Bird Construction Inc.

Management's Discussion and Analysis

For the years ended December 31, 2020 and 2019

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The following Management's Discussion and Analysis ("MD&A") of Bird Construction Inc.'s ("the Company" or "Bird") financial condition and results of operations for the three and twelve months ended December 31, 2020, should be read in conjunction with the December 31, 2020 consolidated annual financial statements, the December 31, 2019 consolidated annual financial statements, and the December 31, 2019 MD&A. This MD&A has been prepared as of March 9, 2021. Unless otherwise specified, all amounts are expressed in Canadian dollars. The information presented in this MD&A is presented in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted.

This discussion contains forward-looking information, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by this information. See "Forward-Looking Information". Some of the factors that could cause results or events to differ from current expectations include, but are not limited to, the factors described under "Risks Relating to the Business" included in the Company's most current Annual Information Form dated March 9, 2021. Additional information about the Company is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on the Company's website at www.bird.ca.

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

EXECUTIVE SUMMARY

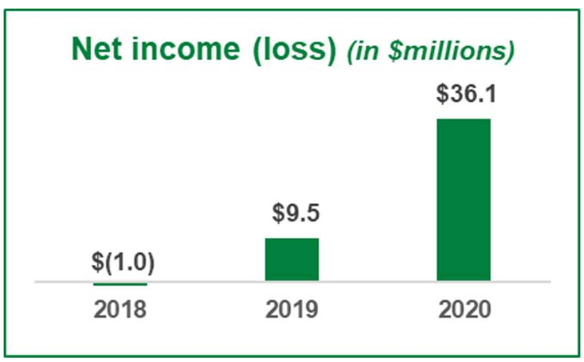
(in thousands of Canadian dollars, except per share amounts)	2020	2019	2018
Income Statement Data			
Revenue	$ **1,504,432**	$ 1,376,408	$ 1,381,784
Net income (loss)	**36,103**	9,484	(1,013)
Basic and diluted earnings (loss) per share	**0.80**	0.22	(0.02)
Adjusted Earnings [(1)]	**41,579**	9,484	(1,013)
Adjusted Earnings Per Share [(1)]	**0.92**	0.22	(0.02)
Adjusted EBITDA [(1)]	**81,937**	32,292	10,914
Adjusted EBITDA Margin [(1)]	**5.5%**	2.4%	0.8%
Cash Flow Data			
Net increase in cash and cash equivalents	**31,765**	21,763	24,606
Cash flows from operations before changes in non-cash working capital [(2)]	**71,696**	30,201	12,320
Additions to property and equipment [(3)]	**14,227**	14,431	14,613
Cash dividends paid	**17,607**	16,582	16,582
Cash dividends declared per share	**0.39**	0.39	0.39
Balance Sheet Data			
Total assets	**1,061,796**	856,787	652,021
Working capital	**135,514**	80,503	70,215
Loans and borrowings (current and non-current)	**72,913**	40,621	21,198
ROU Liabilities (current and non-current) [(4)]	**78,075**	31,100	8,759
Shareholders' equity	**212,610**	127,720	136,229

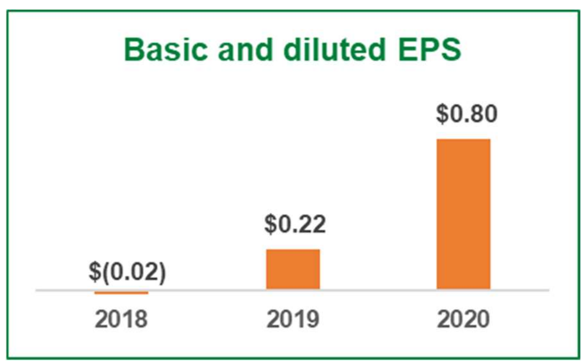
(1) Adjusted Earnings, Adjusted Earnings Per Share, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures and do not have standardized meanings under IFRS. See "Terminology and Non-GAAP Measures."

(2) Refer to the consolidated statement of cash flows

(3) Includes computer software purchases classified as intangible assets

(4) IFRS 16 *Leases* was adopted effective January 1, 2019 using the modified retrospective approach, 2018 figures have not been restated.





NATURE OF THE BUSINESS

Bird provides a comprehensive range of construction services from new construction for industrial, commercial, and institutional markets; to industrial maintenance, repair and operations ("MRO") services, heavy civil construction and contract surface mining; as well as vertical infrastructure including, electrical, mechanical, and specialty trades.

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

PROJECT DELIVERY METHODS

In all sectors, Bird contracts with its clients using a combination of fixed price, unit price, design-build, alternative finance projects, public, private, partnerships ("PPP"), cost reimbursable (such as cost plus), construction management, and integrated project delivery methods.

OUR LOCATIONS

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

MANAGING RISK

While Bird is capable of self-performing larger projects, particularly in the industrial market and MRO space, for many projects, the overall construction risk rests with Bird's subcontractors. The scope of work of each subcontractor is generally defined by the same contract documents that form the basis of the Company's agreements with its clients. The terms of the agreements between the Company and its clients are generally replicated in the agreements between the Company and its subcontractors. These "flow-down" provisions substantially mitigate the risk borne by the Company. Depending on the value of the work, the Company may require bonds or other forms of contract security, including enrolling our subcontractors in Bird's subcontractor default insurance program, which should mitigate exposure to possible additional costs should a subcontractor not be able to meet its contractual obligations. Bird's primary constraints on growth are the ability to secure new work at reasonable margins and the availability of qualified professional staff who can be assigned to manage the projects.

INDUSTRIAL SECTOR

Within the industrial sector, Bird has significant 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. Bird constructs industrial buildings including manufacturing, processing, distribution, and warehouse facilities, and performs civil construction operations including site preparation, concrete foundations, metal and modular fabrication, mechanical process work, underground piping and earthwork.

These industrial service capabilities have been further enhanced through the recent joining of forces with Stuart Olson Inc. ("Stuart Olson"). 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 services as well as facilities maintenance services, and the combined service offering opens the door to a wider range of clients including those in the LNG, mining, and nuclear sectors. In general, Bird has gained an expanded industrial general contracting business and more noticeably is now an industrial maintenance contractor with opportunities for additional maintenance clients in a broader geographical footprint.

INSTITUTIONAL & COMMERCIAL SECTOR

Within the institutional sector, Bird constructs and renovates hospitals, post-secondary education facilities, K-12 schools, recreation facilities, prisons, courthouses, government buildings, long term care and senior housing, as well as environmental facilities that include water and wastewater treatment centres, composting facilities, and biosolids treatment and management facilities. Within the commercial sector, Bird's operations include the construction and renovation of office buildings, shopping malls, big box stores, hotels, and selected mixed-use high-rise residential.

The Company has also 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. Bird also selectively invests equity in PPP projects to support construction operations.

INNOVATIVE SOLUTIONS

Bird also provides innovative solutions within the Institutional and Commercial sectors.

MASS TIMBER

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

CENTRE FOR BUILDING PERFORMANCE

Paving the way for the future of smart building technology and seamless construction delivery, the Centre for Building Performance provides smart building technologies and life cycle services, which enables the delivery of innovation, efficiency and exceptional value by design.

STACK MODULAR

The Company’s partnership with Stack Modular, a design-build structural steel modular manufacturer that builds across the USA and Canada, is an innovative solution in the multi-family, hospitality, resource, and student and senior housing sectors for buildings up to 40 storeys. 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.

COMMERCIAL SYSTEMS

The newly acquired commercial systems business is one of Canada’s largest electrical and data system contractors. Services include design, build and installation of core electrical infrastructure, resulting in high-tech, high-performance buildings. It also provides the services and systems that support information management, building systems integration, green data centres, security, risk management and lifecycle services, as well as ongoing maintenance and on-call service to customers.

2020 HIGHLIGHTS

- The Company completed its acquisition of Stuart Olson on September 25, 2020 and welcomed the additional employees, clients, shareholders and all other stakeholders to this dynamic organization and new leading construction company. The business combination is the largest and most transformative transaction in the Company's 100 year history. It creates additional opportunity for our people and our customers, and Bird is well-positioned to play a major role in the Canadian construction industry, creating long-term value for all stakeholders for decades to come.

- The COVID-19 pandemic has added uncertainty to the construction industry as each provincial government has responded with different measures to address the continuing and evolving threat to public health. Bird has seen delays in project tenders and awards from clients, and experienced reduced productivity on project sites as a result of increased safety protocols implemented during the pandemic. Throughout 2020, the Company experienced delays in smaller sized or short-term projects in locations such as Manitoba and Atlantic Canada. The health and safety of employees is paramount and, as a result of the pandemic, the Company has increased health and safety initiatives such as physical distancing and added additional measures to normal safety protocols. During the early stages of the pandemic in 2020, the Company made a difficult decision and instituted mandatory wage reductions to its employees to preserve the financial health of the business and keep it agile through the pandemic. With the Canada Emergency Wage Subsidy ("CEWS") enacted by the federal government, the Company was ultimately able to restore and reimburse its employees for the reduced wages in 2020. The situation remains fluid; however, the Company responded to the challenges presented in 2020 and is well-positioned to respond to fluctuating scenarios in the near term.

- During the fourth quarter of 2020, the Company recorded net income of $20.5 million on construction revenue of $555.0 million compared with net income of $8.2 million on $420.6 million of construction revenue in 2019. Basic and diluted earnings per share in the fourth quarter of 2020 and 2019 was $0.39 and $0.19, respectively. The year-over-year increase in fourth quarter revenue is primarily attributable to the inclusion of Stuart Olson. The year-over-year increase in net income is a combination of the addition of Stuart Olson and the timing of applications for CEWS. The Company recognized a total pre-tax compensation expense recovery of $21.7 million in the fourth quarter of 2020, of which approximately $11.6 million relates to the first nine months of 2020 ($0.4 million first quarter 2020, $3.8 million second quarter 2020, and $7.4 million third quarter 2020). Although the timing of recording the CEWS benefit was a significant factor affecting fourth quarter net income, on a full year basis CEWS did not fully offset the negative impact which COVID-19 had on revenues and margins.

- Adjusted Earnings and Adjusted Earnings Per Share in the fourth quarter of 2020 were $21.5 million and $0.41, respectively, compared with Adjusted Earnings and Adjusted Earnings Per Share in the fourth quarter of 2019 of $8.2 million and $0.19, respectively. The year-over-year increase in fourth quarter Adjusted Earnings is reflective of the improvement in earnings attributable to the inclusion of Stuart Olson and the year to date catch up in the application for CEWS.

- Adjusted EBITDA and Adjusted EBITDA Margin in the fourth quarter of 2020 were $40.0 million and 7.2%, respectively. Adjusted EBITDA increased $24.0 million from the Adjusted EBITDA of $16.0 million in the fourth quarter of 2019. Adjusted EBITDA Margin increased 340 basis points from the Adjusted EBITDA margin of 3.8% recorded in the fourth quarter of 2019.

- In 2020, the Company recorded net income of $36.1 million on construction revenue of $1,504.4 million compared with a net income of $9.5 million on $1,376.4 million of construction revenue in 2019. Basic and diluted earnings per share in 2020 and 2019 were $0.80 and $0.22, respectively. There was an increase in revenue year-over-year due to the inclusion of fourth quarter revenue of Stuart Olson. Excluding the revenue contribution from Stuart Olson, the Company experienced a year-over-year revenue decline in the second, third and fourth quarters of 2020 attributable to the COVID-19 pandemic. The year-over-year increase in net income is primarily attributable to the mix of the higher margin industrial work program and the acquisition of Stuart Olson. An additional significant factor contributing to the year-over-year improvement in net income was the Company's increased contract pursuit selectivity in its institutional and Public Private Partnership ("PPP") business, targeting lower risk opportunities best aligned with execution capabilities. Thereby avoiding notable underperforming contracts which resulted in headwinds to margins and income in recent years. 2019 net income was negatively impacted by a PPP project that incurred additional cost due to design related scope growth and acceleration expenses. There were substantial changes to the scope of the project requested by the client that are in commercial negotiation. This PPP project achieved substantial performance in the first quarter of 2020.

- Adjusted Earnings and Adjusted Earnings Per Share for fiscal 2020 were $41.6 million and $0.92, respectively, compared with $9.5 million and $0.22 respectively, in fiscal 2019. The year-over-year increase in Adjusted Earnings was due to the same reasons noted above that increased net income

- Adjusted EBITDA for fiscal 2020 was $81.9 million compared to $32.3 million in the comparable period in 2019. Adjusted EBITDA Margin in 2020 was 5.5% and increased 310 basis points from the 2.4% recorded in 2019. The year-over-year improvement was driven by an increase in gross profit due to the revenue mix, the inclusion of Stuart Olson fourth quarter earnings, and the previously described Company's increased contract pursuit selectivity, targeting lower risk opportunities best aligned with execution capabilities.

- In 2020, the Company secured $1,643.8 million of new contract awards and change orders and executed $1,504.4 million of construction revenues, and $995.7 million of Backlog was contributed at the acquisition date by recently acquired Stuart Olson. Backlog of $2,682.5 million at December 31, 2020 increased 73.4% from Backlog of $1,547.4 million at December 31, 2019. Included in Backlog is a $154.0 million design-build contract for the Nanaimo Correctional Centre (“NCC”) Replacement Project in Nanaimo, British Columbia. The NCC Replacement Project features modernized spaces for educational, vocational, and certified trades training in addition to rehabilitative and culturally responsive Indigenous programming. It also includes Vancouver Island’s first provincial custody capacity for women. Two local First Nations, Snuneymuxw and Snaw’Naw’As, will also have input into the design as well as job and contract opportunities during construction.

- In 2020, cash and cash equivalents increased $31.8 million, before the effects of foreign exchange, to $212.1 million from $180.3 million at the end of 2019. The majority of the change in cash and equivalents during the period relate to changes in the non-cash net current asset/liability position which can fluctuate significantly in the normal course of business. Cash flows from operations generated cash of $128.9 million mainly due to changes in non-cash working capital, including a $75.1 million increase as a result of the substantial completion of an alternative finance project in the fourth quarter of 2020. Cash flows from investing activities used cash of $53.9 million mainly related to the purchase of Stuart Olson. Cash flows from financing activities used cash of $43.3 million mainly due to the net repayment of non-recourse project financing related to an alternative finance project offset by net credit facility draws and the share issuance related to the purchase of Stuart Olson.

- The Board has declared an eligible dividend of $0.0325 per common share for each of March 2021 and April 2021.

- Subsequent to fiscal 2020 year-end, the Company announced that it has been awarded the following projects and contracts:

    - A five-year contract valued in excess of $550.0 million to provide MRO services for a longstanding industrial customer in Alberta. Under the terms of the multi-site, multi-use agreement, the Industrial Maintenance team will deliver a multi-disciplined offering for maintenance services, turnarounds and sustaining capital construction projects, drawing on the full suite of services of both Stuart Olson and Bird. Estimated 2021 revenues will be recorded into Backlog in the first quarter of 2021; the remaining value of the contract was recorded in Pending Backlog.

    - A contract was signed with Infrastructure Ontario for the design-build expansion at the Kenora Jail and the Thunder Bay Correctional Centre. The project will leverage the Company’s integrated conventional site construction and innovative modular construction solutions through Bird’s valued partnership with Stack Modular. The Company’s teams in Manitoba and Ontario will bring together experience and local expertise, reaffirming Bird’s commitment to building meaningful partnerships with regional communities including engagement with local Indigenous communities.

COVID 19 AND COMPANY RESPONSE

On March 11, 2020 the World Health Organization ("WHO") declared COVID-19 a global pandemic ("COVID-19 pandemic" or "the pandemic"). Since the declaration, the Canadian construction industry has faced uncertainty as each provincial government has responded by implementing measures to address the public health threat. As this report is released, we are approaching the one-year anniversary since the pandemic began, and COVID-19 along with the variants of the virus that have emerged continues to be an important consideration; preventative safety measures remain in place and continue to vary from province to province as governments respond to fluctuations in case numbers. The duration of the pandemic and the associated impact to future financial and operational measures are unknown. As a result, the corresponding impacts to key variables including, our workforce, supply chain, project pursuit and awards cycle, and project site measures remain uncertain. The situation remains extremely fluid; however, the Company responded to the challenges presented in 2020 and is well positioned to continue responding to fluctuating scenarios in the year ahead.

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. The Company's COVID-19 response plan includes:

- 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.

Stuart Olson has exercised similar rigor in safety procedures both in the field and the office. Moving forward together, best practices will continue to be upheld and consistently applied between the two companies, while remaining in compliance with all provincial requirements.

At the onset of the pandemic, Bird took decisive measures to mitigate the uncertainty the pandemic presented. As such, the Company instituted a broad-based wage rollback starting mid-April through the end of May 2020 applicable to the Directors, executives and non-project related employees. Project-related employees were exempted from the wage rollback. The intent of the rollback was to avoid layoffs, where possible, thereby retaining its employees while ensuring its operations continued, its clients' needs were satisfied, and the Company remained financially healthy.

Construction was generally considered an essential service by most provincial governments and as a result of the assistance of the federal government through the CEWS program, Bird reinstated wages in full as of June 1, 2020 and implemented a "make-whole" provision in July to ensure its employees were fully reimbursed for their foregone remuneration. The Company generally maintained employment levels throughout the year with a few exceptions where some temporary layoffs were implemented on projects that were temporarily slowed down or suspended by the client or by a provincial government. Additionally, the Company reduced discretionary spending and deferred capital expenditures where possible out of an abundance of caution. All these efforts contributed to a strengthened financial position to withstand potential prolonged impacts of COVID-19.

For fiscal full-year 2020, management estimates that the business experienced a reduction in revenues of approximately $175 million with an associated decrease in profitability, as a direct result of the pandemic. This impact can be primarily attributed to delays in the conversion of some projects from Pending Backlog to Backlog, delays in project tenders and awards and was compounded by reduced productivity on project sites.

The Company, its executives and Directors want to acknowledge the continued efforts and sacrifices that our employees have made to ensure that the Company continues operating safely and effectively, while delivering upon its project commitments through these unprecedented times. Furthermore, given Bird employees' unwavering dedication to clients and their projects during these unprecedented times, the Board of Directors recently approved merit and promotional increases for the upcoming year.

ANNUAL RESULTS OF OPERATIONS

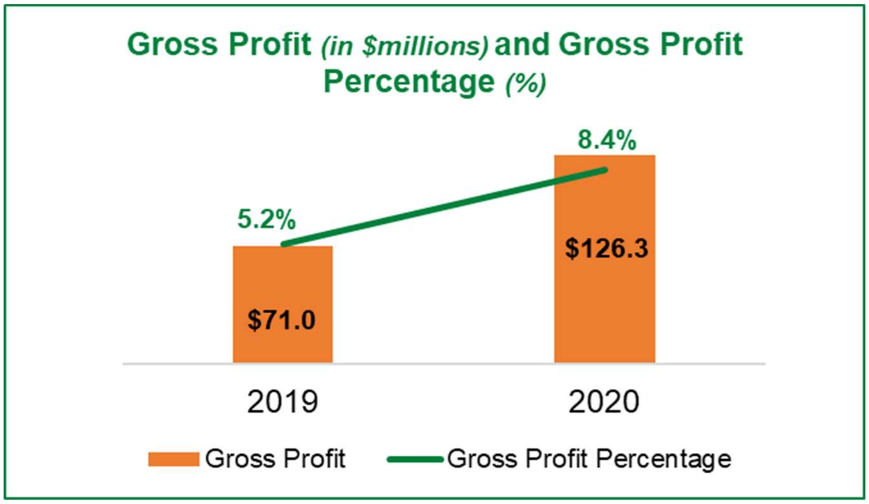
Consolidated Statement of Income and Additional Financial Indicators
(in thousands of Canadian dollars except per share amounts and percentages)

	For the year ended 2020	2019	% change
Construction revenue	$ **1,504,432**	$ 1,376,408	9.3%
Costs of construction	**1,378,132**	1,305,458	5.6%
Gross profit	**126,300**	70,950	78.0%
Income from equity accounted investments	**7,792**	2,693	189.3%
General and administrative expenses	**(78,777)**	(58,722)	34.2%
Income from operations	**55,315**	14,921	270.7%
Finance income	**1,511**	2,596	-41.8%
Finance and other costs	**(7,506)**	(5,558)	35.0%
Income before income taxes	**49,320**	11,959	312.4%
Income tax expense	**13,217**	2,475	434.0%
Net income for the period	$ **36,103**	$ 9,484	280.7%
Basic and diluted earnings per share	$ **0.80**	$ 0.22	263.6%
Adjusted Earnings(1)	$ **41,579**	$ 9,484	338.4%
Adjusted Earnings Per Share(1)	$ **0.92**	$ 0.22	318.2%
Adjusted EBITDA(1)	$ **81,937**	$ 32,292	153.7%
Adjusted EBITDA Margin(1)	**5.5%**	2.4%	131.9%

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

In fiscal 2020, the Company recorded net income of $36.1 million on construction revenue of $1,504.4 million compared with net income of $9.5 million on $1,376.4 million of construction revenue respectively in 2019. The year-over-year increase in revenue was driven by higher industrial project revenues, partially offset by lower revenues in commercial and institutional projects due to COVID-19 pandemic delays, as well as the contribution of revenue from Stuart Olson in 2020. Excluding the revenue contribution from Stuart Olson, the Company experienced a year-over-year revenue decline in the second, third and fourth quarters of 2020 attributable to the COVID-19 pandemic. The year-over-year increase in net income is reflective of the mix of the higher margin industrial work program, in addition to less margin erosion on a challenging PPP project in 2019, numerous cost containment efforts in response to the pandemic, as well as the inclusion of Stuart Olson net income in the fourth quarter. In fiscal 2020, Company recognized a pre-tax recovery of compensation expense of $24.8 million related to the CEWS program. Although the timing of recording the CEWS benefit was a significant factor affecting fourth quarter net income, on a full year basis CEWS did not fully offset the negative impact which COVID-19 had on revenues and margins.

The Company remains focused on investing in both people and technology and in diversifying its earnings base with a stronger margin profile. The mix of revenue in 2020 differs from that of 2019 as evidenced by the increase in the industrial work program relative to work performed in the institutional and commercial sectors. This trend is expected to continue into 2021. The institutional market sector contributed 37% of 2020 revenues (43% in 2019). The industrial market sector contributed 41% of 2020 revenues (39% in 2019). The retail and commercial sector contributed 22% of 2020 revenues (18% in 2019).



The Company's 2020 annual gross profit of $126.3 million was $55.3 million higher than the $71.0 million recorded for 2019. Gross Profit Percentage in 2020 was 8.4%, an increase of 325 basis points from fiscal 2019 Gross Profit Percentage of 5.2%. The increase in gross profit is due to a higher-margin work program as revenue continues to shift from institutional and commercial projects to a more balanced work program including industrial, which has a higher gross profit profile, as well as the contribution of fourth quarter gross profit from Stuart Olson. Fiscal 2020 gross profit includes a recovery of $21.2 million of compensation expense in costs of construction for the year ended December 31, 2020, under the CEWS program, increasing gross profit. An additional significant factor contributing to the year-over-year improvement in gross profit was the Company's increased contract pursuit selectivity in its institutional and PPP business, targeting lower risk opportunities best aligned with execution capabilities. Thereby avoiding notable underperforming contracts which resulted in headwinds to gross profit in recent years. 2019 gross profit was negatively impacted by a PPP project that incurred additional costs due to design-related scope growth and acceleration expenses.

Income from equity accounted investments in 2020 was $7.8 million, compared with $2.7 million in same period of 2019. The primary driver of the year-over-year increase was net gains on sale of certain investments in equity accounted entities of $3.1 million. In addition, equity income increased year-over-year from several equity accounted investments across Canada.

For the year ended December 31, 2020, general and administrative expenses of $78.8 million (5.2% of revenue) were $20.1 million higher than $58.7 million (4.3% of revenue) of general and administrative expenses in 2019. During the year, the Company had higher professional fees of $9.6 million (including $7.2 million related to acquisition and integration activities associated with the Stuart Olson transaction) and higher compensation costs of $8.9 million (net of $3.6 million related to cost recoveries from the CEWS program). Also driving the increase were higher amortization and depreciation of $4.8 million, higher foreign exchange costs of $0.5 million and higher technology related costs of $1.2 million. Partially offsetting the increases in expense were reduced PPP pursuit costs of $2.2 million, and lower travel, conference and other discretionary spend of $1.6 million as the Company managed this spending throughout the COVID-19 pandemic. In addition, gains on sale of property and equipment were $1.2 million higher than the amounts recorded in the prior year.

Finance income of $1.5 million in 2020 was lower than the $2.6 million recorded in the same period of 2019. Interest income earned on deposits has been impacted by lower variable interest rates in 2020.

Finance and other costs of $7.5 million were $1.9 million higher than the $5.6 million reported in 2019. The increase was due to $1.0 million higher interest expense on loans and borrowings and right of use liabilities,$1.5 million higher interest on non-recourse project financing, partially offset by the year-over-year gain on the Company's interest rate swaps as the mark-to-market loss was unwound at the end of the swap related to non-recourse project financing, and a reduction of other interest expenses of $0.6 million.

In 2020, income tax expense was $13.2 million, compared to $2.5 million recorded in 2019. The increase in income tax expense was in-line with the year-over-year improvement in income before taxes. In addition, certain expenses attributable to the acquisition of Stuart Olson are non-deductible for tax purposes, which increased the effective tax rate.

Adjusted Earnings and Adjusted Earnings Per Share for fiscal 2020 were $41.6 million and $0.92, respectively, compared with $9.5 million and $0.22 respectively, in fiscal 2019. The year-over-year increase in net income is reflective of the improvement in earnings attributable to the mix of the higher margin industrial work program and increased costs on a certain contract incurred in 2019 that did not recur in 2020, the inclusion of fourth quarter earnings from Stuart Olson, and the previously discussed pre-tax compensation cost recovery of $24.8 million related to CEWS.

Adjusted EBITDA for fiscal 2020 was $81.9 million compared to $32.3 million in the comparable period in 2019. Adjusted EBITDA Margin in 2020 was 5.5% and increased 310 basis points from the 2019 EBITDA margin of 2.4%. The year-over-year improvement was driven by an increase in gross profit due to the revenue mix, and the previously described PPP project, the Adjusted EBITDA contribution of Stuart Olson, and the previously discussed pre-tax compensation cost recovery of $24.8 million related to CEWS.

QUARTERLY RESULTS OF OPERATIONS

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

	For the three months ended		
	2020	2019	% change
Construction revenue	**$ 554,960**	$ 420,612	31.9%
Costs of construction	**493,426**	394,228	25.2%
Gross profit	**61,534**	26,384	133.2%
Income from equity accounted investments	**(189)**	739	-125.6%
General and administrative expenses	**(32,822)**	(16,302)	101.3%
Income from operations	**28,523**	10,821	163.6%
Finance income	**178**	769	-76.9%
Finance and other costs	**(1,731)**	(1,553)	11.5%
Income before income taxes	**26,970**	10,037	168.7%
Income tax expense	**6,436**	1,870	244.2%
Net income for the period	**$ 20,534**	$ 8,167	151.4%
Basic and diluted earnings per share	**$ 0.39**	$ 0.19	105.3%
Adjusted Earnings(1)	**$ 21,526**	$ 8,167	163.6%
Adjusted Earnings Per Share(1)	**$ 0.41**	$ 0.19	115.8%
Adjusted EBITDA(1)	**$ 40,011**	$ 16,012	149.9%
Adjusted EBITDA Margin(1)	**7.2%**	3.8%	89.2%

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

During the fourth quarter of 2020, the Company recorded net income of $20.5 million on construction revenue of $555.0 million compared with net income of $8.2 million on $420.6 million of construction revenue in 2019. The year-over-year increase of revenue in the fourth quarter of 31.9% was primarily driven by the inclusion of $237.6 million of fourth quarter revenue from Stuart Olson in 2020. The increase in fourth quarter revenue was partially offset by lower revenues in all work programs of legacy Bird due to delays in securing new projects and projects that have been temporarily delayed by clients as a result of the COVID-19 pandemic. The year-over-year increase in fourth quarter net income is primarily attributable to the inclusion of Stuart Olson and a pre-tax recovery of compensation costs of $21.7 million related to CEWS in the fourth quarter of 2020, of which approximately $11.6 million relates to the first nine months of 2020 ($0.4 million first quarter 2020, $3.8 million second quarter 2020, and $7.4 million third quarter 2020). This was partially offset by lower fourth quarter earnings in Bird's work program due to the effects of the COVID-19 pandemic and the stage of completion in certain industrial projects in the fourth quarter year-over-year. Although the timing of recording the CEWS benefit was a significant factor affecting fourth quarter net income, on a full year basis CEWS did not fully offset the negative impact which COVID-19 had on revenues and margins.

The Company's 2020 fourth quarter gross profit of $61.5 million was $35.1 million higher than the $26.4 million recorded a year ago. Gross Profit Percentage in the fourth quarter of 2020 was 11.1%, an increase of 482 basis points from 6.3% recorded a year ago. The increase in gross profit is due to the recovery of $18.7 million of compensation expense in costs of construction under the CEWS program and the inclusion of Stuart Olson results. This was partially offset by lower fourth quarter gross profit in Bird's work program due to project delays as a result of the COVID-19 pandemic and the stage of completion in certain industrial projects in the fourth quarter year-over-year.

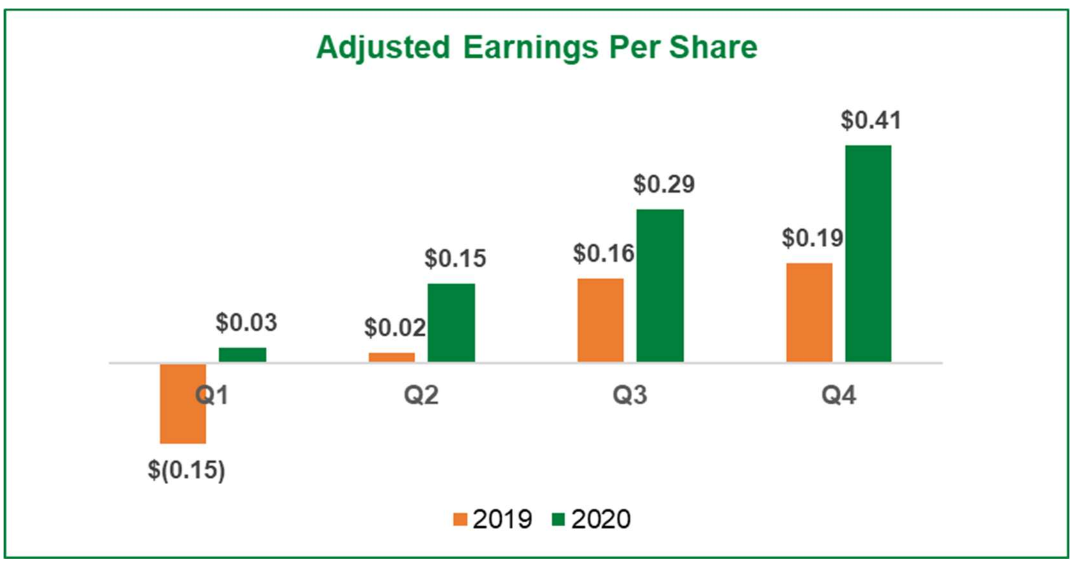
The loss from equity accounted investments in the fourth quarter of 2020 was $0.2 million, compared with $0.7 million of income in same period of 2019. The loss in the fourth quarter is primarily due to an equity loss on a project in Ontario.

In the fourth quarter of 2020, general and administrative expenses of $32.8 million (5.9% of revenue) were $16.5 million higher than $16.3 million (3.9% of revenue) in the corresponding period a year ago. The primary driver for the increase is the addition of Stuart Olson results in the fourth quarter of 2020. The Company incurred higher professional fees of $3.4 million (including $2.1 million related to acquisition and integration activities associated with the Stuart Olson transaction) and higher compensation costs of $9.5 million (net of $3.0 million related to cost recoveries from the CEWS program). Also driving the year-over-year increase were $4.7 million of higher amortization and depreciation costs and higher technology costs of $0.8 million. Partially offsetting the increase in expenses were $1.6 million lower pursuit costs, travel and other discretionary costs of $0.2 million, and lower foreign exchange expense of $0.1 million than the amounts recorded a year ago.

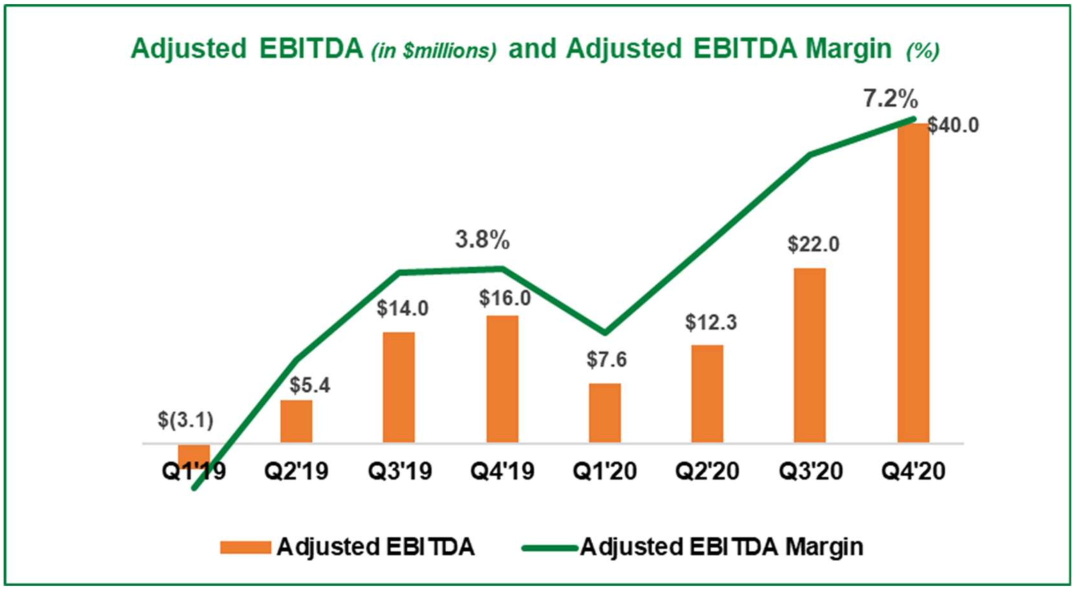
Finance income of $0.2 million in the fourth quarter of 2020 was lower than the $0.8 million recorded in the same period of 2019. Interest earned on average cash balances during the quarter was lower due to a reduction in cash held for joint operations as projects near completion compared to the prior year, combined with lower interest rates.

Finance and other costs of $1.7 million were comparable to the $1.6 million reported in the fourth quarter of 2019. In the fourth quarter, the $0.7 million higher interest expense on loans and borrowings and right of use liabilities was partially offset by $0.5 million lower interest on non-recourse project financing due to the repayment of the loan facility in the fourth quarter of 2020 as the Ontario Provincial Police ("OPP") Modernization Phase 2 project reached substantial completion.

In the fourth quarter of 2020, income tax expense was $6.4 million, compared to $1.9 million recorded in the fourth quarter of 2019. The increase in income tax expense was in-line with the improvement in year-over-year income before taxes. In addition, certain expenses attributable to the acquisition of Stuart Olson are non-deductible for tax purposes, which increased the effective tax rate.



Adjusted Earnings and Adjusted Earnings Per Share in the fourth quarter of 2020 were $21.5 million and $0.41, respectively, compared with Adjusted Earnings and Adjusted Earnings Per Share in the fourth quarter of 2019 of $8.2 million and $0.19, respectively. The year-over-year increase in fourth quarter Adjusted Earnings is reflective of the improvement in earnings due to compensation cost recoveries under the CEWS program and the inclusion of Stuart Olson's fourth quarter results.



Adjusted EBITDA and Adjusted EBITDA Margin in the fourth quarter of 2020 were $40.0 million and 7.2%, respectively. Adjusted EBITDA increased $24.0 million from the Adjusted EBITDA of $16.0 million in the fourth quarter of 2019. Adjusted EBITDA Margin increased 340 basis points from the Adjusted EBITDA margin of 3.8% recorded in the fourth quarter of 2019. The fourth quarter of 2020 includes $21.7 million related to CEWS. In addition, fourth quarter 2020 includes Adjusted EBITDA from Stuart Olson.

KEY PERFORMANCE INDICATORS

Securements, Pending Backlog and Backlog

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

The Company’s success in securing work is also reflected in the values of its Pending Backlog and Backlog. The following table shows the Company’s balances at December 31 of the current and prior reporting periods:

(in thousands of Canadian dollars)		2020		2019
Pending Backlog [1]	$	1,635,900	$	625,000
Backlog	$	2,682,498	$	1,547,427

(1) Pending Backlog does not have a standardized meaning under IFRS. See "Terminology and Non-GAAP Measures."

Pending Backlog at December 31, 2020 was approximately $1,635.9 million compared to $625.0 million at December 31, 2019. Pending Backlog now includes a greater proportion of Master Service Agreement ("MSA") contracts from Stuart Olson. These contracts are typically with industrial clients, that span multiple years for MRO services, and amount to $1,117.6 million, which represents a recurring revenue steam over the next one to six years. The Company expects to convert these MSAs to Backlog as purchase orders are received. The remaining projects comprising Pending Backlog are geographically diverse and span multiple sectors and contracting methods. Projecting the timing of converting these projects into contracts has become more difficult as a result of the pandemic and several have shifted later into 2021.

The Company's Backlog of $2,682.5 million at December 31, 2020 increased $1,135.1 million or 73.4% from December 31, 2019, mainly due to the acquisition of Stuart Olson which contributed $995.7 million of Backlog at acquisition date, primarily consisting of commercial and institutional projects.

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)		2020		2019
Opening balance	**$**	**1,547.4**	$	1,295.9
Business combination		**995.7**		-
Securement and change orders		**1,643.8**		1,627.9
Realized in construction revenues		**(1,504.4)**		(1,376.4)
Closing balance	**$**	**2,682.5**	$	1,547.4

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 outstanding commercial issues as they arise.

During 2020 the Company realized a Gross Profit Percentage of 8.4% compared with 5.2% in 2019. The significant year-over-year improvement is driven by the revenue mix, with a larger portion of revenue recognized from the Company's higher margin industrial work program, as well as the inclusion of the results of Stuart Olson. Recoveries from CEWS reduced compensation expense by $21.2 million or 1.4% of 2020 revenue. 2019 Gross Profit Percentage was also negatively impacted by a PPP project that incurred additional costs due to design-related scope growth and acceleration expenses. There were substantial changes to the scope of the project requested by the client that are in commercial negotiation. This PPP project achieved substantial performance in the first quarter of 2020.

Financial Condition

The Company must have adequate working capital and equity retained in the business to support its ongoing operations, including surety and contract security requirements. The Company continually monitors the adequacy of its working capital and equity to satisfy contract security needs. The following table shows the working capital and shareholders' equity balances of the Company at December 31 of the current and prior reporting periods:

(in thousands of Canadian dollars)		**2020**		2019
Working capital	**$**	**135,514**	$	80,503
Shareholders' equity	**$**	**212,610**	$	127,720

At December 31, 2020, the Company had working capital of $135.5 million compared with $80.5 million at December 31, 2019, an increase of $55.0 million, mainly related to the acquisition of Stuart Olson, which added $38.1 million of working capital. The $16.9 million remaining increase is primarily the result of the Company's net income of $36.1 million exceeding the $17.6 million of dividends by $18.5 million. In addition, there was a decrease in non-cash assets comprised of $5.1 million of investments in equity accounted entities offset by the decrease in non-current liabilities of $3.5 million.

The $84.9 million increase in the Company's shareholders' equity since December 31, 2019 was primarily the result of the $65.5 million of common shares issued as part of the Stuart Olson acquisition and net income of $36.1 million, partially offset by $17.9 million dividends declared.

As a result of the strength of the Company's balance sheet, the Company believes it has sufficient amounts of both working capital and equity to execute on its diversified work program and to accommodate expected growth in that work program during 2021.

Safety

Bird’s approach to safety continues to evolve 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 hazards and risks is incorporated into every aspect of operations. This is a cornerstone of the Company’s operational philosophy and approach.

Ensuring that all workers leave the jobsite everyday just as healthy and safe as when they arrived is a shared commitment and by working collaboratively with employees and subcontractors 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 our client’s satisfaction. Bird believes this shared commitment is critical to its overall success.

Through robust orientation and training programs and ongoing communication and engagement activities, the Company encourages all workers to actively contribute to ongoing efforts to continuously improve not only the safety program, but overall collaboration and effectiveness. In this way, Bird’s workers not only leave work healthy and safe every day, but in doing so, help contribute to the Company’s overall operational excellence.

At Bird, Personal Ownership is not just a vision or a philosophy, it is a daily routine practiced with discipline and rigor on all Bird job sites.

	2020	2019
Person-hours of work	**5,641,819**	3,943,846
Lost time incidents ("LTI")	**1**	0
Lost time incidents frequency ("LTIF")	**0.04**	0.00

OUTLOOK

The Company had a strong finish to 2020 with financial performance surpassing fourth quarter and full-year 2019 results. Faced with significant uncertainty at the onset of the pandemic, the Company took prudent measures to ensure it remained financially stable. A healthy Backlog and cash position at the start of 2020, coupled with strong financial and disciplined operational performance not only allowed Bird to perform well, but also permitted the Company to undertake the significant and transformational acquisition of Stuart Olson that was completed in the third quarter of 2020.

Given Bird's significant financial strength prior to the declaration of the pandemic, the Company completed the largest and most transformative transaction in the Company's 100-year history. Since closing the transaction, the integration of the two companies is well underway. The newly combined Bird team is sharing best practices and is expected to harmonize under one common employee benefits program, share purchase plan and a Company-matched registered retirement savings plan commencing in the second quarter of 2021. Integration planning targets set for the first 100 days have been achieved and the Company is on track to attain the previously stated \$25.0 million in cost synergies by the end of 2021. The Company has set in motion \$6.9 million of the \$10.0 million in EBITDA synergies and has realized the full annualized interest and depreciation and amortization savings of \$10.0 million and \$5.0 million, respectively. Management has also identified cross-selling opportunities which it is exploring and are expected to accelerate in the coming years. Stuart Olson contributed to the Company's net income in its first full quarter as part of the Company and the combination of its strong core business, and both expected revenue and expense synergies from combination with the Bird core businesses, are expected to be accretive to net income per share in 2021 and beyond. The addition of Stuart Olson is also supportive of the Company's strategy of diversification into lower risk and sustainable income streams.

Similar to the start of fiscal 2020, the Company started fiscal 2021 with both a strong Backlog and cash position. At December 31, 2020, Backlog stood at \$2.7 billion, with an additional \$1.6 billion classified as Pending Backlog, while cash and cash equivalents were \$212.1 million, of which \$96.7 million was accessible. The Company expects to recognize 59% of Backlog to revenue over the next twelve months, with the balance to convert beyond that period. This expectation is based on management's best estimate but contains uncertainty as it is subject to factors outside of management's control. Management has increased confidence in the acquired Backlog and the overall embedded margins and risk profile, noting the Company made necessary contingencies at the time of acquisition.

A key focus of the Company has been to ensure it has an appropriately balanced risk profile of Backlog through disciplined project selection. The acquired Backlog further reduces this risk profile, but also slightly reduces the embedded Backlog margin. As the impacts from the pandemic subside, the Company anticipates the margin profile of the Backlog to increase in a rebounding economy. With the acquisition of Stuart Olson, the overall Backlog is now more diversified across a broad range of markets and contracting methods. The Company expects the proportion of revenue earned from higher risk contract types to remain low in 2021 when compared to previous years. This reduced risk profile is inherently accompanied by a lower Backlog margin profile in components of the Stuart Olson Backlog and, as such, will slightly reduce the combined company's margin profile in the near-term when compared to 2020. Despite this dynamic, the addition of Stuart Olson contributed positively to profitability in the fourth quarter of 2020. As always, Bird will take a disciplined approach in matching available talent to the risk profile of a project and overall work program to mitigate risk.

The second wave of the pandemic further pushed projects in the pursuit pipeline out to later dates and has resulted in delays in the conversion of some projects in Pending Backlog into Backlog. Additionally, Bird has seen delays in project tenders and awards from clients, and experienced reduced productivity on project sites as a result of increased safety protocols implemented during the first wave of the pandemic. Throughout 2020, the Company experienced delays in smaller sized or short-term projects in locations such as Manitoba and Atlantic Canada, and more recently in the first quarter of 2021 had several large projects in British Columbia impacted when the BC Public Health Office implemented worksite protocols limiting the number of employees on project sites. Consequently, and while timing remains uncertain, the Company anticipates governmental restrictions will further result in project delays in the first half of 2021, shifting portions of the work program into the back half of the year and into 2022, which will negatively impact both revenue and gross profit in the year. In addition, the Company does not anticipate that it will qualify to the same extent from the CEWS program in 2021 as it did in 2020 based on the updated criteria put in place through June 2021 by the federal government. This will place downward pressure on profitability margin percentages on a year-over-year basis as the Company expects to maintain its workforce. The Company is well-positioned to benefit from government stimulus spending, given its expanded capabilities, and will closely monitor projects as they are announced.

With the ***Build Bird*** five-year strategic plan nearing completion, the Company plans to release a new three-year strategic plan in 2021. Bird is committed to prioritizing sustainability and its Sustainability Overview can be viewed in the 2020 Annual Report.

As always, Bird remains committed to building long-term shareholder value through sustainable profitable growth as management remains focused on managing the overall risk profile of its Backlog while looking to improve the margin profile of the newly combined entity, which is a key area of focus for the Company moving forward. From a capital allocation standpoint, the Company will continue to pursue a balanced mandate. In the short-term, Management expects to deploy cash generated in operating activities towards strengthening its balance sheet, which will position the Company to successfully capitalize on both organic and inorganic growth opportunities as they arise. The acquisition of Stuart Olson creates additional opportunity for our people and our customers, and Bird is well-positioned to play a major role in the Canadian construction industry with the potential to create long-term value for all stakeholders for decades to come.

CAPABILITY TO DELIVER RESULTS

Productive capacity relates to the financial and non-financial resources available to the Company to execute its strategy and achieve planned results. From a financial perspective, the Company believes it has sufficient working capital and access to operating lines of credit to execute its current operational and growth 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. 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 December 31 of the current and prior reporting periods:

(in thousands of Canadian dollars)	2020	2019
Cash and cash equivalents	$ 212,068	$ 180,334
Non-cash working capital	(76,554)	(99,831)
Working capital	135,514	80,503
Non-current loans and borrowings	64,903	34,738
Non-current right-of-use liabilities	59,327	23,075
Shareholders' equity	212,610	127,720

As a result of the strength of the Company's balance sheet, the Company believes it has sufficient amounts of both working capital and liquidity to execute its Backlog and to accommodate expected growth in its diversified work program during 2021.

As a component of working capital, the Company maintains a balance of cash and cash equivalents. At December 31, 2020, this balance totalled $212.1 million. Included in cash and cash equivalents was $60.2 million of cash in special purpose joint operation bank accounts ($134.0 million at December 31, 2019). Cash and cash equivalents generally available for operations at December 31, 2020 was $96.7 million ($36.1 million at December 31, 2019) with the remainder held in trust or joint operations accounts.

Non-cash working capital was in a net liability position of $76.6 million at December 31, 2020, compared to a net liability position of $99.8 million at December 31, 2019.

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

At December 31, 2020, the Company had working capital of $135.5 million compared with $80.5 million at December 31, 2019, an increase of $55.0 million, mainly related to the acquisition of Stuart Olson, which added $38.1 million of working capital. The $16.9 million remaining increase is primarily the result of the Company's net income $36.1 million exceeding the $17.6 million of dividends by $18.5 million. In addition, there was decrease in non-cash assets comprising of a $5.1 million investments in equity accounted entities offset by the decrease in non-current liabilities of $3.5 million.

Credit Facilities

During the fourth quarter of 2020, the Company entered into a three-year, $200.0 million committed, syndicated credit facility. The Company is well-served by its long-held philosophy of maintaining a strong balance sheet and, as a result, is well-positioned to weather these uncertain times with $96.7 million of accessible cash and cash equivalents (excluding cash held in joint ventures and trust accounts) and $167.3 million of capacity available via its syndicated credit facility, providing adequate liquidity. The Company has also worked closely with Export Development Canada ("EDC") and has increased its Account Performance Security Guarantee ("APSG") limit from $25 million to $75 million, which increased liquidity for the Company. Despite the negative financial impacts from the COVID-19 pandemic in 2020, the Company has sufficient funding to meet its foreseeable operating requirements and expects to remain in compliance with all banking covenants.

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

Syndicated Credit Facility

- **Committed revolving credit facility**

  As part of the Syndicated facility, the Company replaced its previous committed revolving operating credit facility of $85.0 million at December 31, 2019, which had increased to $100.0 million during the third quarter of 2020, with a $165.0 million committed revolving credit facility. The $165.0 million committed revolving credit facility matures December 7, 2023. As part of the agreement, the Company provides a general secured interest in the assets of the Company.

  At December 31, 2020, the Company has $22.7 million in letters of credit outstanding and has drawn $25.0 million on this facility. The $25.0 million draw is presented as long-term loans and borrowings on the Company's statement of financial 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. The Company was in full compliance with its covenants under each respective facility as at December 31, 2020 and 2019. Draws of $25.0 million (December 31, 2019 - $15.0 million) on the previous committed revolving operating credit facility were repaid in full in 2020.

- **Committed non-revolving term debt facility**

  As part of the Syndicated facility, the Company replaced its previous $35.0 million committed, term debt revolving facility with a committed non-revolving term loan facility totalling $35.0 million. As of December 31, 2020, the Company has drawn $35.0 million to finance the acquisition of Stuart Olson. The loan has scheduled repayments due quarterly until the maturity date of September 24, 2028. 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. Draws of $26.3 million (December 31, 2019 - $10.0 million) on the previous committed revolving term loan facility were repaid in full in 2020.

- **Accordion**

  The Company has an accordion of up to an additional $50.0 million to increase the limit of the committed revolving credit facility and the committed non-revolving term debt facility. The aggregate increase to the committed revolving credit facility and committed non-revolving term debt facility may not exceed the combined $50.0 million.

The Company was in full compliance with its covenants under each respective facility as at December 31, 2020 and 2019.

Letters of Credit Facilities

The Company has available $125.0 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, 2020, the Company has $44.5 million in letters of credit outstanding on these facilities (December 31, 2019 - $6.6 million).

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

Letters of credit are typically issued to support the Company's performance obligations relating to PPP and other 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 December 31 of the current and prior reporting periods:

(in thousands of Canadian dollars)		2020		2019
Committed revolving credit facility	$	**165,000**	$	85,000
Letters of credit issued from committed revolving credit facility		**22,702**		28,504
Drawn from committed revolving credit facility		**25,000**		15,000
Available committed revolving credit facility		**117,298**		41,496
Committed non-revolving term debt facility	$	**35,000**	$	35,000
Drawn from committed revolving term loan facility		**35,000**		10,000
Available committed revolving term loan facility		**-**		25,000
Accordion	$	**50,000**	$	-
Drawn from Accordion		**-**		-
Available Accordion		**50,000**		-
Letters of credit facilities		**125,000**		80,000
Letters of credit issued from letters of credit facilities		**44,490**		6,559
Available letters of credit facilities	$	**80,510**	$	73,441
Collateral pledged to support letters of credit	$	**139**	$	139
Guarantees provided by EDC	$	**44,353**	$	6,421

Equipment Financing

The Company and its subsidiaries have term credit facilities of up to $40.0 million to be used to finance equipment purchases. Borrowings under the facilities are secured with a first charge on the equipment being financed. As of December 31, 2020, there is $9.2 million outstanding on the facilities of which $0.6 million is classified as ROU liabilities (December 31, 2019 - $12.4 million of which $2.7 million is classified as ROU liabilities). Interest on the facilities can be charged at a fixed rate based on the Bank of Canada bond rate plus a spread. Interest is paid monthly in arrears.

The Company also has multiple, fixed interest rate, term loans which were used to finance equipment purchases. At December 31, 2020, the balance outstanding on these term loans amounted to $3,639 (December 31, 2019 - $5,946). Principal and interest are payable monthly, and these term loans are secured by specific equipment of the Company.

The Company's total lease commitments are outlined under Contractual Obligations.

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

Cash Flow Data

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

(in thousands of Canadian dollars)	(unaudited) Quarter ended December 31, 2020	2019	Year ended December 31, 2020	2019
Cash flows from operations before changes in non-cash working capital	$ **39,806**	$ 15,525	$ **71,696**	$ 30,201
Changes in contract assets - alternative finance projects	**139,980**	(28,367)	**75,067**	(68,054)
Changes in non-cash working capital and other	**19,145**	67,546	**(17,816)**	(223)
Cash flows from (used in) operating activities	**198,931**	54,704	**128,947**	(38,076)
Investments in equity accounted entities	**(307)**	112	**(5,088)**	-
Capital distributions from equity accounted entities	**1,653**	353	**5,523**	1,846
Proceeds on sale of investment in equity accounted entities	**-**	-	**11,034**	-
Additions to property, equipment and intangible assets	**(6,068)**	(2,807)	**(14,227)**	(14,431)
Proceeds on sale of property and equipment	**2,843**	733	**9,211**	2,661
Acquisition of Stuart Olson	**-**	-	**(59,960)**	-
Other	**(1,134)**	(244)	**(392)**	1,705
Cash flows from (used in) investing activities	**(3,013)**	(1,853)	**(53,899)**	(8,219)
Proceeds from issue of common shares	**-**	-	**39,876**	-
Dividends paid on shares	**(5,171)**	(4,145)	**(17,607)**	(16,582)
Proceeds from non-recourse project financing	**1,891**	29,039	**46,782**	72,832
Repayment of non-recourse project financing	**(131,849)**	-	**(131,849)**	-
Proceeds from loans and borrowings	**26,376**	10,000	**88,283**	24,536
Repayment of loans and borrowings	**(26,684)**	(1,507)	**(56,658)**	(5,113)
Repayment of right-of-use liabilities	**(5,589)**	(2,406)	**(12,110)**	(7,615)
Cash flows from (used in) financing activities	**(141,026)**	30,981	**(43,283)**	68,058
Increase in cash and cash equivalents	$ **54,892**	$ 83,832	$ **31,765**	$ 21,763

Operating Activities

During fiscal 2020, cash flows from operating activities generated cash of $128.9 million compared with cash used of $38.1 million in 2019.

Cash flows from operations before changes in non-cash working capital of $71.7 million increased $41.5 million year-over-year from the $30.2 million cash generated in 2019 primarily due to the $26.6 million improvement in net income, a $10.7 million higher non-cash addback of income tax expense year-over-year, a $5.9 million higher non-cash addback of amortization and depreciation expense year-over-year, a $1.9 million higher non-cash addback of finance and other costs and a $1.5 million higher non-cash addback of deferred compensation, partially offset by $5.1 million higher non-cash reduction for income from equity accounted investments.

Changes in contract assets – alternative finance projects in 2020 increased $143.1 million of cash year-over-year. This inflow of cash was partially offset by the $131.8 million of repayment of non-recourse project financing during the fourth quarter of 2020. The activity in 2019 and 2020 relates to the OPP Modernization Phase 2 alternative finance project. The OPP Modernization project had increased construction activity throughout 2019 and most of 2020 and the resultant contract asset balance increased until the project was completed and billed to the client. The project obtained 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.

During 2020, the $17.6 million year-over-year decrease in cash from changes in non-cash working capital and other was primarily due to a $155.2 million increase in accounts receivable and contract assets, collection of other assets of $6.0 million, partially offset by a $119.9 million increase in accounts payable and a $45.7 million decrease in contract liabilities. During 2019, the primary drivers of the $0.2 million decrease in cash from the changes in non-cash working capital and other was a $36.6 million increase in accounts payable, a $52.1 million increase in contract liabilities and partially offset by a $75.5 million decrease in accounts receivable and contract assets.

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 2020, the Company used $53.9 million of cash from investing activities compared to the $8.2 million used in 2019. In 2020, the Company used $60.0 million of cash in the acquisition of Stuart Olson. In addition, the Company received proceeds of $11.0 million from the sale of its investment in equity accounted entities, as well as incremental distributions from equity investments of $3.7 million, which was partially offset by the additional investments in equity accounted entities of $5.5 million. The Company also benefited from higher proceeds from the sale of equipment of $6.5 million compared to the same period in 2019. This was offset by lower proceeds from the maturity of short-term investments of $1.7 million in 2019.

Financing Activities

During 2020, the Company used $43.3 million of cash from financing activities compared to $68.1 million generated in 2019. The year-over-year change is primarily driven by the previously described $131.8 million of repayment of non-recourse project financing during the fourth quarter of 2020, proceeds of $39.9 million from the issuance of common shares related to the acquisition of Stuart Olson, and higher proceeds of $63.7 million of loans and borrowings. This was partially offset by repayment of loans and borrowings and right-of-use liabilities that were $56.0 million higher than the same period in 2019.

CONTRACTUAL OBLIGATIONS

At December 31, 2020, the Company has future contractual obligations of $653.5 million. Obligations for accounts payable, right-of-use liabilities and loans and borrowings, including principal and estimated interest, over the next five years and thereafter are:

(in thousands of Canadian dollars)		Carrying amount	Contractual cash flows	Not later than 1 year	2 - 3 years	4 - 5 years	Later than 5 years
Accounts payable	$	**490,470**	**490,470**	479,189	11,281	-	-
Dividends payable		**1,724**	**1,724**	1,724	-	-	-
ROU liabilities		**78,075**	**87,881**	20,646	32,762	18,860	15,613
Committed revolving credit facility		**25,000**	**25,000**	-	25,000	-	-
Committed non-revolving term loan		**35,000**	**35,000**	1,750	8,750	9,800	14,700
Equipment financing		**12,315**	**12,807**	5,973	6,066	768	-
Note payable		**598**	**598**	598	-	-	-
	$	**643,182**	**653,480**	509,880	83,859	29,428	30,313

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 on non-recourse project financing and Total Return Swap ("TRS") derivative contracts for the purpose of managing its exposure to changes in the fair value of its share-based compensation programs due to changes in the Company's share price. The Company does not employ hedge accounting for any of its derivative contracts currently in place. The Company does not hold or use any derivative instruments for trading or speculative purposes. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews corporate policies on an ongoing basis. The financial instruments that Bird uses expose the Company to credit, liquidity, market and currency risks. Refer to Note 31 of the December 31, 2020 consolidated financial statements for further details.

Credit Risk

The Company is primarily exposed to credit risk through accounts receivable. Before entering into any construction contract and during the course of the construction project, the Company goes to considerable lengths to satisfy itself that the customer has adequate resources to fulfil its contractual payment obligations as construction work is completed. If a customer was unable or unwilling to pay the amount owing, the Company will generally have a right to register a lien against the project that will normally provide some security that the amount owed would be realized. The Company reviews impairment of its accounts receivable at each reporting period and reviews the provision for doubtful accounts for expected future credit losses. The Company takes into consideration the customer's payment history, creditworthiness, and the current economic environment in which the customer operates, to assess impairment. In determining the quality of accounts receivable, the Company considers any change in the credit quality of customers from the date credit was initially granted up to the end of the reporting period. As at December 31, 2020, the Company had $57.3 million of accounts receivable (December 31, 2019 – $45.6 million) which were greater than 90 days past due, with $1.5 million provided for as at December 31, 2020 (December 31, 2019 – $1.5 million). The provision for doubtful accounts has been included in general and administrative expense in the statement of income and is net of any recoveries that were provided for in a prior period. Management is not concerned about the credit quality and collectability of these accounts, as the Company's customers are predominantly large in scale and of high creditworthiness, and the concentration of credit risk is limited due to the Company's sizeable and unrelated customer base.

Liquidity Risk

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

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and corporate bond yields, will affect the Company's income or the value of its holdings in liquid securities. The Company is exposed to interest rate risk to the extent that its credit facilities and TRS derivatives are based on variable rates of interest. The Company has certain share-based compensation plans, whereby the values are based on the common share price of the Company. The Company has fixed a portion of the settlement costs of these plans by entering into various TRS derivative contracts.

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. The Company's exposure to currency risk is not significant.

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	2020	2019
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 9, 2021, the Board of Directors has declared eligible dividends with a record date subsequent to December 31, 2020 for the following months:

Eligible dividends declared	Record date	Payment date	Dividend per share
January dividend	January 29, 2021	February 19, 2021	$0.0325
February dividend	February 26, 2021	March 19, 2021	$0.0325
March dividend	March 31, 2021	April 20, 2021	$0.0325
April dividend	April 30, 2021	May 20,2021	$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 53,038,929 common shares outstanding at December 31, 2020 (December 31, 2019 - 42,516,853).

At December 31, 2020 there are nil stock options outstanding (December 31, 2019 – 100,000). With the approval of the Equity Incentive Plan (EIP) in May 2017, the Board of Directors resolved to suspend the stock option plan.

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 $93.4 million at December 31, 2020 (December 31, 2019 - $56.6 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 33 of the December 31, 2020 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 34 of the December 31, 2020 consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

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.

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 during 2020.

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

	2019				**2020**			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	**Q4**
Revenue	$ 261,777	$ 315,428	$ 378,591	$ 420,612	$ 321,646	$ 282,766	$ 345,060	**$ 554,960**
Net income (loss)	(6,466)	1,001	6,782	8,167	1,123	5,624	8,822	**20,534**
Earnings (loss) per share	(0.15)	0.02	0.16	0.19	0.03	0.13	0.20	**0.39**
Adjusted Earnings(1)	(6,466)	1,001	6,782	8,167	1,123	6,566	12,364	**21,526**
Adjusted Earnings Per Share(1)	(0.15)	0.02	0.16	0.19	0.03	0.15	0.29	**0.41**
Adjusted EBITDA(1)	(3,132)	5,447	14,021	16,012	7,562	12,328	22,036	**40,011**

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

ACCOUNTING POLICIES

The Company's significant accounting policies are outlined in the notes to the audited Consolidated Financial Statements for the year ended December 31, 2020.

New Accounting Standards, Amendments and Interpretations Adopted

Amendments to IFRS 3 – Definition of a Business

On October 22, 2018, the IASB issued amendments to IFRS 3 Business Combinations that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The definition of a business is narrower which could result in fewer business combinations being recognized. The Company adopted the amendments to IFRS 3 on a prospective basis on January 1, 2020. The adoption of the amendments to IFRS 3 did not have an 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, 2021 and have not been applied in preparing the financial statements for the year ended December 31, 2020. These standards and interpretations are not expected to have a material impact on the Company's financial statements. The following standard is applicable to the Company:

Amendments to IFRS 16 *Leases*

On May 28, 2020, the IASB issued COVID-19-Related Rent Concessions (Amendment to IFRS 16). The amendments are effective for annual periods beginning on or after June 1, 2020. Early adoption is permitted.

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The Company will adopt the amendments to IFRS 16 on a prospective basis and the amendments are not expected to have a material impact on the 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

On March 11, 2020 the WHO declared COVID-19 a global pandemic. Since the declaration, the Canadian construction industry has faced uncertainty as each provincial government has responded by implementing social and work restrictions to address the public health threat. COVID-19, along with the variants of the virus that have emerged, continue to have a significant negative impact on the global and Canadian economy and preventative safety measures remain in place and continue to vary from province to province as governments respond to fluctuations in case numbers.

Due to the impact of the COVID-19 pandemic on both current and future market conditions and the economic environment, there is significant uncertainty and complexity in respect of certain judgements, estimates and assumptions used in the preparation of these financial statements. These include the amount of CEWS the Company has accrued or may qualify for in the future, project timing and progress, future contract awards, and collectability of accounts receivable and contract assets. The Company's operations could be impacted from disruptions to projects, the supply chain and shortages of labour. In addition, several projects that were expected to be awarded and secured have been delayed, suspended, or cancelled, and this could continue as a result of the pandemic. The future effectiveness of the Company's business continuity plan and various safety and austerity measures implemented is also subject to uncertainty.

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 17 of the December 31, 2020 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 22 of the December 31, 2020 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

Controls & Procedures

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

The controls and procedures set out below are limited to Bird companies and do not include controls, policies and procedures for Stuart Olson, acquired on September 25, 2020.

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.

In accordance with NI 52-109, an evaluation of the design and operational effectiveness of the disclosure controls and procedures was carried out under the supervision of management, including the CEO and CFOas of December 31, 2020. Based on their evaluations, the CEO and CFO have concluded that the disclosure controls and procedures were designed and operating effectively as at December 31, 2020.

Internal Control 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.

Under the supervision and with the participation of management, including the CEO and CFO, the design and operational effectiveness of our internal controls over financial reporting were evaluated using the control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control – Integrated Framework (2013). The evaluation included documentation review, enquiries, testing and other procedures considered by management to be appropriate. In accordance with NI 52-109, the CEO and CFO have concluded that the internal controls over financial reporting were designed and operating effectively, as at December 31, 2020.

Material Changes to Internal Controls over Financial Reporting

There have been no material changes in the Company's internal control over financial reporting during the period beginning on January 1, 2020 and ending on December 31, 2020 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS RELATING TO THE BUSINESS

The following discussion addresses the more significant risk factors relating to the business. For a detailed discussion of all risk factors relating to the business, refer to the Company's most recently filed Annual Information Form dated March 9, 2021 which is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. 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

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 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. A global pandemic can result in widespread illnesses and even 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 would be limited. In such circumstances, the Company could suffer significant financial losses and a deterioration in its creditworthiness and therefore have a material adverse effect on the Company.

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.

The Company has a 50% interest in Stack, which is based in China. There is uncertainty around how the recent geopolitical tensions between China and Canada may affect the Company's investment.

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, which is an attractive market for the Company. A reduction in the popularity of this procurement method or difficulties in obtaining financing for these projects would have negative consequences for Bird.

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 judgments 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 judgments, 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. 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.

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.

PPP Project Risk

Bird is selective in the PPP market. Bird's role in these projects is typically to provide design-build services to a concession that is formed to provide design, construction, financing, and management and/or operations to a public authority. Typical in the design-build contract format are performance guarantees and design-build risks. Moreover, the performance guarantees on PPP projects often include responsibility for the energy performance of the facility and achievement of environmental standards. If Bird fails to meet the required standards, it may be liable for substantial penalties and damages.

The PPP design-build contracts entered into by Bird also typically require Bird to pay significant liquidated damages and/or other penalties and damages if the projects are not completed on schedule.

The PPP procurement model also typically results in the transfer of certain risks to the contractor beyond what would be the case for a similar facility under a conventionally non-PPP procurement model. These include responsibility and potential liability for matters such as changes in law and certain force majeure and delay events. In addition, if Bird's contract was terminated for cause, the Company would be exposed to substantial liability for breakage costs to the concession and its lenders.

The security required to support the obligations that the Company undertakes on these projects typically includes substantial letters of credit which may be drawn upon in the event the Company fails to meet its obligations.

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 in 2020 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. In the fall of 2019, Bird Construction responded to a cyber incident that resulted in the encryption of Company files. Bird continued to function with no business impact, as management worked with leading cyber security experts to restore access to the affected files. At the time, the Company disclosed the incident on our website and notified appropriate authorities.

Integration Risk

With the completion of the Stuart Olson transaction, integration will be key to gaining the cost, revenue and strategic synergies anticipated. Failure to adequately address differences in technology, culture, customers, projects, or other issues could negatively affect financial performance.

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 in countries or regions 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 we may continue to see 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 arising from either late completion penalties imposed by the contract or from the incremental costs arising from loss of productivity, compressed schedules, or from overtime work utilized to offset the time lost due to adverse weather and additional costs to modify means and methods to perform work in unanticipated weather.

TERMINOLOGY & NON GAAP MEASURES

Terminology

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

- **"Backlog"** (also referred to in the construction industry as "work on hand") is the total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the date of the most recently completed quarter. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course. It includes all the Company's remaining performance obligations in its contracts with its clients, including work orders issued from MSAs related to MRO services. It does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders to be performed as part of master services agreements. The Company's Backlog equates to the Company's remaining performance obligations as at December 31, 2020 and December 31, 2019; refer to Note 10 of the December 31, 2020 consolidated financial statements.

- **"Pending Backlog"** is the total potential revenue of awarded but not contracted projects including where the Company has been named preferred proponent, where a contract has not been executed and where the letter of intent or agreement received is non-binding. It may also include amounts for agency relationship construction management projects, pre-construction activities and estimated future work orders to be performed as part of MSAs. Management does not provide any assurance that a contract will be finalized, or revenue recognized in the future. Management uses Pending Backlog to assess the future operating performance of its business. Management believes that investors and analysts use this measure, as it may provide predictive value to assess the ongoing operations of the business and a more consistent comparison between financial reporting periods. Pending Backlog cannot be reconciled to any IFRS measure.

- **"Gross Profit Percentage"** is the percentage derived by dividing gross profit by construction revenue. Gross profit is calculated by subtracting construction costs from construction revenue. Management uses Gross Profit Percentage as a measure of the profitability of the core operations of its operating groups and consolidated business.

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

Non-GAAP Measures

Throughout this MD&A certain measures are used that, while common in the construction industry, do not have a standardized meaning prescribed by IFRS and are considered non-GAAP measures. The non-GAAP measures used are: Adjusted Earnings, Adjusted Earnings Per Share, Adjusted EBITDA and Adjusted EBITDA Margin. Therefore, these measures may not be comparable with similar measures presented by other companies.

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

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

	2020	2019	2018
Net income	$ **36,103**	$ 9,484	$ (1,013)
Add: Acquisition and integration costs	**7,236**	-	-
Add: Restructuring costs [1]	-	-	-
Income tax effect of the above costs	**(1,760)**	-	-
Adjusted Earnings	$ **41,579**	$ 9,484	$ (1,013)
Adjusted Earnings Per Share [2]	$ **0.92**	$ 0.22	$ (0.02)

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

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

	For the three months ended December 31,	
	2020	2019
Net income	$ **20,534**	$ 8,167
Add: Acquisition and integration costs	**2,125**	-
Add: Restructuring costs [1]	-	-
Income tax effect of the above costs	**(1,133)**	-
Adjusted Earnings	$ **21,526**	$ 8,167
Adjusted Earnings Per Share [2]	$ **0.41**	$ 0.19

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

- **"Adjusted Earnings Per Share"** is calculated by dividing Adjusted Earnings by the basic weighted average number of shares.

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

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

	2020	2019	2018
Income from operations	$ 55,315	$ 14,921	$ 551
Add: Depreciation and amortization	21,702	15,814	11,236
Add: Loss (gain) on sale of property and equipment	(2,359)	(1,346)	(873)
Add: Restructuring costs [1]	-	-	-
Add: Restructuring and severance costs [2]	43	2,903	-
Add: Acquisition and Integration costs	7,236	-	-
Adjusted EBITDA	$ 81,937	$ 32,292	$ 10,914
Adjusted EBITDA Margin [3]	5.5%	2.4%	0.8%

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)

	For the three months ended December 31,	
	2020	2019
Income from operations	$ 28,523	$ 10,821
Add: Depreciation and amortization	9,959	4,468
Add: Loss (gain) on sale of property and equipment	(639)	(255)
Add: Restructuring costs [1]	-	-
Add: Restructuring and severance costs [2]	43	978
Add: Acquisition and Integration costs	2,125	-
Adjusted EBITDA	$ 40,011	$ 16,012
Adjusted EBITDA Margin [3]	7.2%	3.8%

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.

- **"Adjusted EBITDA Margin"** is the percentage derived by dividing Adjusted EBITDA 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 news release contains forward-looking statements concerning: the anticipated benefits of the acquisition to Bird, its shareholders and all other stakeholders, including anticipated synergies; and the plans and strategic priorities of the combined company.

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

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. 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 and Stuart Olson operate in general such as:

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

The forward-looking statements in this MD&A should not be interpreted as providing a full assessment or reflection of the unprecedented impacts of the recent COVID-19 pandemic ("COVID-19") 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; Stuart Olson's Annual Information Form for the year ended December 31, 2019 and most recently filed Management's Discussion and Analysis and Bird's Annual Information Form for the year ended December 31, 2020, each of which may be accessed on Stuart Olson's and Bird's SEDAR profile, respectively, at www.sedar.com.

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