2025

BIRD CONSTRUCTION INC.

Interim condensed Consolidated Financial Statements

for the three and six month periods ended June 30, 2025 and 2024 (unaudited)

Notice to Reader

The accompanying unaudited interim condensed consolidated financial statements of Bird Construction Inc. have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three and six month periods ended June 30, 2025 and 2024 have not been reviewed by the Company's independent external auditor.

Bird Construction Inc.
Consolidated Statement of Financial Position
As at June 30, 2025 and December 31, 2024

(in thousands of Canadian dollars) (unaudited)

	Note	June 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents	8	$ 142,592	$ 177,445
Accounts receivable	9	968,905	986,947
Contract assets		167,345	133,451
Inventory and prepaid expenses		15,159	14,881
Income taxes recoverable		19,126	11,666
Other assets	11	16,405	9,352
Assets held for sale	12	1,197	1,783
Total current assets		1,330,729	1,335,525
Non-current assets			
Other assets	11	3,212	3,220
Investments in equity accounted entities	13	5,308	14,284
Property and equipment	14	87,434	80,879
Right-of-use assets	15	105,265	109,253
Deferred income tax asset		25,625	25,881
Intangible assets	16	101,328	108,847
Goodwill		128,754	128,754
Total non-current assets		456,926	471,118
TOTAL ASSETS		$ 1,787,655	$ 1,806,643
LIABILITIES			
Current liabilities			
Accounts payable		$ 610,296	$ 716,121
Contract liabilities		164,626	212,052
Dividends payable to shareholders		3,877	3,877
Income taxes payable		10,813	16,375
Current portion of loans and borrowings	17	161,122	16,381
Current portion of right-of-use liabilities	18	36,863	32,435
Provisions	20	17,629	16,724
Other liabilities	21	34,505	34,639
Total current liabilities		1,039,731	1,048,604
Non-current liabilities			
Loans and borrowings	17	130,444	136,776
Right-of-use liabilities	18	69,588	75,763
Deferred income tax liability		83,740	79,705
Other liabilities	21	26,930	35,514
Total non-current liabilities		310,702	327,758
TOTAL LIABILITIES		1,350,433	1,376,362
SHAREHOLDERS' EQUITY			
Shareholders' capital	23	155,020	155,020
Contributed surplus		1,956	1,956
Retained earnings		280,304	273,825
Accumulated other comprehensive income (loss)		(58)	(520)
Total shareholders' equity		437,222	430,281
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 1,787,655	$ 1,806,643

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

Bird Construction Inc.
Consolidated Statement of Income
For the three and six month periods ended June 30, 2025 and 2024
(in thousands of Canadian dollars, except per share amounts) (unaudited)

		Three months ended June 30,		Six months ended June 30,	
	Note	**2025**	2024	**2025**	2024
Construction revenue	10	**$ 850,772**	$ 873,541	**$ 1,568,325**	$ 1,561,741
Costs of construction		**760,667**	798,678	**1,410,741**	1,431,743
Gross profit		**90,105**	74,863	**157,584**	129,998
Income (loss) from equity accounted investments	13	**(3,773)**	763	**(4,258)**	772
General and administrative expenses		**(54,161)**	(43,598)	**(105,072)**	(83,695)
Income from operations		**32,171**	32,028	**48,254**	47,075
Finance and other income	25	**1,230**	1,778	**2,856**	3,457
Finance and other costs	26	**(6,152)**	(5,303)	**(11,304)**	(8,691)
Income before income taxes		**27,249**	28,503	**39,806**	41,841
Income tax expense	19	**6,974**	7,104	**10,143**	10,458
Net income for the period		**$ 20,275**	$ 21,399	**$ 29,663**	$ 31,383
Basic and diluted earnings per share	24	**$ 0.37**	$ 0.40	**$ 0.54**	$ 0.58

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

Bird Construction Inc.
Consolidated Statement of Comprehensive Income
For the three and six month periods ended June 30, 2025 and 2024

(in thousands of Canadian dollars) (unaudited)

	Note	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Net income for the period		**$ 20,275**	$ 21,399	**$ 29,663**	$ 31,383
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)		**63**	114	**104**	493
Deferred tax recovery (expense)		**(18)**	(29)	**(28)**	(125)
		45	85	**76**	368
Items that may be reclassified to net income in subsequent periods:					
Foreign currency translation on equity accounted investments	13	**—**	(65)	**95**	(189)
Reclassification of foreign currency translation on disposal of equity accounted investments	13	**589**	—	**589**	—
Other foreign currency translation		**(159)**	10	**(37)**	45
Deferred tax recovery (expense)		**(159)**	17	**(185)**	50
		271	(38)	**462**	(94)
Total comprehensive income for the period		**$ 20,591**	$ 21,446	**$ 30,201**	$ 31,657

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

Bird Construction Inc.
Consolidated Statement of Changes in Equity
For the three and six month periods ended June 30, 2025 and 2024

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

	Note	Shareholders' capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total equity
Balance at December 31, 2024		$ 155,020	$ 1,956	$ 273,825	$ (520)	$ 430,281
Net income for the period		—	—	29,663	—	29,663
Other comprehensive income (loss) for the period		—	—	76	462	538
Total comprehensive income (loss) for the period		—	—	29,739	462	30,201
Dividends declared to shareholders		—	—	(23,260)	—	(23,260)
		—	—	(23,260)	—	(23,260)
Balance at June 30, 2025		$ 155,020	$ 1,956	$ 280,304	$ (58)	$ 437,222
Dividends declared per share				$ 0.42		
Balance at December 31, 2023		$ 115,265	$ 1,956	$ 205,314	$ (41)	$ 322,494
Net income for the period		—	—	31,383	—	31,383
Other comprehensive income (loss) for the period		—	—	368	(94)	274
Total comprehensive income (loss) for the period		—	—	31,751	(94)	31,657
Common shares issued on acquisitions	7	1,684	—	—	—	1,684
Dividends declared to shareholders		—	—	(13,926)	—	(13,926)
		1,684	—	(13,926)	—	(12,242)
Balance at June 30, 2024		$ 116,949	$ 1,956	$ 223,139	$ (135)	$ 341,909
Dividends declared per share				$ 0.26		

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

Bird Construction Inc.
Consolidated Statement of Cash Flows
For the three and six month periods ended June 30, 2025 and 2024

(in thousands of Canadian dollars) (unaudited)

	Note	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Cash flows from (used in) operating activities					
Net income for the period		$ **20,275**	$ 21,399	$ **29,663**	$ 31,383
Items not involving cash:					
Amortization	16	**7,084**	3,505	**14,132**	5,478
Depreciation	14, 15	**12,435**	9,414	**24,291**	16,775
(Gain) loss on sale of property and equipment and other	14, 15	**(2,119)**	(144)	**(3,329)**	(1,125)
(Income) loss from equity accounted investments	13	**3,773**	(763)	**4,258**	(772)
Finance and other income	25	**(1,230)**	(1,778)	**(2,856)**	(3,457)
Finance and other costs	26	**6,152**	5,303	**11,304**	8,691
Deferred compensation plan expense and other		**1,434**	3,405	**5,353**	11,129
Defined benefit pension plan expense, net of contributions		**(64)**	39	**(315)**	111
Unrealized (gain) loss on investments and other		**(231)**	(7)	**189**	(6)
Income tax expense (recovery)	19	**6,974**	7,104	**10,143**	10,458
Cash flows from operations before changes in non-cash working capital		**54,483**	47,477	**92,833**	78,665
Changes in non-cash working capital relating to operating activities	27	**(119,167)**	(110,199)	**(189,973)**	(155,189)
Interest received		**1,230**	1,778	**2,857**	3,457
Interest paid		**(5,966)**	(5,183)	**(10,929)**	(8,450)
Income taxes recovered (paid)		**(6,004)**	(3,725)	**(19,086)**	(18,330)
Net cash from (used in) operating activities		**(75,424)**	(69,852)	**(124,298)**	(99,847)
Cash flows from (used in) investing activities					
Investments in equity accounted entities	13	**(2,000)**	(1,816)	**(2,000)**	(4,220)
Capital distributions from equity accounted entities	12, 13	**572**	2,461	**812**	2,566
Proceeds on sale of investment in equity accounted entities	12	**7,176**	—	**7,176**	—
Additions to property and equipment and intangible assets	14, 15	**(9,882)**	(7,826)	**(17,231)**	(16,186)
Proceeds on sale of property and equipment		**3,371**	567	**5,241**	1,859
Acquisitions, net of cash acquired	7	**—**	—	**—**	(9,429)
Other long-term assets		**212**	209	**423**	515
Net cash from (used in) investing activities		**(551)**	(6,405)	**(5,579)**	(24,895)
Cash flows from (used in) financing activities					
Dividends paid on shares		**(11,630)**	(7,551)	**(23,260)**	(13,334)
Net proceeds (repayment) of draws for working capital purposes	17	**105,000**	60,000	**145,000**	70,000
Proceeds from loans and borrowings	17	**1,965**	1,256	**1,965**	10,676
Repayment of loans and borrowings	17	**(4,503)**	(2,024)	**(8,556)**	(5,257)
Repayment of right-of-use liabilities	18	**(10,142)**	(7,247)	**(19,898)**	(13,108)
Net cash from (used in) financing activities		**80,690**	44,434	**95,251**	48,977
Net increase (decrease) in cash and cash equivalents during the period		**4,715**	(31,823)	**(34,626)**	(75,765)
Effects of foreign exchange on cash and cash equivalents balances		**72**	17	**(227)**	50
Cash and cash equivalents, beginning of the period		**137,805**	133,620	**177,445**	177,529
Cash and cash equivalents, end of the period	8	$ **142,592**	$ 101,814	$ **142,592**	$ 101,814

The accompanying notes are an integral part of these interim condensed 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 unaudited interim condensed 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") applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*. These financial statements do not include all of the information and disclosures required in the Company's annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024. These unaudited interim condensed consolidated financial statements were authorized for issue on August 13, 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 material 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. Estimates and judgements used in the preparation of these financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024.

Assets and liabilities acquired in a business combination

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

4. Material accounting policies

The accounting principles used in the preparation of these financial statements are consistent with those followed in the preparation of the Company's consolidated financial statements for the year ended December 31, 2024.

5. New accounting standards, amendments and interpretations adopted

The Company has adopted amendments effective January 1, 2025 related to IAS 21 *The Effects of Changes in Foreign Exchange Rates.* The amendments address the lack of exchangeability of illiquid currencies and provides guidelines on determination of the exchange rate when a currency is not readily exchangeable, as well as new disclosure requirements. The adoption 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, 2026 that have not been applied in preparing the financial statements for the period ended June 30, 2025. Except as disclosed below, the Company is currently assessing the impact of these amendments on its 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.

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.

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

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 consisted 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 2024, comprised mainly of consulting and other professional fees, which were 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 six month period ended June 30, 2025, 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 August 1, 2024.

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**

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

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.

Acquisition of NorCan Electric Inc.

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

The purchase price of the transaction totalled $11,113 and included cash of $9,420 which was funded by debt, and the issuance of 117,270 common shares with an equity value 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.

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 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.

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

8. Cash and cash equivalents

	June 30, 2025	December 31, 2024
Accessible cash	$ 24,748	$ 44,553
Cash held for joint operations	95,370	95,449
Restricted cash and cash equivalents	22,474	37,443
	$ 142,592	$ 177,445

9. Accounts receivable

	June 30, 2025	December 31, 2024
Progress billings on construction contracts	$ 662,339	$ 613,809
Holdbacks receivable (due within one operating cycle)	298,301	360,139
Other	8,265	12,999
	$ 968,905	$ 986,947

Accounts receivable are reported net of an allowance for doubtful accounts of $99 as at June 30, 2025 (December 31, 2024 – $204). 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.

10. Revenue

Disaggregation of revenue

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Public Private Partnerships	$ 693	$ 8,791	$ 1,127	$ 30,520
Design-build finance and design-build	19,265	47,165	42,926	87,042
Stipulated sum, unit price and progressive design-build	285,032	310,582	553,146	606,009
Construction management, IPD, alliance agreement, progressive design-build - target price, and cost reimbursable	545,782	507,003	971,126	838,170
	$ 850,772	$ 873,541	$1,568,325	$ 1,561,741

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 June 30, 2025, the aggregate amount of remaining performance obligations from construction contracts was $4,641,360. 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.

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

The Company expects to recognize approximately 58% of the remaining performance obligations over the next 12 months with the remaining balance being recognized beyond 12 months. This expectation is based on management's best estimate and contains uncertainty as it is subject to factors outside of the Company's control.

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

11. Other assets

	June 30, 2025	December 31, 2024
Subcontractor / Supplier insurance deposits	$ 1,102	$ 1,102
Lease receivables	1,693	2,109
Total Return Swap ("TRS") derivative (note 21 & 22)	15,552	8,506
Other	1,270	855
Other assets	$ 19,617	$ 12,572
Less: current portion		
TRS derivative	15,552	8,506
Lease receivables	853	846
Current portion	16,405	9,352
Non-current portion	$ 3,212	$ 3,220

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.

12. Assets held for sale

Assets held for sale	June 30, 2025
Balance, December 31, 2024	$ 1,783
Reclassifications into (out of) held for sale	7,006
Capital distributions received	(586)
Sale of investments	(7,006)
Balance, June 30, 2025	$ 1,197

Investments in equity accounted entities classified as held for sale

During the second quarter ended June 30, 2025, the Company initiated plans to sell two investments in entities accounted for using the equity method. Upon classification of these investments as held for sale, the Company incurred an impairment loss on one of the investments as a result of the carrying value exceeding the fair value less cost to sale (note 13). Both investments were disposed of during the quarter for combined proceeds of $7,176 (2024 - $nil).

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

13. Projects and entities accounted for using the equity method

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

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

Investments in equity accounted entities	June 30, 2025
Balance, December 31, 2024	$ 14,284
Share of net income (loss) for the period	(8)
Impairment of investments reclassified as held for sale	(3,831)
Share of other comprehensive income (loss) for the period	95
Investments in equity accounted entities	2,000
	12,540
Capital distributions received	(226)
Investments in equity accounted entities reclassified as held for sale (note 12)	(7,006)
Balance, June 30, 2025	$ 5,308

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Share of net income (loss) for the period	$ 477	$ 763	$ (8)	$ 772
Gain on sale of investments in equity accounted entities	170	—	170	—
Reclassification of foreign currency translation on disposal of equity accounted investments	$ (589)	$ —	$ (589)	$ —
Impairment of investments reclassified as held for sale	$ (3,831)	$ —	$ (3,831)	$ —
Income (loss) from equity accounted investments	$ (3,773)	$ 763	$ (4,258)	$ 772

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

14. Property and equipment

	June 30, 2025					
	Land	Buildings	Leasehold improvements	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost						
Balance, December 31, 2024	$ 2,748	$ 14,375	$ 25,627	$ 128,783	$ 3,759	$ 175,292
Additions	—	103	1,630	8,401	484	10,618
Transfers from right-of-use-assets	—	—	—	7,128	—	7,128
Disposals	—	—	(75)	(4,042)	—	(4,117)
Balance, June 30, 2025	2,748	14,478	27,182	140,270	4,243	188,921
Accumulated depreciation						
Balance, December 31, 2024	—	8,552	11,879	72,157	1,825	94,413
Disposals	—	—	(22)	(3,296)	—	(3,318)
Depreciation expense	—	325	1,427	8,435	205	10,392
Balance, June 30, 2025	—	8,877	13,284	77,296	2,030	101,487
Net book value	$ 2,748	$ 5,601	$ 13,898	$ 62,974	$ 2,213	$ 87,434

15. Right-of-use assets

	June 30, 2025			
	Buildings	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost				
Balance, December 31, 2024	$ 73,459	$ 105,664	$ 1,867	$ 180,990
Additions	2,867	15,674	—	18,541
Disposals and transfers to property and equipment	(2,159)	(18,253)	—	(20,412)
Balance, June 30, 2025	74,167	103,085	1,867	179,119
Accumulated depreciation				
Balance, December 31, 2024	27,634	42,254	1,849	71,737
Disposals	(233)	(11,549)	—	(11,782)
Depreciation expense	3,978	9,909	12	13,899
Balance, June 30, 2025	31,379	40,614	1,861	73,854
Net book value	$ 42,788	$ 62,471	$ 6	$ 105,265

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

16. Intangible assets

	June 30, 2025				
	Trade names	Backlog	Customer relationships	Computer software	Total
Cost					
Balance, December 31, 2024	$ 20,323	$ 18,304	$ 59,529	$ 50,274	$ 148,430
Additions	—	—	—	6,613	6,613
Disposals	—	—	—	—	—
Balance, June 30, 2025	20,323	18,304	59,529	56,887	155,043
Accumulated amortization					
Balance, December 31, 2024	667	8,554	12,553	17,809	39,583
Amortization expense	100	4,500	4,270	5,262	14,132
Disposals	—	—	—	—	—
Balance, June 30, 2025	767	13,054	16,823	23,071	53,715
Net book value	$ 19,556	$ 5,250	$ 42,706	$ 33,816	$ 101,328

17. Loans and borrowings

Loans and borrowings

	Maturity	Interest rate	June 30, 2025	December 31, 2024
Committed revolving credit facility	December 15, 2027	Variable	$ 167,725	$ 22,725
Committed non-revolving term loan facility	December 15, 2027	Variable	115,625	121,875
Equipment financing	2025 – 2028	Fixed 2.33%-7.64%	8,216	8,557
			291,566	153,157
Current portion			161,122	16,381
Non-current portion			$ 130,444	$ 136,776

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

The following table provides details of the changes in the Company's Loans and borrowings for the six months ended June 30, 2025:

	Syndicated committed revolving credit facility	Syndicated committed non-revolving term loan facility	Equipment financing	Total
Balance, December 31, 2024	$ 22,725	$ 121,875	$ 8,557	$ 153,157
Net proceeds (repayment) of draws for working capital purposes	145,000	—	—	145,000
Proceeds	—	—	1,965	1,965
Repayments	—	(6,250)	(2,306)	(8,556)
Balance, June 30, 2025	$ 167,725	$ 115,625	$ 8,216	$ 291,566

During the six months ended June 30, 2025, 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 $190,000 with offsetting repayments totalling $45,000 (2024 - $140,000 draws and $70,000 repayments).

Syndicated credit facility

The Company has a committed, syndicated credit facility (the "Syndicated Facility") maturing December 15, 2027. The Syndicated Facility is subject to a number of customary covenants that are tested quarterly, including financial covenants such as a minimum Debt Service Coverage Ratio, maximum Total Funded Debt to EBITDA Ratio, and maximum Direct Funded Debt to EBITDA Ratio. The Company was in compliance with covenants under the facility as at June 30, 2025. 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, 2024 – $400,000) 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 June 30, 2025, the Company has $539 letters of credit outstanding on the facility (December 31, 2024 – nil) and has drawn $167,725 on the facility (December 31, 2024 – $22,725). Of the $167,725 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 .

The Company has a committed non-revolving term loan facility totalling $125,000 which was fully drawn in a prior year to finance the acquisition of Jacob Bros and repay existing term loans. 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 June 30, 2025, the Company has an outstanding balance of $115,625 on the facility (December 31, 2024 – $121,875).

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.

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

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 June 30, 2025, $1,789 is outstanding (December 31, 2024 – $2,382). 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 June 30, 2025, the balance outstanding on these term loans amounted to $6,427 (December 31, 2024 – $6,175). 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 June 30, 2025, the facilities were drawn for outstanding letters of credit of $58,289 (December 31, 2024 – $39,520). 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 June 30, 2025, EDC has issued performance security guarantees totalling $58,289 (December 31, 2024 – $39,520).

18. 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 June 30, 2025:

		June 30, 2025
Balance, December 31, 2024	$	108,198
Additions		18,541
Interest		3,106
Lease terminations and modifications		(390)
Repayment		(23,004)
Balance, June 30, 2025		106,451
Current portion		36,863
Non-current	$	69,588

The Company has established a number of operating lease facilities with the financing arms of major heavy equipment suppliers. These facilities include one with a fixed credit limit of $25,000, and the others being uncommitted and not subject to a fixed credit limit, providing flexibility to finance equipment leases as required. Draws under these facilities are generally recognized as ROU liabilities, with the lease obligations being secured by the specific leased equipment. At June 30, 2025, the Company had used $16,677 (December 31, 2024 – $13,938) under the fixed limit facility.

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

19. Income taxes

Provision for income taxes

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Income tax expense (recovery) comprised of:				
Current income taxes	$ **(1,842)**	$ 4,417	$ **5,960**	$ 7,595
Deferred income taxes	**8,816**	2,687	**4,183**	2,863
	$ **6,974**	$ 7,104	$ **10,143**	$ 10,458

Income tax rate reconciliation

	Six months ended June 30, 2025	Six months ended June 30, 2024
Combined federal and provincial income tax rate	**25.5%**	25.0%
Increase (reductions) applicable to:		
Non-taxable items	**1.0%**	0.1%
Other	**(1.0%)**	(0.1%)
Effective rate	**25.5%**	25.0%

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

20. Provisions

	Warranty claims and other	Legal	Total
Balance, December 31, 2024	$ **9,445**	$ **7,279**	$ **16,724**
Provisions made during the period	**12,120**	**609**	**12,729**
Provisions used during the period	**(8,529)**	**(1,451)**	**(9,980)**
Provisions reversed during the period	**(1,702)**	**(142)**	**(1,844)**
Balance, June 30, 2025	$ **11,334**	$ **6,295**	$ **17,629**

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.

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

21. Other liabilities

	June 30, 2025	December 31, 2024
Liabilities for cash-settled share-based compensation plans (note 22)	$ 52,836	$ 60,826
Leasehold inducements	329	807
Acquisition holdback and other liability (note 7)	8,270	8,520
	61,435	70,153
Less: current portion		
Cash-settled share-based compensation plans (note 22)	28,402	28,255
Leasehold inducements	180	211
Acquisition holdback and other liability (note 7)	5,923	6,173
Current portion	34,505	34,639
Non-current portion	$ 26,930	$ 35,514

22. Share-based compensation plans

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

	June 30, 2025	December 31, 2024
MTIP liability	$ 660	$ 525
EIP liability	32,200	43,184
DSU liability	19,976	17,117
Liabilities for cash-settled share-based compensation plans	52,836	60,826
Less: current portion		
MTIP liability	376	238
EIP liability	22,461	22,980
DSU liability	5,565	5,037
Current portion	28,402	28,255
Non-current portion	$ 24,434	$ 32,571

	June 30, 2025		
	MTIP	EIP[1]	DSUs
Units, beginning of period	49,858	1,879,129	656,827
Granted [2]	951	531,587	37,010
Forfeited	—	—	—
Vested and paid	(8,630)	(723,735)	—
Units, end of period	42,179	1,686,981	693,837

[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.

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

During the first and second quarter of 2025, the Company granted 13,937 and 10,976 units under the DSU plan at a fair market value of $22.01 and $28.05 respectively, excluding dividend reinvestments. The Company also granted 462,321 units under the EIP plan in March 2025 at a fair market value of $21.44, excluding dividend reinvestments.

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]

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
MTIP	**$ 312**	$ 224	**$ 407**	$ 337
EIP	**11,795**	13,763	**9,618**	26,455
DSU	**5,231**	7,189	**2,859**	11,352
	$ 17,338	$ 21,176	**$ 12,884**	$ 38,144

[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 $15,859 and a gain of $7,046 on these derivatives in the statement of income in general and administrative expenses for the three and six month periods ended June 30, 2025 (2024 - $17,706 gain and $26,883 gain respectively).

23. 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 June 30, 2025 and December 31, 2024, no preferred shares have been issued.

	June 30, 2025 Number of shares	June 30, 2025 Amount
Balance, December 31, 2024	**55,382,831**	**$ 155,020**
Common shares issued	**—**	**—**
Balance, June 30, 2025	**55,382,831**	**$ 155,020**

24. Earnings per share

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Net income	**$ 20,275**	$ 21,399	**$ 29,663**	$ 31,383
Weighted average number of common shares (basic and diluted)	**55,382,831**	53,891,909	**55,382,831**	53,880,311
Basic and diluted earnings per share	**$ 0.37**	$ 0.40	**$ 0.54**	$ 0.58

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

25. Finance and other income

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Interest on cash balances	**$ 1,210**	$ 1,749	**$ 2,810**	$ 3,410
Other	**20**	29	**46**	47
	$ 1,230	$ 1,778	**$ 2,856**	$ 3,457

26. Finance and other costs

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Interest on loans and borrowings	**$ 3,967**	$ 3,100	**$ 6,797**	$ 5,092
Interest on ROU liabilities	**1,423**	1,225	**3,106**	2,108
Other	**762**	978	**1,401**	1,491
	$ 6,152	$ 5,303	**$ 11,304**	$ 8,691

27. Other cash flow information

Changes in non-cash working capital relating to operating activities

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Accounts receivable	**$ (53,098)**	$ (126,028)	**$ 18,037**	$ (93,613)
Contract assets	**(24,338)**	(3,596)	**(33,894)**	(22,291)
Inventory and prepaid expenses	**(1,527)**	1,899	**(278)**	1,437
Other assets	**(3)**	53	**(7)**	(40)
Accounts payable	**(33,993)**	(13,601)	**(106,186)**	(10,513)
Contract liabilities	**(5,859)**	11,860	**(47,426)**	(37,874)
Provisions	**341**	1,711	**905**	4,268
Deferred compensation plan expense and other	**(690)**	17,503	**(21,124)**	3,437
	$ (119,167)	$ (110,199)	**$ (189,973)**	$ (155,189)

28. Financial instruments

Carrying values and fair values

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

The hierarchy of inputs is summarized in note 31 of the Company's December 31, 2024, annual consolidated financial statements.

The Company’s TRS derivative contract (note 11) and warrants are classified as Level 2 measurements in the fair value hierarchy. The Company does not have any financial instruments classified as Level 3 that are carried at fair value. There were no transfers between levels in the fair value hierarchy during the three and six month periods ended June 30, 2025 and 2024.

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.

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 June 30, 2025, accounts receivable outstanding for greater than 90 days and considered past due by the Company represent 16.2% (December 31, 2024 – 10.2%) of the balance of progress billings on construction contracts receivable. The Company has recorded an allowance of $99 (December 31, 2024 – $204) against these past due receivables, net of amounts recoverable from others.

ii. Liquidity risk

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

The Company has working capital of $290,998 (December 31, 2024 – $286,921) 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 $22,474 held in restricted trust accounts and $95,370 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 17 in respect of the Syndicated Facility and the Company's other debt instruments, which further improve the Company's access to liquidity. At June 30, 2025, the Company had a total undrawn balance on its committed revolving credit facility of $231,736 (December 31, 2024 – $377,275). Also, the Company has a non-committed accordion of up to an additional $100,000 to increase the limit of the committed revolving credit facility and the committed non-revolving term debt facility. The Company also has committed term credit facilities of up to $40,000 to be used to finance equipment purchases of which $38,211 is undrawn as at June 30, 2025 (December 31, 2024 – $37,618). The Company believes that it has access to sufficient funding through the use of these facilities and its cash and cash equivalents to meet its foreseeable operating requirements.

iii. Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and corporate bond yields, will affect the Company's income or the value of its holdings in liquid securities. The discount rate used to establish the pension obligation was determined by reference to market interest rates on AA-rated corporate bonds with cash flows that approximate the timing and amount of expected benefit payments.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that its credit facilities and TRS derivatives are based on variable rates of interest.

At June 30, 2025, 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 $3,313 (2024 – $1,888).

The Company has certain share-based compensation plans, where the values are based on the common share price of the Company. At June 30, 2025, a 10 percent change in the share price applied to the Company's share based compensation plans would change income before income taxes by approximately $5,285 (2024 – $5,680).

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 June 30, 2025, 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 $6,334 (2024 – $5,728), 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 June 30, 2025, 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 $191 (2024 – $104), with a corresponding impact to income before income taxes.

29. Commitments and contingencies

Commitments

Outstanding surety lien bonds issued on behalf of the Company in connection with liens by subcontractors and suppliers at June 30, 2025 totalled $112,100 (December 31, 2024 – $83,783).

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.

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

30. 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
July dividend	July 31, 2025	August 20, 2025	$0.0700
August dividend	August 29, 2025	September 19, 2025	$0.0700
September dividend	September 30, 2025	October 20, 2025	$0.0700
October dividend	October 31, 2025	November 20, 2025	$0.0700