2024

BIRD CONSTRUCTION INC.

Consolidated Financial Statements

for the years ended
December 31, 2024 and 2023

Management's Responsibility for Financial Reporting

The management of Bird Construction Inc. (the "Company") is responsible for the preparation and integrity of the accompanying consolidated financial statements. These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") and includes certain estimates that reflect management's best judgement.

Management maintains appropriate systems of internal control. Policies and procedures are designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors has reviewed and approved the consolidated financial statements. The Board fulfills its responsibility in this regard through its Audit Committee. The Audit Committee is composed entirely of independent Directors and the members are financially literate. The Audit Committee meets regularly with management and the external auditors to discuss reporting and control issues and ensures each party is properly discharging its responsibilities.

The consolidated financial statements have been audited by KPMG LLP, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders.

Terrance L. McKibbon
President & Chief Executive Officer

Wayne R. Gingrich
Chief Financial Officer

March 12, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bird Construction Inc.

Opinion

We have audited the consolidated financial statements of Bird Construction Inc. (the Entity), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matter to be communicated in our auditor's report.

Estimate of costs to complete and variable consideration to be received for fixed price construction contracts

Description of the matter

The Entity recognizes revenue from contracts with customers in accordance with the pattern of satisfying the Entity's performance obligations under a contract. In fiscal 2024, the Entity recognized $3,397,346 thousand in construction revenue. Revenue from fixed price contracts, which is a significant portion of construction revenue, is recognized using the input method with reference to costs incurred. To determine the estimated costs to complete for fixed price construction contracts, assumptions and estimates are required to evaluate matters related to schedule, material and labour costs, labour productivity, and changes to contract scope and subcontractor costs. Change orders may be issued by customers to modify the original contract scope of work or conditions, and there may be disputes or claims regarding additional amounts owing. Claims against customers for variable consideration due to delays, scope changes, or other matters are assessed under the Entity's revenue recognition policy, which requires significant judgment.

Why the matter is a key audit matter
We identified the evaluation of the estimate of costs to complete and variable consideration to be received for fixed price construction contracts as a key audit matter. The evaluation of the estimated costs to complete and variable consideration to be received for fixed price construction contracts involved significant auditor judgment to evaluate the results of audit procedures, given the significant judgment applied by management in the determination of these estimates.

How the matter was addressed in our audit

The primary procedures we performed to address this key audit matter included the following:

We evaluated the design and implementation, and tested the operating effectiveness, of certain internal controls within the Entity's revenue recognition process. This included a control related to the review of estimated costs to complete for construction contracts at year-end.

We evaluated the Entity's ability to estimate costs to complete and variable consideration by comparing to the final costs to complete and variable consideration received for contracts completed in fiscal 2024 and estimated in the prior period.

For a selection of fixed price construction contracts at December 31, 2024, we evaluated the appropriateness of the Entity's determination of costs to complete and variable consideration to be received by performing the following:

- Agreed estimated costs to complete to appropriate supporting documentation and key contractual terms back to signed contracts;
- Performed procedures to compare the estimated total costs to actual costs incurred to date;
- Inquired with relevant operational Entity personnel to gain an understanding of the status of project activities and factors impacting the estimate of costs to complete and variable consideration to be received, and corroborated by agreeing to appropriate supporting documentation;
- Determined the reasonableness of any variable consideration recognized as revenue on unbilled change orders or claims by inspecting change orders, directives, or other correspondence with customers, where applicable; considering the historical outcomes of previously settled claims, and corresponding with internal and external legal counsel, where applicable.

Evaluation of intangible assets resulting from the acquisition of Jacob Bros Construction

Description of the matter
We draw attention to notes 3, 4 and 7 to the financial statements. On August 1, 2024, the Entity acquired all of the issued and outstanding shares of Jacob Bros Construction (Jacob Bros) for total consideration of $137,953 thousand. In connection with the acquisition, the Entity recorded intangible assets with an acquisition date fair value of $61,000 thousand. Significant assumptions used in determining the acquisition date fair value of the intangible assets included cash-flow projections and the discount rate.

Why the matter is a key audit matter
We identified the evaluation of the acquisition date fair value of intangible assets acquired in the Jacob Bros acquisition as a key audit matter. This matter represented an area of significant risk. Significant auditor judgment and specialized skills and knowledge were required in evaluating the audit evidence. The determination of fair value of intangible assets acquired was sensitive to possible changes to the significant assumptions.

How the matter was addressed in our audit

The primary procedures we performed to address this key audit matter included the following:

- We compared the Entity's cash-flow projections to Jacob Bros historical actual results. We took into account changes in conditions to assess the adjustments or lack of adjustments made in arriving at the cash flow projections.
- We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the discount rate used by the Entity to discount the cash-flow projections, by comparing it against a discount rate range that was independently developed using publicly available market data for comparable entities.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2024 Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "2024 Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is Austin Abas.

Winnipeg, Canada

March 12, 2025

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

(in thousands of Canadian dollars)

	Note	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	8	$ **177,445**	$ 177,529
Accounts receivable	9	**986,947**	850,451
Contract assets	10	**133,451**	99,562
Inventory and prepaid expenses		**14,881**	12,076
Income taxes recoverable		**11,666**	5,565
Other assets	11	**9,352**	1,210
Assets held for sale	12	**1,783**	2,085
Total current assets		**1,335,525**	1,148,478
Non-current assets			
Other assets	11	**3,220**	3,649
Investments in equity accounted entities	13	**14,284**	10,479
Property and equipment	14	**80,879**	56,323
Right-of-use assets	15	**109,253**	74,114
Deferred income tax asset	20	**25,881**	28,935
Intangible assets	16	**108,847**	46,394
Goodwill	17	**128,754**	55,992
Total non-current assets		**471,118**	275,886
TOTAL ASSETS		$ **1,806,643**	$ 1,424,364
LIABILITIES			
Current liabilities			
Accounts payable		$ **716,121**	$ 639,963
Contract liabilities	10	**212,052**	206,342
Dividends payable to shareholders		**3,877**	1,925
Income taxes payable		**16,375**	12,496
Current portion of loans and borrowings	18	**16,381**	8,305
Current portion of right-of-use liabilities	19	**32,435**	20,750
Provisions	21	**16,724**	14,690
Other liabilities	22	**34,639**	9,997
Total current liabilities		**1,048,604**	914,468
Non-current liabilities			
Loans and borrowings	18	**136,776**	64,621
Right-of-use liabilities	19	**75,763**	57,680
Deferred income tax liability	20	**79,705**	40,959
Other liabilities	22	**35,514**	24,142
Total non-current liabilities		**327,758**	187,402
TOTAL LIABILITIES		**1,376,362**	1,101,870
SHAREHOLDERS' EQUITY			
Shareholders' capital	25	**155,020**	115,265
Contributed surplus		**1,956**	1,956
Retained earnings		**273,825**	205,314
Accumulated other comprehensive income (loss)		**(520)**	(41)
Total shareholders' equity		**430,281**	322,494
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ **1,806,643**	$ 1,424,364

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

Approved on behalf of the Board of Directors

Paul R. Raboud
Chairman of the Board

J. Richard Bird
Audit Committee Chair

Bird Construction Inc.
Consolidated Statement of Income
For the years ended December 31, 2024 and 2023
(in thousands of Canadian dollars, except per share amounts)

	Note	2024	2023
Construction revenue	10	**$ 3,397,346**	$ 2,798,785
Costs of construction	29	**3,068,587**	2,558,249
Gross profit		**328,759**	240,536
Income (loss) from equity accounted investments	13	**3,013**	3,418
General and administrative expenses	29	**(185,211)**	(142,781)
Income from operations		**146,561**	101,173
Finance and other income	27	**7,949**	5,216
Finance and other costs	28	**(21,097)**	(13,158)
Income before income taxes		**133,413**	93,231
Income tax expense	20	**33,314**	21,692
Net income for the period		**$ 100,099**	$ 71,539
Basic and diluted earnings per share	26	**$ 1.84**	$ 1.33

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

Bird Construction Inc.
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2024 and 2023
(in thousands of Canadian dollars)

	Note	2024	2023
Net income for the period		$ **100,099**	$ 71,539
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)	23	**494**	(24)
Deferred tax recovery (expense)	20	**(127)**	6
		367	(18)
Items that may be reclassified to net income in subsequent periods:			
Foreign currency translation on equity accounted investments	13	**(657)**	93
Other foreign currency translation		**3**	(38)
Deferred tax recovery (expense)	20	**175**	(7)
		(479)	48
Total comprehensive income for the period		$ **99,987**	$ 71,569

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

Bird Construction Inc.
Consolidated Statement of Changes in Equity
For the years ended December 31, 2024 and 2023

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

	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		**—**	**—**	**100,099**	**—**	**100,099**
Other comprehensive income (loss) for the period		**—**	**—**	**367**	**(479)**	**(112)**
Total comprehensive income (loss) for the period		**—**	**—**	**100,466**	**(479)**	**99,987**
Common shares issued on acquisitions	7	**39,755**	**—**	**—**	**—**	**39,755**
Dividends declared to shareholders		**—**	**—**	**(31,955)**	**—**	**(31,955)**
		39,755	**—**	**(31,955)**	**—**	**7,800**
Balance at December 31, 2024		**$ 155,020**	**$ 1,956**	**$ 273,825**	**$ (520)**	**$ 430,281**
Dividends declared per share				**$ 0.59**		
Balance at December 31, 2022		$ 114,584	$ 1,956	$ 156,537	$ (89)	$ 272,988
Net income for the period		—	—	71,539	—	71,539
Other comprehensive income (loss) for the period		—	—	(18)	48	30
Total comprehensive income (loss) for the period		—	—	71,521	48	71,569
Common shares issued on acquisition of Trinity	7	681	—	—	—	681
Dividends declared to shareholders		—	—	(22,744)	—	(22,744)
		681	—	(22,744)	—	(22,063)
Balance at December 31, 2023		$ 115,265	$ 1,956	$ 205,314	$ (41)	$ 322,494
Dividends declared per share				$ 0.42		

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

Bird Construction Inc.
Consolidated Statement of Cash Flows
For the years ended December 31, 2024 and 2023

(in thousands of Canadian dollars)

	Note	2024	2023
Cash flows from (used in) operating activities			
Net income for the period		$ 100,099	$ 71,539
Items not involving cash:			
Amortization	16	17,815	5,998
Depreciation	14, 15	45,087	30,139
(Gain) loss on sale of property and equipment and other		(2,002)	(829)
(Income) loss from equity accounted investments	13	(3,013)	(3,418)
Finance and other income	27	(7,949)	(5,216)
Finance and other costs	28	21,097	13,158
Deferred compensation plan expense and other		23,996	11,584
Defined benefit pension plan expense, net of contributions		204	(218)
Unrealized (gain) loss on investments and other		(147)	(22)
Income tax expense (recovery)	20	33,314	21,692
Cash flows from operations before changes in non-cash working capital		228,501	144,407
Changes in non-cash working capital relating to operating activities	30	(77,912)	(55,554)
Interest received		7,841	4,185
Interest paid		(20,710)	(12,511)
Income taxes recovered (paid)		(23,482)	(4,727)
Net cash from (used in) operating activities		114,238	75,800
Cash flows from (used in) investing activities			
Investments in equity accounted entities	13	(4,220)	—
Capital distributions from equity accounted entities	12, 13	3,130	666
Proceeds on sale of investment in equity accounted entities	12, 13	—	2,408
Additions to property and equipment and intangible assets	14, 16	(33,777)	(30,956)
Proceeds on sale of property and equipment		3,680	4,278
Acquisitions, net of cash acquired	7	(100,915)	(5,827)
Other long-term assets		804	1,925
Net cash from (used in) investing activities		(131,298)	(27,506)
Cash flows from (used in) financing activities			
Dividends paid on shares		(30,003)	(22,564)
Net proceeds (repayment) of draws for working capital purposes	18	—	—
Proceeds from loans and borrowings	18	137,351	5,103
Repayment of loans and borrowings	18	(58,469)	(7,268)
Repayment of right-of-use liabilities	19	(32,052)	(20,627)
Net cash from (used in) financing activities		16,827	(45,356)
Net increase (decrease) in cash and cash equivalents during the period		(233)	2,938
Effects of foreign exchange on cash and cash equivalents balances		149	(16)
Cash and cash equivalents, beginning of the period		177,529	174,607
Cash and cash equivalents, end of the period	8	$ 177,445	$ 177,529

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

Table of Contents – Notes to the Consolidated Financial Statements

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-to-coast and services all of Canada's major geographic markets through a collaborative, safety-first approach. The Company provides a comprehensive range of construction services, self-perform capabilities, and innovative solutions to the industrial, buildings, and infrastructure markets. The Company uses a variety of contract delivery methods including construction management, cost reimbursable, integrated project delivery ("IPD"), alliance agreement, progressive design-build - target price, progressive design build, design-build finance, design-build, stipulated sum, unit price, and public private partnership ("PPP") contract delivery methods.

2. Basis of preparation

Statement of compliance

These consolidated financial statements (the "financial statements") have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were authorized for issue on March 12, 2025 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 as detailed in the accounting policies described in Note 4.

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.

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

Assets and liabilities acquired in a business combination

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

Revenue and gross profit recognition

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

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

Provisions

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

Impairment of non-financial assets

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

Measurement of pension obligations

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

Share-based payments

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

Leases

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

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

Income taxes

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

Joint arrangements

A joint arrangement is an arrangement in which the Company has joint control, established by contractual agreements requiring unanimous consent for decisions about activities that significantly affect the arrangement's returns. Joint arrangements are classified as either a joint operation or a joint venture. A joint operation is an arrangement where the joint controlling parties have direct rights to the assets and direct obligations for the liabilities of the arrangement in the normal course of business. Interests in a joint operation are accounted for by recognizing the Company's share of assets, liabilities, revenues and expenses. A joint venture is an arrangement where the joint controlling parties have rights to the net assets of the arrangement. Interests in a joint venture are recognized as an investment and accounted for using the equity method. The determination as to whether a joint arrangement is a joint venture or a joint operation requires significant judgement based on the structure of the arrangement, the legal form of any separate vehicle, the contractual terms of the arrangement and other facts and circumstances. The joint arrangements in which Bird participates are typically formed to undertake a specific construction project, are jointly controlled by the parties, and are dissolved upon completion of the project.

4. Material accounting policies

Consolidation

The financial statements include the accounts of the Company, its subsidiaries and partnerships, as well as its pro-rata share of assets, liabilities, revenues, expenses and cash flows from joint operations. Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

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

The financial statements include the accounts of the following significant subsidiaries:

Company	Ownership / Voting Interest	
	2024	**2023**
Fully consolidated subsidiaries		
Bird Construction Inc.	100%	100%
Bird Construction Company Limited	100%	100%
Bird Construction Company (Limited Partnership)	100%	100%
Bird Management Ltd.	100%	100%
Bird Design-Build Construction Inc.	100%	100%
Bird Construction Group (Limited Partnership)	100%	100%
Bird Construction Group Ltd.	100%	100%
Bird Construction Industrial Services Ltd.	100%	100%
Bird General Contractors Ltd.	100%	100%
Stuart Olson Inc.	100%	100%
Stuart Olson Buildings Ltd.	100%	100%
Stuart Olson Construction Ltd.	100%	100%
Stuart Olson Industrial Inc.	100%	100%
Stuart Olson Industrial Services Ltd.	100%	100%
Stuart Olson Industrial Projects Inc.	100%	100%
Stuart Olson Industrial Constructors Inc.	100%	100%
Canem Systems Ltd.	100%	100%
The Churchill Corporation	100%	100%
Dagmar Construction Inc.	100%	100%
Trinity Communication Services Ltd.	100%	100%[1]
Jacob Bros. Construction Inc.	100%[2]	n/a
Proportionately consolidated joint arrangements		
Bird Kiewit Joint Venture	60%	60%
Bird – Maple Reinders JV	50%	50%
Maple Reinders – Bird JV	50%	50%
Bird – ATCO Joint Venture	60%	60%
CBS Joint Venture	44%	44%
Chandos Bird Joint Venture	50%	50%
Acciona Stuart Olson Joint Venture	50%	50%
Canem/Plan Group Joint Venture	50%	50%
Maple –Bird IPD Joint Venture	50%	50%
Bird Dawson Joint Venture	60%	60%
Bird Chandos Halifax Water	75%	75%
LB LNG Constructors General Partnership	50%	50%
Rail Connect Partners	50%	50%
Stuart Olson GDB JV	50%	50%
Hall Jacob JV	50%[2]	n/a

[1]Acquired on February 1, 2023 (note 7)

[2]Acquired on August 1, 2024 (note 7)

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

The Company has invested in a number of Public Private Partnership ("PPP") concession ventures, usually holding a minority interest position in the venture. The Company has also invested in the Stack Modular group of companies. In these instances, the Company can either exercise significant influence or joint control over the financial and operational policies of the venture (or investee). The Company uses the equity method of accounting to account for these investments. The investment is recorded as the amount of the initial investment adjusted for the pro-rata share of the investee's earnings less any distributions received from the investment.

Company	Ownership / Voting Interest	
	2024	2023
Equity accounted investment in associates/joint ventures		
Chinook Resources Management General Partnership	50%	50%
Plenary Infrastructure ERMF GP	10%	10%
Stack Modular Structures Ltd.	50%	50%
Stack Modular Structures Hong Kong Limited	50%	50%
Stack Modular, Inc.	50%	50%
Niagara Falls Entertainment Partners	20% / 16.2%	20% / 16.2%
Timmiak Construction Limited Partnership	69.99% / 33.33%	69.99% / 33.33%
Bird Capital P3SB2 Holdings Inc.	20%	20%
2Nations Bird Construction Ltd.	49%	49%
Z'Gamok Stuart Olson LP	49%	49%
Stuart Olson Infinity Limited Partnership (Previously NorCan/Infinity Limited Partnership)	49%[1]	n/a
JB Horizons Limited Partnership	49%[2]	n/a

[1]Acquired on January 18, 2024 (note 7)

[2]Acquired on August 1, 2024 (note 7)

All of the above subsidiaries, joint arrangements, joint ventures and associates are incorporated or registered in Canada except Stack Modular Structure Hong Kong Limited which is incorporated and registered in Hong Kong, and Stack Modular, Inc. which is incorporated and registered in Delaware.

Revenue recognition

Contract revenue is recognized in the consolidated statement of income (the "statement of income") in accordance with the pattern of satisfying the Company's performance obligations under a contract. This satisfaction occurs when control of a good or service transfers to the customer. In the majority of the Company's contracts, the customer controls the work in process as evidenced by the right to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use to the Company, and the work is performed on the customer's property. Based on the nature of these contractual arrangements, control is transferred over time and revenue is recognized over time.

For each performance obligation satisfied over time, the Company recognizes revenue by measuring progress toward complete satisfaction of that performance obligation. Using output or input methods based on the type of contract, the Company recognizes revenue in a pattern that reflects the transfer of control of the promised goods or services to the customer. Revenue from fixed price (including PPP, alternative finance, design-build, and stipulated sum) and cost reimbursable (including cost plus and IPD) contracts is recognized using the input method with reference to costs incurred. Revenue from unit price contracts in the heavy construction, civil construction and contract surface mining construction sectors is recognized based on the amount of billable work completed, established by surveys of work performed, an output method. For agency relationships, such as construction management contracts, where the Company acts as an agent for its customers, fee revenue only is recognized, generally in accordance with the contract terms. Some contracts, particularly master service agreements and maintenance service contracts, do not specify the amount of fixed consideration at contract inception, but will have a transaction price assigned to it once a work order is issued. For the purpose of revenue recognition and disclosure, only the transaction price of secured work, as evidenced by work orders, is included in revenue. If the outcome of a construction contract cannot be estimated reliably for management to estimate the ultimate profitability of the contract with a reasonable degree of certainty, no profit is recognized. As the contract progresses further, the constrained margin and associated revenue are reassessed.

Revenue from contract modifications, commonly referred to as change orders and claims, is recognized to the extent that the contract modifications have been approved by the customer and the amount can be measured reliably. In cases where the contract modification is approved, but the price has not been finalized, the Company accounts for the contract modification using variable consideration guidance described below. A claim against or dispute with a customer is considered variable consideration as it is in addition to the agreed upon performance obligations outlined in the original contract because of additional costs incurred due to delays and/or scope changes, for example. The subsequent settlement of a claim or dispute through negotiation results in uncertainty as to the likelihood and amount that will be ultimately collected.

The amount of variable consideration included in the transaction price may be constrained due to the uncertain nature of the recovery of the associated revenue. The Company makes an estimate of the amount to be constrained by using either the most likely amount or the expected value method, by contract, depending which method is considered to best predict the amount of consideration to which the Company will be entitled. The amount of variable consideration to be included in the transaction price is only that to which it is highly probable that a significant reversal of cumulative revenue recognized to date will not occur. Management considers the following factors in its assessment of the probability of reversal:

i. Susceptibility of consideration to factors outside the Company's influence.
ii. Length of time, that is commercially unusual, before resolution of the uncertainty associated with the amount of consideration is expected.
iii. The Company's experience with similar types of contracts is limited or the experience is not relevant or has limited predictive value.
iv. If, historically the Company has a practice of offering a broad range of pricing concessions or changing the payment terms and conditions of similar contracts in similar situations.
v. The contract has a larger number and broad range of possible consideration amounts.

Where the above factors indicate uncertainty associated with the outcome of the transaction price, the Company reviews the historical performance under similar contracts in order to determine the appropriate proportion of the variable consideration to be included in the transaction price.

For most arrangements, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability (even if that single project results in the delivery of multiple units). The Company therefore considers that the entire contract results in the delivery of a single performance obligation. Less commonly, the Company may promise to provide distinct goods or services within a contract, in which case the contract is separated into the associated performance obligations as assessed from the customer's perspective. If a contract contains multiple performance obligations, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. When the Company is contracted to construct projects, the budgets and overall transaction prices are built up using the Company's best estimate of costs associated to complete the project using the appropriate overhead and subcontractor rates for a given project and location. This approach to estimate the overall costs and associated revenues is considered the most appropriate assessment of the standalone selling price for the associated performance obligations.

Where costs are determined to be greater than total revenues, losses from any construction contracts are recognized in full in the period the loss becomes known. Losses are recorded within provisions on the statement of financial position.

Costs of construction

Construction costs are expensed as incurred unless they result in an asset related to future contract activity and meet the criteria to be capitalized as contract assets. Construction costs include all expenses that relate directly to execution of the specific contract, including site labour and site supervision, direct materials, subcontractor costs, equipment rentals and depreciation, design and technical assistance, and warranty claims. Construction costs also include overheads that can be attributed to the project in a systematic and consistent manner and include general insurance and bonding costs, and staff costs relating to project management.

Contract assets and liabilities

Any excess of costs and estimated earnings over progress billings on construction contracts is carried as a contract asset in the financial statements. Contract assets also arise when the Company capitalizes incremental costs of obtaining contracts with customers and the costs incurred in fulfilling those contracts, such as mobilization costs. Costs to fulfill a contract are required to be capitalized where they are determined to relate directly to a contract or an anticipated contract that the entity can specifically identify, they generate or enhance resources of the Company that will be used in satisfying performance obligations in the future, and they are expected to be recovered under that specific contract.

In all cases, the specific contract asset is amortized with reference to the same pattern of recognition as the revenue recognized on the associated project.

Any excess of progress billings over earned revenue on construction contracts is carried as a contract liability in the financial statements.

Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period. All contract assets and liabilities are classified as current in the financial statements as they are expected to be settled within the Company's normal operating cycle. The operating cycle of many of the Company's contracts exceeds 12 months, depending on the type of project or the nature of the service being provided.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities assumed by the Company and the equity interests issued or cash paid by the Company in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred, unless related to the issuance of debt or equity.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

i. Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income taxes, and IAS 19 Employee benefits, respectively;

ii. For any ROU (i.e. lease) assets and ROU liabilities identified in which the acquiree is the lessee, IFRS 3 Business combinations requires the lease liability to be measured at the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date. The ROU asset is measured at an amount equal to the lease liability, adjusted to reflect the favourable or unfavourable terms of the lease when compared with market terms.

The Company measures goodwill as the excess of the fair value of the consideration transferred, if any, over the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Property and equipment

Property and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment includes the purchase price and the directly attributable costs required to bring the asset to the condition necessary for the asset to be capable of operating in the manner intended by management. The cost of replacing or repairing a component of an item of property and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits will occur and the cost can be measured reliably. The costs of routine maintenance of property and equipment are recognized in the statement of income as incurred.

Depreciation is calculated based on the cost of an asset (or deemed cost) less its residual value. Depreciation commences when the asset is available for use and ceases on the earliest of when the asset is derecognized or classified as held-for-sale. When parts of an item of property and equipment have different useful lives, they are accounted for as separate components of property and equipment and depreciated accordingly. The carrying amount of a replaced component is derecognized. The Company reviews the residual value, useful lives and depreciation methods used on an annual basis and, where revisions are required, the Company applies such changes in estimates on a prospective basis.

Depreciation of property and equipment over the estimated useful lives of the assets is as follows:

Diminishing balance method	
Buildings	4%
Equipment, trucks and automotive	20% - 40%
Heavy equipment	Hours of use
Furniture, fixtures and office equipment	20% - 55%
Straight line method	
Leasehold improvements	Over the lease term

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of general and administrative expenses in the statement of income.

Leases

Lessee arrangements

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. On the date that the leased asset becomes available for use, the Company recognizes a ROU asset and a corresponding ROU liability. Finance costs associated with the lease obligation are charged to the statement of income over the lease period with a corresponding increase to the ROU liability. The ROU liability is reduced as payments are made against the principal portion of the lease. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation of the ROU asset is recognized as part of costs of construction or general and administrative expenses, depending on the nature of the leased asset.

ROU assets and liabilities are initially measured on a present value basis. Lease obligations are measured as the net present value of the lease payments which may include: fixed lease payments, variable lease payments that are based on an index or a rate, amounts expected to be payable under residual value guarantees, and payments to exercise an extension or termination option, if the Company is reasonably certain to exercise either of those options. ROU assets are measured at cost, which is composed of the amount of the initial measurement of the ROU liability, less any incentives received, plus any lease payments made at, or before, the commencement date and initial direct costs and asset restoration costs, if any. The rate implicit in the lease is used to determine the present value of the liability and asset arising from a lease, unless this rate is not readily determinable, in which case the Company's incremental borrowing rate is used.

The Company has applied a number of practical expedients identified in the standard as follows:

i. Short-term leases and leases of low-value assets are not recognized in the statement of financial position and lease payments are instead recognized in the financial statements as incurred.

ii. For certain classes of leases, the Company has elected not to separate lease and non-lease components (which transfer a separate good or service under the same contract) and instead the Company accounts for these leases as a single lease component.

iii. Certain leases having similar characteristics are accounted for as a portfolio.

Lessor arrangements

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators, such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset.

Goodwill

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the identifiable assets acquired less liabilities assumed, based on their fair values. Goodwill is not amortized but is tested for impairment on an annual basis or more frequently if there are indicators that goodwill may be impaired. Goodwill is carried at cost less any accumulated impairment.

Intangible assets

Intangible assets with finite lives are comprised of computer software, and assets related to the acquisition of a business, including backlog and agency contracts, customer relationships and certain trade names. These intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is calculated using the cost of the asset, and commences once the asset is available for use and is recognized in the statement of income based on the expected pattern of consumption of the economic benefits of the asset. Amortization methods, useful lives and residual values are reviewed on an annual basis and adjusted where appropriate. Intangible assets with indefinite lives comprising of trade names are not amortized.

The estimated useful lives of each class of intangible assets are as follows:

Asset	Basis	Useful Life
Computer software	Straight line	1 to 10 years
Backlog and agency contracts	As related revenue is earned	1 to 3 years
Customer relationships	Straight line	3 to 7 years
Trade names	Straight line	5 years or indefinite

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets for which separate processes apply, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have an indefinite useful life or intangible assets that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of a CGU is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a risk-adjusted discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (i.e. a CGU). For the purpose of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling and reflects the lowest level at which the goodwill is monitored for internal reporting purposes.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions and contingent assets

Provisions

Provisions are recognized when, at the financial statement date, the Company has a present obligation as a result of a past event, it is more likely than not that the Company will be required to settle that obligation, and the cash outflow can be estimated reliably. The amount recognized for provisions is the best estimate of the expenditure to be incurred. Where the Company expects some or all of the provision to be reimbursed, for example through insurance, the reimbursement is recognized as an asset only when it is virtually certain of realization. The recoverable amount will not exceed the amount of the provision. Provisions include:

i. Provisions for potential legal claims relating to the Company's performance and completion of construction contracts. The Company attempts to settle claims within the construction period of the contracts, but a legal claim may take years to settle.

ii. Provisions for potential warranty claims relating to construction projects. These claims are usually settled during the project's warranty period.

iii. Provisions for loss contracts are recorded when costs are estimated to be greater than total revenues for the contract. Losses from construction contracts are recognized in full in the period the loss becomes known. The loss provision will be net of management's estimate of probable expected recoveries, which differs from the criterion used for revenue recognition.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Cost recovery claims associated with claims against subcontractors and parties other than customers are considered contingent assets until it is virtually certain that the claims will be settled. Contingent assets are not recorded or disclosed in the financial statements.

Subcontractor/ supplier performance default insurance

The Company maintains an insurance policy which provides the Company with comprehensive coverage in respect of subcontractor or supplier default on certain projects where the subcontractor or supplier is enrolled in the program. The total insurance premium paid by the Company to the insurer is comprised of a non-refundable premium and a deposit premium. The deposit premium paid by the Company is included in other non-current assets on the consolidated statement of financial position (the "statement of financial position"). The liabilities included in provisions on the statement of financial position relate to management's best estimate of exposures and costs associated with prior or existing subcontractor or supplier performance defaults. Management conducts a thorough review of the liability every reporting period and takes into consideration the Company's experience to date with those subcontractors or suppliers that are enrolled in the program.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions and balances are recorded in the accounts as follows:

i. Monetary assets and liabilities at the exchange rate in effect at the financial statement date;
ii. Non-monetary assets and liabilities at exchange rates prevailing at the time of the transaction;
iii. Depreciation expense at the exchange rate in effect at the time the related assets are acquired; and
iv. Revenue and expenses at the average exchange rate prevailing on the date of the transaction.

Translation of equity accounted foreign entities

Assets and liabilities of equity accounted foreign entities are translated from the functional currency to the Company's presentation currency at the closing rate at the end of the reporting period. The statements of income are translated at exchange rates at the dates of the transactions or at the average rate if it approximates the actual rates. All resulting exchange differences are recognized in other comprehensive income.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable based on applying enacted income tax rates to the taxable income realized in the current year. Current tax includes adjustments to taxes payable or recoverable in respect of previous years.

Deferred income tax assets and liabilities are recognized for temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes, as well as for the benefit of tax losses available to be carried forward to future years provided they are likely to be realized. Deferred taxes are recognized using enacted or substantively enacted rates expected to apply in the periods in which the asset is realized or the liability is settled. Deferred taxes are measured on an undiscounted basis. Deferred taxes are presented as non-current. Current and deferred tax assets and liabilities are offset only when a legally enforceable right exists to offset current tax assets against current tax liabilities relating to the same taxable entity and the same tax authority.

Post-employment benefits

Defined benefit ("DB") pension costs are actuarially determined using the projected unit credit method and management's best estimate of salary escalation and retirement age of employees. The Company's net obligation in respect of DB pension plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any recognized past service costs and the fair value of plan assets are deducted. The discount rate used to establish the pension obligation is 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. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan within the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

The pension deficit or surplus is adjusted for any material changes in underlying assumptions. The Company recognizes all actuarial gains and losses arising from the DB plans in other comprehensive earnings in the period in which they occur. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in the statement of income on a straight-line basis over the average service period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of income.

Medium term incentive plan

The Company's Medium Term Incentive Plan ("MTIP") is a cash-settled share-based payment plan which provides for the granting of phantom shares. The phantom shares provide the holder with the opportunity to earn a cash benefit in relation to the value of a specified number of underlying notional shares. When new MTIP awards are issued, the value of the initial award is determined, which is then used to determine the number of shares allocated to the employee. The total liabilities for this plan are computed based on the estimated number of phantom shares expected to vest at the end of the vesting period. The liability is measured at each reporting date at fair value with changes in fair value recognized in income. The fair value of the phantom shares outstanding at the end of a reporting period is measured based on the quoted market price of the Company's shares. The phantom shares earn notional dividends, equivalent to actual dividends declared on the Company's shares. Compensation expense relating to the initial award, notional dividends and changes in the market price of the phantom shares is recognized on a straight-line basis in general and administrative expenses in the statement of income over the vesting period.

Equity incentive plan

The Company has an Equity Incentive Plan ("EIP") as part of the Company's executive compensation plan. The purpose of the EIP is to provide certain officers and employees of the Company with the opportunity to be granted performance share units ("PSU") or time-based restricted share units ("RSU"), and together with PSUs, the ("Units"). The EIP is a full-value share unit plan using the value of the Company's shares as the basis for the Units. In the case of the PSUs, the amount of award payable at the end of the vesting period will be determined by a performance multiplier. Under the EIP, the Company is entitled, in its sole discretion, to settle the Units in either cash or the Company's Shares purchased on the TSX or issued from treasury, or a combination thereof. The Company intends to settle the EIP in cash.

As a cash-settled compensation arrangement, the fair value of the amount payable is recognized as an expense with a corresponding increase in liabilities over the vesting period. The Units will vest and be settled on their issue date, which will be no later than December 31 in the third year following the date of grant, or in accordance with the EIP, participant's award agreement, or the Company's discretion. The liabilities for this plan are calculated based on the estimated number of Units expected to vest at the end of the vesting period. The Units earn notional dividends, equivalent to actual dividends declared on the Company's shares. The liability is remeasured at each reporting date at fair value with changes in fair value recognized in income. The fair value of the Units outstanding at the end of a reporting period is measured based on the quoted market price of the Company's shares, with PSUs also adjusted by a performance multiplier. Compensation expense relating to the initial award, notional dividends and changes in the market price of the Units is recognized on a straight-line basis in general and administrative expenses in the statement of income over the vesting period.

Deferred share unit plan

The Company has a Deferred Share Unit Plan ("DSU Plan"), which is a cash-settled share-based payment plan. The fair value of the amount payable to eligible Directors in respect of Deferred Share Units ("DSU") is equivalent to the cash value of the common shares at the reporting date. The DSUs earn notional dividends, equivalent to actual dividends declared on the Company's shares. DSUs are eligible to be cash-settled no later than December 31 of the following year in which the Director ceases to hold any position within the Company. The liability associated with the DSU Plan is recalculated at each reporting date and at settlement. Any change in the fair value of the liability is recognized in general and administrative expenses in the statement of income.

Cash and cash equivalents

The Company considers cash, bank indebtedness, if any, bankers' acceptances and short-term deposits with original maturities of three months or less, as cash and cash equivalents.

Restricted cash

Restricted cash represent amounts that management has determined are not available for general operating purposes. Restricted cash consists of cash held in trust, relating to trust obligations on certain projects for which we have segregated accounts, and cash held to support letters of credit.

Financial instruments

Classification and measurement of financial instruments

Financial assets and liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument or derivative contract. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Financial liabilities are derecognized when their contractual obligations are discharged, cancelled or have expired. Financial instruments are initially measured at fair value and are subsequently accounted for based on their classification as described below. The classification of financial assets is determined by their context in the Company's business model and by the characteristics of the financial asset's contractual cash flows.

- Amortized cost: The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. The financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.
- Fair value through profit or loss ("FVTPL"): A financial asset is measured at FVTPL if it does not meet the criteria for assets measured at amortized cost or FVTOCI. Financial assets at FVTPL include held for trading assets and derivative instruments. Financial assets at FVTPL are measured at fair value with changes recognized in the statement of income. Transaction costs associated with assets classified as FVTPL are expensed as incurred.
- Fair value through other comprehensive income ("FVTOCI"): The Company does not have any financial assets held at FVTOCI at December 31, 2024 or 2023.

The Company has the following financial assets and liabilities:

	Classification & basis of measurement
Financial assets:	
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Subcontractor / Supplier insurance deposits	Amortized cost
Derivative contracts	FVTPL
Lease receivables	Amortized cost
Financial liabilities:	
Accounts payable	Amortized cost
Dividends payable to shareholders	Amortized cost
Loans and borrowings	Amortized cost
Right-of-use liabilities	Amortized cost
Acquisition holdback liability	Amortized cost
Derivative contracts	FVTPL

Derivative financial instruments

The Company uses interest rate swaps to manage its interest rate risk on non-recourse project financing and its variable rate loans and borrowings. The Company also uses Total Return Swap ("TRS") derivative contracts 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 changes in the fair market value are recorded as compensation expense in general and administrative expenses in the statement of income. The Company uses foreign currency forward contracts to buy US dollars for the purpose of managing its foreign currency risk. Unrealized gains and losses in the fair value of the foreign currency forward contracts are recognized in general and administrative expenses in the statement of income. The Company does not designate any of its derivative contracts as hedges.

Impairment of financial assets

Financial assets measured at amortized cost are assessed at each reporting date to determine whether there is objective evidence of impairment. An expected credit loss ("ECL") impairment model is applied, where the ECL is the present value of all cash shortfalls over the expected life of the financial asset. Impairment is measured at either the 12-month ECL or lifetime ECL. The Company recognizes the 12-month ECL in the statement of income; however, for trade receivables and contract assets that do not contain a significant financing component, a lifetime ECL is measured at the date of initial recognition.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event will have a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The carrying amounts of financial assets are reduced by the amount of the ECL through an allowance account and losses are recognized in general and administrative expenses in the statement of income.

Finance and other income and finance and other costs

Finance and other income is comprised of interest earned on cash and cash equivalents, interest earned on lease receivables, gains/losses on disposal of investments and changes in the fair value of financial assets classified as FVTPL. Interest income is recognized as it accrues in the income statement.

Finance and other costs are comprised of interest on loans and borrowings including non-recourse project financing using the effective interest rate method, interest expense related to ROU liabilities, interest expense related to the net gain or loss on interest rate swaps, interest associated with TRS contracts, fees associated with credit facilities, bank charges and other interest expenses.

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 December 31, 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 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 $137,953, 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 $8,220. The holdback and other liability consists of $5,873 related to a final working capital reconciliation, $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 $3,414 were recognized in the year ended December 31, 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 management's assessment of the related deferred taxes.

During the three months ended December 31, 2024, measurement period adjustments were made to the purchase price allocation to reflect new information obtained by management with respect to facts and circumstances that existed as of August 1, 2024. The impact of these measurement period adjustments were: $5,975 decrease in accounts receivable, $3,006 decrease in contract assets, $72 decrease in property and equipment, $7,000 increase in intangible assets, $708 increase in accounts payable, $2,837 decrease in contract liabilities, $4,586 decrease in income taxes payable, $98 decrease in other working capital items, $7,244 increase in the net deferred tax liabilities and $7,553 increase in goodwill.

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

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		8,220
Cash consideration		91,595
Total Consideration	**$**	**137,953**

Fair value of assets and liabilities of Jacob Bros acquired:		
Assets acquired		
Cash and cash equivalents		176
Accounts receivable		59,175
Contract assets		12,849
Inventory and prepaid expenses		529
Investment in equity accounted entity		57
Property and equipment		22,752
ROU assets		16,610
Intangible assets		61,000
Income taxes recoverable		1,229
Liabilities assumed		
Accounts payable		(40,221)
Contract liabilities		(16,212)
Provisions		(85)
Long term debt		(1,349)
ROU liabilities		(16,610)
Net deferred income taxes liabilities		(31,011)
Net identifiable assets acquired	**$**	**68,889**
Goodwill		**69,064**
Net assets acquired	**$**	**137,953**

The fair value and gross amount of the trade receivables acquired amounted to $59,175.

Goodwill and intangible assets

Goodwill of $69,064 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 $61,000 include backlog, customer relationships and trade names.

From the date of acquisition, Jacob Bros has contributed $109,185 of revenue and $4,854 of net income. If the acquisition had occurred on January 1, 2024, revenue for the combined entity would have been $3,532,229 and net income would be $109,058 for the year ended December 31, 2024.

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.

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

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/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 were finalized subsequent to the year end on January 18, 2025. No material 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 January 18, 2024.

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	**$**	**11,113**
Fair value of assets and liabilities of NorCan acquired:		
Assets acquired		
Other current assets		36
Property and equipment		734
ROU assets		408
Intangible assets		6,645
Liabilities assumed		
ROU liabilities		(408)
Net identifiable assets acquired	**$**	**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.

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

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

	2024	2023
Accessible cash	$ **44,553**	$ 79,884
Cash held for joint operations	**95,449**	62,529
Restricted cash and cash equivalents	**37,443**	35,116
	$ **177,445**	$ 177,529

9. Accounts receivable

	2024	2023
Progress billings on construction contracts	$ **613,809**	$ 564,704
Holdbacks receivable (due within one operating cycle)	**360,139**	280,582
Other	**12,999**	5,165
	$ **986,947**	$ 850,451

Accounts receivable are reported net of an allowance for doubtful accounts of $204 as at December 31, 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.

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

10. Revenue, contract assets and contract liabilities

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.

		2024		2023 (adjusted)
Public Private Partnerships ("PPP")	$	**33,239**	$	123,427
Design-build finance and design-build		**165,194**		245,708
Stipulated sum, unit price and progressive design-build		**1,438,011**		1,179,641
Construction management, IPD, alliance agreement, progressive design-build - target price, and cost reimbursable		**1,760,902**		1,250,009
	$	**3,397,346**	$	2,798,785

In 2024, the Company realigned the groupings of contract types used to report disaggregated revenue to better reflect the nature of the Company's contracts and the changing contracting formats within the industry. Prior year disaggregated revenue has been adjusted to conform to the current year's presentation.

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 December 31, 2024, the aggregate amount of remaining performance obligations from construction contracts was $3,719,292. 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 63% 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 but 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.

Summary of contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

		2024		2023
Progress billings and holdbacks receivable (note 9)	$	**973,948**		845,286
Contract assets		**133,451**		99,562
Contract liabilities		**(212,052)**		(206,342)
	$	**895,347**	$	738,506

Progress billings and holdbacks receivable

The Company issues invoices in accordance with the billing schedule or contract terms. These invoices trigger recognition of accounts receivable.

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

Contract assets

The Company receives payments from customers based on a billing schedule, as established in the contracts. A contract asset relates to the conditional right to consideration for completed performance under the contract. Accounts receivable are recognized when the right to consideration becomes unconditional. Contract assets related to construction contracts are typically invoiced within a year.

	2024 Construction Contracts	2023 Construction contracts
Balance, December 31, 2023	$ 99,562	$ 56,938
Acquisition (note 7)	12,849	—
Additions to contract assets	1,466,334	1,201,418
Reduction of contract assets due to progress billings	(1,445,294)	(1,158,794)
Balance, December 31, 2024	$ 133,451	$ 99,562

Contract liabilities

Contract liabilities relate to payments received in advance of performance under the contract. Contract liabilities are recognized as revenue as (or when) the Company performs under the contract. Typically, contract liabilities are recognized within a year as performance is achieved per contractual terms.

For the year ended December 31, 2024, $206,342 of revenue (2023 – $146,986) was recognized that was included in the contract liability balance at the beginning of the year.

For the year ended December 31, 2024, $9,633 of revenue (2023 – $4,022) was recognized from the satisfaction of performance obligations related to previous periods. Amounts represent changes in the transaction price due to contract modifications and various other cumulative catch up adjustments.

11. Other assets

	2024	2023
Subcontractor / Supplier insurance deposits	$ 1,102	$ 1,103
Lease receivables	2,109	3,142
TRS derivative (note 24)	8,506	48
Other	855	566
Other assets	$ 12,572	$ 4,859
Less: current portion		
TRS derivative	8,506	48
Lease receivables	846	1,162
Current portion	9,352	1,210
Non-current portion	$ 3,220	$ 3,649

Subcontractor/Supplier insurance deposits relate to the Company's insurance policies which provide Bird with comprehensive coverage, subject to a deductible, in respect of subcontractor or supplier default on certain projects where the subcontractor or supplier is enrolled in the program.

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 receipts of $17,503. (December 2023 - partial settlement of $16,847).

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

The Company subleases certain facilities. The following is a detailed maturity analysis of the undiscounted finance lease payments receivable as at December 31, 2024:

	Carrying amount	Contractual cash flows	Not later than 1 year	Later than 1 year and less than 3 years	Later than 3 years and less than 5 years	Later than 5 years
Lease receivables	$ 2,109	$ 2,198	$ 897	$ 1,301	$ —	$ —

12. Assets held for sale

Assets held for sale	2024	2023
Balance, December 31, 2023	$ 2,085	$ 2,341
Reclassifications into (out of) held for sale	—	2,319
Capital distributions received	(302)	(298)
Sale of investment	—	(2,277)
Balance, December 31, 2024	$ 1,783	$ 2,085

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.

	2024		
	Joint ventures	Associates	Total
Total current assets	$ 132,659	$ 22,249	$ 154,908
Total non-current assets	111,839	165,204	277,043
Total assets	244,498	187,453	431,951
Total current liabilities	120,382	3,733	124,115
Total non-current liabilities	101,870	155,606	257,476
Total liabilities	222,252	159,339	381,591
Net assets – 100%	$ 22,246	$ 28,114	$ 50,360
Attributable to the Company	$ 11,472	$ 2,812	$ 14,284
Revenue – 100%	$ 406,634	$ 20,611	$ 427,245
Total comprehensive income (loss) – 100%	$ 5,720	$ 2,759	$ 8,479
Attributable to the Company	$ 2,737	$ 276	$ 3,013

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

	2023		
	Joint ventures	Associates	Total
Total current assets	$ 50,343	$ 26,233	$ 76,576
Total non-current assets	113,057	169,092	282,149
Total assets	163,400	195,325	358,725
Total current liabilities	45,304	7,889	53,193
Total non-current liabilities	100,032	159,832	259,864
Total liabilities	145,336	167,721	313,057
Net assets – 100%	$ 18,064	$ 27,604	$ 45,668
Attributable to the Company	$ 7,719	$ 2,760	$ 10,479
Revenue – 100%	$ 231,555	$ 8,452	$ 240,007
Total comprehensive income (loss) – 100%	$ 8,533	$ 2,663	$ 11,196
Attributable to the Company	$ 3,021	$ 266	$ 3,287

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

Investments in equity accounted entities	**2024**	2023
Balance, beginning of period	**$ 10,479**	$ 9,786
Acquisitions (note 7)	**57**	—
Share of net income (loss) for the period	**3,013**	3,287
Share of other comprehensive income (loss) for the period	**(657)**	93
Investments in equity accounted entities	**4,220**	—
	17,112	13,166
Capital distributions received	**(2,828)**	(368)
Investments in equity accounted entities reclassified as held for sale (note 12)	**—**	(2,319)
Balance, end of period	**$ 14,284**	$ 10,479

	2024	2023
Share of net income (loss) for the period	**$ 3,013**	$ 3,287
Gain on sale of investments in equity accounted entities	**—**	131
Income (loss) from equity accounted investments	**$ 3,013**	$ 3,418

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

14. Property and equipment

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
Acquisitions (note 7)	—	—	2,232	20,423	831	23,486
Additions	—	864	4,795	15,239	256	21,154
Disposals	—	—	(3,276)	(12,791)	(833)	(16,900)
Balance, December 31, 2024	2,748	14,375	25,627	128,783	3,759	175,292
Accumulated depreciation						
Balance, December 31, 2023	—	8,114	12,290	68,523	2,302	91,229
Disposals	—	—	(3,229)	(11,772)	(797)	(15,798)
Depreciation expense	—	438	2,818	15,406	320	18,982
Balance, December 31, 2024	—	8,552	11,879	72,157	1,825	94,413
Net book value	$ 2,748	$ 5,823	$ 13,748	$ 56,626	$ 1,934	$ 80,879

2023	Land	Buildings	Leasehold improvements	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost						
Balance, December 31, 2022	$ 2,788	$ 12,895	$ 20,121	$ 103,462	$ 3,137	$ 142,403
Acquisition (note 7)	—	—	64	442	18	$ 524
Additions	—	616	2,841	11,819	547	15,823
Impairment	—	—	(433)	—	—	(433)
Disposals	(40)	—	(717)	(9,811)	(197)	(10,765)
Balance, December 31, 2023	2,748	13,511	21,876	105,912	3,505	147,552
Accumulated depreciation						
Balance, December 31, 2022	—	7,680	10,769	66,288	2,195	86,932
Disposals	—	—	(712)	(8,207)	(170)	(9,089)
Depreciation expense	—	434	2,233	10,442	277	13,386
Balance, December 31, 2023	—	8,114	12,290	68,523	2,302	91,229
Net book value	$ 2,748	$ 5,397	$ 9,586	$ 37,389	$ 1,203	$ 56,323

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

15. Right-of-use assets

	2024			
	Buildings	**Equipment, trucks and automotive**	**Furniture and office equipment**	**Total**
Cost				
Balance, December 31, 2023	$ 54,911	$ 66,772	$ 1,867	$ 123,550
Acquisitions (note 7)	11,569	5,449	—	17,018
Additions	8,174	36,943	—	45,117
Disposals	(1,195)	(3,500)	—	(4,695)
Balance, December 31, 2024	73,459	105,664	1,867	180,990
Accumulated depreciation				
Balance, December 31, 2023	19,681	27,930	1,825	49,436
Disposals	(927)	(2,877)	—	(3,804)
Depreciation expense	8,880	17,201	24	26,105
Balance, December 31, 2024	27,634	42,254	1,849	71,737
Net book value	$ 45,825	$ 63,410	$ 18	$ 109,253

	2023			
	Buildings	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost				
Balance, December 31, 2022	$ 51,068	$ 54,542	$ 1,856	$ 107,466
Acquisition (note 7)	1,551	852	11	2,414
Additions	9,068	15,200	—	24,268
Impairment	(997)	—	—	(997)
Disposals	(5,779)	(3,822)	—	(9,601)
Balance, December 31, 2023	54,911	66,772	1,867	123,550
Accumulated depreciation				
Balance, December 31, 2022	18,520	21,219	1,591	41,330
Disposals	(5,457)	(3,190)	—	(8,647)
Depreciation expense	6,618	9,901	234	16,753
Balance, December 31, 2023	19,681	27,930	1,825	49,436
Net book value	$ 35,230	$ 38,842	$ 42	$ 74,114

In the prior year ended December 31, 2023, the Company conducted a process to rationalize its leased office space, including office locations added through recent acquisitions. As a result of the process, certain leased premises were no longer expected to be utilized in the future. Accordingly, a number of asset impairments and onerous cost provisions were recorded, and reflected in the statement of income as acquisition and integration costs in general and administrative expenses for the year ended December 31, 2023.

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

16. Intangible assets

	2024				
	Trade names	**Backlog**	**Customer relationships**	**Computer software**	**Total**
Cost					
Balance, December 31, 2023	$ 8,000	$ 4,804	$ 17,707	$ 41,686	$ 72,197
Acquisitions (note 7)	12,323	13,500	41,822	—	67,645
Additions	—	—	—	12,623	12,623
Disposals	—	—	—	(4,035)	(4,035)
Balance, December 31, 2024	20,323	18,304	59,529	50,274	148,430
Accumulated amortization					
Balance, December 31, 2023	467	4,804	6,968	13,564	25,803
Amortization expense	200	3,750	5,585	8,280	17,815
Disposals	—	—	—	(4,035)	(4,035)
Balance, December 31, 2024	667	8,554	12,553	17,809	39,583
Net book value	$ 19,656	$ 9,750	$ 46,976	$ 32,465	$ 108,847

	2023				
	Trade names	Backlog	Customer relationships	Computer software	Total
Cost					
Balance, December 31, 2022	$ 8,000	$ 4,500	$ 15,500	$ 27,565	$ 55,565
Acquisition (note 7)	—	304	2,207	6	2,517
Additions	—	—	—	15,133	15,133
Disposals	—	—	—	(1,018)	(1,018)
Balance, December 31, 2023	8,000	4,804	17,707	41,686	72,197
Accumulated amortization					
Balance, December 31, 2022	267	3,499	4,431	12,626	20,823
Amortization expense	200	1,305	2,537	1,956	5,998
Disposals	—	—	—	(1,018)	(1,018)
Balance, December 31, 2023	467	4,804	6,968	13,564	25,803
Net book value	$ 7,533	$ —	$ 10,739	$ 28,122	$ 46,394

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

17. Goodwill

		2024		2023
Cost				
Balance, beginning of period	$	70,143	$	69,891
Acquisitions (note 7)		72,762		252
Balance, end of period		142,905		70,143
Accumulated impairment		14,151		14,151
Net book value	$	128,754	$	55,992

At December 31, 2024 and 2023, the Company conducted an impairment test of its goodwill and indefinite life intangible assets. The carrying value of goodwill and the Company's indefinite life intangible assets at December 31, 2024 and 2023 was determined to not be impaired as the recoverable amount of the Company's CGUs exceeded their carrying values.

For the purposes of impairment testing, the Company allocated the carrying value of goodwill to the following groups of CGUs:

		2024		2023
Industrial	$	26,293	$	22,595
Buildings		12,794		12,794
Infrastructure, Commercial Systems and Utilities		89,667		20,603
	$	128,754	$	55,992

Key assumptions and sensitivity analysis

The recoverable amount of the CGUs were determined based on a value-in-use calculation using cash flow projections from financial forecasts derived from the Company's 2025 Business Plan and the 2025-2027 Strategic Plan which was reviewed by management with the Board of Directors, as well as management estimates for 2028.

The Company selected a four year forecast period for the discounted cash flow analysis with the belief that further periods are adequately represented by a terminal value. Cash flows from growth opportunities are probability-weighted and relate to initiatives management expects to progress on in the medium to long-term time frame. These cash flows require assumptions to be made regarding the likelihood of projects progressing and the future economics of those projects. Cash flows for the remaining periods were extrapolated using a growth rate of 2.0%. An after-tax discount rate of 16.0%, which is based on a market-based cost of capital, was applied in determining the recoverable amounts. The same discount rate has been used in each of the CGUs, given the similarity in the business and the fact that business-specific risks were adjusted for in the forecasted cash flows. In addition, entity-specific risks were separately factored into each CGU forecast.

Sensitivity analyses of significant estimates and assumptions was conducted as part of the Company's impairment testing. The sensitivity ranges were selected based on management's expectations for inflationary growth and knowledge of weighted average cost of capital within the construction industry. A 1% change in the discount rate and a 0.5% change in the growth rate would not result in the carrying values of the CGUs exceeding their recoverable amounts.

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

18. Loans and borrowings

Loans and borrowings

	Maturity	Interest rate	2024	2023
Committed revolving credit facility	December 15, 2027	Variable	$ 22,725	$ 22,725
Committed non-revolving term loan facility	December 15, 2027	Variable	121,875	42,750
Equipment financing	2025 – 2028	Fixed 2.05%-7.64%	8,557	7,451
			153,157	72,926
Current portion			16,381	8,305
Non-current portion			$ 136,776	$ 64,621

The following table provides details of the changes in the Company's Loans and borrowings for the year ended December 31, 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	—	—	—	—
Proceeds	—	134,420	2,931	137,351
Repayments	—	(55,295)	(3,174)	(58,469)
Balance, December 31, 2024	$ 22,725	$ 121,875	$ 8,557	$ 153,157

During the year ended December 31, 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 $230,000 with offsetting repayments totalling $230,000 (2023 - $85,000 draws and $85,000 repayments).

Syndicated credit facility

During the second quarter of 2024, the Company amended its committed, syndicated credit facility (the "Syndicated Facility") adding additional capacity under the revolving and non-revolving credit facilities and extending the maturity date to December 15, 2027. The Company also amended the Syndicated Facility during the fourth quarter of 2024, further adding additional capacity under the revolving credit facilities.

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 December 31, 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 $400,000 (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 December 31, 2024, the Company has nil letters of credit outstanding on the facility (December 31, 2023 – $11,816) and has drawn $22,725 on the facility (December 31, 2023 – $22,725). Of the $22,725 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 December 31, 2024, the Company has an outstanding balance of $121,875 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 December 31, 2024, $2,382 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 December 31, 2024, the balance outstanding on these term loans amounted to $6,175 (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.

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 December 31, 2024, the facilities were drawn for outstanding letters of credit of $39,520 (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 December 31, 2024, EDC has issued performance security guarantees totalling $39,520 (December 31, 2023 – $38,763).

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

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 December 31, 2024:

	2024	2023
Balance, December 31, 2023	$ 78,430	$ 73,259
Acquisitions (note 7)	17,018	2,414
Additions	45,117	23,855
Interest	5,032	3,130
Lease terminations and modifications	(315)	(471)
Repayment	(37,084)	(23,757)
Balance, December 31, 2024	108,198	78,430
Current portion	32,435	20,750
Non-current	$ 75,763	$ 57,680

Potential undiscounted cash outflows of $62,215 (December 31, 2023 - $60,723) have not been included in the measurement of the Company's ROU liabilities as at December 31, 2024 because it is not reasonably certain that particular leases will be extended. Included in the statement of income were expenses related to short-term leases and leases of low-value assets amounting to $9,244 for the year ended December 31, 2024 (2023 - $9,139). Total cash outflows for leases for the year ended December 31, 2024 were $46,328 (2023- $32,896).

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 December 31, 2024, the Company had used $13,938 (December 31, 2023 – $7,999) under these facilities.

20. Income taxes

Provision for income taxes

	2024	2023
Income tax expense (recovery) comprised of:		
Current income taxes	$ 22,477	$ 14,563
Deferred income taxes	10,837	7,129
	$ 33,314	$ 21,692

Income tax rate reconciliation

	2024	2023
Combined federal and provincial income tax rate	25.3%	25.5%
Increase (reductions) applicable to:		
Non-taxable items	0.5%	0.3%
Other	(0.8%)	(2.5%)
Effective rate	25.0%	23.3%

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

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

Composition of deferred income tax assets and liabilities

	2024	2023
Provisions and accruals	$ 3,014	$ 5,259
Pension and other compensation	14,098	7,097
Timing of recognition of construction profits	(45,940)	(29,807)
Property and equipment	(18,501)	(12,606)
Right of use assets and liabilities and lease receivables	499	1,754
Intangible assets	(18,663)	(4,389)
Investment in equity accounted entities	(1,502)	(1,595)
Other	(932)	(1,228)
Tax loss carry forward	14,103	23,491
	$ (53,824)	$ (12,024)
Presentation in the statement of financial position		
Deferred income tax asset	25,881	28,935
Deferred income tax liability	(79,705)	(40,959)
	$ (53,824)	$ (12,024)

The deferred tax asset balances recognized by the Company are supported by the reversal of existing taxable temporary differences and expected future taxable income in excess of deductible temporary differences.

	2024				
	Balance, December 31, 2023	Recognized in profit or loss	Recovery in other comprehensive income	Acquisition (note 7)	Balance, December 31, 2024
Provisions and accruals	$ 5,259	$ (2,245)	$ —	$ —	$ 3,014
Pension and other compensation	7,097	7,128	(127)	—	14,098
Timing of recognition of construction profits	(29,807)	(7,423)	—	(8,710)	(45,940)
Property and equipment, including software	(12,606)	(258)	—	(5,637)	(18,501)
ROU assets and liabilities	1,754	(1,256)	—	1	499
Intangible assets, excluding software	(4,389)	2,196	—	(16,470)	(18,663)
Investments in equity accounted entities	(1,595)	(82)	175	—	(1,502)
Other	(1,228)	491	—	(195)	(932)
Tax loss carry forward	23,491	(9,388)	—	—	14,103
	$ (12,024)	$ (10,837)	$ 48	$ (31,011)	$ (53,824)

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

	2023				
	Balance, December 31, 2022	Recognized in profit or loss	Recovery in other comprehensive income	Acquisition (note 7)	Balance, December 31, 2023
Provisions and accruals	$ 4,675	$ 584	$ —	$ —	$ 5,259
Pension and other compensation	3,695	3,396	6	—	7,097
Timing of recognition of construction profits	(29,714)	(93)	—	—	(29,807)
Property and equipment, including software	(5,836)	(6,733)	—	(37)	(12,606)
ROU assets and liabilities	2,372	(618)	—	—	1,754
Intangible assets, excluding software	(4,798)	1,074	—	(665)	(4,389)
Investments in equity accounted entities	(805)	(783)	(7)	—	(1,595)
Other	(2,440)	1,212	—	—	(1,228)
Tax loss carry forward	28,659	(5,168)	—	—	23,491
	$ (4,192)	$ (7,129)	$ (1)	$ (702)	$ (12,024)

21. Provisions

	Warranty claims and other	**Legal**	**Total**
Balance, December 31, 2023	**$ 7,834**	**$ 6,856**	**$ 14,690**
Acquisition (note 7)	**85**	**—**	**85**
Provisions made during the period	**24,678**	**8,739**	**33,417**
Provisions used during the period	**(18,623)**	**(7,746)**	**(26,369)**
Provisions reversed during the period	**(4,529)**	**(570)**	**(5,099)**
Balance, December 31, 2024	**$ 9,445**	**$ 7,279**	**$ 16,724**

	Warranty claims and other	Legal	Total
Balance, December 31, 2022	$ 10,254	$ 8,289	$ 18,543
Provisions made during the period	8,277	943	9,220
Provisions used during the period	(3,849)	(1,051)	(4,900)
Provisions reversed during the period	(6,848)	(1,325)	(8,173)
Balance, December 31, 2023	$ 7,834	$ 6,856	$ 14,690

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.

Warranty claims and other provisions made in 2024 include $nil (2023 - $1,024) of onerous contract provisions resulting from the Company's decision to optimize its leased office space, including leased premises added through recent acquisitions.

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

22. Other liabilities

		2024		2023
Liabilities for cash-settled share-based compensation plans (note 24)	$	**60,826**	$	32,764
Leasehold inducements		**807**		1,075
Acquisition holdback and other liability (note 7)		**8,520**		300
		70,153		34,139
Less: current portion				
Cash-settled share-based compensation plans (note 24)		**28,255**		9,729
Leasehold inducements		**211**		268
Acquisition holdback and other liability (note 7)		**6,173**		—
Current portion		**34,639**		9,997
Non-current portion	$	**35,514**	$	24,142

23. Pension obligations

The Company maintains two registered pension plans covering salaried employees for two of its subsidiaries. Each plan includes a defined contribution (“DC”) provision and a non-contributory defined benefit ("DB") provision. During the first quarter of 2022, the Company commenced the process of winding up one of the pension plans, which remains in process at December 31, 2024. As at December 31, 2024 there is no remaining defined benefit assets or obligations for this plan.

DC pension plans

The total expense recognized in the statement of income during the year ended December 31, 2024 of $448 (2023 - $479) represents contributions to these plans by the Company at rates specified in the rules of the plans.

DB pension plans

Annual employer contributions to the DB provisions, determined by an independent actuary, meet minimum amounts required by provincial pension supervisory authorities. The benefits provided by the DB provisions of the pension plans are based on years of service and final average earnings of the employees who are members of the plans.

Fair market value of plan assets

		2024		2023
Equity securities	$	**3,533**	$	5,048
Fixed income		**11,343**		8,485
Other return seeking investments		**1,854**		2,891
Cash and cash equivalents		**105**		145
	$	**16,835**	$	16,569

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

Reconciliation of amounts in the financial statements

	2024	2023
Accrued benefit obligation		
Balance, beginning of period	$ 16,007	$ 15,899
Employer current service cost	173	152
Employee contributions	5	—
Interest cost on the defined benefit obligation	723	755
Benefit payments	(843)	(1,951)
Actuarial (gain) loss due to experience adjustments	(81)	(571)
Actuarial (gain) loss due to changes in financial assumptions	—	1,640
Settlements	—	83
Balance, end of period	$ 15,984	$ 16,007

	2024	2023
Fair value of plan assets		
Balance, beginning of period	$ 16,569	$ 16,267
Balance, at acquisition	–	—
Employer contributions	310	604
Employee contribution	5	—
Interest income on plan assets	745	778
Actuarial gain (loss) on plan assets, excluding interest income	413	1,044
Benefit payments	(843)	(1,951)
Administration costs	(364)	(322)
Settlements	—	149
Balance, end of period	$ 16,835	$ 16,569

	2024	2023
Recognized asset (liability) for defined benefit obligations	$ 851	$ 562

During the period ended December 31, 2024, $515 (2023 – $385) was recorded in general and administrative expenses in the statement of income, and a gain of $494 (2023 – loss of $24) before tax, was recorded in other comprehensive income, relating to the DB plans. The loss relates to investment earnings being less than the expected interest income on the plans' assets and changes in financial assumptions.

Actuarial assumptions

	2024	2023
Discount rate on net benefit obligations	4.6 %	4.6 %
Rate of compensation increase	3.0 %	3.0 %
Inflation rate	2.0 %	2.0 %

The discount rate used to establish the pension obligation is based on AA-rated Canadian corporate bond yields at the measurement date. A change of 100 basis points in the discount rate at the reporting date would have increased or decreased the accrued benefit obligation by $2,043 (December 31, 2023 – $1,994).

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

24. Share-based compensation plans

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

	2024	2023
MTIP liability	$ 525	$ 203
EIP liability	43,184	19,250
DSU liability	17,117	13,311
Liabilities for cash-settled share-based compensation plans	60,826	32,764
Less: current portion		
MTIP liability	238	105
EIP liability	22,980	8,288
DSU liability	5,037	1,336
Current portion	28,255	9,729
Non-current portion	$ 32,571	$ 23,035

	2024			2023		
	MTIP	EIP[1]	DSUs	MTIP	EIP[1]	DSUs
Units, beginning of period	36,689	2,024,912	924,387	188,906	1,712,974	1,030,552
Granted [2]	30,761	476,702	74,125	43,720	865,153	187,254
Forfeited	—	—	—	(11,961)	—	—
Vested and paid	(9,876)	(630,201)	(341,685)	(183,976)	(553,215)	(293,419)
Units, end of period	57,574	1,871,413	656,827	36,689	2,024,912	924,387

[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.

The Company's EIP provides certain officers and employees of the Company with the opportunity to be granted PSUs or time-based RSUs. As at December 31, 2024, the Company had 952,445 outstanding RSUs and 918,968 outstanding PSUs, before the impact of the performance multiplier (December 31, 2023 – 1,012,456 and 1,012,456 units, respectively). The outstanding PSU balance as at December 31, 2024, adjusted for the performance conditions that modify the vested value, is 1,547,808 units (December 31, 2023 – 1,277,184 units).

Compensation expense accrued for PSUs issued under the Company's EIP is dependent on an adjustment to the final number of PSUs that will vest based on a performance multiplier that is estimated by management and approved by the Board of Directors. The performance multiplier applicable to the PSUs is determined based on relative total shareholder return ("TSR") and based on the achievement of adjusted earnings before income tax compared to the Company's business plan. The performance multiplier for achievement of TSR is based on a comparison against TSR achieved in the performance period by comparative companies. The range of the performance multiplier for the TSR and the achievement of adjusted earnings before income tax is between zero to a maximum of 2.0, if the Company performs within the highest range of its performance targets. RSU awards are set at a specific number of shares which are time-vested with no performance multiplier.

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

During the first, second, third and fourth quarter of 2024, the Company granted 17,530, 11,927, 12,415 and 11,181 units under the DSU plan at a fair market value of $18.68, $25.55, $22,64 and $26.01 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. In 2024, the Company also granted 15,201 RSU's under the EIP plan at a fair market value of $23.16 and granted an aggregate of 29,773 MTIP units at fair market values ranging from $18.70 to $29.90.

As at December 31, 2024, a total of 1,928,987 unvested phantom units of the MTIP and EIP (December 31, 2023 – 2,061,600) are outstanding and valued at $66,656 (December 31, 2023 - $33,499) of which $43,709 has been recognized to date in the statement of income (2023 - $19,453).

Pursuant to the Company's MTIP plan the units vest over periods ranging from November 2025 to November 2029 and are cash settled no earlier than the vesting date. Payments pursuant to the Company's EIP vest over periods ranging from December 2025 to March 2029 and are cash settled no earlier than the vesting dates. 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 transactions[1]

		2024		2023
MTIP	$	**620**	$	1,222
EIP		**37,221**		16,343
DSU		**12,384**		8,214
	$	**50,225**	$	25,779

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

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 gain of $25,961 on these derivatives in the statement of income in general and administrative expenses for the years ended December 31, 2024 (2023 - $13,945 gain).

25. 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 December 31, 2024 and December 31, 2023, no preferred shares have been issued. During the year ended December 31, 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).

	2024			2023		
	Number of shares		**Amount**	Number of shares		Amount
Balance, December 31, 2023	**53,774,639**	$	**115,265**	53,695,293	$	114,584
Common shares issued (note 7)	**1,608,192**		**39,755**	79,346		681
Balance, December 31, 2024	**55,382,831**	$	**155,020**	53,774,639	$	115,265

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

26. Earnings per share

	2024	2023
Net income	$ 100,099	$ 71,539
Weighted average number of common shares (basic and diluted)	54,509,396	53,767,900
Basic and diluted earnings per share	$ 1.84	$ 1.33

27. Finance and other income

	2024	2023
Interest income on lease receivables	$ 84	$ 116
Other interest income	7,865	5,100
	$ 7,949	$ 5,216

28. Finance and other costs

	2024	2023
Interest on loans and borrowings	$ 12,800	$ 8,864
Interest on ROU liabilities	5,032	3,130
Other	3,265	1,164
	$ 21,097	$ 13,158

Included in other finance costs is interest related to the Company's TRS derivative contract.

29. Personnel costs

	2024	2023
Short-term employee benefits	$ 846,246	$ 805,139
Defined benefit and defined contribution plan expense (note 23)	1,041	864
Deferred compensation (note 24)	50,225	25,779
	$ 897,512	$ 831,782

For the year ended December 31, 2024, personnel costs of $766,051 were included in costs of construction (2023 – $733,012) and $131,460 in general and administrative expenses (2023 – $98,770). Short-term employee benefits consist primarily of salaries and bonuses, as well as employee share purchase plan ("ESPP") expense and employee registered retirement savings plan ("RRSP") matching contributions. Deferred compensation consists of share-based compensation expenses.

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

30. Other cash flow information

Changes in non-cash working capital relating to operating activities

	2024	2023
Accounts receivable	$ (77,299)	$ (137,295)
Contract assets	(21,040)	(42,624)
Inventory and prepaid expenses	(2,240)	(1,446)
Other assets	318	124
Accounts payable	35,562	66,160
Contract liabilities	(10,502)	59,356
Provisions	1,949	(3,853)
Deferred compensation plan expense and other	(4,660)	4,024
	$ (77,912)	$ (55,554)

Change in liabilities arising from financing activities

2024	Dividend payable	Loans and borrowings	ROU liabilities	Total
Balance, December 31, 2023	$ 1,925	$ 72,926	$ 78,430	$ 153,281
Acquisitions (note 7)	—	1,349	17,018	18,367
Cash flows				
Proceeds	—	137,351	—	137,351
Repayments	—	(58,469)	(37,084)	(95,553)
Dividends paid on shares	(30,003)	—	—	(30,003)
Non-cash changes				
Net additions to ROU liabilities	—	—	44,802	44,802
Interest accretion	—	—	5,032	5,032
Dividends declared	31,955	—	—	31,955
Balance, December 31, 2024	$ 3,877	$ 153,157	$ 108,198	$ 265,232

2023	Dividend payable	Loans and borrowings	ROU liabilities	Total
Balance, December 31, 2022	$ 1,745	$ 75,091	$ 73,259	$ 150,095
Acquisition (note 7)	—	—	2,414	2,414
Cash flows				
Proceeds	—	5,103	—	5,103
Repayments	—	(7,268)	(23,757)	(31,025)
Dividends paid on shares	(22,564)	—	—	(22,564)
Non-cash changes				
Net additions to ROU liabilities	—	—	23,384	23,384
Interest accretion	—	—	3,130	3,130
Dividends declared	22,744	—	—	22,744
Balance, December 31, 2023	$ 1,925	$ 72,926	$ 78,430	$ 153,281

31. 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 below:

i. Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

ii. Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 - inputs used in a valuation technique are not based on observable market data in determining fair values of the instruments.

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 years ended December 31, 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.

A significant customer is one that represents 10% or more of contract revenue earned during the year. For the years ended December 31, 2024 and 2023, no customer accounted for 10% or more of the contract revenue.

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 December 31, 2024, accounts receivable outstanding for greater than 90 days and considered past due by the Company represent 10.2% (December 31, 2023 – 12.7%) of the balance of progress billings on construction contracts receivable. The Company has recorded an allowance of $204 (December 31, 2023 – $345) against these past due receivables, net of amounts recoverable from others.

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

	Amounts past due			
	Up to 12 months	Over 12 months	2024	2023
Trade receivables	$ 35,763	$ 22,578	$ 58,341	$ 71,623
Impairment	—	(204)	(204)	(345)
Total trade receivables	$ 35,763	$ 22,374	$ 58,137	$ 71,278

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 $286,921 (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 $37,443 held in restricted trust accounts and $95,449 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 December 31, 2024, the Company had a total undrawn balance on its committed revolving credit facility of $377,275 (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 $37,618 is undrawn as at December 31, 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.

The following are the contractual obligations, including estimated interest payments, as at December 31, 2024, in respect of the financial obligations of the Company, Interest payments on the committed revolving credit facility and committed non-revolving term loan facility are not included in the table below since they are subject to variability based upon outstanding balances at various points throughout the period and variable interest rates.

	Carrying amount	Contractual cash flows	Not later than 1 year	2 – 3 years	4 – 5 years	Later than 5 years
Trade payables	$ 716,121	$ 716,121	$ 686,694	$ 28,709	$ 718	$ —
Dividends payable	3,877	3,877	3,877	—	—	—
ROU liabilities	108,198	123,604	41,628	47,907	16,453	17,616
Committed revolving credit facility	22,725	22,725	—	22,725	—	—
Committed non-revolving term loan	121,875	121,875	12,500	109,375	—	—
Equipment financing	8,557	9,166	4,236	4,544	386	—
Acquisition holdback and other liability (note 7)	8,520	8,520	6,173	2,347	—	—
	$ 989,873	$ 1,005,888	$ 755,108	$ 215,607	$ 17,557	$ 17,616

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

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.

The interest rate profile of the Company's loans and borrowings was as follows:

	2024	2023
Fixed-rate facilities	$ 8,557	$ 7,451
Variable-rate facilities	144,600	65,475
Total loans and borrowings	$ 153,157	$ 72,926

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 December 31, 2024, a one percent change in the interest rate applied to the Company's variable rate long-term debt and TRS derivative would change annual income before income taxes by approximately $1,925 (2023 – $959).

The Company has certain share-based compensation plans, where the values are based on the common share price of the Company. At December 31, 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 $6,092 (2023 – $3,276).

To partially offset the costs of the share-based compensation plans, 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 December 31, 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 $5,631 (2023 – $3,036), 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 December 31, 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 $321 (2023 – $127), with a corresponding impact to income before income taxes.

32. Capital management

The Company's capital management objectives are to:

i. ensure that the Company has the financial capacity and liquidity to achieve its strategic objectives and support its current and anticipated volume and mix of business consistent with the risk tolerance of the Company;

ii. have the financial flexibility to absorb the seasonality and cyclicality of the Company's operations and the construction industry, as well as unforeseen events with an appropriate level of investment in working capital and available committed credit capacity;

iii. pursue a balanced capital allocation strategy that will deliver superior shareholder value;

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

iv. generate sufficient cash flow to maintain and grow the dividend in a consistent and sustainable way as determined by the Board of Directors; and

v. provide investors with maximum risk-adjusted long-term returns on equity.

In the management of capital, the Company defines capital as the aggregate of its shareholders' equity and non-current loans and borrowings.

The Company manages its capital within a capital management policy approved by the Board of Directors. The Company adjusts its capital structure in light of changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue new debt or repay existing debt, issue share capital, issue convertible debt, adjust capital expenditures, or may adjust the amount of dividends paid to shareholders. Financing decisions are generally made on a specific transaction basis and depend on such things as the Company's needs, capital markets and economic conditions at the time of the transaction.

The Company monitors its capital on a number of bases; the amounts of working capital, non-current loans and borrowings and shareholders' equity are as follows:

		2024		2023
Working capital	**$**	**286,921**	$	234,010
Loans and borrowings – non current	**$**	**136,776**	$	64,621
Shareholders' equity	**$**	**430,281**	$	322,494

33. Commitments and contingencies

Commitments

Outstanding surety lien bonds issued on behalf of the Company in connection with liens by subcontractors and suppliers at December 31, 2024 totalled $83,783 (December 31, 2023 – $98,335).

During the year ended December 31, 2024, the Company signed orders with a fleet management provider for leases totalling $5,145 that have not been recognized in the statement of financial position. The leases are expected to commence and be recognized in the statement of financial position within the next 12 months.

At December 31, 2024, the Company has minimum payments under contracts for other purchase obligations that are not recognized as liabilities in the statement of financial position of $5,245 due within the next 12 months, $5,697 from 1 to 3 years, and $1,725 from 3 to 5 years.

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.

34. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. Each of the related party transactions described below was made on terms equivalent to those that prevail in arm's length transactions unless otherwise noted.

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

Compensation of key management personnel represents the aggregate amounts paid and accrued to the Company's key management personnel and the Company's Board of Directors.

	2024	2023
Short-term benefits	$ 8,633	$ 7,812
Share-based compensation	28,074	16,513
	$ 36,707	$ 24,325

A Director or related parties hold positions in other entities that result in them having control over the financial reporting or operating policies of those entities. The aggregate value of transactions during the year with entities over which Directors have control was $6,185 (2023 - $3,200) and the outstanding balance receivable, including holdbacks receivable, at December 31, 2024 was $nil (December 31, 2023 - $3,275).

Transactions with proportionally consolidated joint arrangements

The Company provides services of its employees, management services, cost reimbursements, parental guarantees and letters of credit to the joint arrangements. These services were transferred at the exchange amount, agreed to between the parties. The amounts recognized for services provided by the Company for the year ended December 31, 2024 totalled $60,494 (2023 - $36,943).

The Company has accounts receivable from the joint arrangements at December 31, 2024 totalling $7,703 (December 31, 2023 - $5,466).

Transactions with equity accounted joint arrangements

The Company and its proportionately consolidated joint arrangements (note 4), provide development and construction services to its concession investments in associates and joint ventures which are in the normal course of business and on commercial terms. The Company's proportionate share of the amounts billed for construction services provided by these joint arrangements for the year ended December 31, 2024 totalled $284,455 (2023 – $172,495), and $290,175 has been recognized in revenue for the year ended December 31, 2024 (2023 - $182,649). The Company's proportionate share of payments made to the joint arrangements for the year ended December 31, 2024 totalled $1,086 (2023 - $2,595). These amounts are not eliminated as they are deemed to be realized by the Company.

The Company and its proportionately consolidated joint arrangements have accounts receivable from these concession investment entities. The Company's proportionate share of accounts receivable at December 31, 2024 totalled $73,162 (December 31, 2023 - $51,772). The Company also has accounts payable from an equity accounted entity at December 31, 2024 totalling $1,086 (December 31, 2023 - $nil).

35. 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
January dividend	January 31, 2025	February 20, 2025	$0.0700
February dividend	February 28, 2025	March 20, 2025	$0.0700
March dividend	March 31, 2025	April 17, 2025	$0.0700
April dividend	April 30, 2025	May 20, 2025	$0.0700