MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") of Bird Construction Inc.'s ("the Company" or "Bird") financial condition and results of operations should be read in conjunction with the December 31, 2017 consolidated financial statements of Bird Construction Inc. This discussion contains forward-looking statements, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by these statements. 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" and "Risks Relating to the Shares" included in the Company's most current Annual Information Form dated March 8, 2018. This MD&A has been prepared as of March 8, 2018. Additional information about the Company is available through the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and includes the Company's Annual Information Form and other filings.

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EXECUTIVE SUMMARY

(in thousands of Canadian dollars, except per share amounts)	2017	2016	2015
Income Statement Data			
Revenue	$ 1,418,439	$ 1,589,868	$ 1,444,806
Net income	11,618	25,002	21,482
Basic and diluted earnings per share	0.27	0.59	0.51
Adjusted Net Income (1)			
Adjusted net income	11,618	27,741	41,802
Adjusted net income per share	0.27	0.65	0.98
Cash Flow Data			
Net increase (decrease) in cash and cash equivalents during the year	(127,615)	43,143	54,723
Cash flows from (used in) operations	(91,121)	43,682	74,775
Additions to property and equipment (2)	14,572	5,602	5,565
Cash dividends paid	17,891	32,297	32,297
Cash dividends declared per share	0.39	0.76	0.76
Balance Sheet Data			
Total assets	719,773	817,383	733,992
Working capital	90,660	118,043	127,358
Loans and borrowings (current and non-current)	18,598	11,388	19,332
Shareholders' equity	158,621	163,566	170,891

(1) adjusted net income is a non-GAAP measure and does not have standardized meaning. See page 5

(2) includes computer software purchases classified as intangible assets

2017 HIGHLIGHTS

- In 2017, the Company generated net income of $11.6 million on construction revenue of $1,418.4 million compared with net income of $25.0 million and $1,589.9 million of construction revenue in 2016. The decrease in the amount of 2017 earnings is reflective of the low volume of industrial project backlog carried into 2017 as several large industrial projects were substantially completed in the fourth quarter of 2016. In 2016, the Company benefitted from a higher proportion of higher margin industrial work than in 2017, which has shifted to predominantly commercial and institutional projects.

- In 2017, the Company secured $1,467.4 million of new contract awards and change orders which is 38% higher year-over-year, and executed $1,418.4 million of construction revenues. New contract awards through the year contributed to a Backlog of $1,186.0 million for the Company at December 31, 2017, an increase of $49.0 million from the $1,137.0 million of Backlog recorded at December 31, 2016. Examples of new awards added to Backlog in 2017 that demonstrate success in diversifying the Company’s work program include:

    - In the first quarter of 2017, the Company was contracted to construct the new mental health facility and energy centre at Royal Columbian Hospital for Fraser Health. As part of the Harbour City Solutions consortium, the Company executed a contract to design, build, finance, operate and maintain a new biolsolids management facility for the City of Hamilton.

- In the third quarter of 2017, the Company announced that it was part of the Niagara Falls Entertainment Partners consortium that had executed a contract to design, build, finance and maintain an entertainment facility for the Ontario Lottery and Gaming Corporation in the City of Niagara Falls.
- In the fourth quarter of 2017, the Company was part of a consortium that has been contracted to design, build, finance and maintain Bruce Power's new office complex and training facility in Kincardine, Ontario. This project will be the Company's first in the nuclear market.

- In the fourth quarter of 2017, the Company announced that it is part of the Hartland Resource Management Group consortium that was selected as preferred proponent to design, build, finance, operate and maintain the residuals treatment facility for the Capital Regional District ("CRD") in Victoria, BC. Subsequent to 2017 year end, the consortium executed the contract with CRD, and will add to the Company's Backlog in 2018.

- The Company achieved substantial completion on three Public Private Partnership and alternative finance ("PPP") projects in the twelve months ended December 31, 2017:

  - Calgary Composting Facility - The plant is the largest composting facility in Canada and has an administration and educational building that is the first commercial building in Alberta registered under LEED® v4.
  - Casey House Redevelopment – The project is a four-story addition to a heritage-designated Victorian mansion in downtown Toronto and is a specialized health care facility that will service 200 registered clients and has 14 new inpatient rooms.
  - Saskatchewan Joint-Use Schools – The Company delivered 18 new schools on nine sites in Regina and the Saskatoon region representing the largest new schools project in Saskatchewan's history. Each joint-use site includes two schools: one public and one Catholic, along with a 90-space childcare center and community space. Joint-use schools are co-located so that they share a roof and spaces such as gymnasiums and multipurpose rooms.

- In the fourth quarter, a PPP project achieved substantial performance in late December as defined in the provincial lien legislation but did not achieve substantial completion from a contractual standpoint. As a result, the Company took a provision to cover the additional escalation costs and financing costs from lenders that would result in the first quarter of 2018. The Company has taken appropriate measures and expects to achieve substantial completion in the first quarter of 2018.

- In 2017, cash and cash equivalents decreased $128.8 million net of the effects of foreign exchange to $133.1 million, from the $261.9 million balance at the end of 2016. The majority of the year-over-year decrease in cash relate to timing issues created by the receipt and payment of holdback payments to subcontractors on several large industrial projects which completed late in fourth quarter of 2016. In addition, reducing cash year-over-year was $20.9 million of income taxes paid, which again is primarily driven by the timing of completion of these large industrial projects in fourth quarter 2016.

- The Company invested $12.1 million of cash in investments accounted for using the equity method in fiscal 2017, which is a first for the Company. Cash investments were made in both PPP concession entities held by Bird Capital and in the Stack Modular group of companies ("Stack") located in Alberta and Hong Kong, with operations in China. Through its investments in entities accounted for using the equity method, the Company has realized equity investment income of $1.8 million, compared with equity investment losses of $0.1 million recognized during 2016.

- Cash used for property and equipment additions has increased $9.1 million compared with 2016 reflective of an improving outlook for projects with self perform civil activities in the energy and resource markets.

- During the fourth quarter of 2017, the Company generated net income of $4.7 million on revenue of $377.7 million compared with net income of $5.8 million and $430.7 million of revenue in 2016. The reduction in the amount of 2017 net income is primarily a result of $1.4 million higher general and administrative costs, specifically third-party external pursuit costs, year-over-year.

- In December 2017, the Company extended its committed revolver facility by an additional year, to December 31, 2020, and its bank increased the committed revolver facility from $55.0 million to $70.0 million. The

increase in the committed facility enables Bird additional flexibility to pursue opportunities to grow the business profitably.

- The Board has declared monthly eligible dividends of $0.0325 per common share for March 2018 and April 2018.

NON-GAAP MEASURE:

Adjusted net income and adjusted net income per share have no standardized meaning prescribed by GAAP and are considered non-GAAP measures. Therefore, these measures may not be comparable with similar measures presented by others. Management believes that the presentation of adjusted net income and adjusted net income per share provides useful information for shareholders and potential investors as it provides increased transparency and predictive value.

Adjusted Net Income (Non-GAAP Information)
(in thousands of Canadian dollars, except per share amounts)

	2017	2016
Net income as reported in financial statements (GAAP)	$ **11,618**	$ 25,002
Add: Impairment of equipment	-	3,855
Add: Associated tax effect	-	(1,116)
Adjusted net income (Non-GAAP Measure)	$ **11,618**	$ 27,741
Adjusted net income per share (Non-GAAP Measure)	$ **0.27**	$ 0.65

The Company's net income in 2016 was negatively impacted by a non-cash charge to earnings of $3.9 million ($2.7 million after deferred tax reversal) for the impairment of equipment.

NATURE OF THE BUSINESS

The Company operates as a general contractor in the Canadian construction market with offices in: St. John's, Halifax, Saint John, Wabush, Montreal, Ottawa, Toronto, Winnipeg, Calgary, Edmonton, and Vancouver. The Company and its predecessors have been in operation for 98 years. The Company focuses primarily on projects in the industrial, commercial and institutional sectors of the general contracting industry. Within the industrial sector, Bird constructs industrial buildings and performs civil construction operations including site preparation, concrete foundations, metal & modular fabrication, mechanical process work, underground piping and earthwork for clients primarily operating in the oil and gas and mining businesses. Within the commercial sector, Bird's operations include the construction and renovation of shopping malls, big box stores, office buildings, hotels and selected high-rise condominiums and apartments. Within the institutional sector, Bird constructs hospitals, post-secondary education facilities, schools, prisons, courthouses, government buildings, retirement & senior housing, and environmental facilities that include water and wastewater treatment centres, composting facilities and biosolids treatment and management facilities. The Company has developed expertise in the construction of vertical elements and overall management of transportation related projects and will continue to enhance our abilities as governments plan to increase stimulus spending to address aging infrastructure. Bird also invests in equity in PPP projects as a means to support construction operations. In all sectors, Bird contracts with its clients using a combination of fixed price, unit price, cost reimbursable and guaranteed maximum price, and provides services that include construction, design-build and construction management delivery methods.

While Bird self-performs some elements of its projects, particularly in the industrial market and in conjunction with its civil construction and contract mining operations, a significant portion of the overall construction risk rests with Bird's subcontractors. The scope of work of each subcontractor is generally defined by the same contract documents that form the basis of the Company's agreements with its clients. The terms of the agreements between the Company and its clients are generally replicated in the agreements between the Company and its subcontractors. These "flow-down" provisions substantially mitigate the risk borne by the Company. Depending on the value of the work, the Company may require bonds or other forms of contract security including enrolling our subcontractors in Bird's subcontractor default insurance program which will mitigate exposure to possible additional costs should a subcontractor not be able to meet its contractual

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

STRATEGY

In 2016, the Company undertook a comprehensive strategic review to assess its market position and re-establish medium and long-term goals. This process culminated in the Company's Board of Directors endorsing the *Build Bird* five-year strategic plan that has been developed to further enhance the Company's position as a premier Canadian contractor driven by the passion and dedication of a team of construction professionals. The *Build Bird* five-year strategic plan is in its first full year of implementation in 2017 and features three core pillars: *Build the Business, Build the Team* and *Build Relationships*. Each pillar is further articulated by three primary initiatives.

Broadly, Bird's strategic focus is to secure projects in markets with higher profit margins, which, in 2017, consisted of PPP and large design-build projects in the institutional sector as well as smaller midstream oil & gas capital projects in western Canada. In the coming years, this will also include more Maintenance, Repair and Operations ("MRO") opportunities for our energy clients. For Bird Heavy Civil (formerly known as H.J. O'Connell), efforts will focus on diversifying the customer base on select mining support and environmental projects. Details of each pillar and primary initiatives are expanded below.

BUILD THE BUSINESS

Diversification and Growth
The diversification of the Company's work program and earnings base is intended to strengthen the Company by making it healthier and more resilient during economic downturns. As part of the overall strategy, Bird will continue to focus on larger and more complex construction projects, which typically offer greater profit margins. *Diversification and Growth*, will be realized through several methods including geographic expansion of existing services, introduction of new services and the development of new clients. The Company will be very selective in its execution of the strategy to ensure it grows and diversifies profitably.

The Company will continue to express its preference for design-build construction contracts where its proven experience provides Bird with a source of competitive advantage in the construction market. The primary focus for geographic expansion in 2017 was the ongoing development of the Edmonton Commercial office which, coupled with our office in Calgary will further service the institutional, municipal and commercial sectors in the Alberta region. While the market conditions are expected to remain difficult in 2018, the district will continue its efforts to organically grow its work program and build momentum for the future. The Company will also seek opportunities to expand commercial and institutional expertise into additional markets in Canada by way of joint venture arrangements or through acquisition.

New service offerings will also contribute to Bird's diversification and growth strategy. The Company will continue to leverage the acquisition of Nason Contracting Group Ltd. completed in 2013 to secure greater participation in the MRO market in northern Alberta through the execution of self-perform mechanical process work for existing clients. Also, the Company will further leverage its earth moving and civil capabilities gained through the acquisition of H.J. O'Connell Ltd. (rebranded Bird Heavy Civil) into industrial markets in western Canada, enhancing our existing relationships and self-perform operations. More recently, the Company plans to leverage its 2017 investment in Stack which is a modular construction company with production operations in China. Stack produces steel frame modules for permanent construction. The modules are suited for the hotel, senior housing, office space and general housing sectors. The Company and Stack have complementary knowledge, resources and expertise that positions them well to serve the permanent modular construction market in Canada and the United States. Additional service offerings will be introduced to help secure opportunities presented by the federal government's mandate to invest in indigenous communities, environmental initiatives and transportation projects. The Company's goal is to leverage its areas of expertise to participate more fully in these markets on selective projects where it can develop a compelling win strategy.

As part of the Company's growth strategy, the Company will use its existing relationships in established markets to expand its work program. As one of only a few general contractors in Canada with a national footprint, Bird

looks to deepen its relationship with existing commercial clients that have a portfolio of properties and development opportunities both regionally and across Canada while also seeking to foster new client relationships. Historically, in western Canada the Company's industrial work program has been focused on the oil sands where it has secured a reputation as a safe, reliable and cost effective general contractor. In the coming years, the Company will leverage these proven capabilities to develop clients and work programs in central and western Canadian provinces. Similarly, Bird Heavy Civil will broaden its established activities in the Labrador Trough region to secure similar opportunities in eastern Canada. This wider geographical scope will also support the need to develop additional clients, primarily in Quebec, Ontario and northern Canada in an effort to diversify from Bird Heavy Civil's historical focus on the iron ore market. These efforts to develop new clients will require a commitment to business development and a recognition that program accomplishments will take time to mature, particularly given the market conditions seen in the resource sector in recent years.

Build Efficiencies
As a primary initiative of the *Build the Business* pillar, Bird's strategy for *Build Efficiencies* is to drive business process improvements to extract potential savings from overheads. These savings will be reinvested into the Company's strategic initiatives. Increasing process efficiency, particularly for the operations team, will also lead to greater engagement amongst the employee group and is anticipated to positively impact production as project teams will be able to dedicate more energy on project execution and less on administrative tasks.

Safe Production
At Bird, the single most important value is Safety and the goal is zero harm. Building on a highly reputable and proven safety program, this ongoing initiative will further the Company's commitment to embedding a *Safe Production* mindset throughout the project lifecycle, from estimating through to post-job assessment. It will require driving greater involvement and commitment from subcontractors and suppliers, and will further extend to fostering the safe planning and execution of Bird employee activities off the job. This holistic approach reflects the Company's fundamental belief that thinking and acting safely is not a switch that can, or should be, activated when arriving at or leaving the job site or workplace. Rather, it is a mindset that must be encouraged, nurtured and supported so that safe behaviours become a habit; repeatable, sustainable, and embedded in everything Bird staff do.

BUILD THE TEAM

Drive Positive Engagement & Become the Employer of Choice
The primary initiative of the *Build the Team* pillar features a wide range of human resource program initiatives intended to enhance the employee experience, *Drive Positive Engagement*, and create a more mobile, better trained, better led, and more productive workforce. Bird's success is highly dependent on the Company's ability to attract, develop and retain a highly skilled workforce at all levels within the organization including executives, management, professional staff and craft workers by *Becoming the Employer of Choice,* which is the second initiative of *Build the Team*. Through the strategic planning process, a number of key priorities and challenges pertaining to the recruitment, development and retention of employees were identified. The Company will work to improve its human resource management processes to better support its recruitment, onboarding, and performance management programs. This will help elevate the employee experience at Bird by facilitating effective talent management and mobility across the organization.

Grow Our Talent
While creating a positive and safe work environment at Bird is non-negotiable, the Company is equally committed to providing employees, and potential employees, with interesting and challenging work and opportunities to *Grow Our Talent* in a welcoming environment where people can build a successful career in every aspect of the business. Contributing to talent growth is the development of improved employee resource materials including an updated employee handbook, onboarding resources and the delivery of updated Bird Core Construction Training modules across the Company. A key element in the Company's talent growth plan is the enhancement of a meaningful employee recognition program. By continuously developing and refining policies and programs to engage employees at work and in their communities, offering new and innovative training programs, driving ongoing leadership development, and making a career at Bird more than just a job, the Company is able to recruit, develop and retain top talent while ensuring compensation programs remain market competitive.

BUILD RELATIONSHIPS

One Bird
Recognizing that the construction industry has evolved and projects are getting more complex, Bird has deployed the *One Bird* initiative that considers a holistic, company-wide approach to work more efficiently and effectively. One of the primary goals of this initiative is to identify and share the expertise across the Company to enhance effective deployment of human resources on the best opportunities, regardless of employees' geographic location. By promoting a more mobile workforce and increasing collaboration the Company will leverage its talent for targeted opportunities to secure greater outcomes.

Creating a Customer 1st Attitude
A primary initiative of the *Build Relationships* pillar, the *Creating a Customer 1st Attitude*, targets the development of stronger client relationships. The Company has traditionally focused on operational excellence and execution of its work program as a means to develop client relationships. While this has served the Company well in terms of delivering consistent results and developing repeat clients, there is a need to invest more resources in strengthening existing client relationships and developing new ones. This is consistent with Bird's strategy of targeting work with clients that welcome innovation and position the Company to add value. Bird will continue to target complex work, a market the Company has successfully performed in and one where the competition will be like-minded contractors with similar cost structures and approaches to risk and reward. Clients that seek a longer term, mutually beneficial relationship align well with the *Build Bird* five-year strategic plan.

Corporate Social Responsibility
Bird believes in being a good corporate citizen and supporting the communities in which it works and its employees live. In addition, employees increasingly wish to align themselves with a company that gives back and is socially responsible. Bird's *Corporate Social Responsibility* initiative includes Indigenous Cultural Awareness training for all employees which builds upon the Company's Indigenous Engagement Policy. Furthermore, establishment of the *Bird Foundation*, a formal conduit for tabulating and communicating Bird community donations and contributions, will provide greater direction to the Company's community engagement while driving increased employee participation and engagement.

KEY PERFORMANCE DRIVERS

Securing profitable construction contracts and then controlling the costs during the execution of that work are the key drivers of success for the Company.

In order 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, capital spending will generally increase and there will be more opportunities available in the construction industry. In economic downturns, fewer opportunities typically exist and competition for those opportunities becomes even more intense, generally resulting in lower Gross Profit Percentages. The Company must be successful in securing profitable work in various economic conditions. The construction industry is highly fragmented and accordingly, the Company competes with a number of international, national, regional and local construction firms. One of the Company's competitive advantages rests in its long-standing reputation for successfully delivering high quality projects that fully meet the needs of the customer, which enables the Company to secure repeat business from existing clients and win work with new clients.

The Company's success in securing work is also reflected in the value of the Backlog. The following table shows the Company's Backlog at the end of the comparative reporting periods. The Company's Backlog of $1,186.0 million at December 31, 2017 increased compared with $1,137.0 million at December 31, 2016. In 2017, the Company announced it had signed contracts to design and build a mental health facility and energy centre at the Royal Columbian Hospital in New Westminster, BC and more recently an administration and training facility for Bruce Power in Kincardine, ON. In addition, the Company as part of separate consortia signed contracts to design, build, finance, maintain and operate a biosolids facility for the city of Hamilton and an entertainment centre for Ontario Lottery & Gaming in Niagara Falls, ON. In December 2017, the Company announced that it was part of the consortium selected a preferred proponent for the biosolids facility for CRD in Victoria, which was subsequently contracted in February 2018. As of December 31, 2017, the Company was actively pursuing seven PPP projects. In addition, there is one PPP opportunity that the Company has been shortlisted on and is

awaiting the issuance of the request for proposals, and two more that the Company has responded to the request for qualification and is awaiting confirmation of the shortlist of proponents.

(in thousands of Canadian dollars)		2017		2016
Backlog	$	**1,186,000**	$	1,137,000

Once the Company has secured a potentially profitable contract, the profitability of that contract, measured by the Gross Profit Percentage, is primarily a function of management's ability to control the costs and achieve productivity objectives associated with the contract. The following table shows the Gross Profit Percentage realized by the Company in the comparative periods.

	2017	2016
Gross Profit Percentage	5.2%	5.8%

In 2017, the Company realized a Gross Profit Percentage of 5.2% compared with 5.8% in 2016. The reduction in Gross Profit Percentage reflects the impact of a PPP project not achieving substantial completion from a contractual standpoint in the fourth quarter. The Company took a provision to cover the additional escalation costs and financing costs from lenders that would result in the first quarter of 2018. The year-over-year decrease in contribution from the industrial work program is also reflected in the decrease in the Gross Profit Percentage. Specifically, in 2016 the Company was working on several larger scale industrial projects. Those projects were substantially completed in the fourth quarter of 2016. The Gross Profit Percentage realized on those projects was higher than the Gross Profit Percentage earned on the current work program, which is comprised of predominately commercial and institutional projects. In addition, through the course of 2016 the Company aligned the cost structure of the business with the progressive decline of the industrial work program. However, in 2017, the Company carried expenses associated with a number of key resources required to execute work identified in the balance of 2017, negatively impacting gross profit. As a result of these factors, the Gross Profit Percentage reported in 2017 is lower than 2016.

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. The following shows the working capital and shareholders' equity of the Company in the comparative reporting periods.

(in thousands of Canadian dollars)		2017		2016
Working capital	$	**90,660**	$	118,043
Shareholders' equity	$	**158,621**	$	163,566

Cash flows from operations before changes in non-cash working capital of $29.6 million was insufficient to offset dividend payments of $17.9 million, investment in associates of $12.1 million and income taxes paid of $20.9 million, which were the primary drivers resulting in a decline of working capital of $27.4 million in 2017.

The $4.9 million decrease in the amount of the Company's shareholders' equity since December 31, 2016 is essentially a result of the $16.6 million dividends declared in the year exceeding the net income of $11.6 million generated in 2017.

The Company has adequate amounts of both working capital and equity to operate the business. The Company expects resource prices to remain stable and recognizes that the construction industry generally lags the recovery of the underlying resource prices. These market conditions and the subsequent reduction of the industrial work program combined with the anticipated increase in PPP project activity, which requires a healthy balance sheet, led to a decision in November 2016 by the Company and its Board of Directors to reduce the amount of dividends paid commencing January 2017. The reduction in the amount of the monthly dividend has helped the Company maintain adequate equity and working capital to support execution of the Company's diversification strategy that otherwise would not have been attainable if the dividend rate prior to November 2016 was maintained.

Safety

At Bird, ensuring that all work on our sites is executed to exacting quality standards begins with our commitment to creating and sustaining a culture in which the identification, assessment, and elimination or control of hazards and risks is incorporated into every aspect of our operations. We call this *Safe Production,* and it is a cornerstone of our operational philosophy and approach.

Ensuring that all workers leave our jobsites everyday just as healthy and safe as when they arrived is a shared commitment and by working collaboratively with our employees and subcontractors to achieve this, we minimize risk and create the appropriate conditions for the safe execution of construction activity - on time, on budget, and to our client's satisfaction. We believe this shared commitment is critical to our overall success. It's how we work.

Through our robust orientation and training programs and our ongoing communication and engagement activities, we encourage all workers to actively contribute to our ongoing efforts to continuously improve not only our safety program, but overall collaboration and effectiveness. In this way, we not only ensure they leave work healthy and safe every day, but in doing so, help contribute to our overall operational excellence.

At Bird, *Safe Production* is not just a vision or a philosophy, it is a daily routine practiced with discipline and rigor on all our job sites. As part of the *Safe Production* strategic initiative, the Company completed an organization wide Safety Culture Assessment in the third quarter of 2017 which will form the basis for the development of a long-term safety strategy for the organization.

In 2017, Bird executed 3,636,791 manhours of work, incurring three lost time incidents (LTI) for an LTI frequency of 0.16.

2017	2016
0.16	0.00

RESULTS OF OPERATIONS

FISCAL 2017 COMPARED WITH FISCAL 2016

In the fiscal year ended December 31, 2017, the Company recorded net income of $11.6 million on construction revenue of $1,418.4 million compared with net income of $25.0 million on $1,589.9 million of construction revenue respectively in 2016. In the current year, construction revenue of $1,418.4 million was $171.5 million or 10.8% lower than the $1,589.9 million recorded in 2016. As expected, the Company's industrial revenues declined relative to those recorded in 2016, primarily owing to a reduced work program resulting from the successful completion of several large-scale projects in late 2016 and the general state of the market in a low commodity price environment. Overall, the Company continues to successfully execute on its significant commercial and institutional work program, including multiple PPP projects.

The Company's gross profit of $74.4 million in 2017 was $17.3 million or 18.8% lower than $91.7 million recorded in 2016. In 2017, the Gross Profit Percentage of 5.2% compares to 5.8% recorded in 2016. During the year, cost estimates were increased on a PPP project that served to negatively impact gross profit in 2017. The project

achieved substantial performance as defined in the provincial lien legislation but failed to achieve substantial completion from a contractual standpoint. As a result, the Company took a provision to cover additional escalation and financing costs from lenders that would result in the first quarter of 2018. The Company has taken appropriate measures and expects to achieve substantial completion in the first quarter of 2018. In addition, the decrease in the amount of gross profit in 2017 is also reflective of the low volume of industrial project backlog carried into 2017 as several large industrial projects were substantially completed in the fourth quarter of 2016. In 2016, the Company benefitted from a higher proportion of industrial work than in 2017 which was predominantly characterized by more commercial and institutional projects. Current year results were further negatively impacted by carrying the expense associated with key resources required for future work identified in the industrial market.

Income from equity accounted investments in 2017 was $1.8 million compared with a loss of $0.1 million in 2016 as PPP concession entities became profitable in the later stages of the projects as construction reached or neared completion in 2017.

In 2017, general and administrative expenses of $59.8 million (4.2% of revenue) compares with $58.8 million (3.7% of revenue) in 2016. In 2017, the Company spent $5.5 million in third-party pursuit costs which is $3.2 million higher than the amount recorded in 2016, however this was more than offset by a reduction of employee compensation expense. The year-over-year increase is primarily driven by foreign exchange loss and transaction expenses related to the investment made in Stack.

Finance income in 2017 of $4.1 million is comparable to the $4.5 million recorded in 2016.

Finance and other costs of $3.7 million in 2017 were $0.7 million higher than the $3.0 million reported in 2016. The increase is due an increase in finance costs for capital purchases and interest costs associated with the total return swap program.

In 2017, income tax expense of $5.3 million, was $4.0 million lower than the $9.3 million expense recorded in 2016, consistent with lower earnings in 2017, but a higher effective tax rate primarily due to increases in non-taxable items.

THREE MONTHS ENDED DECEMBER 31, 2017 COMPARED WITH THREE MONTHS ENDED DECEMBER 31, 2016

Selected Quarterly Financial Information
Consolidated Statements of Income
Fourth Quarter
(in thousands of Canadian dollars, except per share amounts)

	For the three months ended December 31,	
	2017 (unaudited)	2016 (unaudited)
Construction revenue	$ 377,713	$ 430,716
Costs of construction	353,180	407,007
Gross profit	24,533	23,709
Income (loss) from equity accounted investments	220	57
General and administrative expenses	(17,194)	(15,836)
Income from operations	7,559	7,930
Finance income	1,104	1,209
Finance and other costs	(1,253)	(707)
Income before income taxes	7,410	8,432
Income tax expense	2,676	2,634
Net income for the period	$ 4,734	$ 5,798

During the fourth quarter of 2017, the Company generated net income of $4.7 million on construction revenue of $377.7 million compared with $5.8 million and $430.7 million, respectively in the comparable quarter of 2016. The decrease in the amount of fourth quarter 2017 earnings is primarily due to the increase in pursuit costs offset by an improvement in gross profit realized on lower quarterly construction revenue.

Construction revenue of $377.7 million was $53.0 million or 12.3% lower than $430.7 million recorded in the fourth quarter of 2016. The decrease in construction revenues has been driven by a combination of lower revenue attributable to our PPP work program as substantial completion was achieved on three projects through to the end of September 2017 as well as a reduction in the Company's industrial work program. As expected, the Company's industrial revenues declined relative to those recorded in 2016, primarily due to the reduction in the capital spending programs of many of our industrial clients in response to low commodity prices.

The Company's fourth quarter gross profit of $24.5 million was $0.8 million or 3.5% higher than $23.7 million recorded a year ago, although 2016 gross profit included $3.9 million impairment on equipment. There was no impairment in 2017, as utilization of the equipment fleet increased year over year in 2017. The Company's fourth quarter 2017 Gross Profit Percentage of 6.5% compares to 5.5% recorded a year ago, or 6.4% adjusting for the impairment recorded in the fourth quarter of 2016 for comparison purposes. The increase in the Gross Profit Percentage in the fourth quarter 2017 is primarily due to the improving total gross profit realized on lower quarterly construction revenues despite the Company recording a provision on a PPP project to cover the additional escalation costs and financing costs from lenders that would result in the first quarter of 2018. While the Company achieved substantial performance in late December as defined in the provincial lien legislation on this project, it did not achieve substantial completion from a contractual standpoint.

Income from equity accounted investments was $0.2 million in the quarter, which is comparable with income of $0.1 million in 2016.

In the fourth quarter of 2017, general and administrative expenses of $17.2 million (4.6% of revenue) was $1.4 million higher than the $15.8 million (3.7% of revenue) recorded in 2016. In 2017, the Company spent $2.1 million in third-party pursuit costs which was $1.3 million higher than the fourth quarter of 2016.

Finance income in the fourth quarter of 2017 of $1.1 million was comparable to the $1.2 million recorded in the same period of 2016.

Finance and other costs of $1.3 million were $0.6 million higher than the $0.7 million reported in the comparable period of 2016. The increase is primarily due to the increase in interest expense on non-recourse project financing.

In the fourth quarter of 2017, income tax expense of $2.7 million was comparable to 2016.

FUTURE OPERATING PERFORMANCE

At December 31, 2017, the Company was carrying a Backlog of $1,186.0 million, representing an increase from the $1,137.0 million carried at the end of 2016. Backlog has stabilized in 2017 after declining through 2016, a result of securing several key new contracts such as the Mental Health Facility and Energy Centre at the Royal Columbian Hospital and more recently the Niagara Falls Entertainment Centre. In addition, the Company has been successful in securing smaller but strategic projects, including a biosolids management facility in Hamilton. The current backlog is predominately characterized by institutional work, a result of securing a significant number of new awards in this sector. While backlog attributable to the industrial and heavy civil work programs increased through the course of 2017, it remains low from a historical perspective as clients continue to have a measured approach to capital spending in response to the lower commodity price environment.

The Company is cautiously optimistic in its outlook for the industrial and resource sectors in 2018 and expects activity to progressively increase through the course of the year. Bidding activity in the mid-stream oil and gas market in western Canada and for mining opportunities in eastern Canada increased in 2017, a trend anticipated to continue in 2018. While the environment remains challenging and highly competitive, there are an increasing number of opportunities which should support an overall increase in the level of activity in 2018. The Company is also beginning to realize success in its effort to diversify its industrial work program, successfully securing an administration building and warehouse facility with Bruce Power in Kincardine, ON, as well as several mechanical process contracts, including a maintenance contract for an oil sands client in northern Alberta. In eastern Canada, the Company has been successful in securing and executing mining related work with a new client and has experienced an increase in mining activity generally through the course of 2017.

With respect to the commercial and institutional market sector, there is a healthy pipeline of opportunities anticipated in 2018, characterized by numerous PPP projects. As of December 31, 2017, the Company was actively pursuing seven PPP projects. In addition, there is one PPP opportunity that the Company has been shortlisted on and is awaiting the issuance of the request for proposals, and two more that the Company has responded to the request for qualification and is awaiting confirmation of the shortlist of proponents. These are all indications that the anticipated activity in this market sector is materializing generally as expected. In addition to the growth in volume of work expected from this activity, the Company anticipates that margin opportunities in this sector will also improve.

Looking towards 2018, the Company expects to benefit from its strong position in the PPP market although revenue growth in this sector will be impacted due to the extension of bid submission dates for several PPP projects. The Company is experiencing tangible progress in our diversification efforts particularly for our industrial, resource and modular service offerings. Overall, the Company anticipates moderate revenue growth in 2018 coupled with third party pursuit costs at historically high levels, a byproduct of the high level of PPP activity combined with the pursuit timeline for several of projects being extended to later in 2018. Equity income resulting from our investments in PPP projects is expected to contribute positively to the year. The Company will continue to make investments in both people and technology as it executes on the *Build Bird* strategic plan, with diversification of our earnings base remaining a key area of focus. While Management does not expect

earnings in 2018 to outpace the unadjusted earnings achieved in 2016, the Company's financial performance is anticipated to improve markedly relative to 2017 as the Company continues along its path of rebuilding its earnings base.

The institutional market sector contributed 61% of 2017 revenues (56% in 2016). In the institutional sector, investment in infrastructure by the various levels of government is expected to remain a priority. The federal government has announced a number of infrastructure funding programs resulting in an increase in activity in certain sectors such as post-secondary education and public transit systems. Other funding announcements for environmental and projects specifically addressing infrastructure needs in indigenous communities have been slower to materialize. The Company is well positioned to benefit from this increase in infrastructure investment, inclusive of the numerous PPP projects. New contract awards of institutional projects slowed in the second half of 2017 primarily due to the timing and stage of procurement, with several opportunities originally scheduled to close in late 2017 now closing in 2018. The revenue and gross profit contribution in 2018 derived from the institutional sector is expected to be strong.

The industrial market sector contributed 21% of 2017 revenues (29% in 2016). Lower energy prices have resulted in a reduction in the number and size of construction opportunities in the energy sector in western Canada. We expect energy clients to focus on spending programs aimed at lowering the cost of production and on maintenance programs in 2018. Activity in the midstream oil and gas market segment has increased and will continue to offer opportunities to the Company. Renewable energy opportunities in western Canada and nuclear related work in Ontario are also emerging, with pursuit activity anticipated to increase in the year. In addition, there appears to be more positive sentiment with respect to larger scale LNG developments in BC with activity increasing, although the Company does not foresee a significant financial benefit in 2018 at this time. In eastern Canada, lower iron ore and commodity prices have resulted in a cautious approach to capital spending from mining clients, with more annual work programs being tendered as opposed to multi-year mining support contracts. Through 2017, bidding activity in the gold, lithium and iron ore sectors increased, a trend expected to continue in 2018. The Company has been successful in securing work with our core clients in the Labrador Trough region while advancing progress in the development of new clients in Quebec, Ontario and northern Canada. The environment for our industrial market will remain challenging but is anticipated to progressively improve in 2018. The Company anticipates our work program to be comprised of smaller, shorter cycle projects, secured at competitive margins but will be more diversified both geographically and in scope as we continue to advance progress on our *Build Bird* strategic plan. It is anticipated that revenue and gross profits in our industrial sector will increase in 2018 as compared to 2017 but will remain under pressure with capacity still outweighing opportunity in the market.

The retail and commercial sector contributed 18% of 2017 revenues (15% in 2016). The Company continues to secure new work in this market, although traditional retail capital investment remains slow in many geographic regions due to uncertain economic conditions. Increasingly, retail clients with property in urban centers are redeveloping these into mixed-use residential properties, of which the Company is increasingly participating in, particularly in the greater Toronto area. It is anticipated that the retail and commercial market will remain stable in 2018 with multi-story, mixed-use residential projects in urban centers for select clients comprising a larger composition of this work program.

Backlog

During 2017, the Company secured $1,467.4 million in new construction contracts (including change orders to existing contracts) and put in place $1,418.4 million of work resulting in a Backlog at December 31, 2017 of $1,186.0 million. The following table outlines the changes in the amount of the Company's Backlog throughout the current and prior fiscal years.

Backlog
(in millions of Canadian dollars)

December 31, 2015	$	1,662.8
Securement and change orders in 2016		1,064.1
Realized in construction revenues in 2016		(1,589.9)
December 31, 2016	$	1,137.0
Securement and change orders in 2017		1,467.4
Realized in construction revenues in 2017		(1,418.4)
December 31, 2017	$	**1,186.0**

ACCOUNTING POLICIES

The Company's significant accounting policies are outlined in the notes to the audited December 31, 2017 and 2016 Consolidated Financial Statements. The consolidated financial statements were prepared using the same accounting policies as our 2016 consolidated financial statements.

Future accounting changes

IFRS 9, Financial Instruments:
On July 24, 2014 the IASB issued the complete IFRS 9 (2014). The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018, with no restatement. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The Company has substantially completed its analysis of the impact of IFRS 9 with the following results:

a) IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The financial assets are subsequently measured at amortized cost, fair value through profit and loss or fair value through other comprehensive income. The Company does not expect a material impact on the classification and measurement of its financial assets, as the majority are currently classified and measured at amortized cost.

b) IFRS 9 replaces the incurred loss model from IAS 39 by introducing a new 'expected credit loss' model for calculating impairment of financial assets. IFRS 9 specifies different approaches for measuring and recognizing expected credit losses, by considering only defaults in the next 12 months and/or the full remaining life of the financial asset. The expected credit loss model requires a credit loss to be reflected in profit and loss immediately after an asset or receivable is acquired, with subsequent changes in expected credit losses at each reporting date recorded to reflect any change in credit risk. IFRS 9 provides a simplified approach for certain trade receivables and IFRS 15 contract assets. As a result of adopting the new standard, the Company expects earlier recognition of provisions for credit losses which are not yet incurred. The Company has completed an analysis of its historical credit losses and does not expect a material impact on the financial statements as a result of the expected credit loss or life time credit losses to be recognized on transition to IFRS 9.

c) IFRS 9 includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. The Company does not currently elect hedge accounting and is not intending to apply hedge accounting under IFRS 9 and therefore does not expect a material impact.

IFRS 15, Revenue from Contracts with Customers:
On May 28, 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. The new standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 will replace IAS 11 Construction contracts and IAS 18 Revenue. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. On April 12, 2016, the IASB issued Clarifications to IFRS 15, Revenue from Contracts with Customers, which is effective at the same time as IFRS 15. The clarifications to IFRS 15 provide additional guidance with respect to the five-step analysis, transition, and the application of the Standard to licenses of intellectual property. The Company is applying the standard and the clarifications in its financial statements for the annual period beginning on January 1, 2018, with retrospective adjustment to the opening consolidated statement of financial position as at January 1, 2017. The Company intends to apply the practical expedient which does not require restatement for contracts that began and were completed within the same annual reporting period before December 31, 2017 or are completed on January 1, 2017.

The Company established an IFRS 15 planning and work group that provided regular updates to the Audit Committee. As part of the implementation project, the Company amended policies and practices, updated internal controls and educated stakeholders. The Company has completed the assessment of significant agreements and contracts with customers and has determined the expected impacts of the adoption of IFRS 15 on its consolidated financial statements. Based on the Company's assessment, the main impacts of adopting IFRS 15 are on timing of revenue recognition, determination of the transaction price, and additional disclosures. The adoption of IFRS 15 will not impact cash flows as cash will continue to be collected according to the Company's contractual terms with its customers.

Timing of revenue recognition:
The Company recognizes contract revenue in profit or loss in proportion to the stage of completion of the contract. Under the new revenue standard, revenue is recognized upon the satisfaction of the Company's performance obligations, which occurs when control of a good or service transfers to the customer. Control can transfer either at a point in time or over time. Based on our assessment, we do not expect any significant changes to the timing of revenue recognition as we believe that these methods best depict the transfer of goods and services to the customer.

Determining the transaction price:
The transaction price is the consideration that the Company expects to be entitled to in exchange for satisfying its performance obligations. This determination is more complex when the contract price is variable. Revenue related to awards or incentive payments, claims and liquidated damages might be recognized at a different time under the new standard. Claims are accounted for as variable consideration. They are included in the contract revenue using either an expected value or a most likely amount approach provided it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the claim is subsequently resolved. Changes to the original contract are referred to as contract modifications under IFRS 15 and variations in IAS 11, Construction Contracts ("IAS 11"). A contract variation under IAS 11 states that revenue can be recognized when it is probable the customer will approve the variation and the amount, and the amount of revenue from the variation can be reliably measured. IFRS 15 states that revenue from a contract modification can be recognized when it is approved and it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the change modification is subsequently resolved. Given the higher level of probability to be applied under IFRS 15, the anticipated impact of applying IFRS 15 is that some revenue previously recognized under IAS 11 will be reversed as at January 1, 2017. Revenue from these contract modifications will be recognized when, and if, IFRS 15 guidance is met.

Construction contracts often require amounts to be retained by customers for reasons other than to provide financing. This retainage is intended to protect the customer from the contractor failing to adequately complete some or all its obligations under contract. Under the new standard, this type of retainage does not include a significant financing component and does not reflect the time value of money in the transaction price. We expect to no longer record interest income and expense relating to accretion.

Quantification of impact:
The Company expects the adoption of the standard to result in a decrease in assets of approximately $6.8 million and a decrease in liabilities of $7.0 million, with a corresponding increase to retained earnings of approximately $0.2 million net of income taxes as at January 1, 2017. The Company is in the process of determining the impact, if any, to its revenue and net income as previously reported for the year ended December 31, 2017.

Other presentations and disclosure requirements:
IFRS 15 contains presentation and disclosure requirements which are more detailed than the current standards. The presentation requirements represent a change from current practice and will increase the disclosures required in the consolidated financial statements. The Company is in the process of preparing its draft disclosures, which will be required in the first quarter of 2018 and in its annual financial statements for the year ended December 31, 2018. The Company continues to evaluate the systems, internal controls, policies and procedures necessary to collect and disclose the required information.

IFRS 16, Leases:
On January 13, 2016, the IASB issued IFRS 16 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying assets are of low value. A lessee is required to recognize a right-of-use asset and a lease liability representing its obligation to make lease payments. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The impact of the standard has not yet been determined.

Amendments to IFRS 2, Classification and Measurement of Share-based Payment Transactions:
On June 20, 2016, the IASB issued amendments to IFRS 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Company will adopt the amendments to IFRS 2 in its financial statements for the annual period beginning on January 1, 2018. The Company does not expect the amendments to have a material impact on the financial statements.

IFRIC 22, Foreign Currency Transactions and Advance Consideration:
On December 8, 2016, the IASB issued IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration. The Interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The Interpretation is applicable for annual periods beginning on or after January 1, 2018. The Interpretation may be applied either: retrospectively; or prospectively to all assets, expenses and income in the scope of the Interpretation initially recognized on or after: the beginning of the reporting period in which the entity first applies the Interpretation; or the beginning of a prior reporting period presented as comparative information in the financial statements. The Company will adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2018. The Company does not expect the Interpretation to have a material impact on the financial statements.

IFRIC 23, Uncertainty over Income Tax Treatments:
On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company intends to adopt the Interpretation in its financial statements for the annual period beginning on January 1, 2019. The Company does not expect the Interpretation to have a material impact on the financial statements.

SUMMARY OF QUARTERLY RESULTS

The table below summarizes the results for the eight most recent quarters. Although the Company experiences some seasonality in its business, variations in net income from quarter-to-quarter primarily reflect the differences in the profitability of the contracts administered in the respective quarters. Contracts typically

extend over several quarters and often over several years. 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 clients at a future date but cannot be recorded in the current quarter until certainty of the recovery is attained. As a result, earnings may fluctuate significantly from quarter-to-quarter, depending on whether large and/or complex contracts are completed or nearing completion during the quarter, or have been completed in immediately prior quarters.

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, with the exception of seasonality in the first quarter of each year.

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

	2016				2017			
	Q1	Q2	Q3	Q4*	Q1	Q2	Q3	Q4
Revenue	338,294	413,195	407,663	430,716	309,755	345,881	385,090	**377,713**
Net income/(loss)	9,343	3,886	5,975	5,798	(1,141)	2,497	5,528	**4,734**
Earnings/(loss) per share	0.22	0.09	0.14	0.14	(0.03)	0.06	0.13	**0.11**

Notes: * The fourth quarter 2016 includes a net non-cash after-tax impairment charge of $2.7 million.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

The following table presents a summary of the Company's financial condition for the periods indicated.

(in thousands of Canadian dollars)	**2017**	2016
Financial Position Data		
Cash and cash equivalents	$ **133,055**	$ 261,876
Non-cash working capital	**(42,395)**	(143,833)
Working capital	**90,660**	118,043
Non-current loans and borrowings	**13,843**	8,623
Shareholders' equity	**158,621**	163,566

Although the Company has adequate amounts of both working capital and equity, the expectation of a weaker industrial market in the near term with the resultant negative impact on earnings combined with the anticipated increase in PPP project activity, which requires a healthy balance sheet, led to a decision by the Company and its Board of Directors to reduce the amount of dividends paid. Commencing in January 2017 for shareholders of record, the dividend was reduced from $0.0633 to $0.0325 per common share per month. The reduction in the amount of the monthly dividend allowed the Company to maintain equity and working capital at levels not otherwise attainable if the 2016 dividend rate was maintained and support execution of the Company's diversification strategy.

As a component of working capital, the Company maintains a balance of cash and cash equivalents. At December 31, 2017, this balance amounted to $133.1 million. The non-cash net current asset/liability position was in a net liability position of $42.4 million at December 31, 2017, compared to a net liability position of $143.8 million at December 31, 2016. The primary drivers of the change are the decrease in accounts payable in 2017 and payment of income taxes payable accrued in 2016 which were partially offset by increased project activity through Bird

Heavy Civil, which required additional non-cash working capital. The significant reduction in accounts payable in the first quarter of 2017 compared with December 31, 2016 is due to the timing of significant collections in late December 2016 and the subsequent payment to subcontractors in January 2017. The non-cash net current asset/liability 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 also the timing in the settlement of income taxes payable. The Company's cash balances absorb these fluctuations with no net impact to the Company's net working capital position or ability to access contract surety support. The Company believes it has sufficient working capital to support its current and expected contract security requirements.

Credit Facilities

The Company has a number 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.

Operating Lines of Credit

a) *Committed revolving line of credit:*
The Company has a committed revolving credit facility of up to $70.0 million, with a Canadian chartered bank. The term of the facility was extended and now matures December 31, 2020. This facility may be used in the normal course of business for general working capital purposes, to issue non-collateralized letters of credit, fund future capital expenditures and qualifying permitted acquisitions. At December 31, 2017, the Company has $26.4 million in letters of credit outstanding on this facility (December 31, 2016 - $nil) and has drawn $5.0 million on this facility (December 31, 2016 - $5.0 million). The $5.0 million draw is presented as loans and borrowings on the Company's statement of financial position as the facility matures in 2020.

b) *Committed revolving line of credit facility*:
A subsidiary of the Company has a $25.0 million committed revolving credit facility, maturing on June 10, 2018. The facility may be used to finance normal course operations. Borrowings under this facility are secured by a first charge against the net assets of the subsidiary. As at December 31, 2017, the balance drawn on this facility is $nil (December 31, 2016 - $nil).

Letters of Credit Facilities

The Company has available $105.0 million of demand facilities used to primarily support the issuance of letters of credit. All letters of credit issued under these facilities are supported by the pledge of Company-owned financial instruments, including cash. At December 31, 2017, the Company has $25.0 million in letters of credit outstanding on this facility (December 31, 2016 - $34.0 million).

The Company has available a facility with Export Development Canada (EDC) to support the issuance of contract performance security letters of credit issued by financial institutions on behalf of the Company. The Company can only use this facility when letters of credit have been issued as contract security for projects that meet the EDC mandate to provide financial support for Canadian exports abroad.

Letters of credit are typically issued to support the Company's performance obligations relating to PPP and other major construction projects. The following table outlines the amount of the credit facilities, the amount of issued letters of credit and the amount of collateral pledged in support of the outstanding letters of credit.

(in thousands of Canadian dollars)		**2017**		2016
Committed revolving line of credit	**$**	**70,000**	$	55,000
Letters of credit facilities	**$**	**105,000**	$	122,000
Letters of credit issued	**$**	**51,506**	$	34,028
Collateral pledged to support letters of credit	**$**	**20,253**	$	29,244
Guarantees provided by EDC	**$**	**4,891**	$	4,891

The increase in the amount of outstanding letters of credit at the end of 2017 compared to the end of 2016 is primarily the result of new letters of credit being issued with respect to the testing and performance commissioning period of the Calgary Composting Facility project, collateral associated with Total Return Swap derivative contracts and new letters of credit issued related to Niagara Falls Entertainment Centre. The Company was able to cancel the letters of credit related to Saskatchewan Schools within the year.

Equipment Financing

The Company and its subsidiaries have committed term credit facilities of up to $35.0 million to be used to finance equipment purchases. Borrowings under the facility are secured with a first charge on the equipment being financed. As of December 31, 2017, the facility has drawn $6.3 million on this facility, of which $5.8 million is outstanding (December 31, 2016 - $nil) and classified as finance leases. Interest on the facility can be charged at a fixed rate based on the Bank of Canada bond rate plus a spread. Interest is paid monthly in arrears.

In addition, subsidiaries of the Company have equipment acquisition lines of credit for $42.5 million (December 31, 2016 - $62.5 million) with the financing arms of several major heavy equipment suppliers to finance the purchase of equipment. Unutilized equipment acquisition lines of credit were reduced by $20 million in the third quarter of 2017. Draws under this facility are typically recognized as operating leases for accounting purposes. At December 31, 2017, the Company has used $6.0 million under the facilities ($6.4 million at December 31, 2016). The Company's total lease commitments are outlined under Contractual Obligations.

At December 31, 2017, the Company was in compliance with all debt covenants relating to its operating and equipment lines of credit.

Loans and Borrowings

In 2017, the Company issued a new fixed-rate term loan for $2.0 million and entered into finance leases for $9.5 million to finance equipment purchases. The Company made $4.2 million in principal repayments (including finance lease repayments).

The following table provides details of outstanding debt as at December 31, 2017, and principal repayments due over the next five years, excluding the amortization of debt financing costs, finance lease liabilities and non-recourse project financing.

(in thousands of Canadian dollars)	Amount	Year 1	Year 2	Year 3	Year 4	Year 5
Loans and borrowings	$ 10,177	$ 2,479	$ 1,216	$ 5,891	$ 591	$ -

Cash Flow Data

The following table provides an overview of cash flows during the periods indicated:

(in thousands of Canadian dollars)	2017	2016
Cash Flow Data		
Cash flows from operations before changes in non-cash working capital	$ 29,619	$ 48,449
Changes in costs and estimated earnings in excess of billings - alternative finance projects	(7,508)	(51,756)
Changes in non-cash working capital and other	(113,232)	46,989
Cash flows from (used in) operating activities	(91,121)	43,682
Investments in associates	(12,144)	-
Capital distributions from associates	803	-
Additions to property, equipment and intangible assets	(14,572)	(5,602)
Proceeds on sale of property and equipment	7,366	853
Purchase of short-term investments	(6,943)	-
Proceeds from maturity of short-term investments	6,711	-
Other long-term assets	(2,312)	748
Cash flows used in investing activities	(21,091)	(4,001)
Dividends paid on shares	(17,891)	(32,297)
Proceeds from non-recourse project financing	32,407	44,437
Repayment of non-recourse project financing	(27,662)	-
Proceeds from loans and borrowings	1,965	506
Repayment of loans and borrowings	(4,222)	(9,184)
Cash flows from (used in) financing activities	(15,403)	3,462
Increase (decrease) in cash and cash equivalents	$ (127,615)	$ 43,143

Operating Activities

During 2017, cash flows from operating activities used cash of $91.1 million compared with cash generated of $43.7 million in 2016. In 2017, cash flows from operations was comprised of $29.6 million of cash generated from operating activities before changes in non-cash working capital and a $120.7 million use of cash derived from changes in non-cash working capital relating to operating activities. In 2016, the comparative amounts were $48.4 million of cash generated from operations before changes in non-cash working capital and $4.8 million use of cash derived from changes in non-cash working capital relating to operating activities. The year-over-year decrease in cash flows from operations before changes in non-cash working capital in 2017 is primarily the result of the $11.6 million net income in 2017 compared to $25.0 million net income in 2016 and the change in income tax expense year-over-year. In 2017, changes in the amount of non-cash working capital and other used cash in total of $113.2 million compared to a generation of cash of $47.0 million in 2016. The primary drivers of the change are the decrease in accounts payable in 2017 and the payment of income taxes in 2017 accrued in 2016. In 2017, billing and collection of costs and estimated earnings in excess of billings related to the Casey House project were billed and collected. The remaining use of cash is related to the Moncton Downtown Centre. Proceeds and repayments of the non-recourse debt relating to alternative finance projects are included in financing activities.

Investing Activities

During 2017, the Company used $21.1 million of cash in investing activities compared to the $4.0 million use of cash in 2016. The amount of cash used to purchase property, equipment and intangible assets in 2017 of $14.6 million which is an increase of $9.0 million compared to the $5.6 million used in 2016, and reflects contract driven equipment requirements. Of the $9.0 million increase, $6.3 million was generated through sale-leaseback transactions. The Company generated $7.4 million in cash in 2017 from the sale of property and equipment which is inclusive of $6.3 million in sale-leasebacks transactions compared with proceeds of $0.9 million in 2016. There were no sale-leaseback transactions in 2016. During 2017, the Company used $12.1 million in cash (compared to $nil used in 2016) for equity contributions primarily related to projects for which the Company has acquired a minority equity interest. A portion of the total was also used to acquire a 50% interest of Stack. Capital distributions from equity accounted investments generated cash of $0.8 million in 2017 compared to $nil in 2016. The Company also used $6.9 million to purchase short-term investments in 2017 compared to $nil used in 2016. These short-term investments matured in 2017 generating proceeds of $6.7 million.

Financing Activities

During 2017, the Company used $15.4 million of cash from financing activities compared with generated cash of $3.5 million in 2016. The increase in the amount of cash used in financing activities in 2017 is primarily a result of a repayment of non-recourse project financing of $27.7 million offset by the reduction in the amounts paid for dividends of $14.4 million and in loans and borrowings of $5.0 million. Dividend payments in 2017 were lower than 2016 due to the reduction of the 2017 monthly dividend rate to $0.0325 per share.

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 the dividend history:

January 1, 2016 to March 31, 2016	$0.1900
April 1, 2016 to June 30, 2016	$0.1900
July 1, 2016 to September 30, 2016	$0.1900
October 1, 2016 to December 31, 2016	$0.1900
January 1, 2017 to March 31, 2017	$0.0975
April 1, 2017 to June 30, 2017	$0.0975
July 1, 2017 to September 30, 2017	$0.0975
October 1, 2017 to December 31, 2017	**$0.0975**

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 current operational and growth objectives. The belief is fully explained in sections of this MD&A dealing with financial condition and liquidity.

In addition to financial capacity, the success of the Company is very much dependent upon the management and leadership skills of senior management. On an annual basis, high-performing candidates are identified for training and progression into more senior critical positions within the Company. The Company's performance management system emphasizes the development of leadership skills. In addition, the Company sponsors internal and external training programs, including the Bird Leadership Academy program and the Bird Site Management program, to provide a forum for high-potential candidates to develop their leadership skills.

CONTRACTUAL OBLIGATIONS

At December 31, 2017, the Company has future contractual obligations of $508.8 million. Obligations for accounts payable, finance and operating annual lease payments and for principal repayments, including interest, under long-term debt over the next five years are:

(in thousands of Canadian dollars)		Accounts Payable	Long-Term Debt	Finance Leases	Operating Leases	Non-recourse Project Financing	Deferred payment	Total
2018	$	373,443	2,623	2,455	5,432	64,511	436	448,900
2019		14,694	1,275	2,404	4,385	-	726	23,484
2020		2,169	6,330	2,395	4,148	-	-	15,042
2021		13	284	1,533	3,487	-	-	5,317
2022		-	-	41	3,202	-	-	3,243
Thereafter		-	-	-	12,839	-	-	12,839
	$	390,319	10,512	8,828	33,493	64,511	1,162	508,825

OFF BALANCE SHEET ARRANGEMENTS

The Company has operating lease obligations described under Contractual Obligations noted above and surety lien bonds issued on behalf of the Company valued at $24.1 million at December 31, 2017.

Further details of commitments and contingent liabilities are included in Note 22 of the December 31, 2017 consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make judgments, 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 any future periods affected.

Construction revenue, construction costs, deferred revenue and costs and estimated earnings in excess of billings are all based on estimates and judgments used in determining an estimate of contract revenue and contract

costs and to determine the stage of completion for a particular construction project, depending on the nature of the construction project, as more fully described in the Revenue Recognition Policy included in the notes to the Company's annual financial statements. To determine the estimated costs to complete construction projects, assumptions and estimates are required to evaluate issues related to schedule, material and labour costs, labour productivity, changes in contract scope and subcontractor costs. Due to the nature of construction, 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 our clients 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. As many change orders and claims may not be settled until the end of the construction project, significant increases or decreases in revenue and income may arise during any particular accounting period.

Provisions involve the use of estimates, as determined by management. Estimates and assumptions are required to determine when to record and measure a provision in the financial statements for legal and warranty claims. The outcomes can differ significantly from the estimates used in preparing the financial statements resulting in required adjustments to expenses and liabilities.

Impairment testing is performed annually or earlier, if a triggering event occurs, for indefinite-lived intangible assets and goodwill resulting from business combinations, by comparing the recoverable amount of the cash generating unit ("CGU"), or groups of CGUs to its carrying amount. The recoverable amount of the CGU is determined based on a value in use calculation. There is significant amount of uncertainty with respect to the estimates of recoverable amounts of the CGUs' assets given the necessity of making key economic projections which employ the following key assumptions: future cash flows, growth opportunities, including economic risk assumptions, estimates of achieving key operating metrics and the discount rate.

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 42,516,853 common shares outstanding at December 31, 2017 and December 31, 2016.

At December 31, 2017, 535,000 stock options are outstanding with a weighted average exercise price of $13.59 per common share. With the approval of the Equity Incentive Plan (EIP) in May 2017, the Board of Directors has resolved to suspend the stock option plan. All outstanding options will continue to vest in accordance with the term of the option and the vesting periods.

The common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol BDT.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures
Based on their evaluations as of December 31, 2017, the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have concluded that the Company's disclosure controls and procedures are effective in providing reasonable assurance that information relating to the Company which is required to be disclosed in reports filed under provincial and territorial securities legislation is accumulated, summarized and communicated to the Company's senior management, including the CEO and the CFO of the Company, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting
The Company's management is responsible for designing and maintaining adequate internal control over financial reporting for the Company. All internal control systems, no matter how well designed, have inherent limitations; therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

As of December 31, 2017, under the supervision of and with the participation of management, including the CEO and CFO, internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

As of December 31, 2017, under the supervision of and with the participation of management, including the CEO and CFO, the Company has evaluated the effectiveness of internal controls over financial reporting and determined that the internal controls over financial reporting are operating as intended.

There have been no material changes in the Company's internal control over financial reporting during year ended December 31, 2017 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS RELATING TO THE BUSINESS

The following discussion addresses the more significant risk factors relating to the business. For a detailed discussion of all risk factors relating to the business, refer to the Company's most recently filed Annual Information Form dated March 8, 2018, which is available through the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Economy and Cyclicality

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

As noted above, Bird attempts to insulate itself in various ways from the effects of negative economic conditions; 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 above-average 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.

Competitive Factors

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

Ability to Secure Work

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

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

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

Government-funded projects also typically have long and sometimes unpredictable lead times associated with government review and approval. The time delays associated with this process can constitute a risk to general contractors pursuing these projects. Certain government-funded projects, particularly PPP projects, may also require significant bid costs which can only be recovered if Bird is the successful bidder. Several governments in Canada have procured a significant value of projects under a PPP contract format, which is an attractive market for the Company. A reduction in the popularity of this procurement method or difficulties in obtaining financing for these projects would have negative consequences for Bird.

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. 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. All significant cost and schedule estimates are reviewed by senior management prior to tender submission in an attempt to mitigate these risks.

Performance of Subcontractors

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

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

Design

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

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

Maintaining Safe Work Sites

Despite Bird'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.

Ability to Hire and Retain Qualified and Capable Personnel
The success of Bird is highly influenced by the efforts of key members of management, including its executive officers and district managers. 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.

PPP Equity Investments
In addition to providing design and construction services on certain PPP infrastructure projects, Bird also makes investments in PPP concession entities through its wholly owned subsidiary, Bird Capital Limited. In this role, Bird arranges the financing and provides equity to some of the PPP projects it develops and assumes a degree of equity risk associated with the financial performance of the asset during the concession period.

Most PPP financing is provided on a non-recourse basis with most of the risk limited to the equity participation. Bird typically holds a minority equity investment in the concession and usually expects to sell the investment in the concession soon after construction completion or shortly thereafter, when the terms of the concession investment requires the Company to hold the investment for a longer period of time. All of the concession partners are required to secure their participation at financial close with letters of credit. A concession partner becoming insolvent does not represent a risk to the concession as these letters of credit ensure no short funding occurs. If the entity providing the services to the concession and/or the service provider's guarantor become insolvent, a replacement of the insolvent entity or entities might be required. If the services cannot be provided by a new entity for the same costs, there is risk that the full-value of the concession may not be realized after the project has been constructed and is operating within contractual parameters.

Bird does not control the market for the investment, therefore there is a possibility that the value of the investment could become impaired. Also, a replacement of the contractors that perform the facility management services on these transactions exposes the equity investments to an erosion of the expected returns. This risk is partially mitigated by the security packages put in place by these contractors for each transaction. In addition, Bird may be exposed to reputational risk should the project not be delivered on time or in accordance with design specifications. Exposure to the risk of non-performance could lead to a contract termination and loss of injected equity.

TERMINOLOGY

Throughout this report, management uses the following terms not found in GAAP Standards and which do not have a standardized meaning and therefore require definition:

- **"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.

- **"Backlog"** (also referred to in the construction industry as "work on hand") 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.

- **"Lost Time Incident Frequency"** is the number of lost time incidents recorded per 200,000 manhours of work by Bird employees.

FORWARD-LOOKING INFORMATION

Certain statements included herein which express management's expectations or estimates of future performance may constitute "forward-looking statements". The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", and similar expressions identify forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. In particular, this MD&A includes many such forward-looking statements and the Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from the Company’s estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. Risks that may impact the Company's future results, performance or achievements include those described under "Risks Relating to the Business” in this MD&A and in the Company's Annual Information Form dated March 8, 2018 filed and available on SEDAR. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise.