2022

BIRD CONSTRUCTION INC.
MANAGEMENT'S DISCUSSION & ANALYSIS

for the years ended
December 31, 2022 and 2021

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

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

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

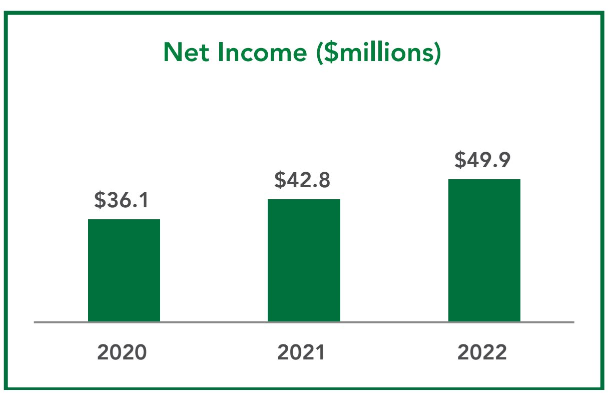
EXECUTIVE SUMMARY

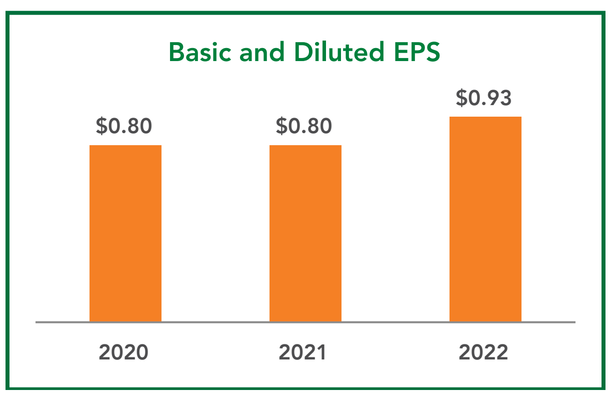
(in thousands of Canadian dollars, except per share amounts) Income Statement Data		2022		2021		2020
Revenue	$	**2,377,549**	$	2,220,026	$	1,504,432
Net income		**49,863**		42,783		36,103
Basic and diluted earnings per share ("EPS")		**0.93**		0.80		0.80
Adjusted Earnings [(1)]		**46,024**		50,954		41,579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

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

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

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





NATURE OF THE BUSINESS

OVERVIEW

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

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

OUR LOCATIONS

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

PROJECT DELIVERY MODELS

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

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

MANAGING RISK

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

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

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

INDUSTRY SECTORS

INDUSTRIAL

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

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

INFRASTRUCTURE

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

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

INSTITUTIONAL, COMMERCIAL, AND RESIDENTIAL

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

COMMERCIAL SYSTEMS

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

INNOVATIVE SOLUTIONS

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

MASS TIMBER

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

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

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

CENTRE FOR BUILDING PERFORMANCE

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

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

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

INNOVATIVE TRENCHING SOLUTIONS

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

CENTRES OF EXCELLENCE

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

STACK MODULAR

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

2022 HIGHLIGHTS

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

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

FULL-YEAR 2022 COMPARED TO FULL-YEAR 2021

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

FOURTH QUARTER 2022 COMPARED TO FOURTH QUARTER 2021

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

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

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

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

ANNUAL RESULTS OF OPERATIONS

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

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

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

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

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

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

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

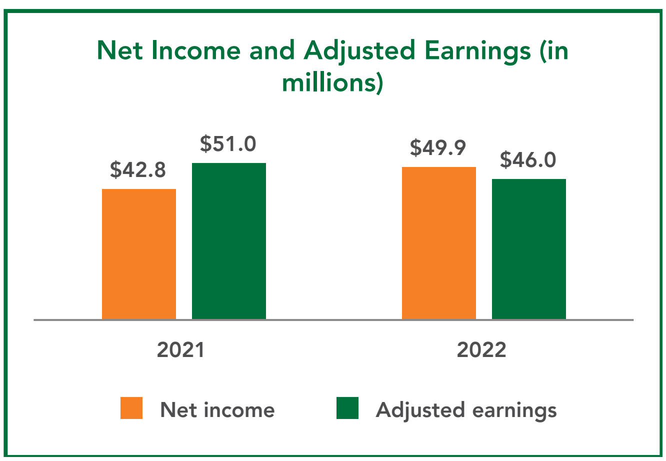
General and administrative expenses were $132.4 million (5.6% of revenue) for the year ended December 31, 2022, compared to $127.0 million (5.7% of revenue) in 2021. The primary drivers for the $5.4 million year-over-year increase were $7.4 million higher compensation and employee-related costs, which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

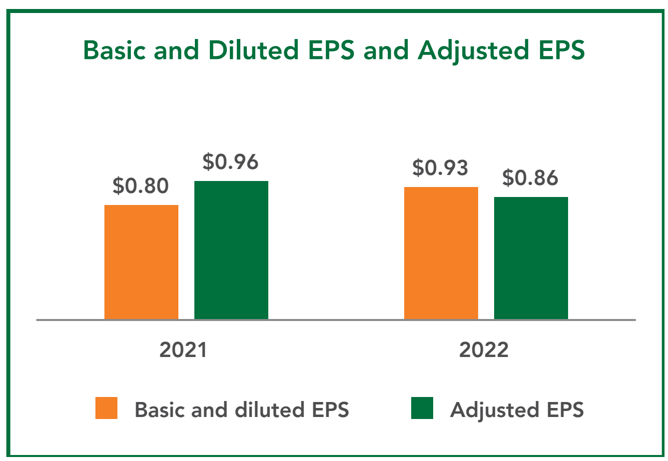
Finance and other income of $10.3 million in 2022 was $9.0 million higher than 2021 primarily due to a $7.6 million gain and $1.7 million of interest income recorded in the current year related to a settlement of historical construction billings and related interest charges with a customer in the second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

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

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

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



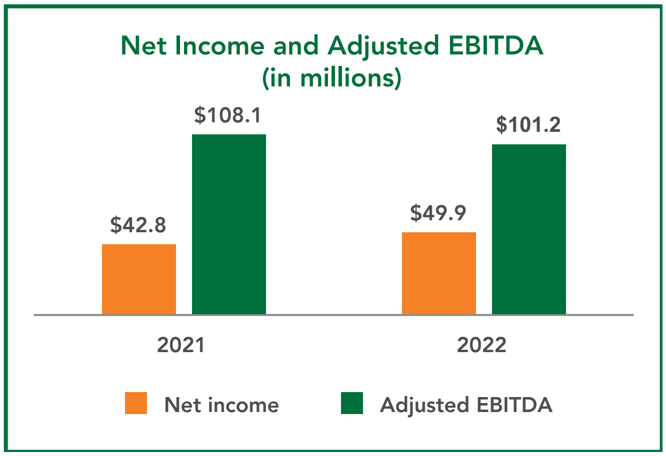


Adjusted Earnings[2] for the year ended December 31, 2022 was $46.0 million, compared with Adjusted Earnings of $51.0 million in 2021. Adjusted Earnings reflects increased year to date revenues and gross profit, and higher interest income related to the settlement of outstanding construction receivables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

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

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

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



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

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

QUARTERLY RESULTS OF OPERATIONS

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

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

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

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

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

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

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

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

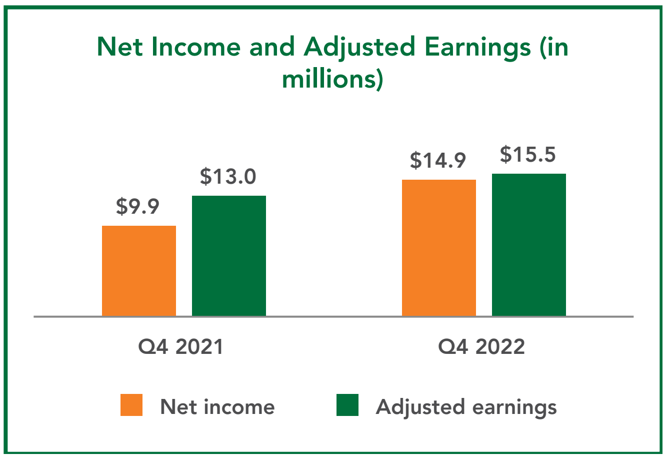
accounted project in Western Canada compared to the prior year. In addition, the fourth quarter of 2021 included equity income from a PPP concession entity that was subsequently classified as held for sale.

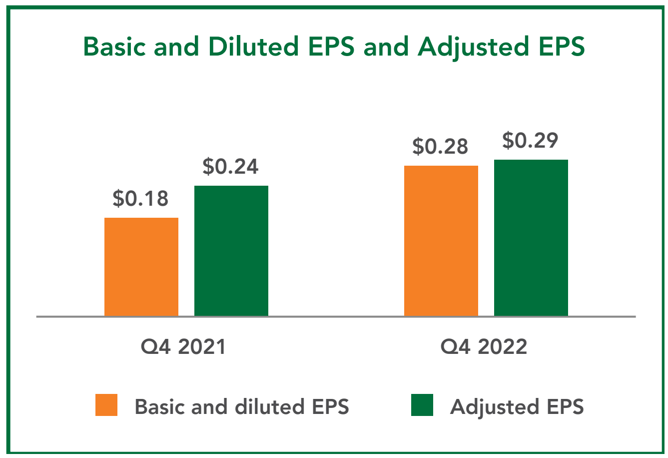
In the fourth quarter of 2022, general and administrative expenses were $34.5 million (5.3% of revenue[5]) versus $37.1 million (6.2% of revenue) in the corresponding period a year ago. The $2.6 million decrease was primarily driven by $3.4 million lower acquisition and integration costs recorded in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

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

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

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





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

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

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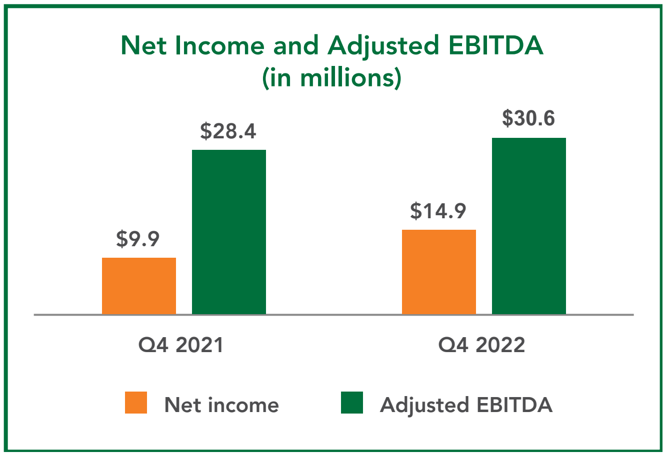
[5] "General and Administrative expenses as a percentage of revenue" does not have a standardized meaning under IFRS and may not be comparable with similar measures presented by other companies. See "Terminology and Non-GAAP & Other Financial Measures."

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



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

KEY PERFORMANCE INDICATORS

Securements, Pending Backlog and Backlog

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

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

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

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

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

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

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

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

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

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

Gross Profit Percentage

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

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

Financial Condition

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

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

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

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

Health, Safety & Environment

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

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

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

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

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

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

OUTLOOK

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

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

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

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

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

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

CAPABILITY TO DELIVER RESULTS

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

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

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

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

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

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

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

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

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

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

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

Credit Facilities

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

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

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

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

Annual Cash Flow Data

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

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

Operating Activities

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

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

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

Investing Activities

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

Financing Activities

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

Quarterly Cash Flow Data

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

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

Operating Activities

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

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

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

Investing Activities

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

Financing Activities

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

CONTRACTUAL OBLIGATIONS

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

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

FINANCIAL INSTRUMENTS

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

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

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

Credit Risk

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

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

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

Liquidity Risk

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

Market Risk

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

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

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

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

Currency Risk

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

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

DIVIDENDS

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

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

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

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

OUTSTANDING COMMON SHARE DATA AND STOCK EXCHANGE LISTING

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

OFF BALANCE SHEET ARRANGEMENTS

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

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

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

RELATED PARTY TRANSACTIONS

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

SUMMARY OF QUARTERLY RESULTS

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

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

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

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

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

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

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

ACCOUNTING POLICIES

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

New Accounting Standards, Amendments and Interpretations Adopted

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

Future Accounting Changes

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

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

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

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

Assets and liabilities acquired in a business combination

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

Revenue and gross profit recognition

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

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

Provisions

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

Impairment of non-financial assets

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

Measurement of pension obligations

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

Share-based payments

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

Leases

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

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

Income taxes

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

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

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

Internal Controls over Financial Reporting

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

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

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

RISKS RELATING TO THE BUSINESS

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

Ability to Hire and Retain Qualified and Capable Personnel

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

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

Maintaining Safe Work Sites

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

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

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

Economy and Cyclicality

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

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

Ability to Secure Work

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

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

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

Global Pandemics

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

Performance of Subcontractors

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

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

Accuracy of Cost to Complete Estimates

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

Estimating Costs and Schedules/Assessing Contract Risks

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

Adjustments and Cancellations of Backlog

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

Work Stoppages, Strikes and Lockouts

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

Acquisition and Integration Risk

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

Litigation/Potential Litigation

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

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

Design Risks

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

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

Information Systems and Cyber-security Risk

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

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

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

Climate Change Risk

Risks in Transitioning to a Lower Carbon Economy

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

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

Financial Risks

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

Market and Reputational Risk

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

Weather Related Risks

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

TERMINOLOGY AND NON-GAAP & OTHER FINANCIAL MEASURES

Terminology

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

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

Non-GAAP and Other Financial Measures

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

Non-GAAP Financial Measures

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

ADJUSTED EARNINGS

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

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

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

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

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

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

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

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

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

(3) Calculated as Adjusted EBITDA divided by Revenue.

Non-GAAP Financial Ratios

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

Supplementary Financial Measures

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

FORWARD-LOOKING INFORMATION

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

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

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

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

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