

Q3 2024

BIRD CONSTRUCTION INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the three and nine month periods ended September 30, 2024 and 2023 (unaudited)



Notice to Reader

The accompanying unaudited interim condensed consolidated financial statements of Bird Construction Inc. have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2024 and 2023 have not been reviewed by the Company's independent external auditor.

Bird Construction Inc.
Consolidated Statement of Financial Position
As at September 30, 2024 and December 31, 2023

(in thousands of Canadian dollars) (unaudited)

	Note	September 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	8	\$ 117,231	\$ 177,529
Accounts receivable	9	1,011,597	850,451
Contract assets		166,196	99,562
Inventory and prepaid expenses		16,223	12,076
Income taxes recoverable		11,443	5,565
Other assets	11	5,124	1,210
Assets held for sale	12	1,861	2,085
Total current assets		1,329,675	1,148,478
Non-current assets			
Other assets	11	3,550	3,649
Investments in equity accounted entities	13	13,238	10,479
Property and equipment	14	78,393	56,323
Right-of-use assets	15	104,098	74,114
Deferred income tax asset		31,633	28,935
Intangible assets	16	107,225	46,394
Goodwill	17	121,201	55,992
Total non-current assets		459,338	275,886
TOTAL ASSETS		\$ 1,789,013	\$ 1,424,364
LIABILITIES			
Current liabilities			
Accounts payable		\$ 674,488	\$ 639,963
Contract liabilities		227,536	206,342
Dividends payable to shareholders		2,586	1,925
Income taxes payable		19,127	12,496
Current portion of loans and borrowings	18	60,877	8,305
Current portion of right-of-use liabilities	19	31,313	20,750
Provisions	21	17,688	14,690
Other liabilities	22	26,235	9,997
Total current liabilities		1,059,850	914,468
Non-current liabilities			
Loans and borrowings	18	139,947	64,621
Right-of-use liabilities	19	73,214	57,680
Deferred income tax liability		74,392	40,959
Other liabilities	22	32,851	24,142
Total non-current liabilities		320,404	187,402
TOTAL LIABILITIES		1,380,254	1,101,870
SHAREHOLDERS' EQUITY			
Shareholders' capital	24	155,020	115,265
Contributed surplus		1,956	1,956
Retained earnings		251,888	205,314
Accumulated other comprehensive income (loss)		(105)	(41)
Total shareholders' equity		408,759	322,494
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,789,013	\$ 1,424,364

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Bird Construction Inc.
Consolidated Statement of Income
For the three and nine month periods ended September 30, 2024 and 2023

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

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Construction revenue	10	\$ 898,939	\$ 783,843	\$ 2,460,680	\$ 2,006,717
Costs of construction		796,650	710,884	2,228,393	1,839,393
Gross profit		102,289	72,959	232,287	167,324
Income (loss) from equity accounted	13	409	600	1,181	1,817
General and administrative expenses		(51,554)	(34,519)	(135,249)	(102,275)
Income from operations		51,144	39,040	98,219	66,866
Finance and other income	26	2,527	1,323	5,984	4,010
Finance and other costs	27	(6,166)	(2,932)	(14,857)	(8,911)
Income before income taxes		47,505	37,431	89,346	61,965
Income tax expense	20	11,294	8,636	21,752	14,307
Net income for the period		\$ 36,211	\$ 28,795	\$ 67,594	\$ 47,658
Basic and diluted earnings per share	25	\$ 0.66	\$ 0.54	\$ 1.25	\$ 0.89

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Bird Construction Inc.
Consolidated Statement of Comprehensive Income
For the three and nine month periods ended September 30, 2024 and 2023

(in thousands of Canadian dollars) (unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Net income for the period		\$ 36,211	\$ 28,795	\$ 67,594	\$ 47,658
Other comprehensive income (loss) for the period:					
Items that will not be reclassified to net income in subsequent periods:					
Defined benefit plan actuarial gain (loss)		304	(15)	797	17
Deferred tax recovery (expense)		(77)	(14)	(202)	(5)
		<u>227</u>	<u>(29)</u>	<u>595</u>	<u>12</u>
Items that may be reclassified to net income in subsequent periods:					
Foreign currency translation on equity accounted investments	13	97	(87)	(92)	(38)
Other foreign currency translation		(41)	18	4	(6)
Deferred tax recovery (expense)		(26)	24	24	43
		<u>30</u>	<u>(45)</u>	<u>(64)</u>	<u>(1)</u>
Total comprehensive income for the period		<u>\$ 36,468</u>	<u>\$ 28,721</u>	<u>\$ 68,125</u>	<u>\$ 47,669</u>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Bird Construction Inc.
Consolidated Statement of Changes in Equity
For the three and nine month periods ended September 30, 2024 and 2023

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

	Note	Shareholders' capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
Balance at December 31, 2023		\$ 115,265	\$ 1,956	\$ 205,314	\$ (41)	\$ 322,494
Net income for the period		—	—	67,594	—	67,594
Other comprehensive income (loss) for the period		—	—	595	(64)	531
Total comprehensive income (loss) for the period		—	—	68,189	(64)	68,125
Common shares issued on acquisitions	7	39,755	—	—	—	39,755
Dividends declared to shareholders		—	—	(21,615)	—	(21,615)
		39,755	—	(21,615)	—	18,140
Balance at September 30, 2024		\$ 155,020	\$ 1,956	\$ 251,888	\$ (105)	\$ 408,759
Dividends declared per share				\$ 0.40		
Balance at December 31, 2022		\$ 114,584	\$ 1,956	\$ 156,537	\$ (89)	\$ 272,988
Net income for the period		—	—	47,658	—	47,658
Other comprehensive income (loss) for the period		—	—	12	(1)	11
Total comprehensive income (loss) for the period		—	—	47,670	(1)	47,669
Contributions by and dividends to owners						
Common shares issued on acquisition of Trinity	7	681	—	—	—	681
Dividends declared to shareholders		—	—	(16,969)	—	(16,969)
		681	—	(16,969)	—	(16,288)
Balance at September 30, 2023		\$ 115,265	\$ 1,956	\$ 187,238	\$ (90)	\$ 304,369
Dividends declared per share				\$ 0.32		

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Bird Construction Inc.
Consolidated Statement of Cash Flows
For the three and nine month periods ended September 30, 2024 and 2023
(in thousands of Canadian dollars) (unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023 ¹	2024	2023 ¹
Cash flows from (used in) operating activities					
Net income for the period		\$ 36,211	\$ 28,795	\$ 67,594	\$ 47,658
Items not involving cash:					
Amortization	16	4,418	1,475	9,896	4,398
Depreciation	14, 15	13,476	8,311	30,251	21,335
(Gain) loss on sale of property and equipment and other	14, 15	(861)	268	(1,986)	575
(Income) loss from equity accounted investments	13	(409)	(600)	(1,181)	(1,817)
Finance and other income	26	(2,527)	(1,323)	(5,984)	(4,010)
Finance and other costs	27	6,166	2,932	14,857	8,911
Deferred compensation plan expense and other		4,496	1,884	15,625	5,677
Defined benefit pension plan expense, net of contributions		102	25	213	(169)
Unrealized (gain) loss on investments and other		(33)	(8)	(39)	(11)
Income tax expense (recovery)	20	11,294	8,636	21,752	14,307
Cash flows from operations before changes in non-cash working capital		72,333	50,395	150,998	96,854
Changes in non-cash working capital relating to operating activities	28	6,674	(52,487)	(148,515)	(119,510)
Interest received		2,527	1,323	5,984	4,007
Interest paid		(5,987)	(2,766)	(14,437)	(8,405)
Income taxes recovered (paid)		765	4,751	(17,565)	(1,919)
Net cash from (used in) operating activities		76,312	1,216	(23,535)	(28,973)
Cash flows from (used in) investing activities					
Investments in equity accounted entities	13	—	—	(4,220)	—
Capital distributions from equity accounted entities	12, 13	265	165	2,831	485
Additions to property and equipment and intangible assets	14, 15	(5,623)	(8,200)	(21,809)	(21,514)
Proceeds on sale of property and equipment		697	552	2,556	2,155
Acquisitions, net of cash acquired	7	(91,587)	—	(101,016)	(5,827)
Other long-term assets		237	1,399	752	1,747
Net cash from (used in) investing activities		(96,011)	(6,084)	(120,906)	(20,546)
Cash flows from (used in) financing activities					
Dividends paid on shares		(7,620)	(5,776)	(20,954)	(16,789)
Net proceeds (repayment) of draws for working capital purposes	18	(25,000)	15,000	45,000	15,000
Proceeds from loans and borrowings	18	125,000	—	135,676	2,483
Repayment of loans and borrowings	18	(48,870)	(770)	(54,127)	(5,821)
Repayment of right-of-use liabilities	19	(8,385)	(6,694)	(21,493)	(15,900)
Net cash from (used in) financing activities		35,125	1,760	84,102	(21,027)
Net increase (decrease) in cash and cash equivalents during the period		15,426	(3,108)	(60,339)	(70,546)
Effects of foreign exchange on cash balances		(9)	25	41	4
Cash and cash equivalents, beginning of the period		101,814	107,148	177,529	174,607
Cash and cash equivalents, end of the period	8	\$ 117,231	\$ 104,065	\$ 117,231	\$ 104,065

¹ Certain comparative figures in 2023 have been reclassified to conform to the presentation adopted in the current year.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Bird Construction Inc.
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2024 and 2023
(in thousands of Canadian dollars, except per share amounts) (unaudited)

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Bird Construction Inc.

Notes to the Consolidated Financial Statements

For the three and nine month periods ended September 30, 2024 and 2023

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

1. Structure of the company

Bird Construction Inc. (the "Company") is a corporation incorporated in the province of Ontario, Canada. The address of the Company's registered office is 5700 Explorer Drive, Suite 400, Mississauga, Ontario, Canada. The Company's common shares are traded on the Toronto Stock Exchange ("TSX") under the symbol BDT.

The Company operates from coast-to-coast and services all of Canada's major geographic markets. The Company provides a comprehensive range of construction services from new construction for industrial, infrastructure and institutional markets; to industrial maintenance, repair and operations ("MRO") services, heavy civil construction and mine support services; as well as vertical infrastructure including, electrical, mechanical, and specialty trades. The Company uses a variety of contract delivery methods including construction management, cost plus, integrated project delivery ("IPD"), alliance, progressive design build, stipulated sum, unit price, standard specification design-build, alternative finance projects, complex design-build, and public private partnership ("PPP") contract delivery methods.

2. Basis of preparation

Statement of compliance

These unaudited interim condensed consolidated financial statements (the "financial statements") have been prepared in accordance with IFRS ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*. These financial statements do not include all of the information and disclosures required in the Company's annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2023. These financial statements were authorized for issue on November 5, 2024 by the Company's Board of Directors.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. Unless otherwise indicated, all financial information presented has been rounded to the nearest thousand.

Basis of measurement

These financial statements have been prepared on a going concern and historical cost basis, except for certain financial assets, derivative financial instruments and liabilities for cash-settled share-based payment arrangements which are measured at fair value.

Segmented results

Segment results are reviewed by the Company's chief operating decision maker to assess performance and allocate resources within the Company. Management applies judgement in the aggregation of the Company's operating segments and has determined that the Company operates in one reportable segment being the general contracting sector of the construction industry. The Company's operating segments have similar economic characteristics in that the Company's operating business units provide comparable construction services, use similar contracting methods, have similar customer types, have similar long-term economic prospects, share similar cost structures, and operate in similar regulatory environments.

3. Use of estimates and 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.

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Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amount of an asset or liability and/or the reported amount of revenue and expense in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates and judgements used in the preparation of these financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2023.

Assets and liabilities acquired in a business combination

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

4. Material accounting policies

The accounting principles used in the preparation of these financial statements are consistent with those followed in the preparation of the Company's consolidated financial statements for the year ended December 31, 2023.

5. New accounting standards, amendments and interpretations adopted

The Company has adopted amendments effective January 1, 2024 related to IAS 1 *Presentation of Financial Statements* relating to the classification of liabilities, and IFRS 16 *Leases*, that did not have a material impact on the Company's financial statements.

6. Future accounting changes

There are new accounting standards and amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2025 that have not been applied in preparing the financial statements for the period ended September 30, 2024. Except as disclosed below, these standards and interpretations are not expected to have a material impact on the Company's Financial Statements:

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1. IFRS 18 applies to annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The Company is currently assessing the impact and efforts related to adopting IFRS 18.

On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 *Classification and Measurement of Financial Instruments*. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). These amendments apply to annual reporting periods

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beginning on or after January 1, 2026. Earlier application is permitted. The Company is currently assessing the impact and efforts related to the amendments to IFRS 9 and IFRS 7.

7. Business combinations

Acquisition of Jacob Bros Construction

On August 1, 2024 the Company completed the acquisition of all of the issued and outstanding shares of Jacob Bros Construction ("Jacob Bros"). Jacob Bros is a civil infrastructure contractor based in British Columbia, with significant self perform capabilities, and provides services to public and private clients across the region. Jacob Bros specializes in civil infrastructure construction across a wide array of projects, such as airports, seaports, rail, bridges and structures, earthworks, energy projects, and utilities. Additionally, Jacob Bros delivers expertise in specialized projects that require innovative, purpose-built, custom solutions that leverage their suite of comprehensive services

The consideration for the transaction totalled \$133,080, and included cash of \$91,595, equity consisting of 1,490,922 common shares of the Company with a fair value at closing of \$38,138, and a holdback and other liability of \$3,347. The holdback and other liability consists of \$1,000 related to a final working capital reconciliation to be completed within 90 days of closing, \$2,000 relating to indemnity provisions to be reconciled on the second anniversary of the closing date, and \$347 of other liabilities.

In connection with the acquisition, transaction costs of \$3,134 were recognized in the nine month period ended September 30, 2024, comprised mainly of consulting and other professional fees, which are presented in general and administrative expenses in the statement of income. Transaction costs of \$67 directly attributable to the issuance of common shares related to the transaction were recognized as a reduction from shareholders' capital.

The Jacob Bros acquisition has been accounted for as a business combination using the acquisition method of accounting whereby the assets acquired, and liabilities assumed are recognized at their fair value, except for deferred tax assets or liabilities and ROU assets and ROU liabilities identified in which the acquiree is the lessee. The fair values assigned to the net assets associated with the Jacob Bros acquisition are preliminary, and are based on estimates and assumptions using information available at the date these consolidated financial statements were authorized for issue. The purchase price allocation may be adjusted in the future because certain fair values have not yet been finalized as well as managements assessment of the related deferred taxes.

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For the three and nine month periods ended September 30, 2024 and 2023
(in thousands of Canadian dollars, except per share amounts) (unaudited)

Total common shares issued as consideration	1,490,922
Common share price at close on August 1, 2024	\$ 25.58
Equity consideration	\$ 38,138
Acquisition holdback liability	3,347
Cash consideration	91,595
Total Consideration	\$ 133,080
Fair value of assets and liabilities of Jacob Bros acquired:	
Assets acquired	
Cash and cash equivalents	75
Accounts receivable	65,150
Contract assets	15,855
Inventory and prepaid expenses	643
Investment in Partnership	57
Property and equipment	22,824
ROU assets	16,610
Intangible assets	54,000
Liabilities assumed	
Accounts payable	(39,513)
Contract liabilities	(19,049)
Income taxes payable	(3,357)
Long term debt	(1,349)
ROU liabilities	(16,610)
Net deferred income taxes liabilities	(23,767)
Net identifiable assets acquired	\$ 71,569
Goodwill	61,511
Net assets acquired	\$ 133,080

The fair value and gross amount of the trade receivables acquired amounted to \$65,150.

Goodwill and intangible assets

Goodwill of \$61,511 recognized as part of the acquisition is attributed to expected revenue growth and future market development, specifically in the infrastructure sector. These benefits are not recognized separately from goodwill, as the future economic benefits arising from them cannot be reliably measured. Identifiable intangible assets acquired of \$54,000 include backlog, customer relationships and trade names.

Acquisition of NorCan Electric Inc.

On January 18, 2024, the Company acquired the assets of NorCan Electric Inc. ("NorCan") a leading electrical and instrumentation contractor providing maintenance turnaround and sustaining capital services in the Regional Municipality of Wood Buffalo in Alberta. During their 25 years of service in the region, they have developed deep, long-term relationships based on their strong service delivery and safety program. Since 2018, NorCan has operated through an Indigenous partnership, the NorCan/Infinity Limited Partnership, with Infinity Métis Corporation.

The purchase price of the transaction totalled \$11,113 and included cash of \$9,420 which was funded by debt, and equity of 1,693. The Company acquired all customer contracts, NorCan's share of the NorCan/

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Infinity Limited Partnership, property and equipment, and the highly qualified workforce providing services to clients. Other than certain prepaid assets, no working capital was acquired as part of the transaction.

In connection with this acquisition, the Company incurred acquisition costs of \$162, comprised mainly of consulting and other professional fees which were recognized in 2023 and presented in general and administrative expenses in the statement of income. Transaction costs of \$9 directly attributable to the issue of common shares related to the transaction are recognized as a reduction from shareholders' capital.

The NorCan acquisition has been accounted for as a business combination using the acquisition method of accounting whereby the assets acquired, and liabilities assumed are recognized at their fair value, except for ROU assets and ROU liabilities identified in which the acquiree is the lessee. The fair values assigned to the assets acquired are preliminary, and are based on estimates and assumptions using information available at the date these consolidated financial statements were authorized for issue. The purchase price allocation may be adjusted in the future because certain fair values have not yet been finalized.

Total common shares issued as consideration	117,270
Common share price at close on January 18, 2024	\$ 14.44
Equity consideration	\$ 1,693
Cash consideration	9,420
Total Consideration	\$ 11,113

Fair value of assets and liabilities of NorCan acquired:

Assets acquired

Other current assets	36
Property and equipment	734
ROU assets	408
Intangible assets	6,645

Liabilities assumed

ROU liabilities	(408)
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Net identifiable assets acquired	\$ 7,415
Goodwill	3,698
Net assets acquired	\$ 11,113

Goodwill and intangible assets

Goodwill of \$3,698 recognized as part of the acquisition is attributed to expected revenue growth and future market development, specifically in the industrial sector. These benefits are not recognized separately from goodwill, as the future economic benefits arising from them cannot be reliably measured. Identifiable intangible assets acquired of \$6,645 include customer relationships and trade names.

Acquisition of Trinity Communication Services Ltd.

On February 1, 2023, the Company acquired all of the issued and outstanding shares of Trinity Communication Services Ltd. ("Trinity"). Trinity is a diversified telecommunication and utility infrastructure contractor based in Ontario, and provides services to major national and regional telecommunication, utilities, power, and internet service providers. Trinity specializes in underground, aerial, commercial inside plant, and multi-dwelling unit installations. These self-perform capabilities enable cross-selling opportunities to the Company's sizeable national client base across multiple sectors. Overall, Trinity's capabilities complement the Company's significant electrical service offering and serve as a growth catalyst for the Company's utilities portfolio.

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The purchase price of the transaction totalled \$6,902 and included cash of \$5,620, equity of \$688, and a holdback and other liability of \$594. The \$594 holdback and other liability consisted of \$294 related to a working capital reconciliation that was paid in the second quarter of 2023, and \$300 relating to any indemnities provisions to be reconciled as at the second anniversary of the closing date.

In connection with this acquisition, the Company incurred acquisition costs of \$85, comprised mainly of consulting and other professional fees, which were presented in general and administrative expenses in the statement of income. Transaction costs of \$7 directly attributable to the issue of common shares related to the transaction were recognized as a reduction from shareholders' capital.

The Trinity acquisition has been accounted for as a business combination using the acquisition method of accounting whereby the assets acquired, and liabilities assumed are recognized at their fair value, except for deferred tax assets or liabilities and ROU assets and ROU liabilities identified in which the acquiree is the lessee. The value of the assets and liabilities associated with the Trinity acquisition were finalized on February 1, 2024. No measurement period adjustments were made to the purchase price allocation to reflect new information obtained by the Company with respect to the facts and circumstances that existed as of February 1, 2023.

8. Cash and cash equivalents

	September 30, 2024	December 31, 2023
Accessible cash	\$ (5,582)	\$ 79,884
Cash held for joint operations	90,271	62,529
Restricted cash and cash equivalents	32,542	35,116
	\$ 117,231	\$ 177,529

9. Accounts receivable

	September 30, 2024	December 31, 2023
Progress billings on construction contracts	\$ 668,029	\$ 564,704
Holdbacks receivable (due within one operating cycle)	338,807	280,582
Other	4,761	5,165
	\$ 1,011,597	\$ 850,451

Accounts receivable are reported net of an allowance for doubtful accounts of \$209 as at September 30, 2024 (December 31, 2023 – \$345). Holdbacks receivable represent amounts billed on construction contracts which are not due until the contract work is substantially complete and the applicable lien period has expired.

Bird Construction Inc.
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For the three and nine month periods ended September 30, 2024 and 2023
(in thousands of Canadian dollars, except per share amounts) (unaudited)

10. Revenue

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by contract type, as this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Public Private Partnerships ("PPP")	\$ 2,067	\$ 30,642	\$ 32,587	\$ 90,922
Alternative finance projects and complex design-build	27,755	44,317	78,358	111,304
Stipulated sum, unit price and standard specification design-build	416,188	381,542	1,058,636	926,482
Construction management, cost plus and IPD	452,929	327,342	1,291,099	878,009
	<u>\$ 898,939</u>	<u>\$ 783,843</u>	<u>\$ 2,460,680</u>	<u>\$ 2,006,717</u>

Remaining performance obligations

The total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the reporting date, is referred to as remaining performance obligations. This includes all contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course.

As at September 30, 2024, the aggregate amount of remaining performance obligations from construction contracts was \$3,793,521. The value of remaining performance obligations does not include amounts for variable consideration that are constrained, agency relationship construction management projects, and estimated future work orders or other formal documents to proceed to be performed as part of recurring revenue agreements.

The Company expects to recognize approximately 62% of the remaining performance obligations over the next 12 months with the remaining balance being recognized beyond 12 months. This expectation is based on management's best estimate and contains uncertainty as it is subject to factors outside of the Company's control.

The Company's measure of remaining performance obligations is also referred to as "Backlog" and additions to remaining performance obligations are also referred to by the Company as "Securements." These measures may not be comparable with the calculation of similar measures by other entities as Backlog and Securements are not terms defined under IFRS.

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11. Other assets

	September 30, 2024	December 31, 2023
Subcontractor / Supplier insurance deposits	\$ 1,111	\$ 1,103
Lease receivables	2,402	3,142
TRS derivative (note 23)	4,011	48
Other	1,150	566
Other assets	<u>\$ 8,674</u>	<u>\$ 4,859</u>
Less: current portion		
TRS derivative	4,011	48
Lease receivables	1,113	1,162
Current portion	<u>5,124</u>	<u>1,210</u>
Non-current portion	<u>\$ 3,550</u>	<u>\$ 3,649</u>

In May 2024, the Company amended the terms of the TRS derivative to reset the notional share price to the then current market share price of Bird common shares, resulting in a partial settlement of the derivative and cash receipt's of \$17,503.

12. Assets held for sale

	September 30, 2024
Assets held for sale	
Balance, December 31, 2023	\$ 2,085
Capital distributions received	(224)
Balance, September 30, 2024	<u>\$ 1,861</u>

13. Projects and entities accounted for using the equity method

The Company performs certain construction and concession related projects through joint ventures and associates which are accounted for using the equity method. The Company's joint ventures and associates are private entities and there is no quoted market value available for their shares.

The movement in the investment in projects and entities accounted for using the equity method is as follows:

	September 30, 2024
Investments in equity accounted entities	
Balance, December 31, 2023	\$ 10,479
Acquisition (note 7)	57
Share of net income (loss) for the period	1,181
Share of other comprehensive income (loss) for the period	(92)
Investments in equity accounted entities	<u>4,220</u>
	15,845
Capital distributions received	(2,607)
Balance, September 30, 2024	<u>\$ 13,238</u>

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	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Share of net income (loss) for the period	\$ 409	\$ 600	\$ 1,181	\$ 1,686
Gain on sale of investments in equity accounted entities	—	—	—	131
Income (loss) from equity accounted investments	\$ 409	\$ 600	\$ 1,181	\$ 1,817

14. Property and equipment

	September 30, 2024					
	Land	Buildings	Leasehold improvements	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost						
Balance, December 31, 2023	\$ 2,748	\$ 13,511	\$ 21,876	\$ 105,912	\$ 3,505	\$ 147,552
Acquisition (note 7)	—	393	2,232	20,102	831	23,558
Additions	—	775	3,147	7,743	62	11,727
Disposals	—	—	(3,229)	(4,988)	(833)	(9,050)
Balance, September 30, 2024	<u>2,748</u>	<u>14,679</u>	<u>24,026</u>	<u>128,769</u>	<u>3,565</u>	<u>173,787</u>
Accumulated depreciation						
Balance, December 31, 2023	—	8,114	12,290	68,523	2,302	91,229
Disposals	—	—	(3,190)	(4,324)	(797)	(8,311)
Depreciation expense	—	329	1,865	10,058	224	12,476
Balance, September 30, 2024	<u>—</u>	<u>8,443</u>	<u>10,965</u>	<u>74,257</u>	<u>1,729</u>	<u>95,394</u>
Net book value	<u>\$ 2,748</u>	<u>\$ 6,236</u>	<u>\$ 13,061</u>	<u>\$ 54,512</u>	<u>\$ 1,836</u>	<u>\$ 78,393</u>

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15. Right-of-use assets

	September 30, 2024			
	Buildings	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost				
Balance, December 31, 2023	\$ 54,911	\$ 66,772	\$ 1,867	\$ 123,550
Acquisition (note 7)	11,569	5,449	—	17,018
Additions	7,060	24,231	—	31,291
Disposals	(726)	(2,157)	—	(2,883)
Balance, September 30, 2024	<u>72,814</u>	<u>94,295</u>	<u>1,867</u>	<u>168,976</u>
Accumulated depreciation				
Balance, December 31, 2023	19,681	27,930	1,825	49,436
Disposals	(458)	(1,875)	—	(2,333)
Depreciation expense	6,144	11,612	19	17,775
Balance, September 30, 2024	<u>25,367</u>	<u>37,667</u>	<u>1,844</u>	<u>64,878</u>
Net book value	<u>\$ 47,447</u>	<u>\$ 56,628</u>	<u>\$ 23</u>	<u>\$ 104,098</u>

16. Intangible assets

	September 30, 2024				Total
	Trade names	Backlog	Customer relationships	Computer software	
Cost					
Balance, December 31, 2023	\$ 8,000	\$ 4,804	\$ 17,707	\$ 41,686	\$ 72,197
Acquisition (note 7)	10,323	2,000	48,322	—	60,645
Additions	—	—	—	10,082	10,082
Disposals	—	—	—	(3,798)	(3,798)
Balance, September 30, 2024	<u>18,323</u>	<u>6,804</u>	<u>66,029</u>	<u>47,970</u>	<u>139,126</u>
Accumulated amortization					
Balance, December 31, 2023	467	4,804	6,968	13,564	25,803
Amortization expense	153	250	3,601	5,892	9,896
Disposals	—	—	—	(3,798)	(3,798)
Balance, September 30, 2024	<u>620</u>	<u>5,054</u>	<u>10,569</u>	<u>15,658</u>	<u>31,901</u>
Net book value	<u>\$ 17,703</u>	<u>\$ 1,750</u>	<u>\$ 55,460</u>	<u>\$ 32,312</u>	<u>\$ 107,225</u>

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17. Goodwill

	September 30, 2024
Cost	
Balance, December 31, 2023	\$ 70,143
Acquisitions (note 7)	65,209
Balance, September 30, 2024	<u>135,352</u>
Accumulated impairment	<u>14,151</u>
Net book value	<u>\$ 121,201</u>

18. Loans and borrowings

Loans and borrowings

	Maturity	Interest rate	September 30, 2024	December 31, 2023
Committed revolving credit facility	December 15, 2027	Variable	\$ 67,725	\$ 22,725
Committed non-revolving term loan facility	December 15, 2027	Variable	125,000	42,750
Equipment financing	2024 – 2028	Fixed 2.05%-7.49%	8,099	7,451
			<u>200,824</u>	<u>72,926</u>
Current portion			<u>60,877</u>	<u>8,305</u>
Non-current portion			<u>\$ 139,947</u>	<u>\$ 64,621</u>

The following table provides details of the changes in the Company's Loans and Borrowings for the nine months ended September 30, 2024:

	Syndicated committed revolving credit facility	Syndicated committed non-revolving term loan facility	Equipment financing	Total
Balance, December 31, 2023	\$ 22,725	\$ 42,750	\$ 7,451	\$ 72,926
Acquisition (note 7)	—	—	1,349	1,349
Net proceeds (repayment) of draws for working capital purposes	45,000	—	—	45,000
Proceeds	—	134,420	1,256	135,676
Repayments	—	(52,170)	(1,957)	(54,127)
Balance, September 30, 2024	<u>\$ 67,725</u>	<u>\$ 125,000</u>	<u>\$ 8,099</u>	<u>\$ 200,824</u>

During the nine months period ended September 30, 2024, the Company made short term draws on the revolving credit facility to fund working capital. The aggregate of short term draws throughout the period totalled \$205,000 with offsetting repayments totalling \$160,000 (2023 - \$115,000 draws and \$100,000 repayments).

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Syndicated credit facility

The Company amended its committed, syndicated credit facility (the "Syndicated Facility") during the second quarter of 2024 adding additional capacity under the revolving and non-revolving credit facilities and extending the maturity date to December 15, 2027. The Syndicated Facility is subject to a number of customary covenants that are tested quarterly, including financial covenants such as a minimum Debt Service Coverage Ratio, maximum Total Funded Debt to EBITDA Ratio, and maximum Direct Funded Debt to EBITDA Ratio. The Company was in compliance with its covenants under the facility as at September 30, 2024. The Syndicated Facility is secured by a general interest in the assets of the Company and consists of the following:

Committed revolving credit facility

The Company has a committed revolving credit facility of up to \$300,000 (December 31, 2023 – \$250,000) that includes up to \$30,000 swingline which allows the Company to enter into an overdraft position, and \$150,000 letters of credit availability. Borrowings under the facility bear interest at variable rates based on the bank prime rate or Canadian benchmark rate plus a spread. A standby fee is payable quarterly on the unutilized portion of the facility.

At September 30, 2024, the Company has nil letters of credit outstanding on the facility (December 31, 2023 – \$11,816) and has drawn \$67,725 on the facility (December 31, 2023 – \$22,725). Of the \$67,725 drawn on the facility, \$22,725 is presented as non-current loans and borrowings on the Company's statement of financial position as the amounts are not expected to be settled in the Company's normal operating cycle, and are not due to be repaid until the maturity of the facility in 2027.

Committed non-revolving term loan facility .

As part of the amended credit facility agreement, the Company had the ability to borrow up to \$125,000 to fund the acquisition of Jacob Bros and repay existing term loans. On August 1, 2024 the Company borrowed the full \$125,000 under the term facility to partially fund the Jacob Bros acquisition (note 7) and repay the \$48,136 combined outstanding balance on previous borrowings under the term facility.

The \$125,000 term loan has scheduled repayments of 2.5% due quarterly until the maturity date of December 15, 2027. Any repayment of the facility cannot be reborrowed. Borrowings under the term facility bear interest at variable rates based on the bank prime rate or Canadian benchmark rate plus a spread. As at September 30, 2024, the Company has an outstanding balance of \$125,000 on the facility (December 31, 2023 – \$42,750).

Accordion

The Syndicated Facility includes a non-committed accordion feature allowing the Company to increase the limit of the revolving credit facility and the non-revolving term debt facility up to an additional \$100,000 in aggregate. Any increases under the accordion require creditor approval before becoming available to the Company.

Equipment financing

The Company has committed term credit facilities of up to \$40,000 to be used to finance equipment purchases of which as at September 30, 2024, \$1,654 is outstanding (December 31, 2023 – \$1,018). Borrowings under the facilities are secured by a first charge against the specific equipment financed using the facilities. Interest on the borrowings is charged at a fixed rate and is paid monthly in arrears.

The Company also has multiple, fixed interest rate, term loans which were used to finance equipment purchases. At September 30, 2024, the balance outstanding on these term loans amounted to \$6,445 (December 31, 2023 – \$6,433). Principal and interest are payable monthly, and these term loans are secured by a first charge against the specific equipment financed using these loans.

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Letters of credit facilities

Letters of credit represent performance guarantees issued to support the Company's performance obligations on major construction projects. The Company has authorized operating letters of credit facilities totalling \$170,000. At September 30, 2024, the facilities were drawn for outstanding letters of credit of \$45,879 (December 31, 2023 – \$38,853). 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 Export Development Canada ("EDC").

The Company has an agreement with EDC to provide performance security guarantees of up to \$120,000 for letters of credit issued by financial institutions on behalf of the Company. The Company uses this facility when letters of credit have been issued as contract security for projects that qualify for EDC coverage. At September 30, 2024, EDC has issued performance security guarantees totalling \$45,879 (December 31, 2023 – \$38,763).

19. Leases and right-of-use liabilities

The Company's lease contracts are effective for periods of one to ten years but may have extension options.

The following table provides details of the changes in the Company's ROU liabilities during the period ended September 30, 2024:

	September 30, 2024
Balance, December 31, 2023	\$ 78,430
Acquisition (note 7)	17,018
Additions	31,291
Interest	3,424
Lease terminations and modifications	(719)
Repayment	(24,917)
Balance, September 30, 2024	<u>104,527</u>
Current portion	<u>31,313</u>
Non-current	<u>\$ 73,214</u>

The Company has established operating lease lines of credit of \$25,000 with the financing arms of major heavy equipment suppliers to finance equipment leases. Draws under these facilities are generally recognized as ROU liabilities, with the lease obligations being secured by the specific leased equipment. At September 30, 2024, the Company had used \$15,283 (December 31, 2023 – \$7,999) under these facilities.

20. Income taxes

Provision for income taxes

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Income tax expense (recovery) comprised of:				
Current income taxes	\$ 7,413	\$ 9,068	\$ 15,008	\$ 22,186
Deferred income taxes	3,881	(432)	6,744	(7,879)
	<u>\$ 11,294</u>	<u>\$ 8,636</u>	<u>\$ 21,752</u>	<u>\$ 14,307</u>

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Income tax rate reconciliation

	Nine months ended September 30,	
	2024	2023
Combined federal and provincial income tax rate	25.2%	25.2%
Increase (reductions) applicable to:		
Non-taxable items	0.2%	0.4%
Other	(1.1%)	(2.5%)
Effective rate	<u>24.3%</u>	<u>23.1%</u>

The Company's statutory tax rate is the combined federal and provincial tax rates in the jurisdictions in which the Company operates.

21. Provisions

	Warranty claims and other	Legal	Total
Balance, December 31, 2023	\$ 7,834	\$ 6,856	\$ 14,690
Provisions made during the period	13,553	8,728	22,281
Provisions used during the period	(8,142)	(7,726)	(15,868)
Provisions reversed during the period	(3,168)	(247)	(3,415)
Balance, September 30, 2024	<u>\$ 10,077</u>	<u>\$ 7,611</u>	<u>\$ 17,688</u>

Various claims and litigation arise in the normal course of the construction business. It is the Company's opinion that an adequate provision has been made for any potential settlements relating to such matters and that they will not materially affect the financial position or future operations of the Company.

22. Other liabilities

	September 30, 2024	December 31, 2023
Liabilities for cash-settled share-based compensation plans (note 23)	\$ 54,577	\$ 32,764
Leasehold inducements	862	1,075
Acquisition holdback and other liability (note 7)	3,647	300
	<u>59,086</u>	<u>34,139</u>
Less: current portion		
Cash-settled share-based compensation plans (note 23)	24,724	9,729
Leasehold inducements	211	268
Acquisition holdback and other liability (note 7)	1,300	—
Current portion	<u>26,235</u>	<u>9,997</u>
Non-current portion	<u>\$ 32,851</u>	<u>\$ 24,142</u>

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23. Share-based compensation plans

Medium term incentive plan ("MTIP"), Equity incentive plan ("EIP") and Deferred share unit ("DSU") plan

	September 30, 2024	December 31, 2023
MTIP liability	\$ 563	\$ 203
EIP liability	33,360	19,250
DSU liability	20,654	13,311
Liabilities for cash-settled share-based compensation plans	<u>54,577</u>	<u>32,764</u>
Less: current portion		
MTIP liability	228	105
EIP liability	19,346	8,288
DSU liability	5,150	1,336
Current portion	<u>24,724</u>	<u>9,729</u>
Non-current portion	<u>\$ 29,853</u>	<u>\$ 23,035</u>

	September 30, 2024		
	MTIP	EIP ¹	DSUs
Units, beginning of period	36,689	2,024,912	924,387
Granted ²	3,395	490,301	58,576
Vested and paid	—	(660,227)	(127,722)
Units, end of period	<u>40,084</u>	<u>1,854,986</u>	<u>855,241</u>

¹ Based on underlying units before the impact of a performance multiplier, but after the effects of the dividend adjustment ratio and the estimated forfeiture rate.

² MTIP and DSU grants include dividend reinvestments.

During the first, second and third quarter of 2024, the Company granted 17,530, 11,927 and 12,415 units under the DSU plan at a fair market value of \$18.68, \$25.55 and \$22.64 respectively, excluding dividend reinvestments. The Company also granted 424,296 units under the EIP plan in March 2024 at a fair market value of \$18.70, excluding dividend reinvestments.

Pursuant to the Company's MTIP granted in 2023, the units vest over periods ranging from November 2023 to November 2027 and are cash settled no earlier than the vesting date. Payments pursuant to the Company's EIP granted in 2022, 2023 and 2024 vest on December 2024, December 2025 and December 2026, respectively. Payments pursuant to the Company's DSU Plan are cash settled no later than December 31 of the following year in which the Director ceases to hold any position within the Company.

Expenses (recoveries) arising from share-based payment transactions¹

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
MTIP	\$ 23	\$ 477	\$ 360	\$ 736
EIP	942	2,959	27,397	6,382
DSU	(1,808)	2,570	9,544	3,849
	<u>\$ (843)</u>	<u>\$ 6,006</u>	<u>\$ 37,301</u>	<u>\$ 10,967</u>

¹ Expenses are before the effect of the TRS derivative contract.

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The Company entered into a TRS derivative contract for the purpose of managing its exposure to changes in the fair value of its MTIP, EIP and DSU share-based compensation plans, due to changes in the fair value of the Company's common shares. The Company recognized a loss of \$5,417 and a gain of \$21,466 on these derivatives in the statement of income in general and administrative expenses for the three and nine month periods ended September 30, 2024 (2023 - \$4,057 gain and \$5,107 gain respectively).

24. Shareholders' capital

The Company is authorized to issue an unlimited number of common shares. The Company is authorized to issue unlimited preference shares, which can be issued in series with rights set by the Board of Directors. As at September 30, 2024 and December 31, 2023, no preferred shares have been issued. During the nine months ended September 30, 2024, transaction costs of \$76 directly attributable to the issuance of common shares for the acquisition of NorCan and Jacob Bros were recognized as a deduction from shareholders' capital (note 7).

	September 30, 2024	
	Number of shares	Amount
Balance, December 31, 2023	53,774,639	\$ 115,265
Common shares issued (note 7)	1,608,192	39,755
Balance, September 30, 2024	55,382,831	\$ 155,020

25. Earnings per share

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income	\$ 36,211	\$ 28,795	\$ 67,594	\$ 47,658
Weighted average number of common shares (basic and diluted)	54,880,455	53,774,639	54,216,126	53,765,629
Basic and diluted earnings per share	\$ 0.66	\$ 0.54	\$ 1.25	\$ 0.89

26. Finance and other income

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Interest income on lease receivables	\$ 20	\$ 28	\$ 67	\$ 91
Other interest income	2,507	1,295	5,917	3,919
	\$ 2,527	\$ 1,323	\$ 5,984	\$ 4,010

27. Finance and other costs

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Interest on loans and borrowings	\$ 3,964	\$ 2,130	\$ 9,057	\$ 6,299
Interest on ROU liabilities	1,316	767	3,424	2,135
Other	886	35	2,376	477
	\$ 6,166	\$ 2,932	\$ 14,857	\$ 8,911

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28. Other cash flow information

Changes in non-cash working capital relating to operating activities

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Accounts receivable	\$ (2,453)	\$ (88,208)	\$ (96,066)	\$ (151,743)
Contract assets	(28,488)	(5,388)	(50,779)	(31,875)
Inventory and prepaid expenses	(4,905)	(3,440)	(3,468)	(715)
Other assets	91	(17)	51	(50)
Accounts payable	5,106	65,003	(5,407)	39,567
Contract liabilities	40,019	(18,352)	2,145	36,226
Provisions	(1,270)	211	2,998	(2,242)
Deferred compensation plan expense and other	(1,426)	(2,296)	2,011	(8,678)
	<u>\$ 6,674</u>	<u>\$ (52,487)</u>	<u>\$ (148,515)</u>	<u>\$ (119,510)</u>

29. Financial instruments

Carrying values and fair values

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The hierarchy of inputs is summarized in note 31 of the Company's December 31, 2023, annual consolidated financial statements.

The Company's TRS derivative contract (note 11) and warrants are classified as Level 2 measurements in the fair value hierarchy. The Company does not have any financial instruments classified as Level 3 that are carried at fair value. There were no transfers between levels in the fair value hierarchy during the three and nine month periods ended September 30, 2024 and 2023.

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.

Financial risk management

In the normal course of business, the Company is exposed to several risks related to financial instruments that can affect its operating performance. These risks and the actions taken to manage them are as follows:

i. **Credit risk**

Credit risk relates to the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligation.

With respect to accounts receivable, concentration of credit risk is limited due to the geographic dispersion of revenues and a diversified customer base. Before entering into any construction contract and during the course of the construction project, the Company satisfies itself that the customer has adequate resources to fulfil its contractual payment obligations as construction work is completed. If a customer is unable or unwilling to pay 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.

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Short-term deposits and short-term investments, if any, are subject to minimal credit risk as they are placed with only major Canadian financial institutions. As is reasonably practical, these investments are placed with several different Canadian financial institutions, thereby reducing the Company's exposure to a default by any one financial institution.

At September 30, 2024, accounts receivable outstanding for greater than 90 days and considered past due by the Company represent 7.7% (December 31, 2023 – 12.7%) of the balance of progress billings on construction contracts receivable. The Company has recorded an allowance of \$209 (December 31, 2023 – \$345) against these past due receivables, net of amounts recoverable from others.

ii. Liquidity risk

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

The Company has working capital of \$269,825 (December 31, 2023 – \$234,010) which is available to support surety requirements related to construction projects. Working capital is calculated as total current assets less total current liabilities. As a component of working capital, the Company maintains significant balances of cash and cash equivalents. These balances, less \$32,542 held in restricted trust accounts and \$90,271 in cash held for joint operations, are available to meet the general financial obligations of the Company as they become due. Restricted cash in trust is held in segregated accounts for payment obligations on certain projects. Refer to note 18 in respect of the Syndicated Facility and the Company's other debt instruments, which further improve the Company's access to liquidity. At September 30, 2024, the Company had a total undrawn balance on its committed revolving credit facility of \$232,275 (December 31, 2023 – \$215,459). Also, the Company has a non-committed accordion of up to an additional \$100,000 to increase the limit of the committed revolving credit facility and the committed non-revolving term debt facility. The Company also has committed term credit facilities of up to \$40,000 to be used to finance equipment purchases of which \$38,346 is undrawn as at September 30, 2024 (December 31, 2023 – \$38,982). The Company believes that it has access to sufficient funding through the use of these facilities and its cash and cash equivalents to meet its foreseeable operating requirements.

iii. 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 discount rate used to establish the pension obligation was determined by reference to market interest rates on AA-rated corporate bonds with cash flows that approximate the timing and amount of expected benefit payments.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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.

At September 30, 2024, a one percent change in the interest rate applied to the Company's variable rate long-term debt would change annual income before income taxes by approximately \$1,927 (2023 – \$815).

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The Company has certain share-based compensation plans, where the values are based on the common share price of the Company. At September 30, 2024, a 10 percent change in the share price applied to the Company's share based compensation plans would change income before income taxes by approximately \$5,446 (2023 – \$2,212).

The Company has fixed a portion of the settlement costs of these plans by entering into a TRS derivative contract maturing in 2025. The TRS derivative is not designated as a hedge. The change in the value of the TRS derivative is recorded each quarter based on the difference between the notional price and the market price of the Company's common shares at the end of each quarter. The TRS derivative is classified as derivative financial instrument. At September 30, 2024, a 10 percent change in the share price applied to the Company's TRS derivative would change the fair value of the derivative by approximately \$5,188 (2023 – \$2,150), with a corresponding impact to income before income taxes.

iv. **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. Foreign currency risk is managed by the Company through the use of foreign currency derivatives. At September 30, 2024, a 10 percent movement in the Canadian and U.S. dollar exchange rate would have changed the carrying value of U.S. dollar denominated assets and liabilities by approximately \$51 (2023 – \$239), with a corresponding impact to income before income taxes.

30. Commitments and contingencies

Commitments

Outstanding surety lien bonds issued on behalf of the Company in connection with liens by subcontractors and suppliers at September 30, 2024 totalled \$88,057 (December 31, 2023 – \$98,335).

Contingencies

The Company is contingently liable for the usual contractor's obligations relating to performance and completion of construction contracts. These include the Company's contingent liability for the performance obligations of its subcontractors. Where possible and appropriate, the Company obtains performance bonds, subcontract/supplier insurance or alternative security from subcontractors. However, where this is not possible, the Company is exposed to the risk that subcontractors will fail to meet their performance obligations. In that eventuality, the Company would be obliged to complete the subcontractor's contract, generally by engaging another subcontractor, and the cost of completing the work could exceed the original subcontract price. The Company makes appropriate provision in the financial statements for all known liabilities relating to subcontractor defaults.

31. Eligible dividends declared with a record date subsequent to statement date

As of the date of the approval of these financial statements, the Board of Directors has declared eligible dividends with a record date subsequent to the date of the financial statements, for the following months:

Eligible dividends declared	Record date	Payment date	Dividend per share
October dividend	October 31, 2024	November 20, 2024	\$0.0467
November dividend	November 29, 2024	December 20, 2024	\$0.0700
December dividend	December 31, 2024	January 20, 2025	\$0.0700
January dividend	January 31, 2025	February 20, 2025	\$0.0700
February dividend	February 28, 2025	March 20, 2025	\$0.0700