



Consolidated Financial Statements

for the three month periods ended
March 31, 2026 and 2025 (unaudited)



BIRD CONSTRUCTION INC.

Notice to Reader

The accompanying unaudited interim condensed consolidated financial statements of Bird Construction Inc. for the three month periods ended March 31, 2026 and 2025 have been prepared by and are the responsibility of management.

Bird Construction Inc.
Consolidated Statement of Financial Position
As at March 31, 2026 and December 31, 2025

(in thousands of Canadian dollars) (unaudited)

	Note	March 31, 2026	December 31, 2025
ASSETS			
Current assets			
Cash and cash equivalents	7	\$ 194,990	\$ 167,007
Accounts receivable	8	936,164	926,438
Contract assets		147,958	148,151
Inventory and prepaid expenses		25,139	22,626
Income taxes recoverable		39,802	34,847
Other assets	10	27,615	16,973
Assets held for sale	11	868	1,360
Total current assets		1,372,536	1,317,402
Non-current assets			
Other assets	10	1,473	2,680
Investments in equity accounted entities	12	12,394	12,263
Property and equipment	13	170,462	173,959
Right-of-use assets	14	115,537	105,475
Deferred income tax asset		22,190	21,559
Intangible assets	15	92,233	94,793
Goodwill		128,754	128,754
Total non-current assets		543,043	539,483
TOTAL ASSETS		\$ 1,915,579	\$ 1,856,885
LIABILITIES			
Current liabilities			
Accounts payable		\$ 733,734	\$ 776,274
Contract liabilities		211,670	142,090
Dividends payable to shareholders		3,877	3,877
Income taxes payable		17,269	31,879
Current portion of loans and borrowings	16	80,363	25,673
Current portion of right-of-use liabilities	17	35,988	35,270
Provisions	19	6,797	5,453
Other liabilities	20	18,295	28,487
Total current liabilities		1,107,993	1,049,003
Non-current liabilities			
Loans and borrowings	16	188,335	194,522
Right-of-use liabilities	17	75,762	71,244
Deferred income tax liability		80,374	80,850
Other liabilities	20	31,709	29,448
Total non-current liabilities		376,180	376,064
TOTAL LIABILITIES		1,484,173	1,425,067
SHAREHOLDERS' EQUITY			
Shareholders' capital	22	155,020	155,020
Contributed surplus		1,956	1,956
Retained earnings		274,365	274,822
Accumulated other comprehensive income (loss)		65	20
Total shareholders' equity		431,406	431,818
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,915,579	\$ 1,856,885

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

Bird Construction Inc.
Consolidated Statement of Income
For the three month periods ended March 31, 2026 and 2025

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

		Three months ended March 31,	
	Note	2026	2025
Construction revenue	9	\$ 783,368	\$ 717,553
Costs of construction		<u>711,066</u>	<u>650,074</u>
Gross profit		<u>72,302</u>	<u>67,479</u>
Income (loss) from equity accounted investments	12	174	(485)
General and administrative expenses		<u>(52,784)</u>	<u>(50,911)</u>
Income from operations		19,692	16,083
Finance and other income	23	1,123	1,626
Finance and other costs	24	<u>(5,452)</u>	<u>(5,152)</u>
Income before income taxes		15,363	12,557
Income tax expense	18	<u>3,960</u>	<u>3,169</u>
Net income for the period		<u>\$ 11,403</u>	<u>\$ 9,388</u>
Basic and diluted earnings per share		<u>\$ 0.21</u>	<u>\$ 0.17</u>
Weighted average number of common shares (basic and diluted)		55,382,831	55,382,831

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Bird Construction Inc.
Consolidated Statement of Comprehensive Income
For the three month periods ended March 31, 2026 and 2025
(in thousands of Canadian dollars) (unaudited)

	Three months ended March 31,		
	Note	2026	2025
Net income for the period	\$	11,403	\$ 9,388
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)		(298)	41
Deferred tax recovery (expense)		68	(10)
		<u>(230)</u>	<u>31</u>
Items that may be reclassified to net income in subsequent periods:			
Foreign currency translation and other		45	217
Deferred tax recovery (expense)		—	(26)
		<u>45</u>	<u>191</u>
Total comprehensive income for the period	\$	11,218	\$ 9,610

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Bird Construction Inc.
Consolidated Statement of Changes in Equity
For the three month periods ended March 31, 2026 and 2025
(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, 2025		\$ 155,020	\$ 1,956	\$ 274,822	\$ 20	\$ 431,818
Net income for the period		—	—	11,403	—	11,403
Other comprehensive income (loss) for the period		—	—	(230)	45	(185)
Total comprehensive income (loss) for the period		—	—	11,173	45	11,218
Dividends declared to shareholders		—	—	(11,630)	—	(11,630)
Balance at March 31, 2026		\$ 155,020	\$ 1,956	\$ 274,365	\$ 65	\$ 431,406
Dividends declared per share				\$ 0.21		
Balance at December 31, 2024		\$ 155,020	\$ 1,956	\$ 273,825	\$ (520)	\$ 430,281
Net income for the period		—	—	9,388	—	9,388
Other comprehensive income (loss) for the period		—	—	31	191	222
Total comprehensive income (loss) for the period		—	—	9,419	191	9,610
Dividends declared to shareholders		—	—	(11,630)	—	(11,630)
		—	—	(11,630)	—	(11,630)
Balance at March 31, 2025		\$ 155,020	\$ 1,956	\$ 271,614	\$ (329)	\$ 428,261
Dividends declared per share				\$ 0.21		

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Bird Construction Inc.
Consolidated Statement of Cash Flows
For the three month periods ended March 31, 2026 and 2025
(in thousands of Canadian dollars) (unaudited)

	Note	Three months ended March 31,	
		2026	2025
Cash flows from (used in) operating activities			
Net income for the period		\$ 11,403	\$ 9,388
Items not involving cash:			
Amortization	15	5,726	7,048
Depreciation	13, 14	12,434	11,856
(Gain) loss on sale of property and equipment and other	13, 14	(1,162)	(1,210)
(Income) loss from equity accounted investments	12	(174)	485
Finance and other income	23	(1,123)	(1,626)
Finance and other costs	24	5,452	5,152
Deferred compensation plan expense and other		3,054	3,919
Defined benefit pension plan expense, net of contributions		85	(251)
Unrealized (gain) loss on investments and other		10	420
Income tax expense (recovery)	18	3,960	3,169
Cash flows from operations before changes in non-cash working capital		39,665	38,350
Changes in non-cash working capital relating to operating activities	25	(4,916)	(70,806)
Interest received		1,123	1,627
Interest paid		(5,220)	(4,963)
Income taxes recovered (paid)		(24,564)	(13,082)
Net cash from (used in) operating activities		6,088	(48,874)
Cash flows from (used in) investing activities			
Capital distributions from equity accounted entities	11, 12	99	240
Additions to property and equipment and intangible assets	13, 14	(6,091)	(7,349)
Proceeds on sale of property and equipment		1,850	1,870
Other long-term assets		228	211
Net cash from (used in) investing activities		(3,914)	(5,028)
Cash flows from (used in) financing activities			
Dividends paid on shares		(11,630)	(11,630)
Net proceeds (repayment) of draws for working capital purposes	16	55,000	40,000
Repayment of loans and borrowings	16	(6,497)	(4,053)
Repayment of right-of-use liabilities	17	(11,098)	(9,756)
Net cash from (used in) financing activities		25,775	14,561
Net increase (decrease) in cash and cash equivalents during the period		27,949	(39,341)
Effects of foreign exchange on cash and cash equivalents balances		34	(299)
Cash and cash equivalents, beginning of the period		167,007	177,445
Cash and cash equivalents, end of the period	7	\$ 194,990	\$ 137,805

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

Bird Construction Inc.
Notes to the Consolidated Financial Statements
For the three month periods ended March 31, 2026 and 2025
(in thousands of Canadian dollars, except per share amounts) (unaudited)

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Bird Construction Inc.

Notes to the Consolidated Financial Statements

For the three month periods ended March 31, 2026 and 2025

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

1. Structure of the company

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

The Company operates from coast-to-coast-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, 2025. These financial statements were authorized for issue on May 13, 2026 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.

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Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying amount of an asset or liability and/or the reported amount of revenue and expense in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates and judgements used in the preparation of these financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2025.

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), any bargain purchase gain recognized, 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, 2025.

5. 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, 2027 that have not been applied in preparing the financial statements for the period ended March 31, 2026.

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 has initiated its adoption planning and continues to monitor developments and evaluate the potential impact on its consolidated financial statements and disclosures.

6. Business combinations

Acquisition of Fraser River Pile & Dredge

On September 3, 2025, the Company entered into a definitive purchase agreement under which the Company would acquire all of the issued and outstanding shares and partnership units that comprise Fraser River Pile & Dredge ("FRPD"), a business with expertise in marine infrastructure, land foundations, and dredging. On October 10, 2025 the transaction to acquire FRPD was successfully completed for a total consideration of \$84,647, which was funded through debt and consideration payable of \$242 which was paid during the quarter.

The FRPD 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

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the lessee. The fair values assigned to the net assets associated with the FRPD 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 month period ended March 31, 2026, 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 October 10, 2025.

Identifiable intangible assets acquired of \$4,040 include backlog, customer relationships and trade name.

7. Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Accessible cash	\$ 42,404	\$ 38,134
Cash held for joint operations	117,577	83,783
Restricted cash and cash equivalents	35,009	45,090
	<u>\$ 194,990</u>	<u>\$ 167,007</u>

Included in cash and cash equivalents as at March 31, 2026 are outstanding cheques in transit of \$11,616 (December 31, 2025 - \$16,878).

8. Accounts receivable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Progress billings on construction contracts	\$ 622,385	\$ 613,214
Holdbacks receivable (due within one operating cycle)	293,081	293,686
Other	20,698	19,538
	<u>\$ 936,164</u>	<u>\$ 926,438</u>

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.

9. 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 March 31,	
	<u>2026</u>	<u>2025</u>
Public Private Partnerships	\$ 8,914	\$ 434
Design-build finance and design-build	5,028	23,661
Stipulated sum, unit price and progressive design-build	284,075	268,114
Construction management, IPD, alliance agreement, progressive design-build - target price, and cost reimbursable	485,351	425,344
	<u>\$ 783,368</u>	<u>\$ 717,553</u>

Remaining performance obligations

The total value of all contracts awarded to the Company, less the total value of work completed on these contracts as of the reporting date, is referred to as remaining performance obligations. This includes all

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contracts that have been awarded to the Company whether the work has commenced or will commence in the normal course.

As at March 31, 2026, the aggregate amount of remaining performance obligations from construction contracts was \$5,356,235. 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 57% 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.

10. Other assets

	March 31, 2026	December 31, 2025
Total Return Swap ("TRS") derivatives (note 21)	\$ 26,012	\$ 15,942
Other	3,076	3,711
Other assets	<u>\$ 29,088</u>	<u>\$ 19,653</u>
Less: current portion		
TRS derivative	26,012	15,942
Other	1,603	1,031
Current portion	<u>27,615</u>	<u>16,973</u>
Non-current portion	<u>\$ 1,473</u>	<u>\$ 2,680</u>

Included in other are lease receivables, pension asset, and subcontractor/supplier insurance deposits relating to the Company's insurance policies.

In March 2026, the Company settled a portion of the outstanding TRS, reducing the notional amount outstanding. The partial settlement resulted in cash receipts of \$12,867. (2025 - \$nil).

11. Assets held for sale

Assets held for sale	March 31, 2026	December 31, 2025
Balance, December 31, 2025	\$ 1,360	\$ 1,783
Reclassifications as held for sale	—	7,442
Capital distributions received	(56)	(859)
Sold in the period	(436)	(7,006)
Balance, March 31, 2026	<u>\$ 868</u>	<u>\$ 1,360</u>

During the quarter, the Company sold a property that had previously been classified as held for sale, for total proceeds of \$570. (2025 - \$nil).

Bird Construction Inc.
Notes to the Consolidated Financial Statements
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12. 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	March 31, 2026
Balance, December 31, 2025	\$ 12,263
Share of net income (loss) for the period	174
	<u>12,437</u>
Capital distributions received	(43)
Balance, March 31, 2026	<u>\$ 12,394</u>

13. Property and equipment

	March 31, 2026					Total
	Land	Buildings	Leasehold improvements	Equipment, trucks and automotive	Furniture and office equipment	
Cost						
Balance, December 31, 2025	\$ 21,564	\$ 14,478	\$ 29,988	\$ 208,419	\$ 5,344	\$ 279,793
Additions	—	—	702	2,182	41	2,925
Transfers from right-of-use-assets	—	—	—	169	—	169
Disposals	—	—	(8)	(1,276)	—	(1,284)
Balance, March 31, 2026	<u>21,564</u>	<u>14,478</u>	<u>30,682</u>	<u>209,494</u>	<u>5,385</u>	<u>281,603</u>
Accumulated depreciation						
Balance, December 31, 2025	—	8,715	14,863	80,055	2,201	105,834
Disposals	—	—	(5)	(1,088)	(24)	(1,117)
Depreciation expense	—	39	796	5,463	126	6,424
Balance, March 31, 2026	<u>—</u>	<u>8,754</u>	<u>15,654</u>	<u>84,430</u>	<u>2,303</u>	<u>111,141</u>
Net book value	<u>\$ 21,564</u>	<u>\$ 5,724</u>	<u>\$ 15,028</u>	<u>\$ 125,064</u>	<u>\$ 3,082</u>	<u>\$ 170,462</u>

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14. Right-of-use assets

	March 31, 2026			
	Buildings	Equipment, trucks and automotive	Furniture and office equipment	Total
Cost				
Balance, December 31, 2025	\$ 82,487	\$ 103,256	\$ 1,867	\$ 187,610
Additions	5,948	10,476	—	16,424
Disposals and transfers to property and equipment	—	(4,645)	—	(4,645)
Balance, March 31, 2026	<u>88,435</u>	<u>109,087</u>	<u>1,867</u>	<u>199,389</u>
Accumulated depreciation				
Balance, December 31, 2025	36,364	43,909	1,862	82,135
Disposals	—	(4,293)	—	(4,293)
Depreciation expense	2,907	3,102	1	6,010
Balance, March 31, 2026	<u>39,271</u>	<u>42,718</u>	<u>1,863</u>	<u>83,852</u>
Net book value	<u>\$ 49,164</u>	<u>\$ 66,369</u>	<u>\$ 4</u>	<u>\$ 115,537</u>

15. Intangible assets

	March 31, 2026				Total
	Trade names	Backlog	Customer relationships	Computer software	
Cost					
Balance, December 31, 2025	\$ 23,183	\$ 18,484	\$ 60,489	\$ 60,433	\$ 162,589
Additions	—	—	—	3,166	3,166
Disposals	—	—	—	—	—
Balance, March 31, 2026	<u>23,183</u>	<u>18,484</u>	<u>60,489</u>	<u>63,599</u>	<u>165,755</u>
Accumulated amortization					
Balance, December 31, 2025	867	17,584	21,127	28,218	67,796
Amortization expense	50	780	2,169	2,727	5,726
Disposals	—	—	—	—	—
Balance, March 31, 2026	<u>917</u>	<u>18,364</u>	<u>23,296</u>	<u>30,945</u>	<u>73,522</u>
Net book value	<u>\$ 22,266</u>	<u>\$ 120</u>	<u>\$ 37,193</u>	<u>\$ 32,654</u>	<u>\$ 92,233</u>

Bird Construction Inc.
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16. Loans and borrowings

Loans and borrowings

	<u>Maturity</u>	<u>Interest rate</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Committed revolving credit facility	September 3, 2028	Variable	\$ 55,000	\$ —
Committed non-revolving term loan facility	September 3, 2028	Variable	204,063	209,375
Equipment financing	2026 – 2029	Fixed 4.70%-7.64%	9,635	10,820
			<u>268,698</u>	<u>220,195</u>
Current portion			<u>80,363</u>	<u>25,673</u>
Non-current portion			<u>\$ 188,335</u>	<u>\$ 194,522</u>

The following table provides details of the changes in the Company's Loans and borrowings for the three months ended March 31, 2026:

	<u>Syndicated committed revolving credit facility</u>	<u>Syndicated committed non-revolving term loan facility</u>	<u>Equipment financing</u>	<u>Total</u>
Balance, December 31, 2025	\$ —	\$ 209,375	\$ 10,820	\$ 220,195
Net proceeds (repayment) of draws for working capital purposes	55,000	—	—	55,000
Proceeds	—	—	—	—
Repayments	—	(5,313)	(1,184)	(6,497)
Balance, March 31, 2026	<u>\$ 55,000</u>	<u>\$ 204,062</u>	<u>\$ 9,636</u>	<u>\$ 268,698</u>

During the three months ended March 31, 2026 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 \$90,000 with offsetting repayments totalling \$35,000 (2025 - \$55,000 draws and \$15,000 repayments).

Syndicated credit facility

The Company has a committed, syndicated credit facility (the "Syndicated Facility") maturing September 3, 2028. 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 March 31, 2026. 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, 2025 – \$400,000) that includes up to \$30,000 swingline which allows the Company to enter into an overdraft position, and \$100,000 letters of credit availability (December 31, 2025 - \$100,000). 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 March 31, 2026, the Company has \$3,506 letters of credit outstanding on the facility (December 31, 2025 – \$539) and has drawn \$55,000 on the facility (December 31, 2025 – \$nil). Draws that are not expected to be settled in the Company's normal operating cycle are considered 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 2028.

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Committed non-revolving term loan facility

The Company has a committed non-revolving term loan facility totalling \$212,500 which was fully drawn in the prior year to fund the acquisition of Fraser River Pile & Dredge (note 6) and repay existing term loans. The term loan has scheduled quarterly repayments of 2.5% until the maturity date of September 3, 2028. 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 March 31, 2026, the Company has an outstanding balance of \$204,062 on the facility (December 31, 2025 – \$209,375).

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 March 31, 2026, \$908 is outstanding (December 31, 2025 – \$1,187). 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 March 31, 2026, the balance outstanding on these term loans amounted to \$8,728 (December 31, 2025 – \$9,633). 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 March 31, 2026, the facilities were drawn for outstanding letters of credit of \$69,253 (December 31, 2025 – \$61,844). 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 March 31, 2026, EDC has issued performance security guarantees totalling \$69,253 (December 31, 2025 – \$61,844).

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17. 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 March 31, 2026:

	March 31, 2026
Balance, December 31, 2025	\$ 106,514
Additions	16,424
Interest	1,416
Lease terminations and modifications	(90)
Repayment	(12,514)
Balance, March 31, 2026	<u>111,750</u>
Current portion	<u>35,988</u>
Non-current	<u>\$ 75,762</u>

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 March 31, 2026, the Company had used \$7,370 (December 31, 2025 – \$13,024) under the fixed limit facility.

18. Income taxes

Provision for income taxes

	Three months ended March 31,	
	2026	2025
Income tax expense (recovery) comprised of:		
Current income taxes	\$ 4,999	\$ 7,802
Deferred income taxes	(1,039)	(4,633)
	<u>\$ 3,960</u>	<u>\$ 3,169</u>

Income tax rate reconciliation

	Three months ended March 31,	
	2026	2025
Combined federal and provincial income tax rate	<u>25.9%</u>	25.3%
Increase (reductions) applicable to:		
Non-taxable items	0.4%	0.8%
Other	(0.5%)	(0.8%)
Effective rate	<u>25.8%</u>	<u>25.3%</u>

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

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19. Provisions

	Warranty claims and other		Legal		Total
Balance, December 31, 2025	\$ 2,294	\$	3,159	\$	5,453
Provisions made during the period	5,212		194		5,406
Provisions used during the period	(3,343)		(38)		(3,381)
Provisions reversed during the period	(681)		—		(681)
Balance, March 31, 2026	<u>\$ 3,482</u>	\$	<u>3,315</u>	\$	<u>6,797</u>

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

20. Other liabilities

	March 31, 2026		December 31, 2025
Liabilities for cash-settled share-based compensation plans (note 21)	\$ 47,413	\$	55,057
Leasehold inducements	194		239
Acquisition holdback and other liability (note 6)	2,397		2,639
	<u>50,004</u>		<u>57,935</u>
Less: current portion			
Cash-settled share-based compensation plans (note 21)	15,718		25,668
Leasehold inducements	180		180
Acquisition holdback and other liability (note 6)	2,397		2,639
Current portion	<u>18,295</u>		<u>28,487</u>
Non-current portion	<u>\$ 31,709</u>	\$	<u>29,448</u>

21. Share-based compensation plans

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

	March 31, 2026		December 31, 2025
MTIP liability	\$ 875	\$	466
EIP liability	25,112		39,607
DSU liability	21,426		14,984
Liabilities for cash-settled share-based compensation plans	<u>47,413</u>		<u>55,057</u>
Less: current portion			
MTIP liability	397		38
EIP liability	15,321		25,630
Current portion	<u>15,718</u>		<u>25,668</u>
Non-current portion	<u>\$ 31,695</u>	\$	<u>29,389</u>

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	March 31, 2026		
	MTIP	EIP ¹	DSUs
Units, beginning of period	61,283	1,717,866	525,373
Granted ²	392	398,343	12,429
Vested and paid	—	(756,922)	—
Units, end of period	61,675	1,359,287	537,802

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

² MTIP and DSU grants include dividend reinvestments.

During the first quarter of 2026, the Company granted 9,041 units under the DSU plan at a fair market value of \$38.56, excluding dividend reinvestments. The Company also granted 380,785 units under the EIP plan in March 2025 at a fair market value of \$34.31, excluding dividend reinvestments.

Pursuant to the Company's MTIP plan the units vest over periods ranging from November 2026 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 2026 to November 2030 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 transactions¹

	Three months ended March 31,	
	2026	2025
MTIP	\$ 409	\$ 95
EIP	19,185	(2,177)
DSU	6,442	(2,372)
	\$ 26,036	\$ (4,454)

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 \$22,937 on these derivatives in the statement of income in general and administrative expenses for the three month periods ended March 31, 2026 (2025 - \$8,813 loss).

22. 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 March 31, 2026 and December 31, 2025, no preferred shares have been issued.

	March 31, 2026	
	Number of shares	Amount
Balance, December 31, 2025	55,382,831	\$ 155,020
Common shares issued	—	—
Balance, March 31, 2026	55,382,831	\$ 155,020

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23. Finance and other income

	Three months ended March 31,	
	2026	2025
Interest on cash balances	\$ 1,108	\$ 1,600
Other	15	26
	<u>\$ 1,123</u>	<u>\$ 1,626</u>

24. Finance and other costs

	Three months ended March 31,	
	2026	2025
Interest on loans and borrowings	\$ 3,321	\$ 2,830
Interest on ROU liabilities	1,416	1,683
Other	715	639
	<u>\$ 5,452</u>	<u>\$ 5,152</u>

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

25. Other cash flow information

Changes in non-cash working capital relating to operating activities

	Three months ended March 31,	
	2026	2025
Accounts receivable	\$ (9,726)	\$ 71,135
Contract assets	193	(9,556)
Inventory and prepaid expenses	(2,513)	1,249
Other assets	27	(4)
Accounts payable	(42,766)	(72,193)
Contract liabilities	69,580	(41,567)
Provisions	1,344	564
Deferred compensation plan expense and other	(21,055)	(20,434)
	<u>\$ (4,916)</u>	<u>\$ (70,806)</u>

26. 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 to the Company's December 31, 2025, annual consolidated financial statements.

The Company's TRS derivative contract (note 10) is 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 month periods ended March 31, 2026 and 2025.

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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 fulfill 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 March 31, 2026, accounts receivable outstanding for greater than 90 days and considered past due by the Company represent 12.8% (December 31, 2025 – 14.0%) of the balance of progress billings on construction contracts receivable. The Company has recorded an allowance of \$140 (December 31, 2025 – \$78) 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 \$264,543 (December 31, 2025 – \$268,399) 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 \$35,009 held in restricted trust accounts and \$117,577 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 16 in respect of the Syndicated Facility and the Company's other debt instruments, which further improve the Company's access to liquidity. At March 31, 2026, the Company had a total undrawn balance on its committed revolving credit facility of \$341,494 (December 31, 2025 – \$399,461). 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 \$39,092 is undrawn as at March 31, 2026 (December 31, 2025 – \$38,813). 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.

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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 March 31, 2026, 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 \$2,889 (2025 – \$2,294).

The Company has certain share-based compensation plans, where the values are based on the common share price of the Company. At March 31, 2026, 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 \$4,736 (2025 – \$3,572).

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 2026. 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 a derivative financial instrument. At March 31, 2026, 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 \$5,572 (2025 – \$4,749), 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 March 31, 2026, 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 \$525 (2025 – \$585), with a corresponding impact to income before income taxes.

27. Commitments and contingencies

Commitments

Outstanding surety lien bonds issued on behalf of the Company in connection with liens by subcontractors and suppliers at March 31, 2026 totalled \$86,636 (December 31, 2025 – \$98,469). The Company has acquired a minority equity interest in a PPP concession entity (note 12), which requires the Company to make \$2,967 in future capital injections. This commitment has been secured by a letter of credit totalling \$2,967 (December 31, 2025 - \$nil).

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.

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28. 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
April dividend	April 30, 2026	May 20, 2026	\$0.0700
May dividend	May 29, 2026	June 19, 2026	\$0.0700
June dividend	June 30, 2026	July 20, 2026	\$0.0700
July dividend	July 31, 2026	August 20, 2026	\$0.0700