 million, compared with $4.1 million of income in same period of 2020. The lower income in 2021 is primarily due to lower equity income from PPP concession entities and was partially offset by higher earnings on projects executed by Stack Modular. Included in the third quarter of 2020 were gains on sale of two of the Company's investments in equity accounted entities totalling $2.7 million.

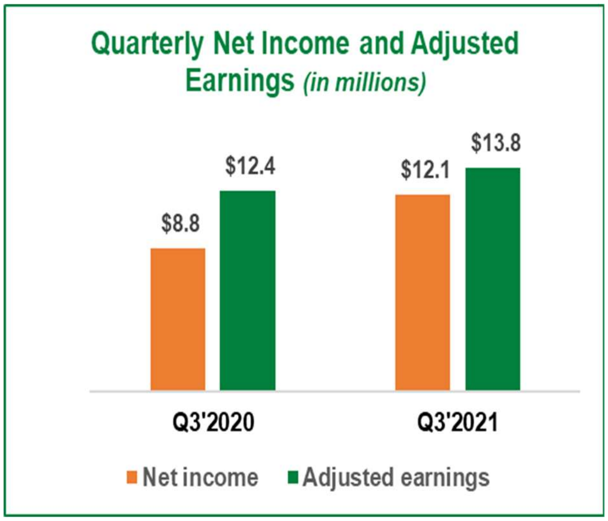
In the third quarter of 2021, general and administrative expenses were $29.9 million (4.8% of revenue) versus $17.7 million (5.1% of revenue) in the corresponding period a year ago. The primary driver for the $12.2 million year-over-year increase is the addition of Stuart Olson results post-acquisition. Compensation costs are higher year-over-year by $7.7 million. The increase in compensation costs is 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 $4.0 million of higher amortization and depreciation costs, higher technology costs of $1.8 million, and higher other discretionary costs of $1.2 million as market conditions continue to recover as the COVID-19 pandemic eases. Partially offsetting the increase in expenses were lower professional fees of $2.5 million primarily due to reduced levels of acquisition and integration activities associated with the Stuart Olson acquisition as compared to the third quarter of 2020.

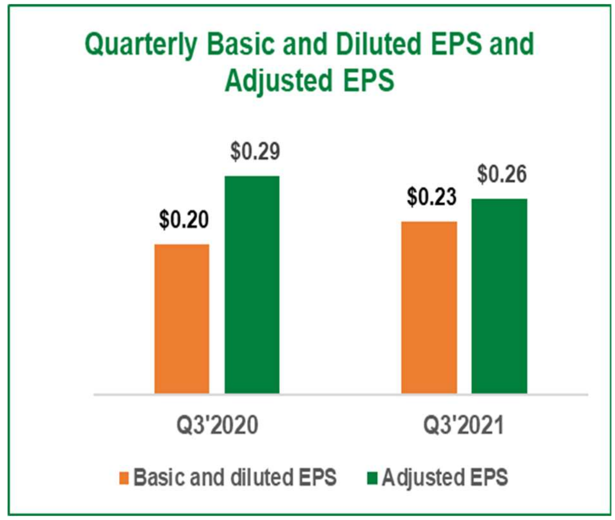
Finance income of $0.3 million in the third quarter of 2021 was comparable to the $0.2 million recorded in the same period of 2020.

Finance and other costs of $1.7 million were higher than the $1.1 million reported in the third quarter of 2020. The increase of $0.6 million was mainly due to $0.8 million higher interest expense on loans and borrowings and right-of-use liabilities and $0.1 million of higher other finance costs. This was partially offset by $1.0 million of lower interest on non-recourse project financing due to the repayment of the loan facility on completion of the project. In addition, the Company recognized $0.7 million of gains on interest rate swaps in 2020, that did not recur in 2021.

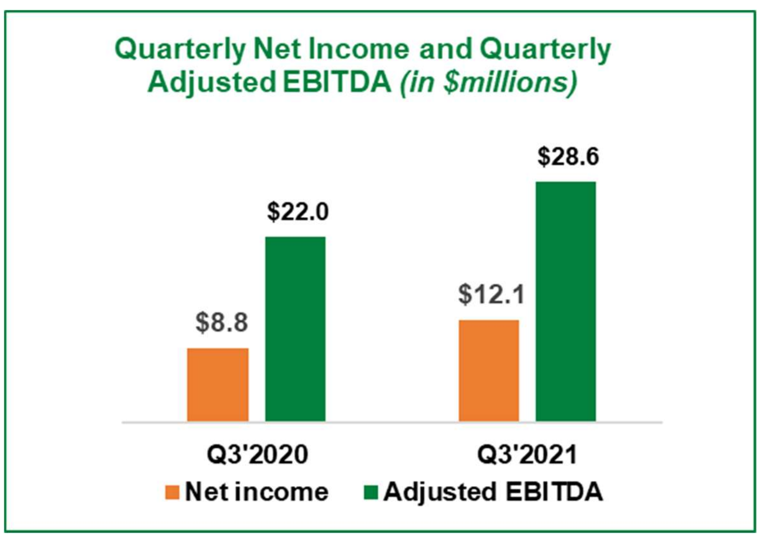
In the third quarter of 2021, income tax expense was $4.2 million, compared to $4.1 million recorded in the third quarter of 2020. The increase in income tax expense was in-line with the improvement in year-over-year income before taxes, partially offset by a lower effective tax rate. The effective tax rate was 25.5% in 2021 compared to 31.7% in 2020 primarily due to a lower combined federal and provincial statutory income tax rate and lower non-deductible transaction costs.

In the third quarter of 2021, total comprehensive income was $11.7 million, compared to $8.9 million in the third quarter of 2020. The year-over-year increase of $2.8 million was mainly due to the improvement in net income of $3.2 million partially offset by the loss of $0.3 million the Company recorded, net of deferred tax, on its defined benefit pension plans, acquired in the transaction with Stuart Olson, as a result of a loss on the plans' assets due to investment earnings being lower than the expected investment income.





Adjusted Earnings in the third quarter of 2021 was $13.8 million, compared with Adjusted Earnings in the third quarter of 2020 of $12.4 million. The year-over-year increase in third quarter Adjusted Earnings of $1.4 million is reflective of the improvement in net income of $3.3 million, partially offset by the year-over-year decrease of $1.8 million of tax effected acquisition, integration and restructuring expenses, which are excluded from Adjusted Earnings. Adjusted Earnings Per Share was $0.26 and $0.29 in the third quarter of 2021 and 2020, respectively. In addition to the changes in Adjusted Earnings, the decrease in Adjusted Earnings Per Share is also attributable to the increase in the basic weighted average shares outstanding at September 30, 2021 of 53,252,961 versus the 43,203,075 outstanding at September 30, 2020, due to the common shares issued for the Dagmar and Stuart Olson acquisitions.



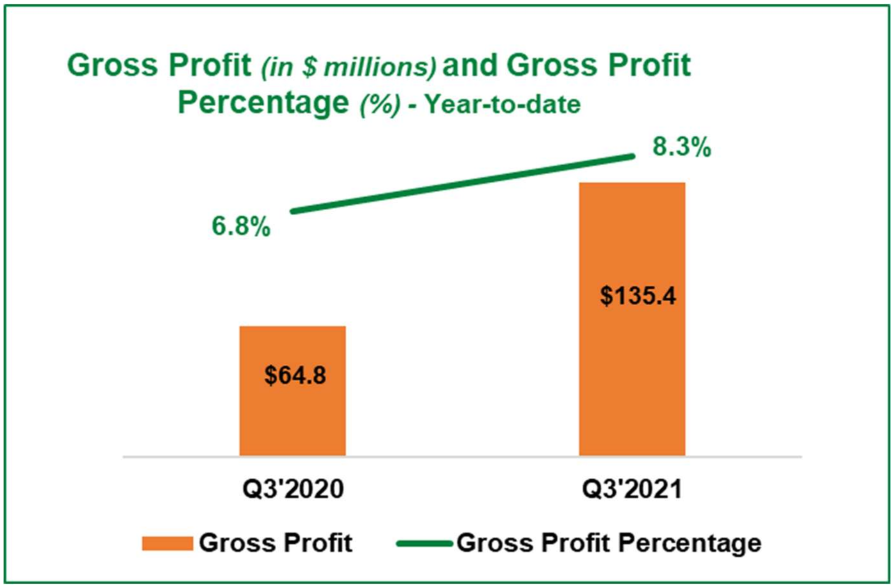
Adjusted EBITDA in the third quarter of 2021 was $28.6 million and increased $6.6 million from Adjusted EBITDA of $22.0 million in the third quarter of 2020. The year-over year increase is reflective of the improvement in quarterly net income of $3.3 million and a year-over-year increase in the addback for amortization and depreciation of $4.4 million partially offset by $1.6 million of lower pre-tax acquisition, integration and restructuring expenses, which are excluded from Adjusted EBITDA. Adjusted EBITDA Margin was 4.6% and 6.4% in the third quarter of 2021 and 2020, respectively.

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, 2021	2020	% change
Construction revenue	$ **1,622,223**	$ 949,472	70.9%
Costs of construction	**1,486,852**	884,706	68.1%
Gross profit	**135,371**	64,766	109.0%
Income from equity accounted investments	**3,286**	7,981	-58.8%
General and administrative expenses	**(89,879)**	(45,955)	95.6%
Income from operations	**48,778**	26,792	82.1%
Finance income	**896**	1,333	-32.8%
Finance and other costs	**(5,660)**	(5,775)	-2.0%
Income before income taxes	**44,014**	22,350	96.9%
Income tax expense	**11,148**	6,781	64.4%
Net income for the period	$ **32,866**	$ 15,569	111.1%
Total comprehensive income for the period	$ **35,089**	$ 15,531	125.9%
Basic and diluted earnings per share	$ **0.62**	$ 0.36	72.2%
Adjusted Earnings	$ **37,908**	$ 20,053	89.0%
Adjusted Earnings Per Share	$ **0.71**	$ 0.47	51.1%
Adjusted EBITDA	$ **79,737**	$ 41,926	90.2%
Adjusted EBITDA Margin	**4.9%**	4.4%	0.5%

During the first nine months of 2021, the Company recorded net income of $32.9 million on construction revenue of $1,622.2 million compared with net income of $15.6 million on $949.5 million of construction revenue in 2020. The year-over-year increase in revenue of 70.9% was driven by the inclusion of revenue from Stuart Olson in 2021. 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 the BC Public Health Office implemented worksite protocols that limited the number of employees on a specific project site, impacting several large contracts. As the proportion of the vaccinated population continued to increase throughout the second and third quarters of 2021, certain COVID-19 restrictive measures implemented in some provinces were eased and the Company experienced an increase in revenues for certain projects that were previously temporarily delayed by clients. In the first nine months of 2021, management estimates that the business experienced a reduction in revenues of approximately $116.0 million with an associated decrease in profitability, due to both public health restrictions and delays in permitting associated with the COVID-19 pandemic.

The year-over-year increase in net income reflects a combination of additional margin from the acquisition of Stuart Olson, inclusive of synergies, as well as ongoing progress with diversifying the work program and improving year-over-year margins in operations, particularly due to increased activity in the Company's self-perform industrial projects. Year-to-date net income in both 2021 and 2020 were negatively impacted by reduced productivity and project delays resulting from the pandemic and were partially offset by a pre-tax compensation expense recovery of $21.9 million recognized in the first nine months of 2021 for CEWS (2020 - $3.1 million).



The Company's 2021 year-to-date gross profit of $135.4 million was $70.6 million higher than the $64.8 million gross profit recorded a year ago. Gross Profit Percentage in the first nine months of 2021 was 8.3%, an increase of 150 basis points from 6.8% 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 and diversification of the Company's work program, as well as improving year-over-year margins in operations. The pandemic had a negative impact on gross profit mainly during the first quarter of 2021 due to lower productivity and project delays and was offset by the 2021 year-to-date recovery of $18.8 million of compensation expense in costs of construction under the CEWS program (2020 - $2.5 million).

Income from equity accounted investments in the first nine months of 2021 was $3.3 million, compared with $8.0 million of income in same period of 2020. The lower income in 2021 is primarily due to lower equity income from PPP concession entities and lower activity in equity accounted projects in Eastern Canada year-over-year, partially offset by higher earnings on projects executed by Stack Modular. Additionally, included in the first nine months of 2020 were gains on sale of certain investments in equity accounted entities of $3.1 million.

In the first nine months of 2021, general and administrative expenses of $89.9 million (5.5% of revenue) were $43.9 million higher than $46.0 million (4.8% of revenue) in the corresponding period a year ago. The primary driver for the year-over-year increase is the addition of Stuart Olson results post-acquisition. Compensation costs are higher year-over-year by $25.3 million, net of $3.1 million related to cost recoveries from the CEWS program recorded in the first nine months of 2021 (2020 - $0.6 million). The increase in compensation costs is 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 $12.1 million of higher amortization and depreciation costs, higher technology costs of $4.6 million and higher pursuit costs of $0.2 million. During the first nine months of 2021, the Company also recorded lower gains on disposal of property and equipment of $1.3 million which contributed to the higher expenses. Partially offsetting the increase in expenses were lower travel and other discretionary costs of $0.8 million, largely due to COVID-19 restrictions, and an improvement in foreign exchange of $0.4 million.

Finance income of $0.9 million in the first nine months of 2021 was lower than the $1.3 million recorded in the same period of 2020. Interest earned on average cash balances during the first nine months of 2021 was lower due to a reduction in cash held for joint operations as projects near completion compared to the prior year, combined with lower interest rates.

Finance and other costs of $5.7 million were lower than the $5.8 million reported in the first nine months of 2020. In the first nine months of 2021, there was $3.2 million of lower interest on non-recourse project financing due to the repayment of the loan facility on completion of the project and $0.2 million lower gains on interest rate swaps.

The decrease was partially offset by $2.4 million higher interest expense on loans and borrowings and right-of-use liabilities and $0.5 million of higher other finance costs.

In the first nine months of 2021, income tax expense was $11.1 million, compared to $6.8 million recorded in the first nine months of 2020. The increase in income tax expense was inline with the improvement in year-over-year income before taxes, partially offset by a lower effective tax rate. The effective tax rate was 25.3% in 2021 compared to 30.3% in 2020 primarily due to a lower combined federal and provincial statutory income tax rate and lower non-deductible transaction costs.

In the first nine months of 2021, total comprehensive income was $35.1 million, compared to $15.5 million in the first nine months of 2020. During the first nine months of 2021, in addition to the year-over-year improvement in net income discussed above, the Company recorded a $2.3 million gain, net of deferred tax, on its defined benefit pension plans, acquired in the transaction with Stuart Olson, 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.

Adjusted Earnings in the first nine months of 2021 was $37.9 million compared with Adjusted Earnings in the first nine months of 2020 of $20.1 million. The year-over-year increase of $17.8 million in Adjusted Earnings is reflective of the improvement in net income described above and the year-over-year increase of $0.5 million of tax effected acquisition, integration and restructuring expenses. Adjusted Earnings Per Share was $0.71 and $0.47 in the first nine months of 2021 and 2020, respectively.

Adjusted EBITDA in the first nine months of 2021 was $79.7 million and increased $37.9 million from Adjusted EBITDA of $41.9 million in the first nine months of 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 $13.1 million and the year-over-year increase of $2.1 million of pre-tax acquisition, integration and restructuring expenses. Adjusted EBITDA Margin was 4.9% and 4.4% in the first nine months 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. One of the Company's competitive advantages rests in its long-standing reputation for successfully delivering high quality projects that fully meet the needs of the customer, 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)		September 30, 2021		December 31, 2020
Pending Backlog [1]	$	**1,787,700**	$	1,635,900
Backlog [1]	$	**2,827,956**	$	2,682,498

(1) Pending Backlog and Backlog do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."

Pending Backlog at September 30, 2021 was $1,787.7 million compared to $1,635.9 million at December 31, 2020, an increase of $151.8 million or 9.3%. The Company's Backlog of $2,828.0 million at September 30, 2021 increased $145.5 million or 5.4% from December 31, 2020. The growth in Pending Backlog and Backlog compared to December 31, 2020, reflects the Company's expanded capabilities and scale, the addition of Dagmar and an improvement in market conditions, notwithstanding the impact of the fourth wave of the COVID-19 pandemic.

Pending Backlog includes approximately $900 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)		Nine months ended September 30, 2021		Year ended December 31, 2020		Nine months ended September 30, 2020
Opening balance	$	**2,682.5**	$	1,547.4	$	1,547.4
Acquisition of Stuart Olson		**-**		995.7		995.7
Securements, change orders & other adjustments		**1,767.7**		1,643.8		996.1
Realized in construction revenues		**(1,622.2)**		(1,504.4)		(949.5)
Closing balance	$	**2,828.0**	$	2,682.5	$	2,589.7

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.

During the third quarter of 2021 the Company realized a Gross Profit Percentage of 7.5% compared with 7.9% in third quarter of 2020. During the first nine months of 2021, the Company realized a Gross Profit Percentage of 8.3% compared with 6.8% in 2020. The year-over-year change in Gross Profit Percentage for the third quarter and the first nine months of 2021 is discussed in the sections above entitled "Quarterly Results of Operations" and "Year-to-Date Results of Operations", respectively.

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)	September 30, 2021	December 31, 2020
Working capital	**$ 154,883**	$ 130,255
Shareholders' equity	**$ 238,684**	$ 212,610

As a result of the strength of the Company's balance sheet, the Company believes it has sufficient amounts of both working capital and equity to execute on its diversified work program and to accommodate expected growth for the remainder of 2021 and in the near-term. 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 safety program oversight and evaluation. The Company's health, safety and environment 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 everyday 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 – culture, engagement 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 periods:

	Nine months ended		Year ended
	September 30, 2021	September 30, 2020	December 31, 2020
Person-hours of work	**7,541,680**	3,055,797	5,641,819
Lost time incidents ("LTI")	**1**	0	1
Lost time incidents frequency ("LTIF")	**0.03**	0.00	0.04

COVID-19 AND COMPANY RESPONSE

The COVID-19 pandemic has continued to disrupt global health and the economy in 2021. Notwithstanding the vaccination programs and government policies that are underway, the Canadian construction industry continues to face volatility as each provincial government has responded by implementing measures to address the public health threat. As this report is released, certain areas of Canada are in the fourth wave and preventative safety measures remain in place and continue to vary from province to province as governments respond to fluctuations in case numbers. 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 for the remainder of 2021.

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 has recently released its vaccination and testing policy in order 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.

The Company, its executives and Directors want to acknowledge the continued efforts and sacrifices that our employees have made to ensure that the Company continues operating safely and effectively, while delivering upon its project commitments through these unprecedented times.

2022-2024 STRATEGIC PLAN

The 2022-2024 Strategic Plan, approved in the third quarter, focuses on the further development of Bird'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 2022-2024 Strategic Plan is built upon three pillars:

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. This entails focusing 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 under the Perform pillar and will be rooted in a strong financial framework, robust risk management, and continued focus on building the Company's backlog with a robust financial and risk management approach. This will be achieved by maintaining a diligent focus on capitalizing on cross-selling opportunities, increasing project self-perform capabilities, focusing on 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: 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 and commercial sectors, the combined experience and talent pool as a result of the acquisition of Stuart Olson will drive the successful pursuit of more profitable work. 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, provides 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 newly acquired 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 transformative acquisition of Stuart Olson on September 25, 2020 afforded the ability to increase 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 further 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

Following a strong third quarter of cash flow generation which has further strengthened the balance sheet, revenues are expected to grow year-over-year in the fourth quarter of 2021. Revenues are poised to grow organically in 2022 based on Backlog of $2,828.0 million and Pending Backlog of $1,787.7 million.

Consistent with prior expectations, market conditions in the second half of 2021 continue to improve and the Company recently has been awarded some marquee projects, including a DBFM contract for five Alberta high schools which is included in the Company's Backlog of $2,828.0 million reported at the end of the third quarter. Subsequent to the end of the third quarter, the Company announced a progressive Design-Build contract with early collaborative contractor involvement for the OPG Clarington corporate campus. Additionally, the Company will participate in three IPD contracts in Western Canada including a substantial food and beverage facility expansion project, the Okanagan Indian Band water system upgrade and the North Okanagan Wastewater Recovery Project. The combined value of these four projects announced subsequent to the end of the third quarter is in excess of $300 million and is included in the Company's Pending Backlog of $1,787.7 million at the end of the third quarter. As well, the Company also entered into an Alliance Agreement to jointly pursue WET projects across Canada, with current opportunities of over $500 million.

Management is optimistic about the near-to medium-term growth prospects for the Company. The bidding pipeline remains healthy as a growing list of opportunities are coming to market, notwithstanding the impact of the fourth wave of the COVID-19 pandemic. While the Company continues to experience some modest delays in project tenders and awards from clients, Bird expects to return to a greater level of normalcy going forward as the proportion of the vaccinated population across the country increases and visibility continues to improve toward a post-pandemic economic environment. The Company should benefit from having a balanced risk profile in its work program and has greater revenue visibility as Pending Backlog includes approximately $900 million of MSA contracts, which are recurring revenue streams for the Company over the next five years. While the severity and duration of the pandemic remains uncertain, the current work program is progressing, and new project awards are gaining momentum as market confidence is re-established. Furthermore, Bird is well positioned to benefit from federal government stimulus and provincial budgetary spending programs given the Company's expanded capabilities and scale. Coupled with Bird's strong presence in Alberta, the stronger commodity price environment bodes well for the Company to secure contracts from clients investing in mid-to long-term projects. Barring any unexpected impacts from the pandemic, revenues are expected to grow year-over-year in the fourth quarter of 2021 and are poised to grow organically in 2022 based on the Company's record Backlog and Pending Backlog positions.

The Company continues to progress the successful integration of Stuart Olson and has begun to integrate Dagmar. Bird is already seeing cross-selling opportunities arise from the business combination with Dagmar and clients continue to respond positively to the combined service offerings and scale that Stuart Olson and Bird together provide. The previously stated $25.0 million in annualized cost synergies will be achieved as expected by the end of 2021 resulting from the integration of Stuart Olson.

The Company hosted its inaugural investor day on September 9, 2021 and released details of its new three-year strategic plan which will take the Company through 2024. Details from the investor day can be found under the Investors section on the Company's website. As discussed in the MD&A "Strategy" section, key facets of the new strategic plan will include a focus on furthering development of Bird's team, strong project execution and the geographic diversification of service offerings. The Company is highly focused on improving margin performance and growing revenue from both organic sources and through accretive tuck-in acquisitions designed to add additional complementary business capabilities. Additionally, Bird is committed to prioritizing sustainability and its Sustainability Overview can be viewed in the Company's 2020 Annual Report and under the "Sustainability" section on the Company's website.

The Company continues to maintain a strong balance sheet, with significant borrowing capacity under its recently increased and extended credit facilities. From a capital allocation standpoint, Bird will continue to diligently deploy capital as it balances priorities. In the short term, management expects to deploy cash generated from operating activities towards further strengthening its balance sheet, which will position the Company to successfully capitalize on both organic growth and acquisition opportunities.

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)		September 30, 2021		December 31, 2020
Cash and cash equivalents	$	**155,361**	$	212,068
Non-cash working capital		**(478)**		(81,813)
Working capital	$	**154,883**	$	130,255
Non-current loans and borrowings	$	**78,257**	$	64,903
Non-current right-of-use liabilities	$	**63,025**	$	59,327
Shareholders' equity	$	**238,684**	$	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 during the remainder of 2021.

As a component of working capital, the Company maintains a balance of cash and cash equivalents. At September 30, 2021, this balance totalled $155.4 million. Accessible cash at September 30, 2021 was $75.0 million ($96.7 million at December 31, 2020) with the remaining cash and cash equivalents balance held in trust or joint operations accounts. Restricted cash in trust is held in segregated accounts for payment obligations on certain projects. Accessible cash at September 30, 2021 decreased from December 31, 2020 due to cash investments in working capital to support the Company's growing work programs.

Non-cash working capital was in a net liability position of $0.5 million at September 30, 2021, compared to a net liability position of $81.8 million at December 31, 2020. The decrease in the net liability position utilized $81.3 million of cash in the first nine months of 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. The Company believes it has sufficient working capital to support its current and projected contractual requirements.

At September 30, 2021, the Company had working capital of $154.9 million compared with $130.3 million at December 31, 2020, an increase of $24.6 million. The $24.6 million increase is primarily the result of the Company's net income of $32.9 million exceeding the $15.5 million of dividends by $17.4 million. In addition, the increase is a result of $7.2 million in working capital added on the acquisition of Dagmar.

The $26.1 million increase in the Company's shareholders' equity since December 31, 2020 was primarily the result of net income of $32.9 million, other comprehensive income of $2.2 million (primarily comprised of defined benefit plan actuarial gains), partially offset by $15.5 million of dividends declared. In addition, issued share capital increased by $6.5 million due to the acquisition of Dagmar in the third quarter.

During the third quarter, the Company extended its Syndicated 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 to weather these uncertain times with $75.0 million of accessible cash and cash equivalents (excluding cash held in joint ventures and trust accounts) and $135.1 million of capacity available via its committed, syndicated credit facility, as well as a non-committed accordion of up to an additional $50.0 million. Bird changed 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

- **Committed revolving credit facility**

  The Company previously had a committed revolving credit facility up to $165.0 million, maturing on December 7, 2023. During the third quarter of 2021, the Company extended its committed revolving credit facility by an additional year and expanded the committed revolving credit facility to $185.0 million, which matures on September 1, 2024. The $185.0 million facility includes a $20.0 million swingline which allows the Company to enter into an overdraft position. As part of the agreement, the Company provides a general secured interest in the assets of the Company. 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 September 30, 2021, the Company has $22.2 million (December 31, 2020 - $22.7 million) in letters of credit outstanding and has drawn $27.7 million on its revolving credit facility (December 31, 2020 - $25.0 million). The $27.7 million draw is presented as non-current loans and borrowings on the Company's statement of financial position.

- **Committed non-revolving term loan facility**

  The Company previously had a committed non-revolving term loan facility totalling $35.0 million to finance the acquisition of Stuart Olson. During the third quarter of 2021, Bird amended and increased this facility to $50.0 million to support the acquisition of Dagmar. The loan has a 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.

  As of September 30, 2021, the Company has an outstanding balance of $50.0 million on the facility (December 31, 2020 - $35.0 million). During the first half of 2021, the Company repaid $0.9 million of its previous $35.0 million non-revolving term loan facility.

- **Accordion**

  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 the combined $50.0 million. The accordion requires creditor approval before it is available.

The Company was in full compliance with its covenants under each respective facility as at September 30, 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 September 30, 2021, the Company has $67.0 million in letters of credit outstanding on these facilities (December 31, 2020 - $44.5 million).

The Company has available a facility with EDC to support the issuance of contract performance security letters of credit issued by financial institutions on behalf of the Company. The Company can use this facility only when letters of credit have been issued as contract security for projects that meet the EDC mandate. During the third quarter of 2021, Bird increased its agreement with EDC to provide performance security guarantees from $75.0 million to

$100.0 million. 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)		September 30, 2021		December 31, 2020
Committed revolving credit facility	$	**185,000**	$	165,000
Letters of credit issued from committed revolving credit facility		**22,173**		22,702
Drawn from committed revolving credit facility		**27,725**		25,000
Available committed revolving credit facility		**135,102**		117,298
Committed non-revolving term loan facility	$	**50,000**	$	35,000
Repayment of committed non-revolving term loan facility		**-**		-
Drawn committed non-revolving term loan facility		**50,000**		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		**66,989**		44,490
Available letters of credit facilities		**83,011**		80,510
Collateral pledged to support letters of credit	$	**139**	$	139
Guarantees provided by EDC	$	**66,850**	$	44,353

Equipment Financing

The Company has term credit facilities of up to $40.0 million to be used to finance equipment purchases. Borrowings under the facilities are secured with a first charge on the equipment being financed. As of September 30, 2021, there is $6.1 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 can be 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 September 30, 2021, the balance outstanding on these term loans amounted to $1.9 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.

The Company's total lease commitments are outlined under the section entitled, "Contractual Obligations".

At September 30, 2021 and December 31, 2020, the Company was in compliance with all debt covenants relating to its operating and equipment operating lease lines of credit.

Quarterly Cash Flow Data

The following table provides an overview of cash flows during the three months ended September 30, 2021 and 2020:

(in thousands of Canadian dollars)	Three months ended September 30, 2021	2020	$ change
Cash flows from operations before changes in non-cash working capital	$ **27,609**	$ 15,841	$ 11,768
Changes in contract assets - alternative finance projects	**-**	(14,079)	14,079
Changes in non-cash working capital and other	**39,740**	(37,912)	77,652
Cash flows from (used in) operating activities	**67,349**	(36,150)	103,499
(Investments) net of capital distributions from equity accounted entities	**463**	2,347	(1,884)
Proceeds on sale of investment in equity accounted entities	**-**	5,620	(5,620)
Additions to property, equipment and intangible assets	**(3,009)**	(2,516)	(493)
Proceeds on sale of property and equipment	**944**	782	162
Acquisitions, net of cash acquired	**(20,563)**	(59,960)	39,397
Other long-term assets	**576**	1,222	(646)
Cash flows used in investing activities	**(21,589)**	(52,505)	30,916
Proceeds from issue of common shares	**-**	39,876	(39,876)
Dividend paid on shares	**(5,171)**	(4,145)	(1,026)
Proceeds from non-recourse project financing	**-**	5,807	(5,807)
Proceeds from loans and borrowings	**38,600**	45,657	(7,057)
Repayment of loans and borrowings	**(16,415)**	(10,823)	(5,592)
Repayment of right-of-use liabilities	**(4,558)**	(1,900)	(2,658)
Cash flows from financing activities	**12,456**	74,472	(62,016)
Increase (drecrease) in cash and cash equivalents	**58,216**	(14,183)	72,399

Operating Activities

During the third quarter of 2021, cash flows from operating activities generated cash of $67.3 million, an increase of $103.5 million from the cash used of $36.2 million in the third quarter of 2020.

Cash flows from operations before changes in non-cash working capital of $27.6 million increased $11.8 million year-over-year from the $15.8 million cash generated in 2020 primarily due to the $3.3 million improvement in net income and higher non-cash addbacks for amortization and depreciation ($4.4 million), income from equity accounted investments ($3.0 million) and deferred compensation ($1.1 million).

Changes in contract assets – alternative finance projects increased $14.1 million year-over-year. This change was partially offset by the $5.8 million reduction in proceeds from non-recourse financing in the third quarter. 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 $77.7 million year-over-year and was driven mainly by increases in accounts payable and contract liabilities ($131.6 million), other assets ($4.5 million) and provisions ($2.8 million). This was partially offset by increases in accounts receivable and contract assets ($48.5 million), outflows for income taxes ($12.0 million) and other items ($0.7 million). The change year-over-year reflects a larger impact on working capital in 2021 as a result of 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 third quarter of 2021, the Company used $21.6 million of cash from investing activities compared to the $52.5 million used in 2020. The quarterly change of $30.9 million is primarily driven by a decrease in cash acquisition consideration. In the third quarter of 2020, the Company used $60.0 million of cash in its acquisition of Stuart Olson while in the third quarter of 2021, the Company used $20.6 million of cash in its acquisition of Dagmar. This was offset by lower proceeds on sale of investments in equity accounted entities of $5.6 million and net lower incremental investments of $1.9 million in equity accounted entities. Also contributing to the change are lower additions to property, equipment and intangible assets of $0.4 million and a decrease in other long-term assets of $0.6 million.

Financing Activities

During the third quarter of 2021, the Company generated $12.5 million of cash from financing activities compared to $74.5 million generated in 2020. The quarterly change of $62.0 million is primarily driven by the decrease in proceeds from the issuance of common shares of $39.9 million associated with the Stuart Olson acquisition, completed in the third quarter of 2020. Additionally, repayment of loans and borrowings and right-of-use liabilities were $8.2 million higher than the same period in 2020 and dividend payments in the quarter increased by $1.0 million due to additional shares outstanding since the completion of the Stuart Olson acquisition. Further decreases arose from lower proceeds of $7.1 million of loans and borrowings and the previously described $5.8 million of lower proceeds from non-recourse project financing.

Year-to-Date Cash Flow Data

The following table provides an overview of cash flows during the nine months ended September 30, 2021 and 2020:

(in thousands of Canadian dollars)	Nine months ended September 30, 2021	2020	$ change
Cash flows from operations before changes in non-cash working capital	$ **76,832**	$ 31,890	$ 44,942
Changes in contract assets - alternative finance projects	**113**	(64,913)	65,026
Changes in non-cash working capital and other	**(98,308)**	(37,466)	(60,842)
Cash flows used in operating activities	**(21,363)**	(70,489)	49,126
(Investments) net of capital distributions from equity accounted entities	**1,220**	(911)	2,131
Proceeds on sale of investment in equity accounted entities	**-**	11,034	(11,034)
Additions to property, equipment and intangible assets	**(6,217)**	(8,159)	1,942
Proceeds on sale of property and equipment	**2,497**	6,368	(3,871)
Acquisitions, net of cash acquired	**(20,563)**	(59,960)	39,397
Other long-term assets	**4,919**	742	4,177
Cash flows used in investing activities	**(18,144)**	(50,886)	32,742
Proceeds from issue of common shares	**-**	39,876	(39,876)
Dividend paid on shares	**(15,514)**	(12,436)	(3,078)
Proceeds from non-recourse project financing	**-**	44,891	(44,891)
Proceeds from loans and borrowings	**58,600**	61,907	(3,307)
Repayment of loans and borrowings	**(45,848)**	(29,974)	(15,874)
Repayment of right-of-use liabilities	**(14,312)**	(6,016)	(8,296)
Cash flows (used in) from financing activities	**(17,074)**	98,248	(115,322)
Decrease in cash and cash equivalents	**(56,581)**	(23,127)	(33,454)

Operating Activities

During the first nine months of 2021, cash flows from operating activities used cash of $21.4 million, a decrease of $49.1 million from the cash used of $70.5 million in the first nine months of 2020.

Cash flows from operations before changes in non-cash working capital of $76.8 million increased $44.9 million year-over-year from the $31.9 million of cash generated in 2020 primarily due to the $17.3 million improvement in net income and higher non-cash addbacks for income tax ($4.4 million), amortization and depreciation ($13.1 million) and deferred compensation ($4.5 million). In addition, there was a $4.7 million higher non-cash reduction for income from equity accounted investments, and a $0.9 million lower gain on sale of property and equipment.

Changes in contract assets – alternative finance projects in the first nine months of 2021 increased $65.0 million year-over-year. This change was partially offset by the $44.9 million reduction in proceeds from 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 decreased $60.8 million year-over-year and was driven mainly by decreases in accounts receivable and contract assets ($185.3 million), outflows for income taxes ($27.3 million), other assets ($6.4 million) and other items ($2.1 million). This was partially offset by increases in accounts payable and contract liabilities ($157.2 million) and provisions ($3.1 million). The increase in non-cash working capital year-over-year is due to a larger funding of working capital in the first nine months of 2021 as the business continues to grow with the Stuart Olson acquisition (completed in the third quarter of 2020), increased activity in self-perform projects and shifts in the Company's project mix. In contrast, during 2020 year-to-date, 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 the first nine months of 2021, the Company used $18.1 million of cash from investing activities compared to the $50.9 million used in 2020. The year-over-year change of $32.7 million is primarily driven by a decrease in cash acquisition consideration. In the first nine months of 2020, the Company used $60.0 million of cash in its acquisition of Stuart Olson while in the first nine months of 2021, the Company used $20.6 million of cash in its acquisition of Dagmar. This was offset by lower proceeds on sale of property and equipment of $3.9 million, lower proceeds of sale from investment in equity accounted entities of $11.0 million and net lower incremental investments of $2.1 million in equity accounted entities. Also contributing to the change are lower additions to property, equipment and intangible assets of $1.9 million and an increase in other long-term assets of $4.2 million.

Financing Activities

During the first nine months of 2021, the Company used $17.1 million of cash from financing activities compared to $98.2 million generated in 2020. The year-over-year change of $115.3 million is primarily driven by the previously described $44.1 million of lower proceeds from non-recourse project financing in the first nine months of 2020 and a decrease in proceeds from the issuance of common shares of $39.9 million from the Stuart Olson acquisition completed in the third quarter of 2020. Additionally, repayment of loans and borrowings and right-of-use liabilities were $24.2 million higher than the same period in 2020 and dividend payments in 2021 increased by $3.1 million due to additional shares outstanding since the completion of the Stuart Olson acquisition. Further decreases arose from lower proceeds on loans and borrowings of $3.3 million.

CONTRACTUAL OBLIGATIONS

At September 30, 2021, the Company has future contractual cash flow obligations of $703.8 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	$	499,109	22,167	735	29	**522,040**	**522,040**
Dividends payable		1,745	-	-	-	**1,745**	**1,745**
Right-of-use liabilities		20,586	31,798	17,233	22,442	**92,059**	**81,287**
Committed revolving credit facility		-	27,725	-	-	**27,725**	**27,725**
Committed non-revolving term loan		2,500	47,500	-	-	**50,000**	**50,000**
Equipment financing		5,155	2,893	208	-	**8,256**	**7,940**
Acquisition holdback		1,000	1,000	-	-	**2,000**	**2,000**
	$	530,095	133,083	18,176	22,471	**703,825**	**692,737**

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 31 of the December 31, 2020 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 goes to considerable lengths to satisfy 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 September 30, 2021, accounts receivable outstanding for greater than 90 days and considered past due by the Company's management represent 12.1% (December 31, 2020 – 17.5%) of the balance of progress billings on construction contracts receivable. Management has recorded an allowance of $1.2 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.

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 period ended September 30, 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 $0.8 million (2020 – $0.6 million).

The Company has certain share-based compensation plans, whereby 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 between 2021 and 2022. For the period ended September 30, 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 – $0.9 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 the first nine months of 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 period ended September 30, 2021, a 10% movement in the Canadian and U.S. dollar exchange rate would have changed income by approximately $0.4 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:

January 1, 2020	to	March 31, 2020	$0.0975
April 1, 2020	to	June 30, 2020	$0.0975
July 1, 2020	to	September 30, 2020	$0.0975
October 1, 2020	to	December 31, 2020	$0.0975
January 1, 2021	to	March 31, 2021	$0.0975
April 1, 2021	to	June 30, 2021	$0.0975
July 1, 2021	**to**	**September 30, 2021**	**$0.0975**

As of November 9, 2021, the Board of Directors has declared eligible dividends with a record date subsequent to September 30, 2021 for the following months:

Eligible dividends declared	Record date	Payment date	Dividend per share
October dividend	October 29, 2021	November 19, 2021	$0.0325
November dividend	November 30, 2021	December 20, 2021	$0.0325
December dividend	December 31, 2021	January 20, 2022	$0.0325
January dividend	January 31, 2022	February 18, 2022	$0.0325
February dividend	February 28, 2022	March 18, 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 September 30, 2021 (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 $90.8 million at September 30, 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 30 of the September 30, 2021 interim condensed consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

(in thousands of Canadian dollars, except per share amounts)	2019	2020				2021		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	$ 420,612	$ 321,646	$ 282,766	$ 345,060	$ 554,960	$ 444,637	$ 556,362	**$ 621,224**
Net income (loss)	8,167	1,123	5,624	8,822	20,534	7,119	13,630	**12,117**
Earnings (loss) per share	0.19	0.03	0.13	0.20	0.39	0.13	0.26	**0.23**
Adjusted Earnings(1)	8,167	1,123	6,566	12,364	21,526	9,137	14,950	**13,821**
Adjusted Earnings Per Share(1)	0.19	0.03	0.15	0.29	0.41	0.17	0.28	**0.26**
Adjusted EBITDA(1)	16,012	7,562	12,328	22,036	40,011	21,040	30,112	**28,585**

(1) Adjusted Earnings, Adjusted Earnings Per Share and Adjusted EBITDA are non-GAAP measures and do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."

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 oil sands 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 World Health Organization declared COVID-19 a pandemic in the first quarter of 2020 and the pandemic's impact has continued to put downward pressure on the Company's revenue and earnings in subsequent quarters in 2020 and the first half of 2021.

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, 2020.

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.

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 September 30, 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. Estimates and judgements used in the preparation of these financial statements are consistent with those used in the preparation of the Company's December 31, 2020 annual consolidated financial statements, as described in Note 3 of the annual 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

Impact of the COVID-19 pandemic

The COVID-19 pandemic has continued to disrupt global health and the economy in 2021. Notwithstanding the vaccination programs that are underway, the Canadian construction industry continues to face volatility as each provincial government has responded by implementing measures to address the public health threat. During the third quarter of 2021 and subsequent to September 30, 2021, certain areas of Canada are in the fourth wave and preventative safety measures remain in place and continue to vary from province to province as governments respond to fluctuations in case numbers. The duration of the pandemic and the associated impact to future financial and operational measures are unknown.

Due to the impact of the COVID-19 pandemic on both current and future market conditions and the economic environment, there is significant uncertainty and complexity in respect of certain judgements, estimates and assumptions used in the preparation of these financial statements. These include the amount of government assistance the Company has accrued or may qualify for in the future, project timing and progress, future contract awards, and collectability of accounts receivable and contract assets. The Company's operations could be impacted from disruptions to projects, the supply chain, and shortages of labour. The future effectiveness of the Company's business continuity plan and various safety and austerity measures implemented is also subject to uncertainty.

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 are limited to Bird companies, including Stuart Olson, but 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 September 30, 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 September 30, 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 September 30, 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 September 30, 2021.

There have been no material changes in the Company's internal controls over financial reporting during the period beginning on January 1, 2021 and ending on September 30, 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 9, 2021 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
- Maintaining Safe Work Sites
- Global Pandemics
- Economy and Cyclicality
- Design Risks
- Ability to Secure Work
- Performance of Subcontractors
- Accuracy of Cost to Complete Estimates
- Competitive Factors
- Estimating Costs and Schedules/ Assessing Contract Risks
- Adjustments and Cancellations of Backlog
- PPP Project Risk
- Work Stoppages, Strikes and Lockouts
- Information Systems and Cyber-security Risk
- Integration Risk
- Climate Change Risk

TERMINOLOGY & NON-GAAP 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 master services agreements. The Company's Backlog equates to the Company's remaining performance obligations as at September 30, 2021 and December 31, 2020; refer to Note 10 of the September 30, 2021 interim condensed consolidated financial statements.

- **"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 amounts for agency relationship construction management projects, pre-construction activities and estimated 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. Management uses Pending Backlog to assess the future operating performance of its business. Management believes that investors and analysts use this measure, as it may provide predictive value to assess the ongoing operations of the business and a more consistent comparison between financial reporting periods. Pending Backlog cannot be reconciled to any IFRS measure.

- **"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. Management uses Gross Profit Percentage as a measure of the profitability of the core operations of its operating groups and consolidated business.

- **"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 Measures

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 non-GAAP measures. The non-GAAP measures used are: Adjusted Earnings, Adjusted Earnings Per Share, Adjusted EBITDA and Adjusted EBITDA Margin. Therefore, these measures may not be comparable with similar measures presented by other companies.

- **"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 additional adjustments are made to exclude items of an unusual nature that are not reflective of ongoing operations. Management believes that investors and analysts use these measures, as they may provide predictive value to assess the ongoing operations of the business and are a more consistent comparison between financial reporting periods.

- **"Adjusted Earnings Per Share"** is calculated by dividing Adjusted Earnings by the basic weighted average number of 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 cash flows of the business or continuing operations, including impairment charges, restructuring charges, and acquisition and integration charges, as Management believes that these items should not be reflected in a metric used for valuation and debt servicing evaluation purposes.

- **"Adjusted EBITDA Margin"** is the percentage derived by dividing Adjusted EBITDA by construction revenue.

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

	Three months September 30, 2021	Three months September 30, 2020	Nine months September 30, 2021	Nine months September 30, 2020
Net income	$ **12,117**	$ 8,822	$ **32,866**	$ 15,569
Add: Acquisition and integration costs	**2,260**	3,835	**6,669**	5,111
Add: Restructuring costs (1)	-	-	**-**	-
Income tax effect of the above costs	**(556)**	(293)	**(1,627)**	(627)
Adjusted Earnings	$ **13,821**	$ 12,364	$ **37,908**	$ 20,053
Adjusted Earnings Per Share (2)	$ **0.26**	$ 0.29	$ **0.71**	$ 0.47

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

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

	Three months September 30 2021	Three months September 30 2020	Nine months September 30, 2021	Nine months September 30, 2020
Net income	$ **12,117**	$ 8,822	$ **32,866**	$ 15,569
Add: Income tax expense	**4,150**	4,102	**11,148**	6,781
Add: Depreciation and amortization	**8,965**	4,588	**24,823**	11,743
Add: Finance and other costs	**1,720**	1,132	**5,660**	5,775
Less: Finance income	**(304)**	(242)	**(896)**	(1,333)
Add: Loss (gain) on sale of property and equipment	**(455)**	(201)	**(968)**	(1,720)
Add: Restructuring costs (1)	**132**	-	**435**	-
Add: Restructuring costs and severance costs (2)	**-**	-	**-**	-
Add: Acquisition and integration costs	**2,260**	3,835	**6,669**	5,111
Adjusted EBITDA	$ **28,585**	$ 22,036	$ **79,737**	$ 41,926
Adjusted EBITDA Margin (3)	$ **4.6%**	$ 6.4%	$ **4.9%**	$ 4.4%

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.

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 acquisition to Bird, its shareholders and all other stakeholders, including anticipated synergies; and the plans and strategic priorities of the combined company.

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
- Default under the Company's credit facilities could result in the suspension of dividends
- Delays or changes in plans with respect to growth projects or capital expenditures, costs and expenses
- Dependence on the public sector
- Design and design/build risks
- Economy and cyclicality
- Estimating costs and schedules/assessing contract risks
- Failure of clients to obtain required permits and licenses
- Failure to realize the anticipated benefits of business acquisitions including the Stuart Olson and Dagmar transactions
- Global pandemics
- Health, safety and environmental risks
- Industry and inherent project delivery risks
- Insurance risk
- Internal and disclosure controls
- Joint venture risk
- Labour matters
- Litigation risk
- Loss of key management; ability to hire and retain qualified and capable personnel
- Maintaining safe worksites
- Operational risks
- Payment of dividends
- Performance bonds and contract security
- Potential for non-payment and credit risk and ongoing financing availability
- Public Private Partnerships equity investments
- Public Private Partnerships 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 recent 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; the Company's MD&A and Annual Information Form for the year ended December 31, 2020, 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.