Bird Construction Inc.

Management's Discussion and Analysis

For the years ended December 31, 2021 and 2020

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The following Management's Discussion and Analysis ("MD&A") of Bird Construction Inc.'s ("the Company" or "Bird") financial condition and results of operations for the three and twelve month periods ended December 31, 2021, should be read in conjunction with the December 31, 2021 consolidated annual financial statements. This MD&A has been prepared as of March 8, 2022. Unless otherwise specified, all amounts are expressed in Canadian dollars. The information presented in this MD&A is presented in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted.

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

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

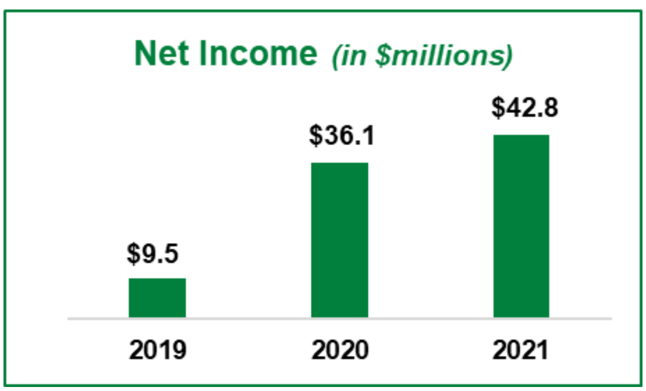
EXECUTIVE SUMMARY

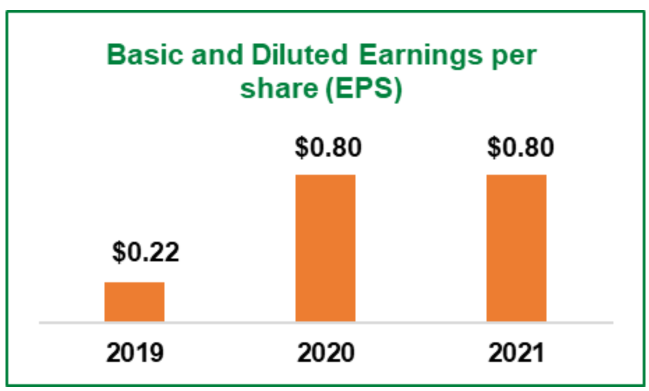
Income Statement Data	2021	2020	2019
(in thousands of Canadian dollars, except per share amounts)			
Revenue	$ **2,220,026**	$ 1,504,432	$ 1,376,408
Net income	**42,783**	36,103	9,484
Basic and diluted earnings per share ("EPS")	**0.80**	0.80	0.22
Adjusted Earnings [(1)]	**50,954**	41,579	9,484
Adjusted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

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

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

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





NATURE OF THE BUSINESS

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

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

PROJECT DELIVERY METHODS

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

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

OUR LOCATIONS

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

MANAGING RISK

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

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

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

INDUSTRY SECTORS

INDUSTRIAL

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

Bird has significant self-perform capabilities for structural, mechanical, piping, electrical and instrumentation, including off-site metal and modular fabrication. These industrial service capabilities have been further enhanced with the addition of Stuart Olson Inc. ("Stuart Olson"), which was acquired on September 25, 2020. The Company's industrial self-perform capabilities now include insulation, metal siding and cladding, ductwork, asbestos abatement, mechanical, and electrical and instrumentation abilities, including high voltage testing and commissioning, as well as power line construction.

These maintenance service abilities are augmented with civil and facilities maintenance services, and the combined service offering opens the door to a wider range of clients including those in the oil and gas, mining, and nuclear sectors. In general, Bird has gained an expanded industrial general contracting business and more notably is now an industrial maintenance contractor with opportunities for additional maintenance clients in a broader geographical footprint.

INFRASTRUCTURE

Within the infrastructure sector, Bird has a well-developed offering of civil construction capabilities including site preparation and earthworks, underground piping, and foundations and other concrete services. Bird also has broad capabilities in mine support services and hydroelectric construction.

The Company's acquisition of Dagmar Construction Inc. ("Dagmar") on September 1, 2021 provides a platform to expand Bird's national civil capabilities, including self-perform capacity across key civil infrastructure sub-sectors including road, bridge, rail, and underground utilities installation. Dagmar's capabilities and service offerings, integrated with Bird's existing civil business, improves Bird's competitive position nationally as well as enables access to the attractive Ontario market. Enhanced access to these markets contributes to increased diversification in a growing end-market with a strong outlook bolstered by government infrastructure commitments. Opportunities to capitalize on a higher portion of self-perform work in larger, complex projects further reinforces the future potential of the integrated business.

INSTITUTIONAL, COMMERCIAL, AND RESIDENTIAL

Within the institutional sector, Bird constructs and renovates hospitals, post-secondary education facilities, K-12 schools, recreation facilities, prisons, courthouses, government buildings, long term care facilities, and senior housing. Within the commercial and residential sector, Bird's operations include the construction and renovation of office buildings, shopping malls, big box stores, hotels, and selected mixed-use high-rise and mid-rise residential. The Company has developed expertise in the construction of vertical elements and overall management of transportation-related projects and will continue to enhance its abilities in this market.

COMMERCIAL SYSTEMS

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

INNOVATIVE SOLUTIONS

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

MASS TIMBER

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

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

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

CENTRE FOR BUILDING PERFORMANCE

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

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

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

INNOVATIVE TRENCHING SOLUTIONS

Innovative Trenching Solutions provides single-pass trenching with the use of custom-built, proprietary equipment that expedites installation of underground utilities, laying multiple lines and several kilometers of material per day. The system minimizes environmental impact by reducing ground disturbance and construction footprint while maintaining better stability across a variety of terrain.

CENTRES OF EXCELLENCE

Drawing expertise from across Bird's districts, divisions, and businesses, the Centres of Excellence provide thought leadership and direction in key areas, leading the way in exploring and adopting new technology, tools, relationships, techniques, and/or best practices that reduce risk and improve Bird's profitability, effectiveness, and reputation in a particular focus area, such as Net Zero.

STACK MODULAR

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

2021 HIGHLIGHTS

FULL-YEAR 2021 COMPARED TO FULL-YEAR 2020

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

FOURTH QUARTER 2021 COMPARED TO FOURTH QUARTER 2020

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

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

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

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

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

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

ANNUAL RESULTS OF OPERATIONS

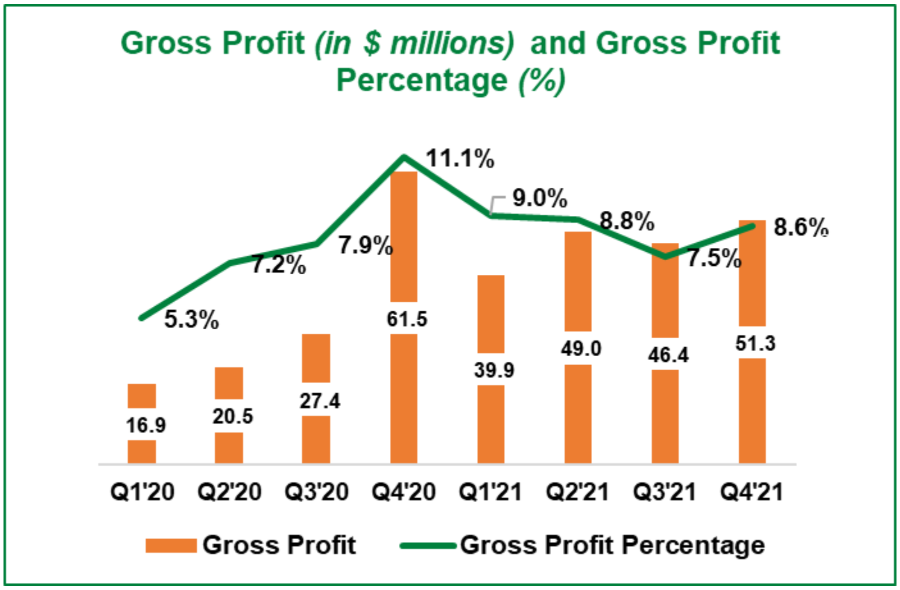
Consolidated Statement of Income and Additional Financial Indicators
(in thousands of Canadian dollars except per share amounts and percentages)

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

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

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

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



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

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

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

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

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

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

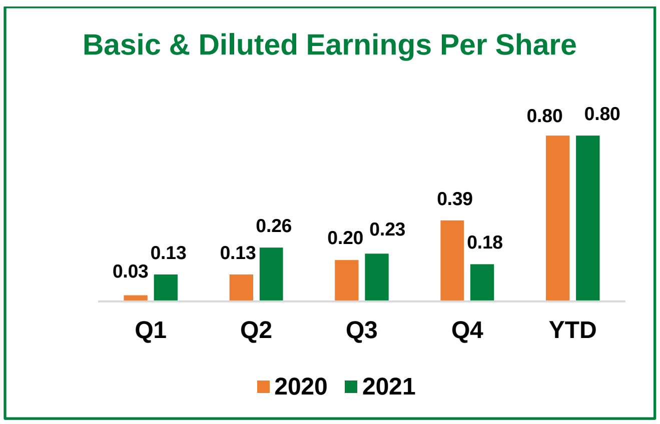
Finance income of $1.3 million in fiscal 2021 was $0.2 million lower than the $1.5 million recorded in fiscal 2020 due to lower average cash balances during 2021, combined with lower interest rates.

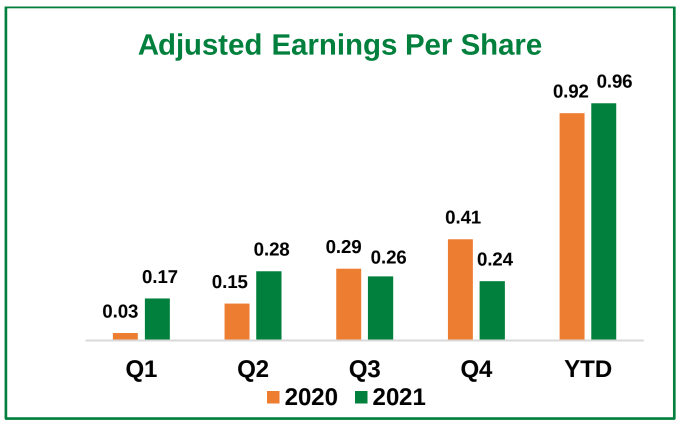
Finance and other costs of $7.6 million were $0.1 million than the $7.5 million reported in fiscal 2020. Interest expense on loans and borrowings and right-of-use ("ROU") liabilities was higher by $2.5 million and other finance costs were higher by $0.5 million due to the addition of Stuart Olson results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

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

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

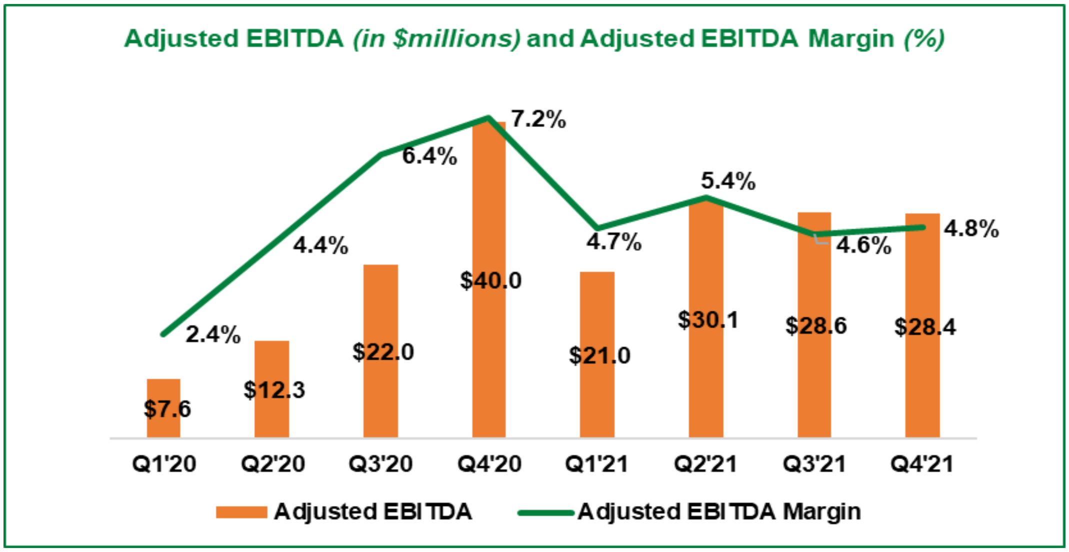
Adjusted Earnings[1] for fiscal 2021 was $51.0 million compared with Adjusted Earnings of $41.6 million for fiscal 2020. The year-over-year increase of $9.4 million in Adjusted Earnings is reflective of the improvement in net income described above and the year-over-year increase of $2.7 million of tax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





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

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



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

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

QUARTERLY RESULTS OF OPERATIONS

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

	Three months ended December 31, 2021	2020	% change
Construction revenue	**$ 597,803**	$ 554,960	7.7%
Costs of construction	**546,489**	493,426	10.8%
Gross profit	**51,314**	61,534	-16.6%
Income (loss) from equity accounted investments	**901**	(189)	-576.7%
General and administrative expenses	**(37,135)**	(32,822)	13.1%
Income from operations	**15,080**	28,523	-47.1%
Finance income	**426**	178	139.3%
Finance and other costs	**(1,890)**	(1,731)	9.2%
Income before income taxes	**13,616**	26,970	-49.5%
Income tax expense	**3,699**	6,436	-42.5%
Net income for the period	**$ 9,917**	$ 20,534	-51.7%
Total comprehensive income for the period	**$ 10,039**	$ 21,771	-53.9%
Basic and diluted earnings per share	**$ 0.18**	$ 0.39	-53.8%
Adjusted Earnings[1]	**$ 13,046**	$ 21,526	-39.4%
Adjusted Earnings Per Share	**$ 0.24**	$ 0.41	-41.5%
Adjusted EBITDA[1]	**$ 28,399**	$ 40,011	-29.0%
Adjusted EBITDA Margin	**4.8%**	7.2%	-2.4%

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

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

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

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

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

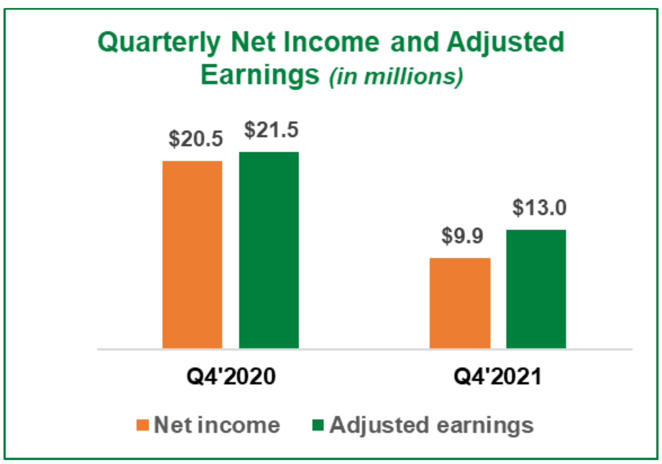
In the fourth quarter of 2021, general and administrative expenses were $37.1 million (6.2% of revenue) versus $32.8 million (5.9% of revenue) in the corresponding period a year ago. The primary drivers for the $4.3 million year-over-year increase were higher compensation costs of $2.2 million, including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

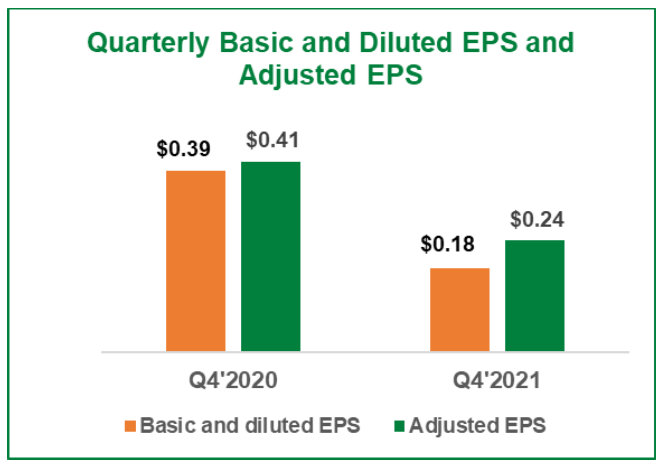
Finance income of $0.4 million in the fourth quarter of 2021 was higher than the $0.2 million recorded in the same period of 2020 due to higher average cash balances arising from higher cash collections.

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

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

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

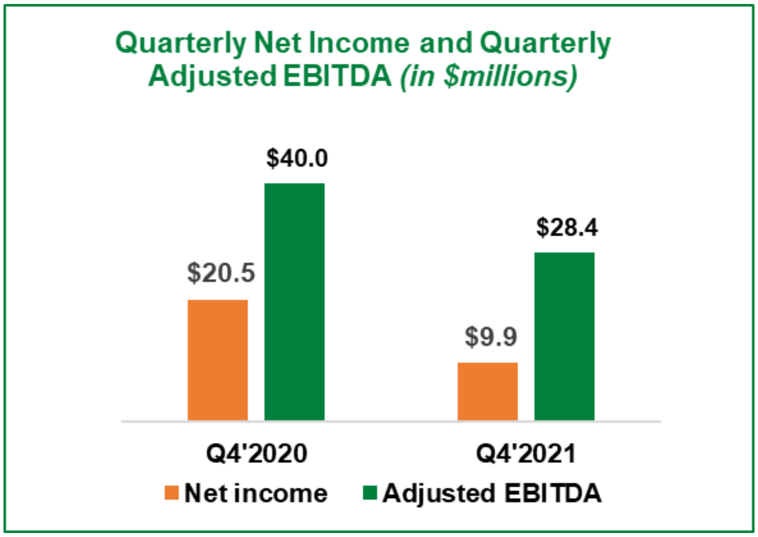




Adjusted Earnings[1] in the fourth quarter of 2021 was $13.0 million, compared with Adjusted Earnings in the fourth quarter of 2020 of $21.5 million. The year-over-year decrease in fourth quarter Adjusted Earnings of $8.5 million is reflective of the decrease in net income of $10.6 million, partially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

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

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



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

KEY PERFORMANCE INDICATORS

Securements, Pending Backlog and Backlog

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

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

(in thousands of Canadian dollars)		2021		2020
Pending Backlog	$	**1,624,700**	$	1,635,900
Backlog	$	**3,002,509**	$	2,682,498

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

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

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

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

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

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

Gross Profit Percentage

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

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

Financial Condition

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

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

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

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

Health, Safety & Environment

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

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

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

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

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

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

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

COVID-19 AND COMPANY RESPONSE

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

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

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

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

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

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

2022-2024 STRATEGIC PLAN

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

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

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

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

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

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

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

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

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

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

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

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

OUTLOOK

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

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

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

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

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

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

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

CAPABILITY TO DELIVER RESULTS

Productive capacity relates to the financial and non-financial resources available to the Company to execute its strategy and achieve planned results. From a financial perspective, the Company believes it has sufficient working capital and access to operating lines of credit to execute its near term operational and growth forecast. The belief is explained in sections of this MD&A dealing with financial condition and liquidity.

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

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

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

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

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

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

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

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

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

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

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

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

Credit Facilities

The Company has several credit facilities available to access in order to support the issuance of letters of credit, finance future capital expenditures and finance the day-to-day operations of the business.

Syndicated Credit Facility

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

Committed revolving credit facility

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

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

Committed non-revolving term loan facility

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

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

Accordion

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

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

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

Letters of Credit Facilities

The Company has available $150.0 million of demand facilities used primarily to support the issuance of letters of credit. All letters of credit issued under these facilities are supported by the pledge of Company-owned financial instruments, including cash, or through a guarantee from EDC. At December 31, 2021, the Company has $67.4 million in letters of credit outstanding on these facilities (December 31, 2020 - $44.5 million).

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

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

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

Equipment Financing

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

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

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

Annual Cash Flow Data

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

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

Operating Activities

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

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

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

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

Investing Activities

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

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

Financing Activities

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

Quarterly Cash Flow Data

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

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

Operating Activities

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

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

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

Cash from changes in non-cash working capital and other increased $11.7 million year-over-year and was driven mainly by decreases in accounts receivable and contract assets ($29.4 million), provisions ($4.6 million), lower outflows for income taxes ($4.1 million) and other items ($0.2 million). This was partially offset by increases in accounts payable and contract liabilities ($40.2 million) and prepaid expenses (1.6 million). The year-over-year impact on working capital in 2021 results from the Stuart Olson acquisition due to a shift in project mix and increased activity on self-perform projects. The non-cash working capital position fluctuates significantly in the normal course of business from period to period, primarily due to the timing of differences between the settlement of payables due to subcontractors and suppliers, billings and collection of receivables from clients, and the timing of the settlement of income taxes payable.

Investing Activities

During the fourth quarter of 2021, the Company used $5.2 million of cash in investing activities compared to $3.0 million used in 2020. The change of $2.2 million was primarily due to net lower distributions of $1.1 million from equity accounted entities and lower proceeds on sale of property and equipment of $1.7 million. Offsetting this were lower additions to property, equipment and intangible assets of $0.5 million and a decrease in other long-term assets.

Financing Activities

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

CONTRACTUAL OBLIGATIONS

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

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

FINANCIAL INSTRUMENTS

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

The Company uses certain derivative financial instruments which are measured at fair value through profit and loss ("FVTPL"). These include interest rate swaps to manage its interest rate risk, forward contracts to manage its foreign exchange risk on foreign currency payments and TRS derivative contracts for the purpose of managing its exposure to changes in the fair value of its share-based compensation programs due to changes in the Company's share price. The Company does not employ hedge accounting for any of its derivative contracts currently in place. The Company does not hold or use any derivative instruments for trading or speculative purposes. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews corporate policies on an ongoing basis. The financial instruments that Bird uses expose the Company to credit, liquidity, market and currency risks. Refer to Note 33 to the December 31, 2021 annual consolidated financial statements for further details.

Credit Risk

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

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

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations as they become due. The Company manages this risk through management of its capital structure, monitoring and reviewing actual and forecasted cash flows and the effect on bank covenants, and maintaining unused credit facilities where possible to ensure there are available cash resources to meet the Company's liquidity needs. In managing liquidity risk, the Company has access to committed short and long-term debt facilities as well as equity markets, the availability of which is dependent on market conditions.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and corporate bond yields, will affect the Company's income or the value of its holdings in liquid securities. The Company is exposed to interest rate risk to the extent that its credit facilities and TRS derivatives are based on variable rates of interest. For the year ended December 31, 2021, a one percent change in the interest rate applied to the Company's variable rate long-term debt would change annual income before income taxes by approximately $0.7 million (2020 – $0.6 million).

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

Currency Risk

Currency risk is the risk that fluctuations in currency exchange rates will affect the Company's net income. The Company uses foreign currency to settle payments to vendors and subcontractors in the foreign currency. During 2021, the Company entered into foreign currency forward contracts to buy US dollars for the purpose of managing its foreign currency risk. These derivative contracts have settlement dates extending to November 2022. For the year ended December 31, 2021, a 10% movement in the Canadian and U.S. dollar exchange rate would have changed income by approximately $0.2 million (2020 – $0.2 million).

DIVIDENDS

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

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

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

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

OUTSTANDING COMMON SHARE DATA AND STOCK EXCHANGE LISTING

The Company is authorized to issue an unlimited number of common shares. The Company had a total of 53,695,293 common shares outstanding at March 8, 2022 (December 31, 2020 - 53,038,929). The Company's common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol BDT.

OFF BALANCE SHEET ARRANGEMENTS

The Company has surety lien bonds issued on behalf of the Company valued at $93.1 million at December 31, 2021 (December 31, 2020 - $93.4 million).

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

Further details of commitments and contingencies are included in Note 35 to the December 31, 2021 consolidated financial statements.

RELATED PARTY TRANSACTIONS

The Company's related parties, as defined by IFRS, are its joint arrangements and key management personnel. A description of any material transactions with these related parties is included in Note 36 to the December 31, 2021 consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

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

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

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

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

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

ACCOUNTING POLICIES

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

New Accounting Standards, Amendments and Interpretations Adopted

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

Future Accounting Changes

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

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

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

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

Impact of the COVID-19 pandemic

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

Assets and liabilities acquired in a business combination

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

Revenue and gross profit recognition

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

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

Provisions

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

Impairment of non-financial assets

Management evaluates property and equipment, intangible assets, and right-of-use ("ROU") assets at the end of each reporting period to determine if there are events or circumstances which indicate that the carrying value may not be recoverable. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the recoverable amount of the cash-generating unit ("CGU"), or groups of CGUs to its carrying amount. There is a significant amount of uncertainty with respect to the estimate of the recoverable amount given the necessity of making economic projections which employ the following key assumptions: future cash flows, growth opportunities, including economic risk assumptions, and estimates of achieving key operating metrics and drivers; and the discount rate. Refer to Note 18 of the December 31, 2021 consolidated financial statements for further details regarding the assumptions and estimates regarding the Company's goodwill impairment assessment.

Measurement of pension obligations

The Company's obligations and expenses related to defined benefit ("DB") pension plans, including supplementary executive retirement plans, are determined using actuarial valuations and are dependent on many significant assumptions. The DB obligations and benefit cost levels will change as a result of future changes in actuarial methods and assumptions, membership data, plan provisions, legislative rules, and future experience gains or losses, which have not been anticipated at this time. Actual experience that differs from assumptions will result in gains or losses that will be disclosed in future accounting valuations. Refer to Note 24 of the December 31, 2021 consolidated financial statements for further details regarding the Company's DB plans as well as a sensitivity analysis of a change in the discount rate assumption used in the calculations and the resultant impact to financial results.

Share-based payments

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

Leases

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

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

Income taxes

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

CONTROLS AND PROCEDURES

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

The controls and procedures set out below do not include controls, policies and procedures for Dagmar, acquired on September 1, 2021.

Disclosure Controls and Procedures

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

An evaluation of the effectiveness of the design of the Company's disclosure controls and procedures was carried out under the supervision of management, including the CEO and CFO, with oversight by the Board of Directors and Audit Committee, as at December 31, 2021. Based on this evaluation, the Company's CEO and CFO have concluded that the design of the Company's disclosure controls and procedures, as defined in NI 52-109, was effective as at December 31, 2021.

Internal Controls over Financial Reporting

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

An evaluation of the effectiveness of the design of the Company's internal controls over financial reporting was carried out under the supervision of management, including the CEO and CFO, with oversight by the Board of Directors and Audit Committee, as at December 31, 2021. Based on this evaluation, the Company's CEO and CFO have concluded that the design of the Company's internal controls over financial reporting, as defined in NI 52-109, was effective as at December 31, 2021.

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

RISKS RELATING TO THE BUSINESS

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

Ability to Hire and Retain Qualified and Capable Personnel

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

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

Maintaining Safe Work Sites

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

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

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

Global Pandemics

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

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

Economy and Cyclicality

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

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

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

Design Risks

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

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

Ability to Secure Work

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

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

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

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

Performance of Subcontractors

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

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

Accuracy of Cost to Complete Estimates

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

Competitive Factors

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

Estimating Costs and Schedules/Assessing Contract Risks

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

Litigation/Potential Litigation

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

It is management's opinion that adequate provision has been made in Bird's consolidated financial statements for any potential settlements relating to such matters and management does not believe that any existing litigation or pending litigation will ultimately result in a final judgment against Bird that would have a materially adverse impact on the operations of Bird.

Litigation is, however, inherently uncertain and, accordingly, adverse outcomes not currently provided for in any current litigation or pending litigation are possible. These potentially adverse outcomes could include financial loss, damage to Bird's reputation or a reduction in prospects for future contract awards.

Adjustments and Cancellations of Backlog

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

Work Stoppages, Strikes and Lockouts

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

Information Systems and Cyber-security Risk

The Company relies on information technology to manage, process, store and transmit electronic information. Complete, accurate, available and secure information is vital to the Company's operations and any compromise in such information could result in improper decision making, inaccurate or delayed operational and/or financial reporting, delayed resolution to problems, breach of privacy and/or unintended disclosure of confidential information. Failure in the completeness, accuracy, availability or security of the Company's information systems, the risk of system interruption or failure during system upgrades or implementation, or a breach of data security could adversely affect the Company's operations and financial results. In addition, cyber-security incidents relating to the Company's information technology systems may disrupt operations and impact operating results. The COVID-19 pandemic has caused an elevated risk and threat actors may attempt to exploit businesses while there is general instability during the COVID-19 pandemic.

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

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

Acquisition and Integration Risk

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

Climate Change Risk

Risks in Transitioning to a Lower Carbon Economy

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

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

Financial Risks

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

Market and Reputational Risk

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

Weather Related Risks

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

TERMINOLOGY AND NON-GAAP & OTHER FINANCIAL MEASURES

Terminology

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

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

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

Non-GAAP and Other Financial Measures

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

Non-GAAP Financial Measures

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

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

Notes

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

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

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

Notes

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

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

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

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

Notes

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

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

(3) Calculated as Adjusted EBITDA divided by Revenue.

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

Notes

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

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

(3) Calculated as Adjusted EBITDA divided by Revenue.

Non-GAAP Financial Ratios

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

Supplementary Financial Measures

- **"Pending Backlog"** is the total potential revenue of awarded but not contracted projects including where the Company has been named preferred proponent, where a contract has not been executed and where the letter of intent or agreement received is non-binding. It may also include estimated amounts for agency relationship construction management projects, pre-construction activities, collaborative contracting arrangements and future work orders to be performed as part of MSAs. Management does not provide any assurance that a contract will be finalized, or revenue recognized in the future.

- **"Gross Profit Percentage"** is the percentage derived by dividing gross profit by construction revenue. Gross profit is calculated by subtracting construction costs from construction revenue.

- **"Current ratio"** is the percentage derived by dividing total current assets by total current liabilities.

- **"General and Administrative expenses as a percentage of revenue"** is the percentage derived by dividing general and administrative expenses by construction revenue.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and information ("forward-looking statements") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this MD&A are based on the expectations, estimates and projections of management of Bird as of the date of this MD&A unless otherwise stated. The use of any of the words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "may", "will", "should" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this MD&A contains forward-looking statements concerning: the anticipated benefits of the Stuart Olson and Dagmar acquisitions to Bird, its shareholders and all other stakeholders, including anticipated synergies; the plans and strategic priorities of the combined company; and with respect to Bird's share of the project value for certain joint venture projects.

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

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

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

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

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

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

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