REFINITIV

DELTA REPORT

10-K

GVA - GRANITE CONSTRUCTION INC

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	7141
CHANGES	229
DELETIONS	3360
ADDITIONS	3552

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022 December 31, 2023

OR

☐

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-12911

Granite Construction Incorporated

(Exact name of registrant as specified in its charter)

Delaware	**77-0239383**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification Number)*
585 West Beach Street	
Watsonville, California	**95076**
Watsonville, California	95076
(Address of principal executive offices)	*(Zip Code)*

Registrant’s telephone number, including area code: (831) 724-1011

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, $0.01 par value	GVA	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐o No ☒

x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐o No ☒

x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒x No ☐

o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒x No ☐

o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. Large accelerated filer ☒x Accelerated filer ☐o Non-accelerated filer ☐o Smaller reporting company ☐o Emerging growth company ☐

o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

o

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

x

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐ This checkbox has been left unanswered pending adoption of the underlying rules.

o

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐ This checkbox has been left unanswered pending adoption of the underlying rules.

o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐o No ☒

x

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was $1.3 $1.7 billion as of June 30, 2022 June 30, 2023, based upon the price at which the registrant’s common stock was last sold as reported on the New York Stock Exchange on such date.

At February 15, 2023 February 16, 2024, 43,744,536 43,972,294 shares of common stock, par value $0.01, of the registrant were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information called for by Part III is incorporated by reference to the definitive Proxy Statement for the 2023 2024 Annual Meeting of Shareholders of Granite Construction Incorporated, which will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2022 December 31, 2023.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

From time to time, Granite makes certain comments and disclosures in reports and statements, including in this Annual Report on Form 10-K, and its officers or directors make statements that are not based on historical facts, including statements regarding future events, occurrences, circumstances, strategy, activities, performance, outlook, outcomes, targets, guidance, capital expenditures, committed and awarded projects, and results, that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by words such as “future,” “outlook,” “assumes,” “believes,” “expects,” “estimates,” “anticipates,” *"intends," "plans," "appears," "may," "will," "should," "could," "would," "continue," "target," and the negatives thereof or other comparable terminology or by the context in which they are made. In addition, other written or oral statements that constitute forward-looking statements have been made and may in the future be made by or on behalf of Granite. These forward-looking statements are estimates reflecting the best judgment of senior management and reflect our current expectations regarding future events, occurrences, circumstances, strategy, activities, performance, outlook, outcomes, targets, guidance, capital expenditures, committed and awarded projects, and results. These expectations may or may not be realized. Some of these expectations may be based on beliefs, assumptions or estimates that may prove to be incorrect. In addition, our business and operations involve numerous risks and uncertainties, many of which are beyond our control, which could result in our expectations not being realized or otherwise materially affect our business, financial condition, results of operations, cash flows and liquidity. Such risks and uncertainties include, but are not limited to, those more specifically described in this report under "Item 1A. Risk Factors." Due to the inherent risks and uncertainties associated with our forward-looking statements, the reader is cautioned not to place undue reliance on them. The reader is also cautioned that the forward-looking statements contained herein speak only as of the date of this Annual Report on Form 10-K,10-K, and, except as required by law, we undertake no obligation to revise or update any forward-looking statements for any reason*.

EXPLANATORY NOTE

This Annual Report on Form 10-K for the year ended December 31, 2022 ("Form 10-K") includes the restatement of our unaudited quarterly financial information for the first three quarters of the year ended December 31, 2022 (the "Restated Periods"). The quarterly financial information has also been adjusted retrospectively to reclassify the results of the former Water and Mineral Services businesses from discontinued operations to continuing operations for the periods ended March 31, 2022 and June 30, 2022.

The Audit/Compliance Committee of the Company's Board of Directors, in consultation with the Company's independent registered public accounting firm, PricewaterhouseCoopers LLP ("PwC"), concluded that the Company's previously issued condensed consolidated financial statements and related disclosures for the Restated Periods should no longer be relied upon due to errors contained in such interim financial statements.

As disclosed in the Supplementary Data included in Part IV, Item 15(a) of this Form 10-K, we are restating the Restated Periods to correct (a) errors related to deferred taxes and the calculation of income tax expense in connection with the sale of the Company's trenchless and pipe rehabilitation services business ("Inliner"), which was completed in the first quarter of 2022 and was classified within discontinued operations in the Company's condensed consolidated statement of operations during the first and second quarters of 2022 and (b) other immaterial errors, including certain errors that had previously been adjusted for as out of period corrections.

As disclosed in Item 9A, as of December 31, 2022, management has determined that the Company did not maintain effective internal control over financial reporting due to the existence of a material weakness. Management also concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2022 due to the existence of the material weakness. For additional information, see Item 9A of this Form 10-K.

We have not filed and do not intend to file amendments to our Quarterly Reports on Form 10-Q for the Restated Periods. 2022 comparative amounts presented in our 2023 Quarterly Reports on Form 10-Q will be changed retrospectively to reflect the restatement and recast. Accordingly, investors should rely only on the financial information and other disclosures regarding the Restated Periods in this Form 10-K or in future filings with the SEC (as applicable), and not on any previously issued or filed reports, earnings releases or similar communications relating to the Restated Periods.

The impact of the restatement on the Restated Periods is described in the Supplementary Data included in Part IV, Item 15(a) of this Form 10-K.

PART I

Item 1. BUSINESS

Introduction

Granite Construction Company was incorporated in 1922. In 1990, Granite Construction Incorporated was formed as the holding company for Granite Construction Company and its wholly-owned and consolidated subsidiaries and was incorporated in Delaware. Unless otherwise indicated, the terms "we," "us," "our," "Company" and "Granite" refer to Granite Construction Incorporated and its wholly-owned and consolidated subsidiaries.

We deliver infrastructure solutions for public and private clients primarily in the United States. We are one of the largest diversified infrastructure construction and construction materials companies in the United States. Within the public sector, we primarily concentrate on infrastructure projects, including the construction of streets, roads, highways, mass transit facilities, airport infrastructure, bridges, dams, power-related facilities, utilities, tunnels, water well drilling and other infrastructure-related projects. Within the private sector, we perform various services such as site preparation, mining services and infrastructure services for commercial and industrial sites, railways, residential development, energy development, as well as provide construction management professional services.

Operating Structure

Our reportable segments are the same as our operating segments and correspond with how our chief operating decision maker, or decision-making group (our "CODM"), regularly reviews financial information to allocate resources and assess performance. We identified our CODM as our Chief Executive Officer and our Chief Operating Officer. Our reportable segments are: Construction and Materials. The Construction segment focuses on construction and rehabilitation of roads, pavement preservation, bridges, rail lines, airports, marine ports, dams, reservoirs, aqueducts, infrastructure and site development for use by the general public and water-related construction for municipal agencies, commercial water suppliers, industrial facilities and energy companies. It also provides construction of various complex projects including infrastructure / and site development, mining, public safety, tunnel, solar, battery storage and other power-related projects. The Materials segment focuses on production of aggregates, asphalt concrete, liquid asphalt and asphalt production recycled materials for internal use in our construction projects and for sale to third parties. See Note 21 of "Notes to the Consolidated Financial Statements" for additional information about our reportable segments.

In addition to reportable segments, we also review our business by operating groups. In alphabetical order, our operating groups are as follows:

- California, which is comprised of vertically integrated businesses in home markets across the state;
- Central, which includes the vertically integrated Arizona region and regional civil construction businesses in Illinois, Florida and Texas. The Central group also includes the Federal division which performs civil construction across the continental United States and Guam, and the Tunnel division; and
- Mountain, which is comprised of vertically integrated regional businesses in Alaska, Washington, Oregon, Utah and Nevada. The Mountain Group also includes national businesses in the Industrial & Energy division, which primarily focuses on commercial solar construction projects, Water Resources, which performs water well drilling and rehabilitation services and Mineral Services, which performs mineral exploration services for mining clients.

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Customers

Customers in our Construction segment are predominantly in the public sector and include certain federal agencies, state departments of transportation, local transit authorities, county and city public works departments, school districts and developers, utilities and private owners of industrial, commercial and residential sites. Customers of our Materials segment include internal usage by our own construction projects, as well as third-party customers. Our third-party Materials segment customers include, but are not limited to, contractors, landscapers, manufacturers of products requiring aggregate materials, retailers, homeowners, farmers and brokers. The majority of both our public and private customers are located in the United States.

During the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, our largest volume customer, including both prime and subcontractor arrangements, was the California Department of Transportation (“Caltrans”). Revenue recognized from contracts with Caltrans during the years ended December 31, 2022 December 31, 2023, 2022 and 2021 and 2020 represented $348.0 $458.2 million (13.1% of total revenue), $348.0 million (10.5% of total revenue), $337.1 million and $337.1 million (9.6% of total revenue) and $316.9 million (8.9% of total revenue), respectively, which was primarily in the Construction segment. Other than Caltrans, none of our customers, including both prime and subcontractor arrangements, had revenue that individually exceeded 10% of total revenue during the year years ended December 31, 2023 and December 31, 2022. None of our customers had revenue that individually exceeded 10% of total revenue during the years year ended December 31, 2021 and 2020.

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Business Strategy

Granite exists to satisfy society’s needs for mobility, power, water and other essential services that sustain living conditions and improve quality of life. Across our footprint of regional offices, we provide horizontal civil infrastructure construction services and construction materials products to a diverse base of public, industrial and commercial clients. These clients benefit from our home market strategy which includes local relationships, market intelligence and the resources and expertise of one of the oldest and most respected U.S. contractors and materials producers.

Local market knowledge, relationships, and project management expertise, supported by the financial strength of a publicly traded company with a strong balance sheet provide a sustainable competitive advantage. By diversifying our revenue channels across geographies and clients, and by taking measured risks within our construction capabilities, we simultaneously grow our business and mitigate risk. Supported by proven operating processes, functional support systems and financial governance processes, our growing network of regional businesses focus on local market conditions, client relationships, employee development, workforce capabilities and investment opportunities to drive growth and efficiency within their home markets.

Additionally, the following continue to be key objectives in our strategic plan:

Selective Bidding: We focus our resources on bidding jobs that meet our bidding criteria, which include analyzing the risk of a potential job relative to: (1) available personnel to estimate and prepare the proposal as well as to effectively manage and build the project; (2) project procurement methodology; (3) the competitive environment; (4) our experience with the type of work and the owner; (5) local resources and partnerships; (6) equipment resources; and (7) the size, duration, complexity and expected profitability of the job.

Risk-Balanced Growth: We intend to grow our business by strategically adding to our client base within our current geographic markets and expanding into new geographic areas both organically and through acquisitions. Growth opportunities are evaluated relative to their incremental impact to the execution risk and profitability profile of our operating portfolio.

Vertical Integration: We own and lease aggregate reserves and own processing plants that are vertically integrated into our construction operations. By ensuring the availability of these resources through strategic expansion and providing quality products, we believe we have a competitive advantage in many of our markets, as well as a source of revenue and earnings from the sale of construction materials to third parties. We also look for additional vertical integration opportunities that complement our existing construction and materials businesses.

In 2023, we strengthened and expanded our vertically integrated home markets with acquisitions of the Brunswick Canyon quarry and asphalt plant in Nevada; Coast Mountain Resources (2020) Ltd. ("CMR"), a construction aggregate producer in British Columbia, Canada; and Lehman-Roberts Company and Memphis Stone & Gravel Company (collectively, "LRC/MSG"), asphalt paving and asphalt and aggregate producers and suppliers operating in the Memphis metropolitan market.

Diversification: To mitigate the risks inherent in the construction business as the result of general economic factors, we pursue projects: (1) in both the public and private sectors; (2) in diverse end markets such as federal, rail, power, water and renewable energy; (3) for a wide range of clients from the federal government to small municipalities and from large corporations to small private customers; (4) in diverse geographic markets; (5) with procurement methods that include construction management/general contractor ("CM/GC"), bid-build and design-build; (6) that are executed according to a fixed price, time and materials, cost reimbursable and fixed unit price; and (7) of various size, duration and complexity.

Performance-Based Incentives: Our incentive compensation plans align with the key objectives outlined in our strategic plan. Managers are incentivized with cash compensation and equity awards, payable upon the attainment of pre-established annual financial and non-financial metrics, including capital efficiency and cash flow generation.

Code of Conduct and Core Values: We strive to maintain high ethical standards through an established Code of Conduct and a company-wide compliance program, while always being guided by our core values which are integrity, safety, excellence, sustainability and inclusion.

Human Capital Resources

Employees: We believe our employees are our most valuable resource and are the primary factor in the successful implementation of our business strategies. Significant resources are employed to attract, develop and retain extraordinary and diverse talent and fully promote optimize each employee's capabilities. Our focus on inclusive diversity, talent development, talent acquisition, and succession planning has allowed us to build a bench of talented employees. Our managerial and supervisory personnel have an average tenure of 11 12 years with Granite, which demonstrates our workforce's strong dedication to, and great pride in, our company.

On December 31, 2022 December 31, 2023, we employed approximately 2,000 2,100 salaried employees who work in project, functional and business unit management, estimating and administrative capacities, plus approximately 1,800 2,000 hourly employees. These totals do not include employees of unconsolidated joint ventures. ventures or employees of the newly acquired LRC/MSG businesses (see Note 2 of the "Notes to the Consolidated Financial Statements"). The total number of hourly personnel is subject to fluctuates with the volume of construction in progress and is seasonal. During 2022, 2023, the number of hourly employees ranged from approximately 1,800 to 3,800 and averaged approximately 3,400. 4,000. The majority of both our salaried and hourly personnel were located in the United States during 2022. 2023. As of December 31, 2022 December 31, 2023, three of our wholly-owned subsidiaries, Granite Construction Company, Layne Christensen Company and Granite Industrial, Inc., were parties to craft collective bargaining agreements in many areas in which they operate (see Note 16 of the "Notes to the Consolidated Financial Statements").

Inclusive Diversity: Our culture is underpinned by our core values, including an unwavering commitment to inclusive diversity as exemplified by strategies that address our guiding belief that diverse backgrounds, perspectives, and experiences enhance creativity and innovation. We have established employee resource groups that serve employees from a variety of backgrounds, and we have designated October as Inclusion month throughout our Company. We periodically conduct pay equity analyses to support our commitment to pay equity for similar job functions, regardless of race, gender, ethnicity or sexual orientation.

We continued to execute on our inclusive diversity five-year strategic plan, which was established in 2020, with the following key goals:

- increase representation of women throughout the organization from 13% in 2020 to 18% by 2025;
- increase women in leadership from 14% in 2020 to 20% by 2025;
- increase representation of persons of color in leadership throughout the organization from 15% in 2020 to 20% by 2025; and
- increase inclusion index survey results from 71% in 2020 to 80% by 2025.

- increase representation of women throughout the organization by 2025;
- increase women in leadership by 2025;
- increase representation of minorities in leadership throughout the organization by 2025; and
- increase diversity and inclusion index survey results from 71% in 2020 to 80% by 2025.

In 2022 2023, we continued to make progress towards our 2025 goals. goals through broadening the diversity of our pool of potential qualified applicants and identifying and addressing any impediments to employment opportunity that may exist. Representation of women throughout the organization was maintained at 13%, and representation of women and minorities in leadership increased to 19%, representation of persons of color in leadership rose to 18% 2023. Our 2022 diversity and our 2022 inclusion index survey result was 74%. Survey results increased represent employee responses to 74%.

questions regarding our diversity and inclusion practices. Our next survey will be completed in 2024.

We were also successful with our targeted talent acquisition plan focused on to increase the participation of diverse colleges and universities. In 2022, 2023, we hired 195 employed 238 interns from 65 105 colleges and universities. Of this, 52%were diverse.

We remain fully committed to fairness and nondiscrimination in our employment practices by ensuring that the decision on who to hire and promote are based purely on merit and made without consideration of race, gender or other protected characteristic.

Health and Safety: Employee safety is our greatest priority and safety is ultimately about people, not statistics. Safety is one of our core values and we strive to continuously improve our safety program to better protect our people. We instill our culture of safety through relationship-based safety training, shared knowledge, and engagement at every level of our organization. A core part of our mission will always be to provide a safe and healthy work environment for all our employees.

Employee Development and Training: The development of our employees is critical to our success and is a key factor in our ability to attract and retain talent. Our people are the foundation of our success, and we encourage every employee to actively participate in their own career growth and development. We offer a wide variety of training opportunities to ensure our employees are supplementing their on-the-job learning with in-person and online courses needed to promote performance and growth.

In 2022, 2023, our employees completed over 25,000 35,000 training courses and more than 250 300 employees ranging from emerging leaders to senior leaders graduated from our multi-level leadership development program.

We have a robust talent and succession planning process and have established specialized programs to accelerate the development of our talent pipeline for critical roles in general management, engineering, project management and operations. On an annual basis, we conduct succession planning reviews with senior leaders focusing on our high performing and high potential talent, diverse talent and succession for critical roles.

Employee Engagement: We routinely engage independent third parties to conduct cultural and employee engagement surveys. These include corporate culture assessments, as well as real-time feedback on employee engagement and on employee well-being which includes physical, emotional, social and financial health. In 2022, 2023, we conducted a company-wide employee engagement survey and the results reflected reflect improved engagement across each of our four key indices: trust, executive leadership, inclusive diversity and code of conduct.

engagement.

Compensation and Benefits: Our compensation programs are designed to align the compensation of our employees with our financial and safety performance and their individual performance to provide proper incentives to attract, retain and motivate employees to achieve superior results. The structure of our compensation programs balances guaranteed base pay with incentive compensation opportunities. Additionally, all employees are eligible for health insurance, physical, mental and financial wellness programs, paid and unpaid leave, a retirement plan, life insurance and disability/accident coverage. We also offer a variety of voluntary benefits that allow employees to select the options that meet their needs.

Environmental, Social and Governance Matters

Sustainability is one of our core values and we are committed to contributing to the development of a more sustainable future. We are a participating member of the United Nations Global Compact. Our sustainability objectives encompass corporate social responsibility, environmental stewardship, dependable governance and the creation of enduring economic value. We envision Granite as the leading provider of sustainable infrastructure solutions, differentiated by our pursuit of social, environmental and financial excellence.

To attain our objectives, we have a Sustainability department that develops, coordinates and communicates our environmental, social and governance (“ESG”) initiatives across the Company. Our Board of Directors oversees our sustainability program, including how we manage sustainability and ESG-related risks in conjunction with our overall Enterprise Risk Management process.

We utilize the Global Reporting Initiative and Sustainability Accounting Standards Board standards as frameworks to support performance, tracking and reporting, and responsible business behavior. For climate-related issues, we also utilize the recommendations from the Task Force on Climate-related Financial Disclosures. Within these frameworks, we have selected industry-specific metrics that align with stakeholder expectations, are relevant to our business, and will have the most significant impact. We publish annual Sustainability Reports, which update stakeholders on our ESG performance.

We are committed to addressing the effects of climate change and currently have a priority target to reduce scope 1 greenhouse gas emissions by 25% by 2030 from a 2020 baseline. However, achievement of our sustainability commitments and targets is subject to risks and uncertainties, many of which are outside of our control. See “Item 1A. Risk Factors” for additional information.

Our annual sustainability reports, along with additional information about our sustainability program, can be found on our website at https://www.graniteconstruction.com/company/building-better-future-today. The information on our website and Granite’s Sustainability Report are not incorporated into, and are not part of, this report.

Committed and Awarded Projects

Committed and Awarded Projects ("CAP") consists of two components: (1) unearned revenue and (2) other awards. Unearned revenue includes the revenue we expect to record in the future on executed contracts, including 100% of our consolidated joint venture contracts and our proportionate share of unconsolidated joint venture contracts. We generally include a project in unearned revenue at the time a contract is awarded, the contract has been executed and to the extent we believe funding is probable. Contract options and task orders are included in unearned revenue when exercised or issued, respectively. Certain government contracts where funding is appropriated on a periodic basis are included in unearned revenue at the time of the award when it is probable the contract value will be funded and executed.

Other awards include the general construction portion of CM/GC contracts and awarded contracts with unexercised contract options or unissued task orders. The general construction portion of CM/GC contracts are included in other awards to the extent contract execution and funding is probable. Contracts with unexercised contract options or unissued task orders are also included in other awards to the extent option exercise or task order issuance is probable, respectively. All CAP is in the Construction segment.

Substantially all of the contracts in CAP may be canceled or modified at the election of the customer; however, we have not been materially adversely affected by contract cancellations or modifications in the past (see “Contract Provisions and Subcontracting”). Many projects are added to CAP and completed within the same fiscal year and, therefore, may not be reflected in our beginning or year-end CAP. Our CAP was was $5.5 billionand $4.5 billion as of December 31, 2023 and $4.0 2022, respectively. Approximately $2.3 billion as of December 31,2022 and 2021, respectively. Approximately $1.8 billion of the December 31,2022 CAP December 31, 2023 unearned revenue is expected to be completed during 2023. 2024.

Competition and Market Trends

In both our Construction and Materials segments, we have competitors within the individual markets and geographic areas in which we operate, ranging from small, local companies to larger regional, national and international companies. Although the construction business is highly competitive, there are few, if any, companies which compete in all of our market areas. The degree and type of competition is influenced by the type and scope of construction projects within the

individual markets. One of our significant competitive advantages is that we own and lease aggregate reserves and own processing plants that are vertically integrated into our construction operations.

The construction materials produced by our Materials segment are used in nearly all types of public and private construction. Significant barriers to entry exist in most markets due to stringent zoning and permitting regulations.

Factors influencing competitiveness in both of our segments include price, knowledge of local markets and conditions, financial strength, reputation for quality, aggregate materials availability and machinery and equipment. Factors that also influence competitiveness in our Construction segment are estimating abilities and project management.

Many of our Construction segment competitors have the ability to perform work in either the private or public sectors. When opportunities for work in one sector are reduced, competitors tend to look for opportunities in the other sector. This migration has the potential to reduce revenue growth and/or increase pressure on gross profit margins.

Capital requirements have not historically had a significant impact on our ability to compete in the marketplace. However, because smaller projects within our Construction segment have not historically required large amounts of capital, the entry by companies possessing acceptable qualifications into this market may be relatively easy. By contrast, larger projects typically require larger amounts of capital that may make entry into the market by future competitors more difficult.

Also, aggregate mining and asphalt production require significant capital investment to purchase and maintain the necessary property and equipment which presents a significant barrier to entry into the construction materials market.

See “Current Economic Environment and Outlook”under “Item 7.Management’s Discussion and Analysis of Financial Condition and Results of Operations” for further information on current market trends.

Government Regulations

Our business is impacted by environmental, health and safety, government procurement, anti-bribery and other government regulations and requirements. Below is a summary of some of the significant regulations that impact our business.

Environmental: Our operations are subject to various federal, state, local and foreign laws and regulations relating to the environment, including those relating to: (i) the discharge of materials into the air, such as equipment-related emissions and crystalline silica dust at our aggregate processing facilities; (ii) the discharge of materials into water and land; (iii) the handling and disposal of solid and hazardous waste; (iv) the handling of underground storage tanks; and (v) the cleanup of properties affected by hazardous substances. Certain environmental laws impose substantial penalties for non-compliance and others, such as the federal Comprehensive Environmental Response, Compensation and Liability Act, impose strict, retroactive, joint and several liability upon persons responsible for releases of hazardous substances. We continually evaluate whether we must take additional steps at our locations to ensure compliance with environmental laws and whether we can operate in a more sustainable manner. While compliance with applicable regulatory requirements has not materially adversely affected our operations in the past, there can be no assurance that these requirements will not change, and that compliance will not adversely affect our operations in the future.

Government Procurement: Approximately 70% of our construction-related Construction Segment revenue in 2022 2023 was derived from contracts funded by federal, state and local government agencies and authorities. Government contracts are subject to specific procurement regulations, contract provisions and a variety of socioeconomic requirements relating to their formation, administration, performance and accounting and often include express or implied certifications of compliance.

Our operations are subject to various statutes and executive orders including the Davis-Bacon Act (which regulates wages and benefits), the Walsh-Healy Act (which prescribes a minimum wage and regulates overtime and working conditions), Executive Order 11246 (which establishes equal employment opportunity and affirmative action requirements), Executive Order 14063 (which requires project labor agreements on federal construction projects over $35 million), the Drug-Free Workplace Act, the Federal Acquisition Regulation and the Federal Civil False Claims Act. We are also subject to the rules and regulations promulgated by OSHA and the Mine Safety and Health Administration. In addition, certain of our contracts with government agencies contain minimum Disadvantaged Business Enterprise (“DBE”) participation clauses.

These laws and regulations affect how we transact business and, in some instances, impose additional costs on our business operations, which may adversely affect our business, results of operations and financial condition. As further described in “Item 1A. Risk Factors,” violation of specific laws and regulations could lead to fines, contract termination, debarment of contractors and/or suspension of future contracts. Our government customers can also terminate, renegotiate or modify any of their contracts with us at their convenience.

Anti-corruption and Bribery: We are subject to the Foreign Corrupt Practices Act (“FCPA”). The FCPA prohibits U.S. and other business entities from making improper payments to foreign government officials, political parties or political party officials. We are also subject to the applicable anti-corruption laws in the jurisdictions in which we operate, thus potentially exposing us to liability and potential penalties in multiple jurisdictions. The anti-corruption provisions of the FCPA are enforced by the Department of Justice while other state or federal agencies may seek recourse against us for issues related to the FCPA. In addition, the Securities and Exchange Commission (“SEC”) requires strict compliance with certain accounting and internal control standards set forth under the FCPA. Failure to comply with the FCPA and other laws can expose us and/or individual employees to potentially severe criminal and civil penalties. Such penalties may have a material adverse effect on our business, results of operations and financial condition. We devote resources to the development, maintenance, communication and enforcement of our Code of Conduct, our anti-bribery compliance policies, our internal control processes and compliance related policies. We strive to conduct timely internal investigations of potential violations and take appropriate action depending upon the outcome of the investigation.

Contract Provisions and Subcontracting

Contracts with our customers are primarily “fixed unit price” or “fixed price.” Under fixed unit price contracts, we are committed to providing materials or services at fixed unit prices (for example, dollars per cubic yard of concrete placed or cubic yard of earth excavated). The percentage of fixed unit price contracts in our unearned revenue was 63.5% and 72.7% at December 31, 2023 and 53.3% at December 31, 2022 and 2021, 2022, respectively. While the fixed unit price contract shifts the risk of estimating the quantity of units required for a particular project to the customer, any increase in our unit cost over the expected unit cost in the bid, whether due to inflation, inefficiency, incorrect estimates or assumptions or other factors, is borne by us unless otherwise provided in the contract. Fixed price contracts are priced on a lump-sum basis under which we bear the risk that we may not be able to perform the work for the specified contract amount and any increase in our cost over budget, whether due to inflation, inefficiency, incorrect estimates or assumptions or other factors, will reduce our profit on the project. The percentage of fixed price contracts in our unearned revenue was 30.5% and 23.5% at December 31, 2023 and 44.3% at December 31, 2022 and 2021, 2022, respectively. All other contract types represented 3.8% 6.0% and 2.4% 3.8% of our unearned revenue at December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Within our Construction segment, we utilize several methods of project delivery including, but not limited to, bid-build, design-build, CM/GC, construction management at-risk (“CMAR”) and progressive design-build. Unlike traditional bid-build projects where owners first hire a design firm or design a project themselves and then put the project out to bid for construction, the design portion of design-build projects is typically only partially complete when going out to bid. This project delivery method expedites the bidding process for the owner and provides the owner with a single point of responsibility and a single contact for both final design and construction. Under the CM/GC and CMAR delivery methods, we contract with owners to assist the owner during the design phase of the contract with construction efficiencies and risk mitigation, with the understanding that we will negotiate a contract on the construction phase when the collective design nears completion. The progressive design-build delivery method is similar to CM/GC and CMAR; however, we are responsible for the design of the project and will subcontract with a design firm, with the understanding that we will negotiate a contract that includes both the design and construction prices when the collective design nears completion.

With the exception of contract change orders and affirmative claims, our construction contracts are primarily obtained through competitive bidding in response to solicitations by both public agencies and private parties and on a negotiated basis as a result of solicitations from private parties. Project owners use a variety of methods to make contractors aware of new projects, including posting bidding opportunities on agency websites, disclosing long-term infrastructure plans, advertising and other general solicitations. Our bidding activity is affected by such factors as the nature and volume of advertising and other solicitations, current CAP, available personnel, current utilization of equipment and other resources and competitive considerations. Our contract review process includes identifying risks and opportunities during the bidding process and managing these risks through mitigation efforts such as contract negotiation, bid/no bid decisions, insurance and pricing. Contracts fitting certain criteria of size, duration and complexity are reviewed by various levels of management and, in some cases, by our Board of Directors or a committee thereof. Bidding activity, CAP and revenue resulting from the award of new contracts may vary significantly from period to period.

There are a number of factors that can create variability in contract performance as compared to the original bid. Such factors can positively or negatively impact costs and profitability and can create additional liability to the contractor. The most significant of these include:

- changes in costs of labor and/or materials;
- subcontractor costs, availability and/or performance issues;
- extended overhead and other costs due to owner, weather and other delays;
- changes in productivity expectations;
- changes from original design on design-build projects;
- our ability to fully and promptly recover on affirmative claims and back charges for additional contract costs;
- a change in the availability and proximity of equipment and materials;
- complexity in original design;
- length of time to complete the project;
- the availability and skill level of workers in the geographic location of the project;
- site conditions that differ from those assumed in the original bid;
- costs associated with scope changes; and
- the customer’s ability to properly administer the contract.

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- length of time to complete the project;
- the availability and skill level of workers in the geographic location of the project;

- site conditions that differ from those assumed in the original bid;
- costs associated with scope changes; and
- the customer's ability to properly administer the contract.

The ability to realize improvements on project profitability at times is more limited than the risk of lower profitability. For example, design-build contracts carry additional risks such as those associated with design errors and estimating quantities and prices before the project design is completed. We manage this additional risk by including contingencies in our bid amounts, obtaining errors and omissions insurance and obtaining indemnifications from our design consultants where possible. However, there is no guarantee that these risk management strategies will be successful.

Most of our contracts, including those with the government, provide for termination at the convenience of the contract owner, with provisions to pay us for work performed through the date of termination. We have not been materially adversely affected by these provisions in the past. Many of our contracts contain provisions that require us to pay liquidated damages if specified completion schedule requirements are not met, and these amounts could be significant.

We act as prime contractor on most of our construction projects. We complete the majority of our projects with our own resources and subcontract specialized activities such as electrical and mechanical work. As prime contractor, we are responsible for the performance of the entire contract, including subcontract work. Thus, we may be subject to increased costs associated with the failure of one or more subcontractors to perform as anticipated. Based on our analysis of their construction and financial capabilities, among other criteria, we may require the subcontractor to furnish a bond or other type of security to guarantee their performance and/or we retain payments, or some portion thereof, in accordance with contract terms until their performance is complete. DBE regulations require us to use our good faith efforts to subcontract a specified portion of contract work done for governmental agencies to certain types of disadvantaged contractors or suppliers. As with all of our subcontractors, some may not be able to obtain surety bonds or other types of performance security.

Joint Ventures

We participate in various construction joint ventures with other construction companies of which we are a partner or limited member ("joint ventures") typically for large, technically complex projects, including design-build projects, where it is necessary or desirable to share expertise, risk and resources. Joint venture partners typically provide independently prepared estimates, shared equipment, and often bring local knowledge and expertise. Generally, each construction joint venture is formed as a partnership or limited liability company to accomplish a specific project and is jointly controlled by the joint venture partners. We select our joint venture partners ("partner(s)") based on our analysis of their construction and financial capabilities, expertise in the type of work to be performed and past working relationships, among other criteria.

Under each joint venture agreement, one partner is designated as the sponsor. The sponsoring partner typically provides all administrative, accounting and most of the project management support for the project and generally receives a fee from the joint venture for these services. We have been designated as the sponsoring partner in certain of our current joint venture projects and are a non-sponsoring partner in others. In alignment with our strategic plan and project bidding criteria, when entering into new joint venture agreements, we generally insist on being the sponsoring partner.

We consolidate joint ventures if we determine that, through our participation, we have a variable interest and are the primary beneficiary as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, *Consolidation*, and related standards. If we have determined that we are not the primary beneficiary of a joint venture but do exercise significant influence, we account for our share of the operations of unconsolidated construction joint ventures on a pro rata basis in revenue and cost of revenue in the consolidated statements of operations. We record the corresponding investment balance in equity in construction joint ventures in the consolidated balance sheets except when a project is in a loss position, the investment balance is recorded as a deficit in unconsolidated construction joint ventures and is included in accrued expenses and other current liabilities in the consolidated balance sheets. We account for non-construction unconsolidated joint ventures under the equity method of accounting in accordance with ASC Topic 323, *Investments - Equity Method and Joint Ventures* and include our share of the operations in equity in income of affiliates in the consolidated statements of operations and in investment in affiliates in the consolidated balance sheets.

We also participate in "line-item" joint venture agreements under which each partner is responsible for performing certain discrete items of the total scope of contracted work. The revenue for each line-item joint venture partners' discrete items of work is defined in the contract with the project owner and each joint venture partner bears the profitability risk associated only with its own work. There is not a single set of books and records for a line-item joint venture. Each partner accounts for its items of work individually as it would for any self-performed contract. We account for our portion of these contracts as revenue and cost of revenue in the consolidated statements of operations and in relevant balances in the consolidated balance sheets.

The agreements with our partner(s) for both construction joint ventures and line-item joint ventures define each partner's management role and financial responsibility in the project. The joint venture agreements typically provide that our interests in any profits and assets, and our respective share in any losses and liabilities, that may result from the performance of the contracts are limited to our stated percentage interest in the project. However, due to the joint and several nature of the performance obligations under the related owner contracts, if any of the partners fail to perform, we and the remaining partners, if any, would be responsible for performance of the outstanding work (i.e., we provide a performance guarantee). We estimate our liability for performance guarantees for our unconsolidated and line-item joint ventures using estimated partner bond rates, which are Level 2 inputs, and include them in accrued expenses and other current liabilities with a corresponding increase in equity in construction joint ventures in the consolidated balance sheets. We reassess our liability when and if changes in circumstances occur. The liability and corresponding asset are removed from the consolidated balance sheets upon completion and customer acceptance of the project. Circumstances that could lead to a loss under these agreements beyond our stated ownership interest include the failure of a partner to contribute additional funds to the venture in the event the project incurs a loss or additional costs that we could incur should a partner fail to provide the services and resources that it had committed to provide in the agreement. We are not able to estimate amounts that may be required beyond the remaining cost of the work to be performed. These costs could be offset by billings to the customer or by proceeds from our partners' corporate and/or other guarantees.

At December 31, 2022 December 31, 2023, there was $246.4 million $195.6 million of remaining contract value on unconsolidated and line item construction joint venture contracts, of which $110.9 million $93.1 million represented our share and is included in our CAP and the remaining $135.5 million $102.5 million represented our partners' share. See Note 9 of "Notes to the Consolidated Financial Statements" for more information.

Insurance and Bonding

We maintain insurance coverage and limits consistent with industry practice and in alignment with our overall risk management strategy. Policies include general and excess liability, property, pollution, professional, cyber security, cybersecurity, executive risk, workers' compensation and employer's liability. Further, our policies are placed with insurers that we believe are financially stable, often in a layered or quota share arrangement which reduces the likelihood of an interruption or impact to operations.

In connection with our business, we generally are required to provide various types of surety bonds that provide an additional measure of security for our performance under certain public and private sector contracts. Our ability to obtain surety bonds depends upon our capitalization, working capital, past performance, management expertise and external factors, including the capacity of the overall surety market. Surety companies consider such factors in light of the amount of our CAP that we have currently bonded and their current underwriting standards, which may change from time to time. The capacity of the surety market is subject to market-based fluctuations driven primarily by the level of surety industry losses and the degree of surety market consolidation. When the surety market capacity shrinks it results in higher premiums and increased difficulty obtaining bonding, in particular for larger, more complex, multi-year projects throughout the market. To help mitigate this risk, we employ a co-surety structure involving three sureties. Although we do not believe that fluctuations in surety market capacity have affected our ability to grow our business, there is no assurance that it will not significantly affect our ability to obtain new contracts in the future (see "Item 1A. Risk Factors").

Raw Materials

We purchase raw materials, including but not limited to, aggregate products, cement, diesel and gasoline fuel, liquid asphalt, natural gas, propane, resin and steel from numerous sources. Our owned and leased aggregate reserves supply a portion of the raw materials needed in our construction projects. The price and availability of raw materials may vary from year to year due to market conditions and production capacities. In recent years, inflation, supply chain and labor constraints have had a significant impact on the global economy including the construction industry in the United States. While it is impossible to fully eliminate the impact of these factors, we have applied proactive measures such as fixed forward purchase contracts of oil related inputs, energy surcharges, and adjustment of project schedules for constraints related to construction materials such as concrete.

Equipment

At December 31, 2022 December 31, 2023 and 2021, 2022, we owned the following number of construction equipment and vehicles:

December 31,	2022	2021
Heavy construction equipment	2,471	2,736
Trucks, truck-tractors, trailers and vehicles	5,059	5,460

The number of construction equipment and vehicles as of December 31, 2021 includes those related to the businesses that were classified as held for sale as of that date (see Note 1 and Note 2 of "Notes to Consolidated Financial Statements" for further information). 1,103 pieces of construction equipment and 1,861 vehicles were classified as held for sale as of December 31, 2021. During the first quarter of 2022, 393 pieces of heavy construction equipment and 720 vehicles were sold as part of the sale of one of the held for sale businesses.

December 31,	**2023**	**2022**
Heavy construction equipment	2,457	2,471
Trucks, truck-tractors, trailers and vehicles	4,686	5,059

Our portfolio of equipment includes backhoes, barges, bulldozers, cranes, excavators, loaders, motor graders, pavers, rollers, scrapers, trucks, drilling rigs and tunnel boring machines that are used in both of our segments. We pool certain equipment to maximize utilization. We continually monitor and adjust our fleet size so that it is consistent with the size of our business, considering both existing and expected future work. We lease or rent equipment to supplement our portfolio of equipment in response to construction activity cycles. The December 31, 2023 equipment count includes 202 pieces of heavy construction equipment and 111 vehicles from the LRC/MSG acquisition. In 2022 2023 and 2021, 2022, we purchased $73.9 million $71.9 million and $60.1 million, $73.9 million, respectively, of construction equipment and vehicles.

Seasonality

Our operations are typically affected more by weather conditions during the first and fourth quarters of our fiscal year which may alter our construction schedules and can create variability in our revenues, profitability and the required number of employees.

Website Access

Our website address is www.graniteconstruction.com. On our website we make available, free of charge, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. The information on our website is not incorporated into, and is not part of, this report. These reports, and any amendments to them, are also available on the SEC's website, www.sec.gov.

Information About Executive Officers

Information regarding our executive officers as of February 1, 2023 February 1, 2024 is set forth below.

Name	Age	Age	Position
Kyle T. Larkin	52	51	President and Chief Executive Officer
Elizabeth L. Curtis	57	56	Executive Vice President and Chief Financial Officer
James A. Radich	65	64	Executive Vice President and Chief Operating Officer
Brian A. Dowd	60	59	Senior Vice President, and Group Manager Construction
Michael G. Tatusko Bradly J. Estes	45	58	Senior Vice President, and Group Manager Construction Materials
Bradley J. Williams Michael G. Tatusko	59	62	Senior Vice President, and Group Manager Construction
Bradley J. Williams	63	Senior Vice President, Construction	
Staci M. Woolsey	47	46	Chief Accounting Officer

Mr. Larkin joined Granite in 1996, has served as President since September 2020 and as Chief Executive Officer since June 2021. He also served as Executive Vice President and Chief Operating Officer from February 2020 to September 2020, Senior Vice President and Manager of Construction and Materials Operations from 2019 to 2020, Senior Vice President and Group Manager from 2017 to 2019, Vice President and Regional Manager in Nevada from 2014 to 2017 and President of Granite's wholly-owned subsidiary, Intermountain Slurry Seal, Inc. from 2011 to 2014. He served as Manager of Construction at the Reno area office from 2008 to 2011, Chief Estimator from 2004 to 2008 and Project Manager, Project Engineer and Estimator at Granite's Nevada Branch between 1996 and 2003. Mr. Larkin has also served as a director of our Board of Directors since June 2021 and has a term expiring at the 2023 2026 annual meeting. Mr. Larkin holds a B.S. in Construction Management from California Polytechnic State University, San Luis Obispo and an M.B.A. from the University of Massachusetts, Amherst.

Ms. Curtis joined Granite in 2018 and has served as Executive Vice President and Chief Financial Officer since January 2021. She also served as Chief Accounting Officer from October 2020 to January 2021, Vice President of Investor Relations from 2019 to October 2020, and Vice President and Integration Management Officer from 2018 to 2019. Before joining Granite, Ms. Curtis served as Vice President and Chief Accounting Officer for Layne Christensen Company ("Layne") from 2016 to 2018. Prior to joining Layne, Ms. Curtis worked for Cameron from 2009 to 2016 serving in positions of increasing responsibility and ultimately as their Controller, in charge of external reporting, accounting policies, and internal controls from 2015 to 2016. Ms. Curtis began her career in public accounting with Deloitte and graduated from Texas A&M University with B.S. degrees in Accounting and Finance and is a Certified Public Accountant.

Mr. Radich first joined Granite in 1980 and rejoined the Company in 2011. He has served as Executive Vice President and Chief Operating Officer since December 2020. He also served as Senior Vice President and Group Manager from January 2020 to December 2020, as Vice President and Coastal Region Manager from 2014 to 2019 and Vice President of the Northern California Region from 2011 to 2014. From 1993 to 2011, Mr. Radich was employed by Oldcastle Materials. Mr. Radich served Granite as Project Engineer from 1980 to 1983, Project Manager from 1985 to 1990 for the Heavy Civil and

Vertical Divisions and Chief Estimator from 1990 to 1993 in the Vertical Division. He received a B.S.C.E. from Santa Clara University and is a Registered Civil Engineer.

Mr. Dowd joined Granite in 1986 and has served as Senior Vice President, Construction since January 2024. He also served as Senior Vice President and California Group Manager since from January 2021. He also served as 2021 to January 2024, Vice President and Regional Manager in Nevada from October 2017 to December 2020 and Vice President and Large Projects Business Development Manager from 2013 to 2017. He served as California Group Business Development Manager from 2012 to 2013, Sacramento Valley Region Manager from 2007 to 2012, Vice President and Director of Human Resources from 2005 to 2007, Director of Employee Development from 2000 to 2005, San Diego Area Manager from 1994 to 2000, and Project Manager, Estimator and Project Engineer at Granite's Indio and Sacramento Branches between 1986 and 1994. Mr. Dowd holds a B.S. in Civil Engineering from the University of California, Berkeley and is a Registered Engineer in the states of California and Nevada.

Mr. Estes joined Granite in 2003 and has served as Senior Vice President, Construction Materials since June 2023, as Vice President of Construction Materials from January 2018 to June 2023, as Group Materials Manager from January 2017 to December 2017, as Materials Manager in Washington from January 2012 to December 2016, as Plants Manager in Washington from November 2008 to December 2011, as Portable Plant Manager in Northern California from June 2005 to October 2008, and as Branch Division Plant Engineer from June 2003 to May 2005. Mr. Estes holds a B.S.degree in Mining Engineering from Montana Technological University.

Mr. Tatusko joined Granite in 1991 and has served as Senior Vice President, Construction since January 2024. He also served as Senior Vice President and Group Manager since from January 2020. He served as 2020 to January 2024, Vice President and Valley Region Manager from 2014 to 2019, Northern California Area Manager from 2012 to 2014, Design Build Project Executive from 2010 to 2012, Group Construction Manager from 2007 to 2010, Arizona Operations Managerfrom 2005 to 2007, Arizona Construction Manager from 2001 to 2005, Plants Manager from 1999 to 2001, Estimator/Project Manager from 1995 to 1999 and Project Engineer from 1993 to 1995. Prior to joining Granite, he was employed at Oldcastle Tilcon from 1984 to 1991. Mr. Tatusko received a Construction Management degree from Southern Maine Tech.

Mr. Williams joined Granite in 1987 and has served as Senior Vice President, and Group Manager Construction since June 2022. January 2024. He also served as Senior Vice President and Group Manager from June 2022 to January 2024, Regional Vice President from January 2015 to June 2022, as Large Project Executive from 2010 to 2015, as Operations Manager in Southern California from 2009 to 2010, as Manager of Construction in Southern California from 2007 to 2009, as Construction Manager in Sacramento from 2000 to 2007, as Senior Project Manager in Utah from 1998 to 2000, as Environmental Construction Manager in California from 1994 to 1998, as Estimator/Project Manager in Santa Barbara from 1989 to 1994, and as Large Project Engineer from 1987 to 1989. Mr. Williams holds a B.S. in Civil Engineering from Ohio Northern University.

Ms. Woolsey joined Granite in June 2021 and was appointed Chief Accounting Officer on January 1, 2022. Prior to this appointment and since joining the Company in June 2021, Ms. Woolsey served in a non-officer role with accounting responsibilities and reported directly to Ms. Curtis. Prior to joining the Company, Ms. Woolsey was the Vice President and Corporate Controller from December 2018 to August 2020 and Vice President, Corporate Controller and Chief Accounting Officer from August 2020 to June 2021 of MDC Holdings, Inc. From February 2016 to December 2018, Ms. Woolsey was the Vice President and Controller of the Energy, Infrastructure and Industrial Construction division of AECOM. Ms. Woolsey received a B.S. degree in Accounting from the University of Idaho and is a Certified Public Accountant.

Item 1A. RISK FACTORS

Set forth below and elsewhere in this report and in other documents we file with the SEC are various risks and uncertainties that could cause our actual results to differ materially from the results contemplated by the forward-looking statements contained in this report or otherwise adversely affect our business.

RISKS RELATED TO OUR BUSINESS

- ***Unfavorable economic conditions may have an adverse impact on our business.*** **Volatility in the global financial system, deterioration in general economic activity, inflation, rising interest rates, supply chain issues, the War in Ukraine, other political, social or economic uncertainties, and fiscal, monetary and other policies that federal, state and local governments may enact, including infrastructure spending or deficit reduction measures, may have an adverse impact on our business, financial position, results of operations, cash flows and liquidity. In particular, low tax revenues, budget deficits, financing constraints, including timing of long-term federal, state and local funding releases, and competing priorities could negatively impact the ability of government agencies to fund existing or new infrastructure projects in the public sector. These factors could have a material adverse effect on the financial market and economic conditions in the United States as well as throughout the world, which may limit our ability and the ability of our customers to obtain financing and/or could impair our ability to execute our strategy. In addition, levels of new commercial and residential construction projects could be adversely affected by oversupply of existing inventories of commercial and residential properties, low property values and a restrictive financing environment.**
- ***We work in a highly competitive marketplace.*** **We have multiple competitors in all the areas in which we work, and some of our competitors are larger than we are and may have greater resources than we do. Government funding for public works projects is limited, contributing to competition. An increase in competition may result in a decrease in new awards, a decrease in profit margins, or both. In addition, should downturns in residential and commercial construction activity occur, the competition for available public sector work would intensify, which could impact our revenue, CAP and profit margins.**

- ***Fixed price and fixed unit price contracts subject us to the risk of increased project cost.*** **As more fully described in “Contract Provisions and Subcontracting” under “Item 1. Business,” the profitability of our fixed price and fixed unit price contracts can be adversely affected by a number of factors, including, among others, inflation, inefficiency and incorrect estimates or assumptions, that can cause our actual costs to materially exceed the costs estimated at the time of our original bid. This could result in reduced profits or a loss for that project and there could be a material adverse impact to our business, results of operations and financial condition.**
- ***Public health events, including health epidemics or pandemics or other contagious outbreaks, could negatively impact our business, financial condition and results of operations.*** **Our ability to perform work may be significantly affected by public health events. If a public health epidemic or pandemic or other contagious outbreak, including COVID-19, interferes with our ability, or that of our employees, contractors, suppliers, customers and other business partners to perform our and their respective responsibilities and obligations relative to the conduct of our business, our operations may be affected, which could have a material adverse effect on our business, results of operations and financial condition.**
- ***We derive a substantial amount of our revenue from federal, state and local government agencies, and any disruption in government funding or in our relationship with those agencies could adversely affect our business.*** **For the year ended December 31, 2022, approximately 70% of our construction revenue was funded by federal, state and local government agencies and authorities. A significant amount of this revenue is derived under multi-year contracts, many of which are appropriated on an annual basis. As a result, at the beginning of a project, the related contract may be only partially funded, and additional funding is normally committed only as appropriations are made in each subsequent year. The success and further development of our business depends, in large part, upon the continued funding of these government programs, and upon our ability to obtain contracts and perform well under these programs. A significant reduction in government spending, the absence of a bipartisan agreement on the federal government budget, a partial or full federal government shutdown or a change in budgetary priorities could reduce demand for our services, cancel or delay projects and have a material adverse effect on our business, results of operations and financial condition.**

  There are several additional factors that could cause government agencies or authorities to delay or cancel programs, to reduce their orders under existing contracts, to exercise their rights to terminate contracts or not to exercise contract options for renewals or extensions. Such factors, which include the following, could have a material adverse effect on our business, financial condition and results of operations or the timing of contract payments from government agencies or authorities:

  - **the failure of the U.S. government to complete its budget and appropriations process before its fiscal year-end;**
  - **changes in and delays or cancellations of government programs, procurements, requirements or appropriations;**
  - **budget constraints or policy changes resulting in delay or curtailment of expenditures related to the services we provide;**
  - **re-competes of government contracts;**
  - **the timing and amount of tax revenue received by federal, state and local governments, and the overall level of government expenditures;**
  - **curtailment in the use of government contracting firms;**
  - **delays associated with insufficient numbers of government staff to oversee contracts;**
  - **the increasing preference by government agencies for contracting with small and disadvantaged businesses;**
  - **competing political priorities and changes in the political climate regarding the funding or operation of the services we provide;**
  - **the adoption of new laws or regulations affecting our contracting relationships with the federal, state or local governments;**
  - **unsatisfactory performance on government contracts by us or one of our subcontractors, negative government audits or other events that may impair our relationship with federal, state or local governments;**
  - **a dispute with or improper activity by any of our subcontractors; and**
  - **general economic or political conditions.**
- ***Our U.S. federal government contracts may give government agencies the right to modify, delay, curtail, renegotiate or terminate existing contracts at their convenience at any time prior to their completion, which could have a material adverse effect on our business, financial condition and results of operations.*****U.S. federal government projects in which we participate as a contractor or subcontractor may extend for several years. Generally, government contracts include the right to modify, delay, curtail, renegotiate or terminate contracts and subcontracts at the government’s convenience any time prior to their completion. Any decision by a U.S. federal government client to modify, delay, curtail, renegotiate or terminate our contracts at their convenience could have a material adverse effect on our business, financial condition and results of operations.**
- ***Ourfailure to win new contracts and renew existing contracts with private and public sector clients could have a material adverse effect on our business, financial condition and results of operations.*** **Our business depends on our ability to win new contracts and renew existing contracts with private and public sector clients. Contract proposals and negotiations are complex and frequently involve a lengthy bidding and selection process, which is affected by a number of factors. These factors include market conditions, financing arrangements and required governmental approvals. If negative market conditions arise, or if we fail to secure adequate financial arrangements or the required government approval, we may not be able to pursue certain projects, which could have a material adverse effect on our business, financial condition and results of operations.**

- ***The timing of new contracts and termination of existing contracts may result in unpredictable fluctuations in our cash flows and financial results.*** **A substantial portion of our revenues are derived from project-based work that is awarded through a competitive bid process. It is generally difficult to predict the timing and geographic distribution of the projects that we will be awarded. The selection of, timing of, or failure to obtain projects, delays in awards of projects, the re-bidding or termination of projects due to budget overruns, cancellations of projects or delays in completion of contracts could result in the under-utilization of our assets, including our fleet of construction equipment, which could lower our overall profitability and reduce our cash flows. Even if we are awarded contracts, we face additional risks that could affect when, or whether, work will begin. This can present difficulty in matching workforce size and equipment location with contract needs. In some cases, we may be required to bear the cost of a ready workforce and equipment that is larger than necessary, which could have a material adverse effect on our business, financial condition and results of operations. If an expected contract award or the related work release is delayed or not received, we could incur substantial costs without receipt of any corresponding revenues. Moreover, construction projects for which our services are contracted may require significant expenditures by us prior to receipt of relevant payments from the customer. Finally, the winding down or completion of work on significant projects that were active in previous periods will reduce our revenue and earnings if such significant projects have not been replaced in the current period.**

  Many of our contracts may be canceled upon short notice, typically 30 to 90 days, even if we are not in default under the contract, and we may be unsuccessful in replacing contracts, resulting in a decrease in our revenue, net income and liquidity. Certain of our customers assign work to us on a project-by-project basis under master service agreements. Under these agreements, our customers often have no obligation to assign a specific amount of work to us. Our operations could decline significantly if the anticipated volume of work is not assigned to us or is canceled. Many of our contracts, including our master service agreements, are open to competitive bidding at the expiration of their terms. There can be no assurance that we will be the successful bidder on our existing contracts that come up for re-bid.

- ***Unfavorable economic conditions may have an adverse impact on our business.*** Volatility in the global financial system, deterioration in general economic activity, inflation, rising or high interest rates, supply chain issues, the War in Ukraine, the Israel-Hamas War, other political, social or economic uncertainties, and fiscal, monetary and other policies that federal, state and local governments may enact, including infrastructure spending or deficit reduction measures, may have an adverse impact on our business, financial position, results of operations, cash flows and liquidity. In particular, low tax revenues, budget deficits, financing constraints, including timing of long-term federal, state and local funding releases, and competing priorities could negatively impact the ability of government agencies to fund existing or new infrastructure projects in the public sector. These factors could have a material adverse effect on the financial market and economic conditions in the United States as well as throughout the world, which may limit our ability and the ability of our customers to obtain financing and/or could impair our ability to execute our strategy. In addition, levels of new commercial and residential construction

  projects could be adversely affected by oversupply of existing inventories of commercial and residential properties, low property values and a restrictive financing environment.

- ***Design-build contracts subject us to the risk of design errors and omissions.*** Design-build is a common method of project delivery as it provides the owner with a single point of responsibility for both design and construction. We generally subcontract design responsibility to architectural and engineering firms. However, in the event of a design error or omission causing damages, there is risk that the subcontractor or their errors and omissions insurance would not be able to absorb the liability. In this case we may be responsible, resulting in a potentially material adverse effect on our business, results of operations and financial condition.

- ***Many of our contracts have penalties for late completion.*** In some instances, including many of our fixed price contracts, we guarantee that we will complete a project by a certain date. If we subsequently fail to complete the project as scheduled, we may be held responsible for costs resulting from the delay, generally in the form of contractually agreed-upon liquidated damages. To the extent these events occur, the total cost of the project could exceed our original estimate and we could experience reduced profits or a loss on that project and there could be a material adverse impact to our business, results of operations and financial condition.

- ***Our failure to adequately recover on affirmative claims brought by us against project owners or other project participants (e.g., back charges against subcontractors) for additional contract costs could have a negative impact on our liquidity and future operations.*** In certain circumstances, we assert affirmative claims to which we believe we are entitled against project owners, engineers, consultants, subcontractors or others involved in a project for additional costs exceeding the contract price or for amounts not included in the original contract price. These types of affirmative claims occur due to matters such as delays or changes from the initial project scope, both of which may result in additional costs. Often, these affirmative claims can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when and on what terms they will be fully resolved. For additional information, see "—Accounting for our revenues and costs involve significant estimates" risk factor below. The potential gross profit impact of recoveries for affirmative claims may be material in future periods when they, or a portion of them, become probable and estimable or are settled. When these types of events occur, we use working capital to cover cost overruns pending the resolution of the relevant affirmative claims and may incur additional costs when pursuing such potential recoveries. A failure to recover on these types of affirmative claims promptly and fully could have a negative impact on our business, results of operations and financial condition. In addition, while clients and subcontractors may be obligated to indemnify us against certain liabilities, such third parties may refuse or be unable to pay us.

- ***Our financial position could be impacted by worse than anticipated results in our Central operating group.*** In 2020, we completed a strategic review of our former Heavy Civil operating group, which is now part of our Central operating group, and have taken actions that we believe will be beneficial to us and our stockholders. However, the results of our planned actions, and the timing of expected benefits, remain uncertain. Underperformance in our Central operating group could have a material adverse effect on our business, results of operations and financial condition.

- ***Unavailability of insurance coverage could have a negative effect on our operations and results.*** We maintain insurance coverage as part of our overall risk management strategy and pursuant to requirements to maintain specific coverage that are contained in our financing agreements and in most of our construction contracts. Although we have been able to obtain reasonably priced insurance coverage to meet our requirements in the past, there is no assurance that we will be able to do so in the future, and our inability to obtain such coverage could have an adverse impact on our ability to procure new work, which could have a material adverse effect on our business, results of operations and financial condition.
- ***An inability to obtain bonding could have a negative impact on our operations and results.*** As more fully described in "Insurance and Bonding" under "Item 1. Business," we generally are required to provide surety bonds securing our performance under the majority of our public and private sector contracts. Our inability to obtain reasonably priced surety bonds in the future and, while we monitor the financial health of our insurers and the insurance market, catastrophic events could reduce available limits or the breadth of coverage, both of which could significantly affect our ability to be awarded new contracts and could, therefore, have a material adverse effect on our business, results of operations and financial condition.
- ***We use certain commodity products that are subject to significant price fluctuations.*** We are exposed to various commodity price risks, including, but not limited to, diesel fuel, natural gas, propane, steel, cement and liquid asphalt arising from transactions that are entered into in the normal course of business. We use petroleum-based products, such as fuels, lubricants and liquid asphalt, to power or lubricate our equipment, operate our plants, and as a significant ingredient in the asphaltic concrete we manufacture for sale to third parties and use in our asphalt paving construction projects. Although we are partially protected by asphalt or fuel price escalation clauses in some of our contracts, many contracts provide no such protection. We also use steel and other commodities in our construction projects that can be subject to significant price fluctuations. In order to manage or reduce commodity price risk, we monitor the costs of these commodities at the time of bid and price them into our contracts accordingly. Additionally, some of our contracts may include commodity price escalation clauses which partially protect us from increasing prices. At times we enter into supply agreements or pre-purchase commodities to secure pricing and use financial contracts to further manage a portion of the price risk. Significant price fluctuations could have a material adverse effect on our business, results of operations and financial condition.
- ***Weather can significantly affect our revenues and profitability.*** Our ability to perform work is significantly affected by weather conditions such as precipitation and temperature. Changes in weather conditions can cause delays and otherwise significantly affect our project costs. The impact of weather conditions can result in variability in our quarterly revenues and profitability, particularly in the first and fourth quarters of the year.
- ***Force majeure events, including natural disasters and terrorists' actions, could negatively impact our business, which may affect our financial condition, results of operations or cash flows.*** Force majeure or extraordinary events beyond the control of the contracting parties, such as natural and man-made disasters, as well as terrorist actions, could negatively impact the economies in which we operate. We typically negotiate contract language where we are allowed certain relief from force majeure events in private client contracts and review and attempt to mitigate force majeure events in both public and private client contracts. We remain obligated to perform our services after most extraordinary events subject to relief that may be available pursuant to a force majeure clause. If we are not able to react quickly to force majeure events, our operations may be affected, which could have a material adverse effect on our business, results of operations and financial condition.
- ***Our CAP is subject to unexpected adjustments and cancellations and could be an uncertain indicator of our future earnings.*** We cannot guarantee that the revenues projected in our CAP will be realized or, if realized, will be profitable. Projects reflected in our CAP may be affected by project cancellations, scope adjustments, time extensions or other changes. Such changes may adversely affect the revenue and profit we ultimately realize on these projects.
- ***Rising inflation and/or interest rates could have an adverse effect on our business, financial condition and results of operations.*** Economic factors, including inflation and rising interest rates, could have a negative impact on our business. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could have a material adverse effect on our financial position, results of operations, cash flows and liquidity. In addition, increases in interest rates will result in higher interest expense related to borrowings under our Fourth Amended and Restated Credit Agreement (the "Credit Agreement"), which could have a material adverse effect on our business, results of operations and financial condition.

- ***We work in a highly competitive marketplace.*** We have multiple competitors in all the areas in which we work, and some of our competitors are larger than we are and may have greater resources than we do. Government funding for public works projects is limited, contributing to competition. An increase in competition may result in a decrease in new awards, a decrease in profit margins, or both. In addition, should downturns in residential and commercial construction activity occur, the competition for available public sector work would intensify, which could impact our revenue, CAP and profit margins.
- ***Fixed price and fixed unit price contracts subject us to the risk of increased project cost.*** As more fully described in "Contract Provisions and Subcontracting" under "Item 1. Business," the profitability of our fixed price and fixed unit price contracts can be adversely affected by a number of factors, including, among others, inflation, inefficiency and incorrect estimates or assumptions, that can cause our actual costs to materially exceed the costs estimated at the time of our original bid. This could result in reduced profits or a loss for that project and there could be a material adverse impact to our business, results of operations and financial condition.
- ***We derive a substantial amount of our revenue from federal, state and local government agencies, and any disruption in government funding or in our relationship with those agencies could adversely affect our business.*** For the year ended December 31, 2023, approximately 70% of our construction revenue was funded by federal, state and local government agencies and authorities. A significant amount of this revenue is derived under multi-year contracts, many of which are appropriated on an annual basis. As a result, at the beginning of a project, the related contract may be only partially funded, and additional funding is normally committed only as appropriations are made in each subsequent year. The success and further development of our business depends, in large part, upon the continued funding of these government programs, and upon our ability to obtain contracts and perform well under these programs. A significant reduction in government spending, the absence of a bipartisan agreement on the federal government budget, a partial or full federal government shutdown or a change in budgetary priorities could reduce demand for our services, cancel or delay projects and have a material adverse effect on our business, results of operations and financial condition.

  There are several additional factors that could cause government agencies or authorities to delay or cancel programs, to reduce their orders under existing contracts, to exercise their rights to terminate contracts or not to exercise contract options for renewals or extensions. Such factors, which include the following, could have a material adverse effect on our business, financial condition and results of operations or the timing of contract payments from government agencies or authorities:

- the failure of the U.S. government to complete its budget and appropriations process before its fiscal year-end;
- changes in and delays or cancellations of government programs, procurements, requirements or appropriations;
- budget constraints or policy changes resulting in delay or curtailment of expenditures related to the services we provide;
- re-competes of government contracts;
- the timing and amount of tax revenue received by federal, state and local governments, and the overall level of government expenditures;
- curtailment in the use of government contracting firms;
- delays associated with insufficient numbers of government staff to oversee contracts;
- the increasing preference by government agencies for contracting with small and disadvantaged businesses;
- competing political priorities and changes in the political climate regarding the funding or operation of the services we provide;
- the adoption of new laws or regulations affecting our contracting relationships with the federal, state or local governments;
- unsatisfactory performance on government contracts by us or one of our subcontractors, negative government audits or other events that may impair our relationship with federal, state or local governments;
- a dispute with or improper activity by any of our subcontractors; and
- general economic or political conditions.

- ***Our U.S. federal government contracts may give government agencies the right to modify, delay, curtail, renegotiate or terminate existing contracts at their convenience at any time prior to their completion, which could have a material adverse effect on our business, financial condition and results of operations.*** U.S. federal government projects in which we participate as a contractor or subcontractor may extend for several years. Generally, government contracts include the right to modify, delay, curtail, renegotiate or terminate contracts and subcontracts at the government's convenience any time prior to their completion. Any decision by a U.S. federal government client to modify, delay, curtail, renegotiate or terminate our contracts at their convenience could have a material adverse effect on our business, financial condition and results of operations.

- ***As part of our growth strategy, we have made and may make future acquisitions, and acquisitions involve many risks and uncertainties. These risks and uncertainties include:***
  - our ability to complete acquisitions in accordance with our expected plans, on terms and conditions acceptable to us or our anticipated time frame, or at all;
  - difficulties identifying all significant risks during our due diligence activities;
  - that acquisitions involve significant costs and require the time and attention of our management, which may divert management's attention from ongoing operations;
  - potential difficulties and increased costs associated with completion of any assumed construction projects;
  - our ability to successfully manage or achieve the results we expect to experience from the acquisitions and that we may lose key employees or customers of the acquired companies;
  - assumption of liabilities of an acquired business, including liabilities that were unknown at the time the acquisition was negotiated;
  - difficulties related to integrating the operations and internal controls, assimilating personnel, services, and systems of an acquired business and to assimilating marketing and other operational capabilities;
  - increased burdens on our staff and on our administrative, internal control and operating systems, which may hinder our legal and regulatory compliance activities;
  - if we issue additional equity securities, such issuances could have the effect of diluting our earnings per share as well as our existing shareholders' individual ownership percentages in the Company;
  - the recording of goodwill or other non-amortizable intangible assets that will be subject to subsequent impairment testing and potential impairment charges, as well as amortization expenses related to certain other intangible assets; and
  - while we often obtain indemnification rights from the sellers of acquired businesses, such rights may be difficult to enforce and the indemnitors may not have the ability to financially support the indemnity.

  Failure to successfully manage and integrate acquisitions could harm our business, results of operations and financial condition.

- ***As part of our strategy, we may make divestitures, and divestitures involve many risks and uncertainties. These risks and uncertainties include:***
  - our ability to locate suitable acquirers for our divestitures;
  - our ability to complete the divestitures in accordance with our expected plans or anticipated time frame, or at all;
  - our ability to complete the divestitures on terms and conditions acceptable to us;
  - difficulties separating the assets and personnel related to businesses that we expect to divest from the businesses we expect to retain;
  - that divestitures involve significant costs and require the time and attention of our management, which may divert management's attention from ongoing operations;
  - our ability to successfully cause a buyer of a divested business to assume the liabilities of that business, or even if such liabilities are assumed, we may have difficulties enforcing our rights, contractual or otherwise against the buyer;
  - the need to obtain regulatory approvals and other third-party consents, which potentially could disrupt customer and vendor relationships;
  - potential additional tax obligations or the loss of tax benefits;
  - the divestiture could negatively impact our profitability because of losses that may result from a sale, the loss of revenue or a decrease in cash flows; and
  - following the completion of a divestiture, we may have less diversity in our business and in the markets we serve as well as our client base.

  Failure to successfully manage divestitures may generate fewer benefits than expected and could harm our business, results of operations and financial condition.

- ***Inconnection with acquisitions or divestitures, we may become subject to liabilities.*** In connection with any acquisitions, we may acquire liabilities or defects such as legal claims, including but not limited to third party liability and other tort claims; claims for breach of contract; employment-related claims; environmental liabilities, conditions or damage; permitting, regulatory or other compliance with law issues; or tax liabilities. If we acquire any of these liabilities, and they are not adequately covered by insurance or an enforceable indemnity or similar agreement from a creditworthy counterparty, we may be responsible for significant out-of-pocket expenditures. In connection with any divestitures, we may incur liabilities for breaches of representations and warranties or failure to comply with operating covenants under any agreement for a divestiture. We may also retain exposure on financial or performance guarantees, contractual, employment, pension and severance obligations or other liabilities of the divested business and potential liabilities that may arise under law because of the disposition or the subsequent failure of an acquiror. As a result, performance by the divested businesses or other conditions outside of our control could have a material adverse effect on our business, financial condition and results of operations. In addition, we may indemnify a counterparty in a divestiture for certain liabilities of the divested business or operations subject to the divestiture transaction. These liabilities, if they materialize, could have a material adverse effect on our business, results of operations and financial condition.

- ***Ourfailure to win new contracts and renew existing contracts with private and public sector clients could have a material adverse effect on our business, financial condition and results of operations.*** Our business depends on our ability to win new contracts and renew existing contracts with private and public sector clients. Contract proposals and negotiations are complex and frequently involve a lengthy bidding and selection process, which is affected by a number of factors. These factors include market conditions, financing arrangements and required governmental approvals. If negative market conditions arise, or if we fail to secure adequate financial arrangements or the required government approval, we may not be able to pursue certain projects, which could have a material adverse effect on our business, financial condition and results of operations.

- ***The timing of new contracts and termination of existing contracts may result in unpredictable fluctuations in our cash flows and financial results.*** A substantial portion of our revenues are derived from project-based work that is awarded through a competitive bid process. It is generally difficult to predict the timing and geographic distribution of the projects that we will be awarded. The selection of, timing of, or failure to obtain projects, delays in awards of projects, the re-bidding or termination of projects due to budget overruns, cancellations of projects or delays in completion of contracts could result in the under-utilization of our assets, including our fleet of construction equipment, which could lower our overall profitability and reduce our cash flows. Even if we are awarded contracts, we face additional risks that could affect when, or whether, work will begin. This can present difficulty in matching workforce size and equipment location with contract needs. In some cases, we may be required to bear the cost of a ready workforce and equipment that is larger than necessary, which could have a material adverse effect on our business, financial condition and results of operations. If an expected contract award or the related work release is delayed or not received, we could incur substantial costs without receipt of any corresponding revenues. Moreover, construction projects for which our services are contracted may require significant expenditures by us prior to receipt of relevant payments from the customer. Finally, the winding down or completion of work on significant projects that were active in previous periods will reduce our revenue and earnings if such significant projects have not been replaced in the current period.

  Many of our contracts may be canceled upon short notice, typically 30 to 90 days, even if we are not in default under the contract, and we may be unsuccessful in replacing contracts, resulting in a decrease in our revenue, net income and liquidity. Certain of our customers assign work to us on a project-by-project basis under master service agreements. Under these agreements, our customers often have no obligation to assign a specific amount of work to us. Our operations could decline significantly if the anticipated volume of work is not assigned to us or is canceled. Many of our contracts, including our master service agreements, are open to competitive bidding at the expiration of their terms. There can be no assurance that we will be the successful bidder on our existing contracts that come up for re-bid.

- ***Design-build contracts subject us to the risk of design errors and omissions.*** Design-build is a common method of project delivery as it provides the owner with a single point of responsibility for both design and construction. We generally subcontract design responsibility to architectural and engineering firms. However, in the event of a design error or omission causing damages, there is risk that the subcontractor or their errors and omissions insurance would not be able to absorb the liability. In this case we may be responsible, resulting in a potentially material adverse effect on our business, results of operations and financial condition.

- ***Many of our contracts have penalties for late completion.*** In some instances, including many of our fixed price contracts, we guarantee that we will complete a project by a certain date. If we subsequently fail to complete the project as scheduled, we may be held responsible for costs resulting from the delay, generally in the form of contractually agreed-upon liquidated damages. To the extent these events occur, the total cost of the project could exceed our original estimate and we could experience reduced profits or a loss on that project and there could be a material adverse impact to our business, results of operations and financial condition.

- ***Our failure to adequately recover on affirmative claims brought by us against project owners or other project participants (e.g., back charges against subcontractors) for additional contract costs could have a negative impact on our liquidity and future operations.*** In certain circumstances, we assert affirmative claims to which we believe we are entitled against project owners, engineers, consultants, subcontractors or others involved in a project for additional costs exceeding the contract price or for amounts not included in the original contract price.

  These types of affirmative claims occur due to matters such as delays or changes from the initial project scope, both of which may result in additional costs. Often, these affirmative claims can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when and on what terms they will be fully resolved. For additional information, see "—Accounting for our revenues and costs involve significant estimates" risk factor below. The potential gross profit impact of recoveries for affirmative claims may be material in future periods when they, or a portion of them, become probable and estimable or are settled. When these types of events occur, we use working capital to cover cost overruns pending the resolution of the relevant affirmative claims and may incur additional costs when pursuing such potential recoveries. A failure to recover on these types of affirmative claims promptly and fully could have a negative impact on our business, results of operations and financial condition. In addition, while clients and subcontractors may be obligated to indemnify us against certain liabilities, such third parties may refuse or be unable to pay us.

RISKS RELATED TO OUR HUMAN CAPITAL, JOINT VENTURES AND SUBCONTRACTORS

- ***Our success depends on attracting and retaining qualified personnel, joint venture partners and subcontractors in a competitive environment***. The success of our business is dependent on our ability to attract, develop and retain qualified personnel, joint venture partners, advisors and subcontractors. Changes in general or local economic conditions and the resulting impact on the labor market and on our joint venture partners may make it difficult to attract or retain qualified individuals in the geographic areas where we perform our work. If we are unable to provide competitive compensation packages, high-quality training programs and attractive work environments or to establish and maintain successful partnerships, our reputation, relationships and/or ability to profitably execute our work could be adversely impacted.
- ***Failure to maintain safe work sites could result in significant losses***. Construction and maintenance sites are potentially dangerous workplaces and often put our employees and others in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes, and highly regulated materials. On many sites, we are responsible for safety and, accordingly, must implement safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees, as well as expose ourselves to possible litigation. Our failure to maintain adequate safety standards through our safety programs could result in reduced profitability or the loss of projects or clients, and could have a material adverse impact on our financial position, results of operations, cash flows and liquidity.
- ***Strikes or work stoppages could have a negative impact on our operations and results.*** We are party to collective bargaining agreements covering a portion of our craft workforce. Although strikes or work stoppages have not had a significant impact on our operations or results in the past, such labor actions could have a significant impact on our operations and results if they occur in the future.
- ***Failure of our subcontractors to perform as anticipated could have a negative impact on our results.*** As further described in “Contract Provisions and Subcontracting” under “Item 1. Business,” we subcontract portions of many of our contracts to specialty subcontractors, but we are ultimately responsible for the successful completion of their work. Although we seek to require bonding or other forms of guarantees, we are not always successful in obtaining those bonds or guarantees from our higher-risk subcontractors. We may be responsible for the failures on the part of our subcontractors to perform as anticipated, resulting in a potentially adverse impact on our cash flows and liquidity. In addition, the total costs of a project could exceed our original estimates and we could experience reduced profits or a loss for that project, which could have an adverse impact on our financial position, results of operations, cash flows and liquidity.
- ***Our joint venture contracts subject us to risks and uncertainties, some of which are outside of our control.*** As further described in Note 1 of “Notes to the Consolidated Financial Statements” and in “Joint Ventures” under “Item 1. Business,” we perform certain construction contracts as a limited or minority member of joint ventures. Participating in these arrangements exposes us to risks and uncertainties, including the risk that if our partners fail to perform under joint and several liability contracts, we could be liable for completion of the entire contract. In addition, if our partners are not able or willing to provide their share of capital investment to fund the operations of the venture, there could be unanticipated costs to complete the projects, financial penalties or liquidated damages. These situations could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.

  To the extent we are not the controlling partner, we have limited control over many of the decisions made with respect to the related construction projects. These joint ventures may not be subject to the same compliance requirements, including those related to internal control over financial reporting. While we have controls to mitigate the risks associated with reliance on their control environment and financial information, to the extent the controlling partner makes decisions that negatively impact the joint venture or internal control problems arise within the joint venture, it could have a material adverse impact on our business, financial position, results of operations, cash flows and liquidity.
- ***We may be unable to identify and contract with qualified DBE contractors to perform as subcontractors.*** Certain of our government agency projects contain minimum DBE participation clauses. Although we have programs in place to ensure compliance, if we fail to complete these projects with the minimum DBE participation, we may be held responsible for breach of contract, which may include restrictions on our ability to bid on future projects as well as monetary damages. To the extent we are responsible for monetary damages, the total costs of the project could exceed our original estimates, we could experience reduced profits or a loss for that project and there could be a material adverse impact to our financial position, results of operations, cash flows and liquidity.
- ***We may be required to contribute cash to meet our unfunded pension obligations in certain multi-employer plans.*** As of December 31, 2022, three of our wholly-owned subsidiaries, Granite Construction Company, Layne Christensen Company and Granite Industrial, Inc., participate in various domestic multi-employer pension plans on behalf of union employees. Union employee benefits generally are based on a fixed amount for each year of service. We are required to make contributions to the plans in amounts established under collective bargaining agreements. Pension expense is recognized as contributions are made. The domestic pension plans are subject to the Employee Retirement Income Security Act of 1974 (“ERISA”). Under ERISA, a contributor to a multi-employer plan may be liable, upon termination or withdrawal from a plan, for its proportionate share of a plan’s unfunded vested liability. While we currently have no intention of withdrawing from a plan and unfunded pension obligations have not significantly affected our operations in the past, there can be no assurance that we will not be required to make material cash contributions to one or more of these plans to satisfy certain underfunded benefit obligations in the future.
- ***Our financial position could be impacted by worse than anticipated results in our Central operating group.*** In 2020, we completed a strategic review of our former Heavy Civil operating group, which is now part of our Central operating group, and have taken actions that we believe will be beneficial to us and our stockholders. However, the results of our planned actions, and the timing of expected benefits, remain uncertain. Underperformance in our Central operating group could have a material adverse effect on our business, results of operations and financial condition.
- ***Unavailability of insurance coverage could have a negative effect on our operations and results.*** We maintain insurance coverage as part of our overall risk management strategy and pursuant to requirements to maintain specific coverage that are contained in our financing agreements and in most of our construction contracts. Although we have been able to obtain reasonably priced insurance coverage to meet our requirements in the past, there is no assurance that we will be able to do so in the future, and our inability to obtain such coverage could have an adverse impact on our ability to procure new work, which could have a material adverse effect on our business, results of operations and financial condition.

- ***An inability to obtain bonding could have a negative impact on our operations and results.*** As more fully described in “Insurance and Bonding” under “Item 1. Business,” we generally are required to provide surety bonds securing our performance under the majority of our public and private sector contracts. Our inability to obtain reasonably priced surety bonds in the future and, while we monitor the financial health of our insurers and the insurance market, catastrophic events could reduce available limits or the breadth of coverage, both of which could significantly affect our ability to be awarded new contracts and could, therefore, have a material adverse effect on our business, results of operations and financial condition.
- ***We use certain commodity products that are subject to significant price fluctuations.*** We are exposed to various commodity price risks, including, but not limited to, diesel fuel, natural gas, propane, steel, cement and liquid asphalt arising from transactions that are entered into in the normal course of business. We use petroleum-based products, such as fuels, lubricants and liquid asphalt, to power or lubricate our equipment, operate our plants, and as a significant ingredient in the asphaltic concrete we manufacture for sale to third parties and use in our asphalt paving construction projects. Although we are partially protected by asphalt or fuel price escalation clauses in some of our contracts, many contracts provide no such protection. We also use steel and other commodities in our construction projects that can be subject to significant price fluctuations. In order to manage or reduce commodity price risk, we monitor the costs of these commodities at the time of bid and price them into our contracts accordingly. Additionally, some of our contracts may include commodity price escalation clauses which partially protect us from increasing prices. At times we enter into supply agreements or pre-purchase commodities to secure pricing and use financial contracts to further manage a portion of the price risk. Significant price fluctuations could have a material adverse effect on our business, results of operations and financial condition.
- ***Weather can significantly affect our revenues and profitability.*** Our ability to perform work is significantly affected by weather conditions such as precipitation and temperature. Changes in weather conditions can cause delays and otherwise significantly affect our project costs. The impact of weather conditions can result in variability in our quarterly revenues and profitability, particularly in the first and fourth quarters of the year.
- ***Force majeure events, including natural disasters and terrorists' actions, could negatively impact our business, which may affect our financial condition, results of operations or cash flows.*** Force majeure or extraordinary events beyond the control of the contracting parties, such as natural and man-made disasters, as well as terrorist actions, could negatively impact the economies in which we operate. We typically negotiate contract language where we are allowed certain relief from force majeure events in private client contracts and review and attempt to mitigate force majeure events in both public and private client contracts. We remain obligated to perform our services after most extraordinary events subject to relief that may be available pursuant to a force majeure clause.

  If we are not able to react quickly to force majeure events, our operations may be affected, which could have a material adverse effect on our business, results of operations and financial condition.
- ***Public health events, including health epidemics or pandemics or other contagious outbreaks, could negatively impact our business, financial condition and results of operations.*** Our ability to perform work may be significantly affected by public health events. If a public health epidemic or pandemic or other contagious outbreak, including COVID-19, interferes with our ability, or that of our employees, contractors, suppliers, customers and other business partners to perform our and their respective responsibilities and obligations relative to the conduct of our business, our operations may be affected, which could have a material adverse effect on our business, results of operations and financial condition.
- ***Our CAP is subject to unexpected adjustments and cancellations and could be an uncertain indicator of our future earnings.*** We cannot guarantee that the revenues projected in our CAP will be realized or, if realized, will be profitable. Projects reflected in our CAP may be affected by project cancellations, scope adjustments, time extensions or other changes. Such changes may adversely affect the revenue and profit we ultimately realize on these projects.
- ***Rising or high inflation and/or interest rates could have an adverse effect on our business, financial condition and results of operations.*** Economic factors, including inflation and rising and/or high interest rates, could have a negative impact on our business. Our costs were and may continue to be subject to significant inflationary pressures, and we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could have a material adverse effect on our financial position, results of operations, cash flows and liquidity. In addition, increases in or sustained higher interest rates will result in higher interest expense related to borrowings under our Fourth Amended and Restated Credit Agreement, as amended (the “Credit Agreement”), which could have a material adverse effect on our business, results of operations and financial condition.
- ***As part of our growth strategy, we have made and may make future acquisitions, and acquisitions involve many risks and uncertainties. These risks and uncertainties include:***
  - our ability to complete acquisitions in accordance with our expected plans, on terms and conditions acceptable to us or our anticipated time frame, or at all;
  - difficulties identifying all significant risks during our due diligence activities;
  - that acquisitions involve significant costs and require the time and attention of our management, which may divert management’s attention from ongoing operations;
  - potential difficulties and increased costs associated with completion of any assumed construction projects;
  - our ability to successfully manage or achieve the results we expect to experience from the acquisitions and that we may lose key employees or customers of the acquired companies;
  - assumption of liabilities of an acquired business, including liabilities that were unknown at the time the acquisition was negotiated;
  - difficulties related to integrating the operations and internal controls, assimilating personnel, services, and systems of an acquired business and to assimilating marketing and other operational capabilities;
  - increased burdens on our staff and on our administrative, internal control and operating systems, which may hinder our legal and regulatory compliance activities;
  - if we issue additional equity securities, such issuances could have the effect of diluting our earnings per share as well as our existing shareholders’ individual ownership percentages in the Company;
  - the recording of goodwill or other non-amortizable intangible assets that will be subject to subsequent impairment testing and potential impairment charges, as well as amortization expenses related to certain other intangible assets; and

- while we often obtain indemnification rights from the sellers of acquired businesses, such rights may be difficult to enforce and the indemnitors may not have the ability to financially support the indemnity.

Failure to successfully manage and integrate acquisitions could harm our business, results of operations and financial condition.

- ***As part of our strategy, we may make divestitures, and divestitures involve many risks and uncertainties. These risks and uncertainties include:***
  - our ability to locate suitable acquirers for our divestitures;
  - our ability to complete the divestitures in accordance with our expected plans or anticipated time frame, or at all;
  - our ability to complete the divestitures on terms and conditions acceptable to us;
  - difficulties separating the assets and personnel related to businesses that we expect to divest from the businesses we expect to retain;
  - that divestitures involve significant costs and require the time and attention of our management, which may divert management's attention from ongoing operations;
  - our ability to successfully cause a buyer of a divested business to assume the liabilities of that business, or even if such liabilities are assumed, we may have difficulties enforcing our rights, contractual or otherwise against the buyer;
  - the need to obtain regulatory approvals and other third-party consents, which potentially could disrupt customer and vendor relationships;
  - potential additional tax obligations or the loss of tax benefits;
  - the divestiture could negatively impact our profitability because of losses that may result from a sale, the loss of revenue or a decrease in cash flows; and
  - following the completion of a divestiture, we may have less diversity in our business and in the markets we serve as well as our client base.

Failure to successfully manage divestitures may generate fewer benefits than expected and could harm our business, results of operations and financial condition.

- ***In connection with acquisitions or divestitures, we may become subject to liabilities.*** In connection with any acquisitions, we may acquire liabilities or defects such as legal claims, including but not limited to, third party liability and other tort claims; claims for breach of contract; employment-related claims; environmental, health and safety liabilities, conditions or damage; permitting, regulatory or other compliance with law issues; or tax liabilities. If we acquire any of these liabilities, and they are not adequately covered by insurance or an enforceable indemnity or similar agreement from a creditworthy counterparty, we may be responsible for significant out-of-pocket expenditures. In connection with any divestitures, we may incur liabilities for breaches of representations and warranties or failure to comply with operating covenants under any agreement for a divestiture. We may also retain exposure on financial or performance guarantees, contractual, employment, pension and severance obligations or other liabilities of the divested business and potential liabilities that may arise under law because of the disposition or the subsequent failure of an acquiror. As a result, performance by the divested businesses or other conditions outside of our control could have a material adverse effect on our business, financial condition and results of operations. In addition, we may indemnify a counterparty in a divestiture for certain liabilities of the divested business or operations subject to the divestiture transaction. These liabilities, if they materialize, could have a material adverse effect on our business, results of operations and financial condition.

RISKS RELATED TO THE RESTATEMENT

- ***We have restated our consolidated financial statements for certain prior periods, which has affected and may continue to affect our business, results of operations and financial condition.*** **This Form 10-K includes restated unaudited quarterly financial information for the Restated Periods that corrects (a) errors related to deferred taxes and the calculation of income tax expense in connection with the sale of Inliner and (b) other immaterial errors. For additional information, see the Supplementary Data included in Part IV, Item 15(a) of this Form 10-K. Additionally, we previously restated certain periods in 2019 and prior to correct misstatements associated with project forecasts in our former Heavy Civil operating group, which is now part of our Central operating group. Taken collectively, such restatements:**
  - **had and may continue to have the effect of eroding investor confidence in us and our financial reporting and accounting practices and processes;**
  - **negatively impacted and may continue to negatively impact the trading price of our common stock;**
  - **diverted and may continue to divert management's attention from the operation of our business;**
  - **required that we incur significant expenses and may require that we incur significant additional expenses relating to any litigation or regulatory examinations, investigations, proceedings or orders;**
  - **may make it more difficult, expensive and time consuming for us to raise capital, if necessary, on acceptable terms, if at all;**
  - **may make it more difficult to pursue transactions or implement business strategies that might otherwise be beneficial to our business; and**
  - **may negatively impact our reputation with our customers.**

The occurrence or continued occurrence of any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

- ***We have identified a material weakness in our internal control over financial reporting which could, if not remediated, adversely impact the reliability of our financial statements, result in material misstatements in our financial statements and cause current and potential stockholders to lose confidence in our financial reporting, which in turn could adversely affect the trading price of our common stock.*** **We have concluded that there is a material weakness in our internal control over financial reporting. For additional information on the material weakness identified and our remedial efforts, see "Item 9A, Controls and Procedures." The material weakness resulted in the restatement of our consolidated financial statements and related disclosures for the Restated Periods. Thus, management has determined that our disclosure controls and procedures and internal control over financial reporting were not effective as of December 31, 2022. Under Public Company Accounting Oversight Board standards, a material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a misstatement of our consolidated annual or interim financial statements will not be prevented or detected on a timely basis. The existence of this issue could adversely affect us, our reputation or investor perceptions of us. We will take measures to remediate the underlying cause of the material weakness noted above. As we continue to evaluate and work to remediate the material weakness, we may determine to take additional measures to address the control deficiencies.**

  Although we plan to complete this remediation process as quickly as possible, we cannot provide any assurance as to when the remediation process will be complete, and our measures may not prove to be successful in remediating the material weakness. If our remedial measures are insufficient to address the material weakness, or if additional material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future, our consolidated financial statements may contain misstatements and we could be required to restate our financial results. In addition, if we are unable to successfully remediate the material weakness or if we are unable to produce accurate consolidated financial statements in the future, our stock price, liquidity and access to the capital markets may be adversely affected and we may be unable to maintain compliance with applicable stock exchange listing requirements and debt covenant requirements. Further, because of its inherent limitations, even our remediated and effective internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in our conditions, or that the degree of compliance with our policies or procedures may deteriorate.

- ***We were involved in, and may in the future be subject to, litigation, regulatory examinations, investigations, proceedings or orders as a result of or relating to the restatement of our financial statements and if any of these are resolved adversely against us, it could harm our business, results of operations and financial condition.*** **We were involved in, and may in the future be subject to, litigation, regulatory examinations, investigations, proceedings or orders, the assessment of civil monetary penalties, or equitable remedies, and the expenses associated with such matters as a result of or relating to the restatement of our financial statements and reported material weaknesses. Our management may be required to devote significant time and attention to these matters. If any of these matters are resolved adversely against us, it could harm our business, results of operations and financial condition.**

RISKS RELATED TO LEGAL, REGULATORY, ACCOUNTING AND TAX ISSUES

- ***Government contractors are subject to suspension or debarment from government contracting.*** **Government contracts expose us to a variety of risks that differ from those associated with private sector contracts. Various statutes to which our operations are subject, including, among others, the Davis-Bacon Act (which regulates wages and benefits), the Walsh-Healy Act (which prescribes a minimum wage and regulates overtime and working conditions), Executive Order 11246 (which establishes equal employment opportunity and affirmative action requirements) and the Drug-Free Workplace Act, provide for mandatory suspension and/or debarment of contractors in certain circumstances involving statutory violations. In addition, the Federal Acquisition Regulation and various state statutes provide for discretionary suspension and/or debarment in certain circumstances that might call into question a contractor's willingness or ability to act responsibly, including as a result of being convicted of, or being found civilly liable for, fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public contract or subcontract. The scope and duration of any suspension or debarment may vary depending upon the facts and the statutory or regulatory grounds for debarment and could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.**

- ***We are involved in lawsuits, legal proceedings and indemnity claims in the ordinary course of our business and may in the future be subject to other litigation, legal proceedings and claims, and, if any of these are resolved adversely against us, it could harm our business, financial condition and results of operations***. **Any litigation, other legal proceedings or indemnity claim could result in an unfavorable judgment that may not be reversed upon appeal or in payments of substantial monetary damages or fines, or we may decide to settle lawsuits on similarly unfavorable terms, any of which could adversely affect our business, financial condition and results of operations. We could also suffer an adverse impact on our reputation and a diversion of management's attention and resources, which could have a material adverse effect on our business, financial condition and results of operations.**

- ***Government contracts generally have strict regulatory requirements.*** **Approximately 70% of our construction-related revenue in 2022 was derived from contracts funded by federal, state and local government agencies and authorities. Government contracts are subject to specific procurement regulations, contract provisions and a variety of socioeconomic requirements relating to their formation, administration, performance and accounting and often include express or implied certifications of compliance. Claims for civil or criminal fraud may be brought for violations of regulations, requirements or statutes. We may also be subject to qui tam litigation brought by private individuals on behalf of the government under the Federal Civil False Claims Act, which could include claims for up to treble damages. Further, if we fail to comply with any of the regulations, requirements or statutes or if we have a substantial number of accumulated Occupational Safety and Health Administration, Mine Safety and Health Administration or other workplace safety violations, our existing government contracts could be terminated and we could be suspended from government contracting or subcontracting, including federally funded projects at the state level. Should one or more of these events occur, it could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.**

- ***We are subject to environmental and other regulation.*** **As more fully described in "Government Regulations" under "Item 1. Business," we are subject to a number of federal, state, local and foreign laws and regulations relating to the environment, including the remediation of soil and groundwater contamination, emission and discharge of materials into the environment and reclamation and closure of operations, workplace health and safety and a variety of socioeconomic requirements and are required to obtain and maintain a number of environmental approvals, permits and financial assurances. Noncompliance with such laws, regulations and permits can result in, among other things, substantial penalties, or termination or suspension of government contracts or our operations as well as civil and criminal liability. In addition, some environmental laws and regulations impose strict, joint and several liability and responsibility on present and former owners, operators or users of facilities and sites, and entities that disposed or arranged for the disposal of hazardous substances at a third-party site, for contamination at such facilities and sites, without regard to causation or knowledge of contamination. We occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities may trigger compliance requirements, including reclamation requirements, that may not be applicable to operating facilities. While compliance with these laws and regulations has not materially adversely affected our operations in the past, there can be no assurance that these requirements, laws or regulations will not change and that compliance will not adversely affect our operations in the future. Furthermore, we cannot provide assurance that existing or future circumstances or developments with respect to contamination will not require us to make significant remediation or restoration expenditures.**

- ***Increasing restrictions on securing aggregate reserves could negatively affect our future operations and results.*** **Tighter regulations and the finite nature of property containing suitable aggregate reserves are making it increasingly challenging and costly to secure aggregate reserves. Although we have thus far been able to secure reserves to support our business, our financial position, results of operations, cash flows and liquidity may be adversely affected by an increasingly difficult permitting process.**

- ***Accounting for our revenues and costs involves significant estimates.*** **As further described in "Critical Accounting Estimate" under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," accounting for our contract-related revenues and costs, as well as other expenses, requires management to make a variety of significant estimates and assumptions. These assumptions and estimates may change significantly in the future and could result in the reversal of previously recognized revenue and profit. Such changes could have a material adverse effect on our financial position and results of operations.**

- ***A change in tax laws or regulations of any federal, state or international jurisdiction in which we operate could increase our tax burden and otherwise adversely affect our financial position, results of operations, cash flows and liquidity.*** **We continue to assess the impact of various U.S. federal, state, local and international legislative proposals that could result in a material increase to our U.S. federal, state, local and/or international taxes. We cannot predict whether any specific legislation will be enacted or the terms of any such legislation. However, if such proposals were to be enacted, or if modifications were to be made to certain existing regulations, the consequences could have a material adverse impact on us, including increasing our tax burden, increasing our cost of tax compliance or otherwise adversely affecting our financial position, results of operations, cash flows and liquidity.**

- ***We may be exposed to liabilities under the FCPA and any determination that we or any of our subsidiaries has violated the FCPA could have a material adverse effect on our business.*** **The FCPA generally prohibits companies and their affiliates from making improper payment to non-U.S. officials for the purpose of obtaining or retaining business. Our internal policies, procedures and Code of Conduct mandate compliance with these anti-corruption laws. However, we operate in some countries known to experience corruption. Despite our training and compliance programs, we cannot provide assurance that our internal policies and procedures will always protect us from violation of such anti-corruption laws committed by our affiliated entities or their respective officers, directors, employees and agents. We could also face fines, sanctions and other penalties from authorities in the relevant foreign jurisdictions, including prohibition of participating in or curtailment of business operations in those jurisdictions and the seizure of certain of our assets. Our customers in those jurisdictions could also seek to impose penalties or take other actions adverse to our interest. In addition, we could face other third-party claims by, among others, our stockholders, debt holders or other interest holders or constituents. Violations of FCPA laws, allegations of such violations and/or disclosure related to any relevant investigation could have a material adverse impact on our financial position, results of operations, cash flows and liquidity for reasons including, but not limited to, an adverse effect on our reputation, our ability to obtain new business or retain existing business, to attract and retain employees, to access the capital markets and/or could give rise to an event of default under the agreements governing our debt instruments.**

OUR HUMAN CAPITAL, JOINT VENTURES AND SUBCONTRACTORS

- ***Our success depends on attracting and retaining qualified personnel, joint venture partners and subcontractors in a competitive environment***. The success of our business is dependent on our ability to attract, develop and retain qualified personnel, joint venture partners, advisors and subcontractors. Changes in general or local economic conditions and the resulting impact on the labor market and on our joint venture partners may make it difficult to attract or retain qualified individuals in the geographic areas where we perform our work. If we are unable to provide competitive compensation packages, high-quality training programs and attractive work environments or to establish and maintain successful partnerships, our reputation, relationships and/or ability to profitably execute our work could be adversely impacted.

- ***Failure to maintain safe work sites could result in significant losses***. Construction, mining and maintenance sites are potentially dangerous workplaces and often put our employees and others in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes, and highly regulated materials. On many sites, we are responsible for safety and, accordingly, must implement safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees, as well as expose ourselves to possible litigation. Our failure to maintain adequate safety standards through our safety programs could result in reduced profitability or the loss of projects or clients, and could have a material adverse impact on our financial position, results of operations, cash flows and liquidity.

- ***Strikes or work stoppages could have a negative impact on our operations and results.*** We are party to collective bargaining agreements covering a portion of our craft workforce. Although strikes or work stoppages have not had a significant impact on our operations or results in the past, such labor actions could have a significant impact on our operations and results if they occur in the future.

- ***Failure of our subcontractors to perform as anticipated could have a negative impact on our results.*** As further described in “Contract Provisions and Subcontracting” under “Item 1. Business,” we subcontract portions of many of our contracts to specialty subcontractors, but we are ultimately responsible for the successful completion of their work. Although we seek to require bonding or other forms of guarantees, we are not always successful in obtaining those bonds or guarantees from our higher-risk subcontractors. We may be responsible for the failures on the part of our subcontractors to perform as anticipated, resulting in a potentially adverse impact on our cash flows and liquidity. In addition, the total costs of a project could exceed our original estimates and we could experience reduced profits or a loss for that project, which could have an adverse impact on our financial position, results of operations, cash flows and liquidity.

- ***Our joint venture contracts subject us to risks and uncertainties, some of which are outside of our control.*** As further described in Note 1 of “Notes to the Consolidated Financial Statements” and in “Joint Ventures” under “Item 1. Business,” we perform certain construction contracts as a limited or minority member of joint ventures. Participating in these arrangements exposes us to risks and uncertainties, including the risk that if our partners fail to perform under joint and several liability contracts, we could be liable for completion of the entire contract. In addition, if our partners are not able or willing to provide their share of capital investment to fund the operations of the venture, there could be unanticipated costs to complete the projects, financial penalties or liquidated damages. These situations could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.

  To the extent we are not the controlling partner, we have limited control over many of the decisions made with respect to the related construction projects. These joint ventures may not be subject to the same compliance requirements, including those related to internal control over financial reporting. While we have controls to mitigate the risks associated with reliance on their control environment and financial information, to the extent the controlling partner makes decisions that negatively impact the joint venture or internal control problems arise within the joint venture, it could have a material adverse impact on our business, financial position, results of operations, cash flows and liquidity.

- ***We may be unable to identify and contract with qualified DBE contractors to perform as subcontractors.*** Certain of our government agency projects contain minimum DBE participation clauses. Although we have programs in place to ensure compliance, if we fail to complete these projects with the minimum DBE participation, we may be held responsible for breach of contract, which may include restrictions on our ability to bid on future projects as well as monetary damages. To the extent we are responsible for monetary damages, the total costs of the project could exceed our original estimates, we could experience reduced profits or a loss for that project and there could be a material adverse impact to our financial position, results of operations, cash flows and liquidity.

- ***We may be required to contribute cash to meet our unfunded pension obligations in certain multi-employer plans.*** As of December 31, 2023, three of our wholly-owned subsidiaries, Granite Construction Company, Layne Christensen Company and Granite Industrial, Inc., participate in various domestic multi-employer pension plans on behalf of union employees. Union employee benefits generally are based on a fixed amount for each year of service. We are required to make contributions to certain plans in amounts established under collective bargaining agreements. Pension expense is recognized as contributions are made. The domestic multi-employer pension plans are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). Under ERISA, a contributor to a multi-employer plan may be liable, upon termination or withdrawal from a plan, for its proportionate share of a multi-employer plan’s unfunded vested liability. While we currently have no intention of withdrawing from a plan and unfunded multi-employer pension obligations have not significantly affected our operations in the past, there can be no assurance that we will not be required to make material cash contributions to one or more of these plans to satisfy certain underfunded benefit obligations in the future.

RISKS RELATED TO RESTATEMENTS

- ***We have restated our consolidated financial statements for certain prior periods, which has affected and may continue to affect our business, results of operations and financial condition.*** We previously restated unaudited quarterly financial information for the first three quarters of the year ended December 31, 2022 to correct (a) errors related to deferred taxes and the calculation of income tax expense in connection with the sale of our trenchless and pipe rehabilitation services business and (b) other immaterial errors. Additionally, we previously restated certain periods in 2019 and prior to correct misstatements associated with project forecasts in our former Heavy Civil operating group, which is now part of our Central operating group. Taken collectively, such restatements:

  - had and may continue to have the effect of eroding investor confidence in us and our financial reporting and accounting practices and processes;
  - negatively impacted and may continue to negatively impact the trading price of our common stock;
  - required that we incur significant expenses and may require that we incur significant additional expenses relating to any litigation or regulatory examinations, investigations, proceedings, orders or indemnification claims;
  - may make it more difficult, expensive and time consuming for us to raise capital, if necessary, on acceptable terms, if at all;
  - may make it more difficult to pursue transactions or implement business strategies that might otherwise be beneficial to our business; and
  - may negatively impact our reputation with our customers.

    The occurrence or continued occurrence of any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

- ***In prior years we identified material weaknesses in our internal control over financial reporting in our Annual Reports on Form 10-K, which have been remediated. If we identify material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately and timely report our financial results, investors may lose confidence in us and the market price of our common stock may decrease.*** As disclosed in our Annual Reports on Form 10-K for the years ended December 31, 2019, 2020 and 2022, we identified material weaknesses, all of which have now been remediated. We may not be able to accurately and timely report our financial results and/or we may not be able to detect errors on a timely basis if in the future we: (1) identify one or more material weaknesses in our internal control over financial reporting; (2) are unable to successfully remediate any future material weaknesses; (3) are unable to comply with the requirements of Section 404 in a timely manner; or (4) are unable to assert, or our independent registered public accounting firm is unable to attest, that our internal control over financial reporting is effective.This could result in: (i) our financial statements being materially misstated; (ii) investors losing confidence in the accuracy and completeness of our financial reports; (iii) the market price of our common stock decreasing; (iv) our liquidity and access to the capital markets being adversely affected; and (v) our inability to maintain compliance with applicable stock exchange listing requirements and debt covenants. We could also become subject to stockholder or other third-party litigation as well as investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources and could result in fines, penalties, trading suspensions or other remedies.

Further, because of its inherent limitations, even our remediated and effective internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in our conditions, or that the degree of compliance with our policies or procedures may deteriorate.

- ***We were involved in, and may in the future be subject to, litigation, regulatory examinations, investigations, proceedings or orders as a result of or relating to the restatement of our financial statements and if any of these are resolved adversely against us, it could harm our business, results of operations and financial condition.*** We were involved in, and may in the future be subject to, litigation, regulatory examinations, investigations, proceedings or orders, the assessment of civil monetary penalties, equitable remedies or indemnification claims, and the expenses associated with such matters as a result of or relating to the restatement of our financial statements and reported material weaknesses. Our management may be required to devote significant time and attention to these matters. We had, and may in the future have, to incur significant expenses related to these matters and if any of these matters are resolved adversely against us, it could harm our business, results of operations and financial condition.

RISKS RELATED TO LEGAL, REGULATORY, ACCOUNTING AND TAX ISSUES

- ***Government contractors are subject to suspension or debarment from government contracting.*** Government contracts expose us to a variety of risks that differ from those associated with private sector contracts. Various statutes to which our operations are subject, including, among others, the Davis-Bacon Act (which regulates wages and benefits), the Walsh-Healy Act (which prescribes a minimum wage and regulates overtime and working conditions), Executive Order 11246 (which establishes equal employment opportunity and affirmative action requirements) and the Drug-Free Workplace Act, provide for mandatory suspension and/or debarment of contractors in certain circumstances involving statutory violations. In addition, the Federal Acquisition Regulation and various state statutes provide for discretionary suspension and/or debarment in certain circumstances that might call into question a contractor's willingness or ability to act responsibly, including as a result of being convicted of, or being found civilly liable for, fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public contract or subcontract. The scope and duration of any suspension or debarment may vary depending upon the facts and the statutory or regulatory grounds for debarment and could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.
- ***We are involved in lawsuits, legal proceedings and indemnity claims in the ordinary course of our business and may in the future be subject to other litigation, legal proceedings and claims, and, if any of these are resolved adversely against us, it could harm our business, financial condition and results of operations***. Any litigation, other legal proceedings or indemnity claim could result in an unfavorable judgment that may not be reversed upon appeal or in payments of substantial monetary damages or fines, or we may decide to settle lawsuits on similarly unfavorable terms, any of which could adversely affect our business, financial condition and results of operations. We could also suffer an adverse impact on our reputation and a diversion of management's attention and resources, which could have a material adverse effect on our business, financial condition and results of operations.
- ***Government contracts generally have strict regulatory requirements.*** Approximately 70% of our construction-related revenue in 2023 was derived from contracts funded by federal, state and local government agencies and authorities. Government contracts are subject to specific procurement regulations, contract provisions and a variety of socioeconomic requirements relating to their formation, administration, performance and accounting and often include express or implied certifications of compliance. Claims for civil or criminal fraud may be brought for violations of regulations, requirements or statutes. We may also be subject to qui tam litigation brought by private individuals on behalf of the government under the Federal Civil False Claims Act, which could include claims for up to treble damages. Further, if we fail to comply with any of the regulations, requirements or statutes or if we have a substantial number of accumulated Occupational Safety and Health Administration, Mine Safety and Health Administration or other workplace safety violations, our existing government contracts could be terminated and we could be suspended from government contracting or subcontracting, including federally funded projects at the state level. Should one or more of these events occur, it could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.
- ***We are subject to environmental, health and safety and other regulation.*** As more fully described in "Government Regulations" under "Item 1. Business," we are subject to a number of federal, state, local and foreign laws and regulations relating to the environment, including the remediation of soil and groundwater contamination, emission and discharge of materials into the environment, reclamation and closure of operations, workplace health and safety and a variety of socioeconomic requirements and are required to obtain and maintain a number of environmental approvals, permits and financial assurances. Noncompliance with such laws, regulations, approvals, permits and financial assurances can result in, among other things, substantial penalties, or termination or suspension of government contracts or our operations as well as civil and criminal liability. In addition, some environmental laws and regulations impose strict, joint and several liability and responsibility on present and former owners, operators or users of facilities and sites, and entities that disposed or arranged for the disposal of hazardous substances at a third-party site, for contamination at such facilities and sites, without regard to causation or knowledge of contamination. We occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities may trigger compliance requirements, including reclamation requirements, that may not be applicable to operating facilities. Environmental, health and safety requirements, laws and regulations are becoming increasingly more stringent and there can be no assurance that these requirements, laws or regulations will not change and that compliance with these requirements, laws and regulations will not materially adversely affect our operations in the future. Furthermore, from time to time, we have been involved in

remediation activities and we cannot provide assurance that existing or future circumstances or developments with respect to contamination will not require us to make significant remediation or restoration expenditures.

- ***Increasing restrictions on securing aggregate reserves could negatively affect our future operations and results.*** Tighter regulations and the finite nature of property containing suitable aggregate reserves are making it increasingly challenging and costly to secure aggregate reserves. Although we have thus far been able to secure reserves to support our business, our financial position, results of operations, cash flows and liquidity may be adversely affected by an increasingly difficult permitting process.

- ***Accounting for our revenues, costs, goodwill and acquired intangible assets involves significant estimates.*** As further described in “Critical Accounting Estimates” under “Item 7. Management’s Discussion and Analysis of

  Financial Condition and Results of Operations,” and in "Use of Estimates in Preparation of Financial Statements," "Revenue Recognition" and "Goodwill" within Note 1 of the "Notes to the Consolidated Financial Statements," accounting for our contract-related revenues and costs, as well as other expenses, goodwill and acquired intangible assets requires management to make a variety of significant estimates and assumptions. Also see "Intangible assets" within Note 2 of the "Notes to the Consolidated Financial Statements."These assumptions and estimates may change significantly in the future and could result in the reversal of previously recognized revenue and profit or material impairment charges. Such changes or impairment charges could have a material adverse effect on our financial position and results of operations.

- ***A change in tax laws or regulations of any federal, state or international jurisdiction in which we operate could increase our tax burden and otherwise adversely affect our financial position, results of operations, cash flows and liquidity.*** We continue to assess the impact of various U.S. federal, state, local and international legislative proposals that could result in a material increase to our U.S. federal, state, local and/or international taxes. We cannot predict whether any specific legislation will be enacted or the terms of any such legislation. However, if such proposals were to be enacted, or if modifications were to be made to certain existing regulations, the consequences could have a material adverse impact on us, including increasing our tax burden, increasing our cost of tax compliance or otherwise adversely affecting our financial position, results of operations, cash flows and liquidity.

  For example, the OECD (Organisation for Economic Co-operation and Development) has proposed a global minimum tax of 15% of reported profits (Pillar 2) that has been agreed upon in principle by over 140 countries. During 2023, many countries took steps to incorporate Pillar 2 model rule concepts into their domestic laws. Although the model rules provide a framework for applying the minimum tax, countries may enact Pillar 2 slightly differently than the model rules and on different timelines and may adjust domestic tax incentives in response to Pillar 2. Accordingly, we still are evaluating the potential consequences of Pillar 2 on our longer-term financial position.

- ***We may be exposed to liabilities under the FCPA and any determination that we or any of our subsidiaries has violated the FCPA could have a material adverse effect on our business.*** The FCPA generally prohibits companies and their affiliates from making improper payment to non-U.S. officials for the purpose of obtaining or retaining business. Our internal policies, procedures and Code of Conduct mandate compliance with these anti-corruption laws. However, we operate in one or more countries known to experience corruption. Despite our training and compliance programs, we cannot provide assurance that our internal policies and procedures will always protect us from violation of such anti-corruption laws committed by our affiliated entities or their respective officers, directors, employees and agents. We could also face fines, sanctions and other penalties from authorities in the relevant foreign jurisdictions, including prohibition of participating in or curtailment of business operations in those jurisdictions and the seizure of certain of our assets. Our customers in those jurisdictions could also seek to impose penalties or take other actions adverse to our interest. In addition, we could face other third-party claims by, among others, our stockholders, debt holders or other interest holders or constituents. Violations of FCPA laws, allegations of such violations and/or disclosure related to any relevant investigation could have a material adverse impact on our financial position, results of operations, cash flows and liquidity for reasons including, but not limited to, an adverse effect on our reputation, our ability to obtain new business or retain existing business, to attract and retain employees, to access the capital markets and/or could give rise to an event of default under the agreements governing our debt instruments.

RISKS RELATED TO INFORMATION TECHNOLOGY

- ***Changes to our outsourced software or infrastructure vendors as well as any sudden loss, breach of security, disruption or unexpected data or vendor loss associated with our information technology systems could have a material adverse effect on our business.*** **We rely on third-party software and infrastructure to run critical accounting, project management and financial information systems. If software or infrastructure vendors decide to discontinue further development, integration or long-term maintenance support for our information systems, or there is any system interruption, delay, breach of security, loss of data or loss of a vendor, we may need to migrate some or all of our accounting, project management and financial information to other systems. These disruptions could increase our operational expense as well as impact the management of our business operations, which could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.**
- ***Cybersecurity attacks on or breaches of our information technology environment could result inbusiness interruptions, remediation costs and/or legal claims.*** **We may be subject to cybersecurity attacks, including through the use of ransomware and other forms of unauthorized access of our digital data with the intent to misappropriate information, corrupt data or cause operational disruptions. If a failure of our safeguarding measures were to occur, or if software or third-party vendors that support our information technology environment are compromised, it could have a negative impact to our business and result in business interruptions, remediation costs and/or legal claims, which could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.**

RISKS RELATED TO OUR CAPITAL STRUCTURE

- ***Failure to remain in compliance with covenants under our Credit Agreement, service our indebtedness, or fund our other liquidity needs could adversely impact our business.*** **Our failure to comply with any of the restrictive or financial covenants would constitute an event of default under our Credit Agreement. Our failure to pay principal, interest or other amounts when due or within the relevant grace period on our 2.75% Convertible Notes or our Credit Agreement would constitute an event of default under the indenture governing our 2.75% Convertible Notes or the Credit Agreement. A default under our Credit Agreement could result in (i) us no longer being entitled to borrow under such facility; (ii) termination of such facility; (iii) the requirement that any letters of credit under such facility be cash collateralized; (iv) acceleration of amounts owed under the Credit Agreement; and/or (v) foreclosure on any lien securing the obligations under such facility. A default under the indenture governing our 2.75% Convertible Notes could result in acceleration of the maturity of the notes. If we are unable to service our debt obligations as a result of rising interest rates or any other reason or fund our other liquidity needs, we could be forced to curtail our operations, reorganize our capital structure (including through bankruptcy proceedings) or liquidate some or all of our assets in a manner that could cause holders of our securities to experience a partial or total loss of their investment in us. See definition of Credit Agreement and 2.75% Convertible Notes in Note 14 to "Notes to the Consolidated Financial Statements."**

- ***Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our debt.*** **Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including our 2.75% Convertible Notes and the obligations under our Credit Agreement, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Additionally, borrowings under our Credit Agreement bear interest at a variable rate. As interest rates increase, our interest expense will also increase if we continue to borrow or increase our borrowings under the credit facility. Our business may not continue to generate sufficient cash flow from operations in the future to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the financial markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.**

- ***The convertible note hedge and warrant transactions may affect the value of our common stock.*** **In connection with our 2.75% Convertible Notes offering, we entered into convertible note hedge transactions with option counterparties. We also entered into warrant transactions with the option counterparties. The convertible note hedge transactions are expected generally to reduce the potential dilution to our common stock upon conversion of the 2.75% Convertible Notes and/or offset any cash payments we elect to make in excess of the principal amount of converted notes, as the case may be. However, the warrant transactions could separately have a dilutive effect on our common stock to the extent that the market price per share of our common stock exceeds the strike price of the warrants ($53.44 per share) and we deliver shares of our common stock upon exercise of such warrants instead of paying cash. Additionally, in connection with establishing their initial hedge of the convertible note hedge and warrant transactions, the option counterparties may have entered into various derivative transactions with respect to our common stock. The option counterparties may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions. This activity could cause an increase or a decrease in the market price of our common stock. The effect, if any, of these transactions and activities on the market price of our common stock will depend in part on market conditions and cannot be ascertained at this time, but these activities could adversely affect the market price of our common stock.**

- ***We are subject to counterparty risk with respect to the convertible note hedge transactions.*** **The option counterparties are financial institutions, and we will be subject to the risk that one or more of such option counterparties may default under the convertible note hedge transactions. Our exposure to the credit risk of the option counterparties is not, and will not be, secured by any collateral. If any option counterparty becomes subject to bankruptcy or other insolvency proceedings with respect to such option counterparty's obligations under the relevant convertible note hedge transaction, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under such transaction. Our exposure will depend on many factors but, generally, an increase in our exposure will be positively correlated to an increase in our common stock market price and in the volatility of the market price of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and dilution with respect to our common stock. While all option counterparties were deemed to be of suitable financial strength on the transaction date, we can provide no assurance as to the financial stability or viability of any option counterparty.**

- ***The price of our common stock historically has been volatile.*** **Our stock price may continue to be volatile and subject to significant price and volume fluctuations in response to market and other factors, including the other factors discussed in "Risks Factors;" variations in our quarterly operating results from our expectations or those of securities analysts or investors; downward revisions in securities analysts' estimates; and announcement by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments. In addition, the sale or the availability for sale of a large number of shares of common stock in the public market may cause the price of our common stock to decline.**

- ***Delaware law and our charter documents may impede or discourage a takeover, which could reduce potential increases in the market price of our common stock.* We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change in control would be beneficial to our existing stockholders. In addition, our Board of Directors has the power, without stockholder approval, to designate the terms of one or more series of preferred stock and issue shares of preferred stock. The ability of our Board of Directors to create and issue a new series of preferred stock and certain provisions of Delaware law and our certificate of incorporation and bylaws could impede a merger, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer for our common stock, which, under certain circumstances, could reduce potential increases in the market price of our common stock.**

- ***Changes to our outsourced software or infrastructure vendors as well as any sudden loss, breach of security, disruption or unexpected data or vendor loss associated with our information technology systems could have a material adverse effect on our business.*** We rely on third-party software and infrastructure to run critical accounting, project management and financial information systems. If software or infrastructure vendors decide to discontinue further development, integration or long-term maintenance support for our information systems, or there is any system interruption, delay, breach of security, loss of data or loss of a vendor, we may need to migrate some or all of our accounting, project management and financial information to other systems. These disruptions could increase our operational expense as well as impact the management of our business operations, which could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.
- ***Cybersecurity incidents or breaches of our information technology environment could result inbusiness interruptions, remediation costs and/or legal claims.*** We have been and may in the future be subject to cybersecurity incidents, which may be through the use of ransomware and other forms of unauthorized access of our digital data with the intent to misappropriate information, corrupt data or cause operational disruptions.

  Additionally, the increased prevalence and use of artificial intelligence may heighten the risk that we may be subject to cybersecurity incidents in the future. If a failure of our safeguarding measures were to occur, or if software or third-party vendors that support our information technology environment are compromised, it could have a negative impact to our business and result in business interruptions, remediation costs and/or legal claims, which could have a material adverse effect on our financial position, results of operations, cash flows and liquidity.

RISKS RELATED TO OUR CAPITAL STRUCTURE

- ***Failure to remain in compliance with covenants under our Credit Agreement, service our indebtedness, or fund our other liquidity needs could adversely impact our business.*** Our failure to comply with any of the restrictive or financial covenants would constitute an event of default under our Credit Agreement. Our failure to pay principal, interest or other amounts when due or within the relevant grace period on our 2.75% Convertible Notes, our 3.75% Convertible Notes or our Credit Agreement would constitute an event of default under the indenture governing our 2.75% Convertible Notes, the indenture governing our 3.75% Convertible Notes or the Credit Agreement. A default under our Credit Agreement could result in (i) us no longer being entitled to borrow under such facility; (ii) termination of such facility; (iii) the requirement that any letters of credit under such facility be cash collateralized; (iv) acceleration of amounts owed under the Credit Agreement; and/or (v) foreclosure on any collateral securing the obligations under such facility. A default under the indenture governing our 2.75% Convertible Notes or the indenture governing our 3.75% Convertible Notes could result in acceleration of the maturity of the notes. If we are unable to service our debt obligations as a result of rising or higher interest rates or any other reason or fund our other liquidity needs, we could be forced to curtail our operations, reorganize our capital structure (including through bankruptcy proceedings) or liquidate some or all of our assets in a manner that could cause holders of our securities to experience a partial or total loss of their investment in us. See definition of 2.75% Convertible Notes and 3.75% Convertible Notes in Note 14 to “Notes to the Consolidated Financial Statements.”
- ***Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our debt.*** Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including our 2.75% Convertible Notes and our 3.75% Convertible Notes and the obligations under our Credit Agreement, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Additionally, borrowings under our Credit Agreement bear interest at a variable rate. As interest rates increase or remain high, our interest expense will also increase or remain high if we continue to borrow or increase our borrowings under the credit facility. Our business may not continue to generate sufficient cash flow from operations in the future to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the financial markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.
- ***Conversion of our 2.75% Convertible Notes and our 3.75% Convertible Notes may dilute the ownership interest of existing stockholders and may affect the trading price of our common stock.*** The 2.75% Convertible Notes and the 3.75% Convertible Notes are convertible into shares of our common stock at the option of the holders upon the occurrence of certain events and/or during certain periods. Upon conversion of the 2.75% Convertible Notes and the 3.75% Convertible Notes, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. The issuance of shares of our common stock upon conversion of our 2.75% Convertible Notes and our 3.75% Convertible Notes may dilute the ownership interests of existing stockholders. Any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock.
- ***The convertible note hedge and warrant transactions related to our 2.75% Convertible Notes and the capped call transactions related to our 3.75% Convertible Notes may affect the value of our common stock.*** In connection with our 2.75% Convertible Notes offering, we entered into convertible note hedge transactions and warrant transactions with option counterparties. Additionally, in connection with our 3.75% Convertible Notes offering, we entered into capped call transactions with option counterparties. The convertible note hedge transactions and the capped call transactions are expected generally to reduce the potential dilution to our common stock upon conversion of the 2.75% Convertible Notes and the 3.75% Convertible Notes and/or offset any cash payments we elect or are required to make in excess of the principal

amount of converted notes, as the case may be. However, the warrant transactions could separately have a dilutive effect on our common stock to the extent that the market price per share of our common stock exceeds the strike price of the warrants ($53.44 per share)

and we deliver shares of our common stock upon exercise of such warrants instead of paying cash. Further, if the market price per share of our common stock exceeds the cap price ($79.83) of the capped call transactions, there would nevertheless be dilution and/or there would not be an offset of such cash payments, in each case, to the extent that such market price exceeds the cap price of the capped call transactions. Additionally, in connection with establishing their initial hedge of the convertible note hedge and warrant transactions and the capped call transactions, the option counterparties may have entered into various derivative transactions with respect to our common stock. The option counterparties may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions. This activity could cause or hinder an increase or a decrease in the market price of our common stock. The effect, if any, of these transactions and activities on the market price of our common stock will depend in part on market conditions and cannot be ascertained at this time, but these activities could adversely affect the market price of our common stock.

- ***We are subject to counterparty risk with respect to the capped call transactions and the convertible note hedge transactions.*** The option counterparties are financial institutions or affiliates of financial institutions, and we are subject to the risk that one or more of such option counterparties may default under the capped call transactions or convertible note hedge transactions. Our exposure to the credit risk of the option counterparties is not secured by any collateral. Past global economic conditions, including recent increases in prevailing interest rates, have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If any option counterparty becomes subject to bankruptcy or other insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transaction or convertible note hedge transaction with such option counterparty, respectively. Our exposure will depend on many factors but, generally, an increase in our exposure will be positively correlated to an increase in our common stock market price and in the volatility of the market price of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and dilution with respect to our common stock. We can provide no assurance as to the financial stability or viability of any option counterparty.
- ***The price of our common stock historically has been volatile.*** Our stock price may continue to be volatile and subject to significant price and volume fluctuations in response to market and other factors, including the other factors discussed in “Risks Factors;” variations in our quarterly operating results from our expectations or those of securities analysts or investors; downward revisions in securities analysts’ estimates; and announcement by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments. In addition, the sale or the availability for sale of a large number of shares of common stock in the public market could cause the price of our common stock to decline.
- ***Delaware law and our charter documents may impede or discourage a takeover, which could reduce potential increases in the market price of our common stock.*** We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change in control would be beneficial to our existing stockholders. In addition, our Board of Directors has the power, without stockholder approval, to designate the terms of one or more series of preferred stock and issue shares of preferred stock. The ability of our Board of Directors to create and issue a new series of preferred stock and certain provisions of Delaware law and our certificate of incorporation and bylaws could impede a merger, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer for our common stock, which, under certain circumstances, could reduce potential increases in the market price of our common stock.

RISKS RELATED TO CLIMATE CHANGE

- ***Physical, transition and regulatory risks related to climate change could have a material adverse impact on our business, financial condition and results of operations.*** **Physical risks related to climate change, such as changing sea levels, temperature fluctuations, severe storms, and energy and technological disruptions, could cause delays and increases in project costs, resulting in variability in our revenue and profitability, as well as potentially adverse impacts to our operating results and financial condition. In addition, growing public concern about climate change has resulted in the increased focus of local, state, regional, national and international regulatory bodies on greenhouse gas emissions and climate change issues. Legislation to regulate greenhouse gas emissions has periodically been introduced in the U.S. Congress and in the legislatures of various states in which we operate, and there has been a wide-ranging policy debate, both in the United States and internationally, regarding the regulation of greenhouse gas emissions. Such policy changes, including any enactment of increasingly stringent emissions or other environmental regulations, could increase the costs of projects for us and for our clients and, in some cases, delay or even prevent a project from going forward, thereby potentially reducing demand for our services. Consequently, this could have a material adverse effect on our business, financial condition and results of operations.**

- ***We may be unable to achieve our sustainability commitments and targets which could result in the loss of investors and customers and damage to our reputation.*** **We are committed to advancing our environmental, social and governance strategy. However, achievement of our sustainability commitments and targets is subject to risks and uncertainties, many of which are outside of our control. These risks and uncertainties include, but are not limited to: our ability to execute our operational strategies and achieve our goals within the currently projected costs and the expected timeframes; the availability and cost of alternative fuels, availability of renewable energy; unforeseen design, operational and technological difficulties; the outcome of research efforts and future technology developments; compliance with, and changes or additions to, global and regional regulations, taxes, charges, mandates or requirements relating to greenhouse gas emissions, carbon costs or climate-related goals; labor-related regulations and requirements that restrict or prohibit our ability to impose requirements on third party contractors; adapting products to customer preferences and customer acceptance of sustainable supply chain solutions; and the actions of competitors and competitive pressures.**

  Although we believe that our sustainability commitments and targets are achievable, there is no assurance that we will be able to successfully implement our strategies and achieve our targets. Investors have recently increased their focus on environmental, social and governance matters, including practices related to greenhouse gas emissions and climate change. Additionally, an increasing percentage of the investment community considers sustainability factors in making investment decisions. If we are unable to meet our commitments and targets and appropriately address sustainability enhancement, we may lose investors, customers or partners, our stock price may be negatively impacted, our reputation may be negatively affected and it may be more difficult for us to compete effectively, all of which could have an adverse effect on our business, financial condition and results of operations, as well as on the price of our common stock.

- ***Physical, transition and regulatory risks related to climate change could have a material adverse impact on our business, financial condition and results of operations.*** Physical risks related to climate change, such as changing sea levels, temperature fluctuations, severe storms, and energy, supply chain and technological disruptions, could cause delays and increases in project costs, resulting in variability in our revenue and profitability, as well as potentially adverse impacts to our operating results and financial condition. In addition, growing public concern about climate change has resulted in the increased focus of local, state, regional, national and international regulatory bodies on greenhouse gas emissions and climate change issues. Legislation to regulate greenhouse gas emissions has periodically been introduced and passed by the U.S. Congress and the legislatures of various states in which we operate, and there has been a wide-ranging policy debate, both in the United States and internationally, regarding the regulation of greenhouse gas emissions. Such policy changes, including any enactment of increasingly stringent emissions or other environmental regulations, could increase the costs of supplies or projects for us and for our clients and, in some cases, delay or even prevent a project from going forward, thereby potentially reducing demand for our services. Consequently, this could have a material adverse effect on our business, financial condition and results of operations.

- ***We may be unable to achieve our sustainability commitments and targets which could result in the loss of investors and customers, a negative impact to our stock price and damage to our reputation.*** We are committed to advancing our environmental, social and governance strategy. However, achievement of our sustainability commitments and targets is subject to risks and uncertainties, many of which are outside of our control. These risks and uncertainties include, but are not limited to: our ability to execute our operational strategies and achieve our goals within the currently projected costs and the expected timeframes; the availability and cost of alternative fuels and electric vehicles, availability of renewable energy; unforeseen design, operational and technological difficulties; the outcome of research efforts and future technology developments; compliance with, and changes or additions to, global, national, regional and local regulations, taxes, charges, mandates or requirements relating to greenhouse gas emissions, carbon costs or climate-related goals; labor-related regulations and requirements that restrict or prohibit our ability to impose requirements on third party contractors; adapting products to customer preferences and customer acceptance of sustainable supply chain solutions; and the actions of competitors and competitive pressures.

  There is no assurance that we will be able to successfully implement our strategies and achieve our targets. Investors have recently increased their focus on environmental, social and governance matters, including practices related to greenhouse gas emissions and climate change. Additionally, an increasing percentage of the investment community considers sustainability factors in making investment decisions. If we are unable to meet our commitments and targets and appropriately address sustainability enhancement, we may lose investors, customers or partners, our stock price may be negatively impacted, our reputation may be negatively affected and it may be more difficult for us to compete effectively, all of which could have an adverse effect on our business, financial condition and results of operations, as well as on the price of our common stock.

The foregoing list is not all-inclusive. There can be no assurance that we have correctly identified and appropriately assessed all factors affecting our business or that the publicly available and other information with respect to these matters is complete and correct. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect us. These developments could have material adverse effects on our business, financial condition, results of operations and liquidity. For these reasons, the reader is cautioned not to place undue reliance on our forward-looking statements.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 1C. CYBERSECURITY

Our Board of Directors views the identification and effective management of cybersecurity threats as a critical component of overall risk management and oversight responsibilities and has delegated responsibility for oversight of this risk to the Audit/Compliance Committee of the Board of Directors (the "Audit Committee"). The Audit Committee oversees the management of risks arising from cybersecurity threats and regularly reports to the Board of Directors regarding cybersecurity. Our Risk Committee of the Board of Directors oversees our enterprise risk management (“ERM”) process, and cybersecurity represents an important component of our overall approach to ERM. Our cybersecurity policies, standards, processes and practices are based on recognized frameworks established by the National Institute of Standards and Technology and other applicable industry standards. In general, we seek to address cybersecurity risks through a comprehensive, cross-functional approach that is focused on identifying, assessing, preventing and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

Risk Management and Strategy

Our cybersecurity program is focused on the following key areas:

Governance: As discussed in more detail under the heading “Governance” below, the Board of Directors’ oversight of cybersecurity risk management is supported by the Audit Committee, the Risk Committee, our Chief Information Officer (“CIO”), other members of management and management’s Cybersecurity Committee.

Technical Safeguards: We deploy technical safeguards that are designed to protect our information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are evaluated and improved through vulnerability assessments and cybersecurity threat intelligence.

Incident Response Planning: We have established and maintain an incident response plan that outlines our response in the event of a cybersecurity incident.

*Third-Party Assessments:*We periodically assess and test our policies, standards, processes and practices that are designed to address cybersecurity threats and incidents. These efforts include a wide range of activities, including audits, assessments, tabletop exercises, threat modeling, vulnerability testing and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. We regularly engage third parties to perform assessments on our cybersecurity measures, including information security maturity assessments, audits and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits and reviews are reported to the Audit Committee and, if warranted, the Board of Directors, and we adjust our cybersecurity policies, standards, processes and practices as necessary based on the information provided by these assessments, audits and reviews.

Third-Party Risk Management: We review and evaluate material cybersecurity risks related to the use of third parties, including vendors, service providers and other external users of our systems.

*Education and Awareness:*We provide regular training regarding cybersecurity threats as a means to equip our employees with effective tools to address cybersecurity threats, and to communicate our evolving information security policies, standards, processes and practices.

Governance

The Audit Committee receives regular presentations and reports from management on cybersecurity risks, which address a wide range of topics including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends and information security considerations. The Audit Committee then provides regular reports to the Board of Directors. The Risk Committee also receives timely updates on material and potentially material cybersecurity matters from management as part of the ERM process. The Audit Committee and the Board of Directors also receive timely information regarding any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates regarding any such incident until it has been resolved.

The CIO, who acts as our chief information security officer, leads our Cybersecurity Committee. The Cybersecurity Committee is a multidisciplinary team of corporate and operational leaders who work collaboratively to implement a program designed to protect our information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with our incident response plan. The Cybersecurity Committee reports to our Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), Chief Operating Officer (“COO”), Senior Vice President, Human Resources ("SVP HR") and Senior Vice President and General Counsel. The CIO, working together with a team of cybersecurity professionals and third-party consultants, monitors the prevention, detection, mitigation and remediation of cybersecurity threats and incidents, and reports such threats and incidents to the senior leadership team when appropriate.

Our CIO has served in various roles in information technology and information security for over 25 years, including serving as the Head of Cybersecurity for public and private companies. Our CIO holds an undergraduate degree in computer science and has attained a professional certification in Cybersecurity Governance. The Cybersecurity team (including the CIO) have a combined 80+ years of cybersecurity experience and hold multiple certifications across the cybersecurity landscape. Our CEO, CFO, COO, SVP HR and Senior Vice President and General Counsel each hold undergraduate degrees, graduate degrees or professional certifications in their respective fields, and each have significant experience managing risk.

Cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected and are not reasonably likely to materially affect our business strategy, results of operations or financial condition. See "Risks Related to Information Technology" in Item 1A. Risk Factors.

Item 2. PROPERTIES

Quarry Properties

We own or lease quarry properties that contain mineral resources that we extract and process into construction materials.

As defined by the SEC, mineral resources are a concentration or occurrence of material of economic interest in or on the earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable.

As defined by the SEC, mineral reserves are an estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of a qualified person, as defined by the SEC, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.

Our mineral resources and reserves are based on estimates made by qualified persons who are employees of the Company and are based primarily on geological evidence, sampling and testing and appropriate modifying factors. Amounts presented in the tables below are based on various assumptions to determine estimated economically mineable tons including site specific prices for sand and gravel and hard rock between $5 - $15 $40 per ton. The price per ton estimates use a saleable product (i.e., materials that are ready for sale) as a point of reference and are escalated over time by the Producer's Price Index for Construction Sand, Gravel and Crushed Stone (product 1321). Pricing for aggregates tend to remain similar for long periods of time; therefore, we use current pricing to estimate prices and we reassess at least annually to verify there have not been material changes. Changes to the estimates and assumptions from those currently anticipated could have a material impact on the mineral resource and mineral reserve estimates.

As of December 31, 2022 December 31, 2023, we had open pit quarry properties available for the extraction of sand, gravel and hard rock. Both of our reportable segments use Our Materials segment uses these quarry properties to extract and process sand, gravel and hard rock into construction material for internal use in our construction projects and for sale to third parties. As of December 31, 2022 December 31, 2023, we had all the permits necessary to mine and process sand, gravel and hard rock at our active quarry properties. As of December 31, 2022 December 31, 2023, no individual mining operation was considered material to our business or financial condition. Aggregate annual Annual production of aggregates for all mining properties was 16.3 million 17.5 million tons, 16 16.3 million tons, and 14.3 16.0 million tons during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. The following map shows the approximate locations of our permitted quarry properties as of December 31, 2022 December 31, 2023:

2023QuarryMap.jpg

California Utah and Washington Utah are the states only states/provinces that individually comprise more than 10% of our total mining operations. The following tables present information about our quarry properties as of December 31, 2022 December 31, 2023 (tons in millions):

State	Number of Properties	Resources and Reserves for Each Product Type (tons): Sand & Gravel	Resources and Reserves for Each Product Type (tons): Hard Rock	Percentage of Resources and Reserves Owned and Leased: Owned (1)	Percentage of Resources and Reserves Owned and Leased: Leased (2)	Acreage
California	31	471.0	286.0	59 %	41 %	10,381
Utah	9	103.5	33.2	72 %	28 %	1,333
Washington	28	48.8	71.5	32 %	68 %	5,651
All Other States	15	52.6	59.0	89 %	11 %	3,674
Total	83	675.9	449.7	61 %	39 %	21,039

State/Province	**Number of Properties**	**Resources and Reserves for Each Product Type (tons): Sand & Gravel**	**Resources and Reserves for Each Product Type (tons): Hard Rock**	**Percentage of Resources and Reserves Owned and Leased: Owned (1)**	**Percentage of Resources and Reserves Owned and Leased: Leased (2)**	**Acreage**
California	31	475.3	285.0	58 %	42 %	10,498
Utah	10	117.3	37.4	64 %	36 %	1,497
All other states/provinces	57	187.4	187.3	53 %	47 %	14,712
Total	98	780.0	509.7	61 %	39 %	26,707

(1) Owned properties are properties we own or in which we have, or it is probable that we will have, a direct or indirect economic interest.

(2) Leases are defined as properties where we operate, or it is probable we will operate, under a lease or other legal agreement that grants us ownership or similar rights that authorize us, as principal, to sell or otherwise dispose of the mineral and includes properties that we sublease and from which we receive royalties, which are both considered immaterial. Our leases have terms which range from month-to-month to 42 50 years with most including an option to renew.

The life cycle of mining sand, gravel and hard rock begins with exploration and continues through development and production. After a sand, gravel and hard rock deposit has been identified through exploration, the mine is developed before production begins. The following table presents the number of properties in each respective stage as of December 31, 2022 December 31, 2023 for all mining properties:

State	Exploration	Development	Production
California	8	3	20

Utah	1	-	8
Washington	10	1	17
All Other States	3	-	12

State/Province	Exploration	Development	Production
California	8	3	20
Utah	1	2	7
All other states/provinces	11	7	39
Total	20	12	66

Mineral Resources

The table below presents information on measured, indicated and inferred mineral resources. Estimates of measured mineral resources are based on conclusive geological evidence, sampling and testing and may be converted to a proven mineral reserve or to a probable mineral reserve. Estimates of indicated mineral resources are based on adequate geological evidence, sampling and testing and may only be converted to a probable mineral reserve when sufficient evidence is identified including consideration of modifying factors such as mining, processing, economic and environmental factors. Modifying factors are the factors that a qualified person must apply to indicated and measured mineral resources and then evaluate to establish the economic viability of mineral reserves. Estimates of inferred mineral resources have significant geological uncertainty based on limited geological evidence, sampling and testing and therefore may not be converted to a mineral reserve.

As of December 31, 2022December 31, 2023, our qualified persons estimated our measured, indicated and inferred resources to be approximately 246.3277.0 million tons with an average permitted life of approximately 16 years at present operating levels. tons. As of December 31, 2022December 31, 2023, California Utah and Washington Utah were the only individual states states/provinces that comprised more than 10% of our total mining operations. The Wine Group and Aerojet North White Rock were the only mines that comprised 10% or more of our combined measured and indicated mineral resources for sand and gravel and the Euer Ranch was the only mine that comprised 10% or more of our combined measured and indicated mineral

resources for hard rock. The following table presents information about our mineral resources at December 31, 2022December 31, 2023 (tons in millions):

	Measured Mineral Resources		Indicated Mineral Resources		Measured + Indicated Mineral Resources		Inferred Mineral Resources	
	Amount (tons)	Grades / qualities (1)	Amount (tons)	Grades / qualities (1)	Amount (tons)	Grades / qualities (1)	Amount (tons)	Grades / qualities (1)
Sand and Gravel:								
California								
The Wine Group	—	—	51.4	Sand and Gravel	51.4	Sand and Gravel	—	—
Aerojet North White Rock	32.0	Sand and Gravel	—	—	32.0	Sand and Gravel	—	—
All other California	15.4	Sand and Gravel	19.5	Sand and Gravel	34.9	Sand and Gravel	—	—
Total California	47.4	—	70.9	—	118.3	—	—	—
Utah	3.9	Sand and Gravel	—	—	3.9	Sand and Gravel	—	—
All other states/provinces	9.0	Sand and Gravel	3.0	Sand and Gravel	12.0	Sand and Gravel	8.4	Sand and Gravel
Total	60.3	—	73.9	—	134.2	—	8.4	—
Hard Rock:								
California								
Euer Ranch	71.7	Hard Rock	—	—	71.7	Hard Rock	—	—
All other California	9.9	Hard Rock	—	—	9.9	Hard Rock	—	—
Total California	81.6	—	—	—	81.6	—	—	—
Utah	9.6	Hard Rock	—	—	9.6	Hard Rock	—	—
All other states/provinces	10.2	Hard Rock	—	—	10.2	Hard Rock	33.0	Hard Rock
Total	101.4	—	—	—	101.4	—	33.0	—
Grand Total	161.7	—	73.9	—	235.6	—	41.4	—

(1)

	Measured Mineral Resources	Indicated Mineral Resources	Measured + Indicated Mineral Resources	Inferred Mineral Resources

	Amount (tons)	Grades / qualities (1)	Amount (tons)	Grades / qualities (1)	Amount (tons)	Grades / qualities (1)	Amount (tons)	Grades / qualities (1)
Sand and Gravel:								
California								
The Wine Group	—	—	51.4	Sand and Gravel	51.4	Sand and Gravel	—	—
Aerojet North White Rock	32.0	Sand and Gravel	—	—	32.0	Sand and Gravel	—	—
All other California	—	—	35.1	Sand and Gravel	35.1	Sand and Gravel	—	—
Total California	32.0	—	86.5	—	118.5	—	—	—
Washington	—	—	3.0	Sand and Gravel	3.0	Sand and Gravel	—	—
All other states	0.6	Sand and Gravel	—	—	0.6	Sand and Gravel	—	—
Total	32.6	—	89.5	—	122.1	—	—	—
Hard Rock:								
California								
Euer Ranch	71.7	Hard Rock	—	—	71.7	Hard Rock	—	—
All other California	9.9	Hard Rock	—	—	9.9	Hard Rock	—	—
Total California	81.6	—	—	—	81.6	—	—	—
Utah	9.6	Hard Rock	—	—	9.6	Hard Rock	—	—
Washington	—	—	—	—	—	—	33.0	Hard Rock
Total	91.2	—	—	—	91.2	—	33.0	—
Grand Total	123.8	—	89.5	—	213.3	—	33.0	—

(1) The grade of product produced is contingent on market needs. Sites typically sell base products that range from low to high grades including fill materials, base aggregates, hot mix aggregates and concrete aggregates.

Mineral Reserves

Mineral reserves are divided into proven and probable mineral reserves. Proven mineral reserves are the economically mineable part of a measured mineral resource and can only result from the conversion of a measured mineral resource. Proven mineral resources are determined by a qualified person through the testing of samples obtained from closely spaced subsurface drilling and/or exposed pit faces, and are sufficiently understood so that quantity, quality and engineering conditions are known with sufficient accuracy to be mined without the need for any further subsurface work. Probable mineral reserves are the economically mineable part of an indicated, and in some cases, a measured mineral resource. Probable mineral reserves are determined through the testing of samples obtained from subsurface drilling, but the sample points are too widely spaced to allow detailed prediction of quantity, quality and engineering conditions. Additional subsurface work may be needed prior to mining the reserve.

The modifying factors applied in the conversion of measured and indicated mineral resources to proven and probable mineral reserves during the year ended December 31, 2022 December 31, 2023 included various relevant technical and economic factors, including site infrastructure, mine design and planning, processing plant and environmental compliance and permitting. The basis of determining the modifying factors was a combination of historical experience mining aggregates and observation.

As of December 31, 2022 December 31, 2023, our qualified persons estimated our proven and probable reserves to be approximately 879.3 million tons with an average permitted life of approximately 28 years at present operating levels. 1.0 billion tons. Waste factors for proven and probable reserves range up to 45% 44% depending on the deposit type, market characteristics and extraction feasibility. As of December 31, 2022 December 31, 2023, California Utah and Washington Utah were the only individual states states/provinces that comprised more than 10% of our total mining operations, Coalinga and Grantsville were was the only mines mine that comprised 10% or more of our mineral reserves for sand and gravel and Handley Quarry was the only mine that comprised 10% or more of our mineral

reserves for hard rock. The following table presents information about mineral reserves at December 31, 2022 December 31, 2023 (tons in millions):

	Proven Mineral Reserves		Probable Mineral Reserves		Total Mineral Reserves	
	Amount (tons)	Grades / qualities (1)	Amount (tons)	Grades / qualities (1)	Amount (tons)	Grades / qualities (1)

Sand and Gravel:						
California						
Coalinga	117.9	Sand and Gravel	—	—	117.9	Sand and Gravel
All other California	210.5	Sand and Gravel	24.1	Sand and Gravel	234.6	Sand and Gravel
Total California	328.4	—	24.1	—	352.5	—
Utah						
Grantsville	99.0	Sand and Gravel	—	—	99.0	Sand and Gravel
All other Utah	4.4	Sand and Gravel	0.1	Sand and Gravel	4.5	Sand and Gravel
Total Utah	103.4	—	0.1	—	103.5	—
Washington	45.8	Sand and Gravel	—	—	45.8	Sand and Gravel
All other states	33.8	Sand and Gravel	18.2	Sand and Gravel	52.0	Sand and Gravel
Total	511.4	—	42.4	—	553.8	—
Hard Rock:						
California						
Handley Quarry	144.6	Hard Rock	—	—	144.6	Hard Rock
All other California	59.8	Hard Rock	—	—	59.8	Hard Rock
Total California	204.4	—	—	—	204.4	—
Utah	23.6	Hard Rock	—	—	23.6	Hard Rock
Washington	5.3	Hard Rock	33.2	Hard Rock	38.5	Hard Rock
All other states	25.9	Hard Rock	33.1	Hard Rock	59.0	Hard Rock
Total	259.2	—	66.3	—	325.5	—
Grand Total	770.6	—	108.7	—	879.3	—

	Proven Mineral Reserves		Probable Mineral Reserves		Total Mineral Reserves	
	Amount (tons)	**Grades / qualities (1)**	**Amount (tons)**	**Grades / qualities (1)**	**Amount (tons)**	**Grades / qualities (1)**
Sand and Gravel:						
California						
Coalinga	116.8	Sand and Gravel	—	—	116.8	Sand and Gravel
All other California	232.6	Sand and Gravel	7.6	Sand and Gravel	240.2	Sand and Gravel
Total California	349.4	—	7.6	—	357.0	—
Utah	113.3	Sand and Gravel	0.1	Sand and Gravel	113.4	Sand and Gravel
All other states/provinces	151.8	Sand and Gravel	15.2	Sand and Gravel	167.0	Sand and Gravel
Total	614.5	—	22.9	—	637.4	—
Hard Rock:						
California						
Handley Quarry	144.3	Hard Rock	—	—	144.3	Hard Rock
All other California	59.1	Hard Rock	—	—	59.1	Hard Rock
Total California	203.4	—	—	—	203.4	—
Utah	27.8	Hard Rock	—	—	27.8	Hard Rock
All other states/provinces	78.5	Hard Rock	65.6	Hard Rock	144.1	Hard Rock
Total	309.7	—	65.6	—	375.3	—
Grand Total	924.2	—	88.5	—	1,012.7	—

(1) The grade of product produced is contingent on market needs. Sites typically sell base products that range from low to high grades including fill materials, base aggregates, hot mix aggregates and concrete aggregates.

Internal controls

Mining operations include risk in estimation of mineral reserves and mineral resources that could be impacted by unforeseen geologic circumstances, changes in regulation or changes in sales and customers. The risk that these estimates would be unreasonable based on the known information is mitigated by the following internal controls that we use in our exploration and mineral resource and mineral reserve estimation efforts:

- quality control and quality assurance programs including management identifying the qualified person(s) with the appropriate background and qualifications to prepare the information used for disclosure purposes;
- verification of analytical procedures including management reviewing the mineral resource and reserve report information for completeness, accuracy and appropriateness, such as categorization, inclusion of technical, economic and operational factors, discounted cash flow analysis inputs, assumptions and calculations, and mining, metallurgical, legal, environmental, social and governmental modifying factors as well as comparison of estimates to historic production and prior period estimates; and
- review of disclosures to ensure compliance with requirements.

- quality control and quality assurance programs including management identifying the qualified person(s) with the appropriate background and qualifications to prepare the information used for disclosure purposes;
- verification of analytical procedures including management reviewing the mineral resource and reserve report information for completeness, accuracy and appropriateness, such as categorization, inclusion of technical, economic and operational factors, discounted cash flow analysis inputs, assumptions and calculations, and mining, metallurgical, legal, environmental, social and governmental modifying factors as well as comparison of estimates to historic production and prior period estimates; and
- review of disclosures to ensure compliance with requirements.

Plant Properties

We operate plants at our quarry sites to process aggregates into construction materials. Some of our sites may have more than one crushing, concrete or asphalt processing plant. The following table presents the number of plants we owned as of the respective dates:

December 31,	2022	2021
Aggregate crushing plants	28	29
Asphalt concrete plants	48	49
Cement concrete batch plants	5	5
Asphalt rubber plants	5	5
Lime slurry plants	6	6

December 31,	**2023**	**2022**
Aggregate crushing plants	35	28
Asphalt concrete plants	59	48
Cement concrete batch plants	6	5
Asphalt rubber plants	4	5
Lime slurry plants	6	6

These plants are used by both of our reportable segments.

Other Properties

The following table provides our estimate of certain information about other properties as of December 31, 2022 December 31, 2023:

	Land Area (acres)	Buildings (square feet)
Office and shop space (owned and leased)	1,216	1,465,857

	Land Area (acres)	**Buildings (square feet)**
Office and shop space (owned and leased)	1,217	1,617,556

The office and shop space is used by both of our reportable segments.

Item 3. LEGAL PROCEEDINGS

The description of the matters set forth in Note 20 of "Notes to the Consolidated Financial Statements" is incorporated herein by reference.

Item 4. MINE SAFETY DISCLOSURES

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17CFR 229.104) is included in Exhibit 95 to this Annual Report on Form 10-K.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock trades on the New York Stock Exchange under the ticker symbol GVA. As of February 15, 2022 February 16, 2024, 43,744,536 43,972,294 shares of our common stock were outstanding and held by 653 636 shareholders of record. We have paid quarterly cash dividends since the second quarter of 1990, and we expect to continue to do so.

The following table sets forth information regarding the repurchase of shares of our common stock during the three months ended December 31, 2022 December 31, 2023:

Period	Total number of shares purchased (1)		Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs		Approximate dollar value of shares that may yet be purchased under the plans or programs (2)
October 1, 2022 through October 31, 2022	3,156	$	27.40	—	$	231,535,405
November 1, 2022 through November 30, 2022	320	$	32.22	—	$	231,535,405
December 1, 2022 through December 31, 2022	2,168	$	35.64	—	$	231,535,405
	5,644	$	30.84	—		

Period	**Total number of shares purchased (1)**		**Average price paid per share**	**Total number of shares purchased as part of publicly announced plans or programs**		**Approximate dollar value of shares that may yet be purchased under the plans or programs (2)**
October 1, 2023 through October 31, 2023	3,454	$	36.26	—	$	231,535,405
November 1, 2023 through November 30, 2023	572	$	45.63	—	$	231,535,405
December 1, 2023 through December 31, 2023	1,451	$	50.08	—	$	231,535,405
	5,477	$	40.90	—		

(1) The number of shares purchased was in connection with employee tax withholding for restricted stock units vested under our equity incentive plans.

(2) As announced on February 3, 2022, on February 1, 2022, the Board of Directors authorized us to purchase up to $300.0 million of our common stock at management's discretion. The specific timing and amount of any future purchases will vary based on market conditions, securities law limitations and other factors.

Performance Graph

The following graph compares the cumulative five-year total return provided to Granite Construction Incorporated's common stockholders relative to the cumulative total returns of the S&P 500 index and the Dow Jones U.S. Heavy Construction index. The Dow Jones U.S. Heavy Construction index includes the following companies: AECOM, APi Group Corporation, EMCOR Group Inc., Inc, MDU Resources Group Inc, MasTec Inc., Inc, Quanta Services Inc., Inc, Valmont Industries Inc. Inc and WillScot Willscot Mobile Mini Holdings Corp. Certain of these companies differ from Granite in that they derive more revenue and profit from non-U.S. operations and have customers in different markets. The graph tracks the

performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from December 31, 2017 December 31, 2018 through December 31, 2022 December 31, 2023.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Granite Construction Incorporated, the S&P 500 Index

and the Dow Jones US Heavy Construction Index

2024

*$100 invested on 12/31/18 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

Item 6. RESERVED

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION ANDRESULTS OF OPERATIONS

General

We deliver infrastructure solutions for public and private clients primarily in the United States. We are one of the largest diversified infrastructure construction and construction materials companies in the United States. Within the public sector, we primarily concentrate on infrastructure projects, including the construction of streets, roads, highways, mass transit facilities, airport infrastructure, bridges, dams, power-related facilities, utilities, tunnels, water well drilling and other infrastructure-related projects. Within the private sector, we perform various services such as site preparation, mining services and infrastructure services for commercial and industrial sites, railways, residential development, energy development, as well as provide construction management professional services.

Our reportable segments are the same as our operating segments and correspond with how our chief operating decision maker, or decision-making group (our "CODM"), regularly reviews financial information to allocate resources and assess performance. We identified our CODM as our Chief Executive Officer and our Chief Operating Officer. Our reportable segments are: Construction and Materials. The Construction segment focuses on construction and rehabilitation of roads, pavement preservation, bridges, rail lines, airports, marine ports, dams, reservoirs, aqueducts, infrastructure and site development for use by the general public and water-related construction for municipal agencies, commercial water suppliers, industrial facilities and energy companies. It also provides construction of various complex projects including infrastructure / site development, mining, public safety, tunnel, solar, battery storage and other power-related projects. The Materials segment focuses on production of aggregates, asphalt concrete, liquid asphalt and asphalt recycled materials production

for internal use in our construction projects and for sale to third parties. See Note 21 of "Notes to the Consolidated Financial Statements" for additional information about our reportable segments.

In addition to reportable segments, we also review our business by operating groups. In alphabetical order, our operating groups are as follows:

•

• California, which is comprised of vertically integrated businesses in home markets across the state;

- Central, which includes the vertically integrated Arizona region and regional civil construction businesses in Illinois, Florida and Texas. The Central group also includes the Federal division which performs civil construction across the continental United States and Guam, and the Tunnel division; and
- Mountain, which is comprised of vertically integrated regional businesses in Alaska, Washington, Oregon, Utah and Nevada. The Mountain Group also includes national businesses in the Industrial & Energy division, which primarily focuses on commercial solar construction projects, Water Resources, which performs water well drilling and rehabilitation services and Mineral Services, which performs mineral exploration services for mining clients.

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- Central, which includes the vertically integrated Arizona region and regional civil construction businesses in Illinois, Florida and Texas. The Central group also includes the Federal division which performs civil construction across the continental United States and Guam, and the Tunnel division; and
- Mountain, which is comprised of vertically integrated regional businesses in Alaska, Washington, Oregon, Utah and Nevada. The Mountain Group also includes national businesses in the Industrial & Energy division, which primarily focuses on commercial solar construction projects, Water Resources, which performs water well drilling and rehabilitation services and Mineral Services, which performs mineral exploration services for mining clients.

The five primary economic drivers of our business are (i) the overall health of the U.S. economy including access to resources (labor, supplies and subcontractors); (ii) federal, state and local public funding levels; (iii) population growth resulting in public and private development; (iv) the need to build, replace or repair aging infrastructure; and (v) the pricing of certain commodity related products. A stagnant or declining economy will generally result in reduced demand for construction and construction materials in the private sector. This reduced demand increases competition for private sector projects and will ultimately also increase competition in the public sector as companies migrate from bidding on scarce private sector work to projects in the public sector. In addition, a stagnant or declining economy tends to produce less tax revenue for public agencies, thereby decreasing a source of funds available for spending on public infrastructure improvements. Some funding sources that have been specifically earmarked for infrastructure spending, such as diesel and gasoline taxes, are not as directly affected by a stagnant or declining economy, unless actual consumption is reduced or gasoline sales tax revenues decline consistent with fuel prices. However, even these can be temporarily at risk as federal, state and local governments take actions to balance their budgets. Conversely, increased levels of public funding as well as an expanding or robust economy will generally increase demand for our services and provide opportunities for revenue growth and margin improvement.

Critical Accounting Estimate

Estimates

The financial statements included in “Item 8. Financial Statements and Supplementary Data” have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of these financial statements requires management to make estimates that affect the reported amounts of assets and liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Our estimates and related judgments and assumptions are continually evaluated based on available information and experiences; however, actual amounts could differ from those estimates.

We consider revenue recognition a

The following are our most critical accounting estimate. It involves significant estimates that involve management judgment and can significantly affect have significant effects on our reported results of operations.

Revenue Recognition

Our revenue is primarily derived from construction contracts that can span several quarters or years in our Construction segment and from sales of construction related materials in our Materials segment. We recognize revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers,* and subsequently issued additional related ASUs. The accuracy of our revenue and profit recognition in a given period depends on the accuracy of our estimates of the forecasted revenue and cost to complete each project. Cost estimates for all of our significant projects use a detailed “bottom up” approach. There are a number of factors that can contribute to changes in estimates of contract cost and profitability. The most significant of these include:

- changes in costs of labor and/or materials;
- subcontractor costs, availability and/or performance issues;
- extended overhead and other costs due to owner, weather and other delays;
- changes in productivity expectations;
- changes from original design on design-build projects;
- our ability to fully and promptly recover on affirmative claims and back charges for additional contract costs;
- a change in the availability and proximity of equipment and materials;
- complexity in original design;
- length of time to complete the project;
- the availability and skill level of workers in the geographic location of the project;
- site conditions that differ from those assumed in the original bid;
- costs associated with scope changes; and
- the customer’s ability to properly administer the contract.

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- subcontractor costs, availability and/or performance issues;
- extended overhead and other costs due to owner, weather and other delays;
- changes in productivity expectations;
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- complexity in original design;
- length of time to complete the project;
- the availability and skill level of workers in the geographic location of the project;

- site conditions that differ from those assumed in the original bid;
- costs associated with scope changes; and
- the customer’s ability to properly administer the contract.

The foregoing factors, as well as the stage of completion of contracts in process and the mix of contracts at different margins may cause fluctuations in gross profit and gross profit margin from period to period. Significant changes in revenue and cost estimates, particularly in our larger, more complex, multi-year projects have had, and in the future could have, a significant effect on our profitability. Due to the number of factors that can contribute to changes in estimates of contract cost and profitability, the sensitivity of reported amounts to the assumptions underlying the estimate’s calculation is not reasonably available or meaningful. However, Note 3 of “Notes to the Consolidated Financial Statements” presents the impact material revisions in estimates had on the periods covered by this report.

Goodwill and Acquired Intangible Assets

Goodwill represents the excess of amounts paid over the fair value of net assets acquired from an acquisition. In order to determine the amount of goodwill resulting from an acquisition, we perform an assessment to determine the value of the acquired company's tangible and identifiable intangible assets and liabilities. In our assessment, we determine whether identifiable intangible assets exist, which typically include customer relationships, backlog and trademarks/trade names. The determination of fair values of assets acquired and liabilities assumed requires us to make estimates and use valuation techniques when a market value is not readily available.

We test goodwill for impairment annually, as of November 1, for each reporting unit and more frequently when events occur or circumstances change which suggest that goodwill should be evaluated. Examples of such events or circumstances include, but are not limited to, the following:

- a significant adverse change in the business climate;
- a significant adverse change in legal factors or an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold; or
- the testing for recoverability of a significant asset group within the segment.

Goodwill is evaluated for impairment either by assessing qualitative factors or by performing a quantitative assessment. Qualitative factors, such as overall financial performance, industry or market considerations, or other relevant events, are assessed to determine if it is more likely than not that the fair value of the reporting units is less than their carrying amounts. During a quantitative impairment test, we calculate the estimated fair value of the reporting unit in which the goodwill is recorded using the discounted cash flows and market multiple methods, and compare that amount to the carrying value of that reporting unit. In the event the fair value of the reporting unit is determined to be less than the carrying value, goodwill is impaired, and an impairment loss is recognized equal to the excess, limited to the total amount of goodwill allocated to the reporting unit.

The impairment evaluation process includes, among other things, making assumptions about variables such as the determination of appropriate discount rates, the amount and timing of expected future cash flows, revenue and margin growth rates, and appropriate benchmark companies, which are subject to a high degree of judgment.

There are inherent uncertainties related to each of the above listed assumptions, and our judgment in applying them. Changes in the assumptions used in our goodwill and intangible assets valuations could result in impairment charges that could be material to our consolidated financial statements in any given period. Note 1 of "Notes to the Consolidated Financial Statements" includes further information about our long-lived assets and goodwill including the impact of impairments on the periods covered by this report, which are not material. We have not materially changed our estimation methodology during the periods presented.

Current Economic Environment and Outlook

Funding for our public work projects, which accounts for approximately 70%80% of our portfolio, is dependent on federal, state, regional and local revenues. At the federal level, the continued rollout of the $1.2 trillion Infrastructure Investment and Jobs Act ("IIJA") has started with the appropriation of funds included in the 2022 federal spending bill enacted in March 2022. The five-year IIJA provides the largest increase in increased federal highway, bridge and transit funding to its highest level in more than six decades and includes with $550 billion in incremental funding. In October 2022, the U.S. Department of Transportation announced that it released $59.9 billion in Fiscal Year 2023 apportionments directly to all 50 states, all of which is available for states to authorize following the passing of the FY 2023 omnibus appropriations bill in December 2022. funding over five years. We continue to believe that the increased multi-year spending commitment will improve has improved the programming visibility for state and local governments and drive drove an increase in project lettings starting in 2023 and then more meaningfully that will continue in 2024 and beyond. We anticipate the impact to our financial statements to gradually grow in 2023 and beyond as funds are allocated first to quicker turn projects and then later to more complex larger projects.

At state, regional and local levels, voter-approved state and local transportation measures continue to support infrastructure spending. While each market is unique, we see a strong funding environment at the state and local levels currently and we expect that environment to improve with the impact of aided by the IIJA. In California, our top revenue-generating state, a significant part of the state infrastructure spend is funded through Senate Bill 1 (SB-1), the Road Repair and Accountability Act of 2017, which is a 10-year, $54.2 billion program without any sunset provisions.

Over the recent years, inflation, supply chain and labor constraints have had a significant impact on the global economy including the construction industry in the United States. While it is impossible to fully eliminate the impact of these factors, we have applied proactive measures such as fixed forward purchase contracts of oil related inputs, energy surcharges, and adjustment of project schedules for constraints related to construction materials such as concrete. While we actively work to mitigate the impacts of oil price inflation, further price increases may adversely impact us in the future.

Our Committed and Awarded Projects ("CAP") continues to be strong with $4.5 billion $5.5 billion at the end of the fourth quarter of 2022. 2023. Our CAP is supported by a positive public funding environment and resilient private market which we believe will provide further opportunities for continued CAP growth in 2023 to continue to grow CAP.

2024.

Strategic Actions

During the fourth quarter of 2021,

On March 16, 2022, we concluded that the assets and liabilities of our former Water and Mineral Services operating group ("WMS") met the criteria for classification as held for sale and the results of operations were presented as discontinued operations at that time. This included: sold our trenchless and pipe rehabilitation services business ("Inliner"); our water supply, treatment, delivery and maintenance business ("Water Resources"); and our mineral exploration drilling business ("Mineral Services"). The sale of Inliner was completed on March 16, 2022 for a purchase price of $159.7 million, subject to certain adjustments. As a result of the sale and post-closing adjustments, we received cash proceeds of $140.6 million $140.6 million and recognized a gain of $1.8 $1.8 million.

On April 24, 2023, we completed the purchase of Coast Mountain Resources (2020) Ltd. ("CMR") for $26.6 million.

In September 2022, CMR is a construction aggregate producer based in British Columbia, Canada operating on Malahat First Nation land. This acquisition did not have a material impact on our results of operations.

On November 30, 2023 ("acquisition date"), we announced our decision completed the acquisition of Lehman-Roberts Company and Memphis Stone & Gravel Company (collectively, "LRC/MSG") for $278.0 million, subject to retain the Water Resources and Mineral Services businesses that were previously classified as held for sale and reported in discontinued operations. This change customary closing adjustments, plus an estimated amount related to our plan of sale was due to unfavorable market conditions which undermined our efforts to secure an appropriate value for the businesses. In connection tax make-whole agreements with the reclassification seller. We purchased all of the WMS businesses from discontinued operations outstanding equity interests in LRC/MSG and the purchase price was funded by our new $150.0 million senior secured term loan, as described further in Note 14 of "Notes to continuing operations, the Consolidated Financial Statements," a draw of Operations have been revised to include Inliner through the date of sale, as well as the ongoing operations of Water Resources $100 million under our existing revolver and Mineral Services in the Mountain operating group for all periods presented. cash on hand. The Water Resources and Mineral Services acquired businesses are included in longstanding asphalt paving and asphalt and aggregates producers and suppliers. LRC/MSG operates strategically located asphalt plants and sand and gravel mines serving the Construction segment. Inliner had both Construction greater Memphis area and Materials operations. northern Mississippi. LRC/MSG has exclusive rights to an estimated 57 million tons of proven and probable reserves and 24 million tons of measured and indicated reserves.

See Note 1 and Note 2 of "Notes to the Consolidated Financial Statements" for further information.

Litigation Matter

As further discussed in Note 20 of "Notes to the Consolidated Financial Statements," our wholly owned subsidiary, Layne Christensen Company ("Layne"), has been sued for $100 million relating to Layne's work on the Salesforce Tower foundation. Layne was a subcontractor on this project and potential liability for this project remained with Layne in connection with our acquisition of Layne in June 2018. For additional information, see "Item 1A. Risk Factors - In connection with acquisitions or divestitures, we may become subject to liabilities" and "Item 1A. Risk Factors - We are involved in lawsuits and legal proceedings in the ordinary course of our business and may in the future be subject to other litigation and legal proceedings, and, if any of these are resolved adversely against us, it could harm our business, financial condition and results of operations."

Results of Operations

Our operations are typically affected more by weather conditions during the first and fourth quarters of our fiscal year which may alter our construction schedules and can create variability in our revenues and profitability.

Years Ended December 31,	2022	2021	2020
(in thousands)			
Total revenue	$ 3,301,256	$ 3,501,865	$ 3,562,459
Gross profit	$ 369,494	$ 362,645	$ 344,788
Selling, general and administrative expenses	$ 272,610	$ 303,015	$ 316,284
Non-cash impairment charges (see Note 1 of "Notes to the Consolidated Financial Statements")	$ —	$ —	$ 156,690
Other costs, net (see Note 1 of "Notes to the Consolidated Financial Statements")	$ 24,120	$ 101,351	$ 37,089
Gain on sales of property and equipment, net (see Note 11 of "Notes to the Consolidated Financial Statements")	$ (12,617)	$ (66,439)	$ (6,930)
Operating income (loss)	$ 85,381	$ 24,718	$ (158,345)
Total other (income) expense, net	$ (6,436)	$ 2,591	$ 8,118
Amount attributable to non-controlling interests	$ 4,445	$ 7,682	$ 21,064
Net income (loss) attributable to Granite Construction Incorporated	$ 83,302	$ 10,096	$ (145,117)

Years Ended December 31,	**2023**	**2022**	**2021**
(in thousands)			
Total revenue	$ 3,509,138	$ 3,301,256	$ 3,501,865
Gross profit	$ 396,399	$ 369,494	$ 362,645
Selling, general and administrative expenses	$ 294,466	$ 272,610	$ 303,015
Other costs, net (see Note 1 of "Notes to the Consolidated Financial Statements")	$ 50,217	$ 24,120	$ 101,351
Gain on sales of property and equipment, net	$ (28,346)	$ (12,617)	$ (66,439)
Operating income	$ 80,062	$ 85,381	$ 24,718
Total other (income) expense, net	$ 20,208	$ (6,436)	$ 2,591
Amount attributable to non-controlling interests	$ 14,012	$ 4,445	$ 7,682
Net income attributable to Granite Construction Incorporated	$ 43,599	$ 83,302	$ 10,096

Revenue

Revenue

Total Revenue by Segment

Years Ended December 31,	**2022**		**2021**		**2020**	
(dollars in thousands)						
Construction	**$ 2,803,935**	**85.0 %**	**$ 3,076,190**	**87.8 %**	**$ 3,181,697**	**89.4 %**
Materials	**497,321**	**15.0**	**425,675**	**12.2**	**380,762**	**10.6**

Total	**$ 3,301,256**	**100.0 %**	**$ 3,501,865**	**100.0 %**	**$ 3,562,459**	**100.0 %**

Years Ended December 31,	2023		2022		2021	
(dollars in thousands)						
Construction	$ 2,992,254	85.3 %	$ 2,803,935	84.9 %	$ 3,076,190	87.8 %
Materials	516,884	14.7	497,321	15.1	425,675	12.2
Total	$ 3,509,138	100.0 %	$ 3,301,256	100.0 %	$ 3,501,865	100.0 %

Construction Revenue

Years Ended December 31,	**2022**		**2021**		**2020**	
(dollars in thousands)						
California	**$ 811,623**	**28.9 %**	**$ 822,448**	**26.7 %**	**$ 928,193**	**29.2 %**
Central	**851,779**	**30.4**	**1,058,448**	**34.4**	**1,145,725**	**36.0**
Mountain	**1,140,533**	**40.7**	**1,195,294**	**38.9**	**1,107,779**	**34.8**
Total	**$ 2,803,935**	**100.0 %**	**$ 3,076,190**	**100.0 %**	**$ 3,181,697**	**100.0 %**

Years Ended December 31,	2023		2022		2021	
(dollars in thousands)						
California	$ 1,029,410	34.4 %	$ 811,623	28.9 %	$ 822,448	26.7 %
Central	765,560	25.6	851,779	30.4	1,058,448	34.4
Mountain	1,197,284	40.0	1,140,533	40.7	1,195,294	38.9
Total	$ 2,992,254	100.0 %	$ 2,803,935	100.0 %	$ 3,076,190	100.0 %

Construction revenue in 2022decreased2023 increased by $272.3 million, $188.3 million, or 8.9%6.7%, compared to 20212022. California operating group revenue increased $217.8 million despite unfavorable weather conditions during the first half of the year, partly due to elevated work volume achieved once weather conditions improved as well as higher CAP levels to start the year. Mountain operating group revenue increased $56.8 million, which includes Inliner in the prior year that contributed $33.2 million prior to its sale in April 2022. The increase in revenue is primarily due to new work in Alaska, Nevada and the Pacific Northwest. Central operating group revenue decreased $86.2 million primarily due to the wind down of several large projects and a decrease in the Central operating group, as well as the sale estimated amount of Inliner in the first quarter of 2022. Revenue from the Mountain operating group decreased $54.8 million primarily due to the sale of Inliner which contributed $33 million in 2022 prior to its sale compared to $206 million in 2021. probable recovery on an outstanding claim. This decrease was partially offset by increased revenue driven by higher beginning CAP levels from new work in Arizona, Texas and stronger market conditions in the current year. California operating group revenue decreased $10.8 million in Illinois.

During both 2023 and 2022, mainly due to delays in project starts and less favorable weather conditions in the first quarter of2022. During 2022 and 2021, approximately 70% and 75%, respectively, of revenue earned in the Construction segment was from the public sector.

Materials Revenue

Years Ended December 31,	**2022**		**2021**		**2020**	
(dollars in thousands)						
California	**$ 273,314**	**54.9 %**	**$ 242,552**	**57.0 %**	**$ 222,021**	**58.3 %**
Central	**46,531**	**9.4**	**33,270**	**7.8**	**25,181**	**6.6**
Mountain	**177,476**	**35.7**	**149,853**	**35.2**	**133,560**	**35.1**
Total	**$ 497,321**	**100.0 %**	**$ 425,675**	**100.0 %**	**$ 380,762**	**100.0 %**

Years Ended December 31,	2023		2022		2021	
(dollars in thousands)						
California	$ 258,725	50.0 %	$ 273,314	54.9 %	$ 242,552	57.0 %
Central	55,125	10.7	46,531	9.4	33,270	7.8
Mountain	203,034	39.3	177,476	35.7	149,853	35.2
Total	$ 516,884	100.0 %	$ 497,321	100.0 %	$ 425,675	100.0 %

Materials revenue in 2022 2023 increased by $71.6 million, $19.6 million, or 16.8% 3.9%, when compared to 2021 2022, driven primarily by price increases inclusive sales from facilities and businesses acquired in 2023. This contributed $16.5 million of energy surcharges revenue during the current year. The remaining increase of $3.1 million, is due to higher asphalt and overall market demands driving higher aggregate sales volumes prices in our legacy facilities that overcame decreases in asphalt and aggregate sales volumes. Inclement weather during the first half of aggregates, slightly offset by decreased 2023 negatively impacted 2023 sales volumes for asphalt.

volumes.

Committed and Awarded Projects

CAP consists of two components: (1) unearned revenue and (2) other awards. Unearned revenue includes the revenue we expect to record in the future on executed contracts, including 100% of our consolidated joint venture contracts and our proportionate share of unconsolidated joint venture contracts. We generally include a project in unearned revenue at the time a contract is awarded, the contract has been executed and to the extent we believe funding is probable. Contract options and task orders are included in unearned revenue when exercised or issued, respectively. Certain government contracts where funding is appropriated on a periodic basis are included in unearned revenue at the time of the award when it is probable the contract value will be funded and executed.

Other awards include the general construction portion of construction management/general contractor ("CM/GC") contracts and awarded contracts with unexercised contract options or unissued task orders. The general construction portion of CM/GC contracts are included in other awards to the extent contract execution and funding is probable. Contracts with unexercised contract options or unissued task orders are included in other awards to the extent option exercise or task order issuance is probable, respectively. All CAP is in the Construction segment.

December 31,	2022			2021 (1)		
(dollars in thousands)						
Unearned revenue	$	2,877,478	64.2 %	$	2,595,085	64.7 %
Other awards		1,607,661	35.8		1,414,979	35.3
Total	$	4,485,139	100.0 %	$	4,010,064	100.0 %

December 31,	2022			2021 (1)		
(dollars in thousands)						
California	$	1,747,163	39.0 %	$	1,476,066	36.8 %
Central		1,661,613	37.0		1,585,309	39.5
Mountain		1,076,363	24.0		948,689	23.7
Total	$	4,485,139	100.0 %	$	4,010,064	100.0 %

(1) These balances do not include amounts held for sale (see Note 2 of ""Notes to the Consolidated Financial Statements"). The unearned revenue balance in CAP related to businesses held for sale at December 31, 2021 was $252.7 million and there was no balance for other awards.

December 31,	**2023**			**2022**		
(dollars in thousands)						
Unearned revenue	$	3,596,676	64.9 %	$	2,877,478	64.2 %
Other awards		1,949,078	35.1		1,607,661	35.8
Total	$	5,545,754	100.0 %	$	4,485,139	100.0 %

December 31,	**2023**			**2022**		
(dollars in thousands)						
California	$	2,436,521	43.9 %	$	1,747,163	39.0 %
Central		1,707,862	30.8		1,661,613	37.0
Mountain		1,401,371	25.3		1,076,363	24.0
Total	$	5,545,754	100.0 %	$	4,485,139	100.0 %

CAP of $4.5 $5.5 billion at December 31, 2022 December 31, 2023 was $475.1 million, $1.1 billion, or 11.8% 24% higher than 2021 2022 primarily due to higher CAP in all of our operating groups due to higher award volume during the fourth quarter of 2022. Including CAP that was classified as held for sale as of December 31, 2021 of $252.7 million throughout 2023, specifically in our California and excluding CAP related to Inliner of $199.3 Mountain operating groups which increased $689.4 million as of December 31, 2021, which was sold during the first quarter of 2022, comparable CAP increased $421.7 million, or 10.4%, over the prior year. Significant and $325.0 million, respectively, between December 31, 2022 and 2023. The most significant new additions addition to CAP during the fourth quarter of 2022 included 2023 was $344.5 million related to a $174 million runway private rail facility project in California, a $170 million highway project in Arizona, a $160 million CM/GC railway project in Illinois and $142 million for multiple road projects in California.

Non-controlling partners' share of CAP as of December 31, 2022 December 31, 2023 and 2021 2022 was $243.8 million and $85.0 million, respectively.

At December 31, 2023 and $214.3 million, respectively.

At December 31, 2022, six and 2021, five and three contracts with remaining CAP of $10 million $10.0 million or more per project had total forecasted losses with remaining revenue of $134.2 million, $188.9 million, or 3.4% of total CAP, and $134.2 million, of 3.0% of total CAP, and $204.2 million, or 5.1% of total CAP, respectively. Provisions are recognized in the consolidated statements of operations for the full amount of estimated losses on uncompleted contracts whenever evidence indicates that the estimated total cost of a contract exceeds its estimated total revenue.

Gross Profit

The following table presents gross profit by reportable segment for the respective periods:

Years Ended December 31,		2022		2021		2020
(dollars in thousands)						
Construction	$	303,881	$	303,228	$	280,169
Percent of segment revenue		*10.8* %		*9.9* %		*8.8* %
Materials		65,613		59,417		64,619
Percent of segment revenue		*13.2*		*14.0*		*17.0*
Total gross profit	$	369,494	$	362,645	$	344,788
Percent of total revenue		*11.2* %		*10.4* %		*9.7* %

Years Ended December 31,		**2023**		**2022**		**2021**
(dollars in thousands)						
Construction	$	325,055	$	303,881	$	303,228
Percent of segment revenue		*10.9 %*		*10.8 %*		*9.9 %*
Materials		71,344		65,613		59,417
Percent of segment revenue		*13.8*		*13.2*		*14.0*
Total gross profit	$	396,399	$	369,494	$	362,645
Percent of total revenue		*11.3 %*		*11.2 %*		*10.4 %*

Construction gross profit for the year ended December 31, 2022December 31, 2023 increased by $0.7 $21.2 million, or 0.2%7.0%, when compared to 20212022, primarily driven by strong performance in the vertically integrated businesses Mountain operating group, partially offset by a decrease in the California and Mountain operating groups. These increases were largely offset by decreases estimated amount of probable recovery on an outstanding claim in the our Central operating group, related to negative net impacts from as well as the impact of other downward revisions in estimates (see Note 3 of “Notes to the Consolidated Financial Statements”) as well as the impact of the sale of Inliner in the first quarter of 2022.

Materials gross profit for the year ended December 31, 2022 December 31, 2023 increased by $6.2 $5.7 million, or 10.4% 8.7%, when compared to 2021 due to higher revenue 2022 and greater volumes while gross profit margin decreased increased to 13.8% in the current year from 13.2% in the prior year. These improvements were primarily due to the impact of higher price increases as well as normalized fuel and energy costs earlier in 2023. Our newly acquired operations produced a gross loss of $3.6 million, including the year. Although fuel and liquid asphalt costs increased in 2022 as compared impact of purchase accounting primarily related to 2021, we implemented energy surcharges in the second quarter of 2022 to cover these increases on new orders.

LRC/MSG.

Selling, General and Administrative Expenses

The following table presents the components of selling, general and administrative expenses for the respective periods:

Years Ended December 31,		2022		2021		2020
(dollars in thousands)						
Selling						
Salaries and related expenses	$	57,921	$	65,758	$	69,530
Incentive compensation		4,316		5,160		5,297
Restricted stock unit amortization		1,277		1,415		1,280
Other selling expenses		8,627		4,632		9,661
Total selling		72,141		76,965		85,768
General and administrative						
Salaries and related expenses		103,161		111,149		111,188
Incentive compensation		12,108		8,908		10,519
Restricted stock unit amortization		5,084		3,792		3,408
Other general and administrative expenses		80,116		102,201		105,401

Total general and administrative		200,469		226,050		230,516
Total selling, general and administrative	$	272,610	$	303,015	$	316,284
Percent of revenue		8.3 %		8.7 %		8.9 %

Years Ended December 31,		**2023**		**2022**		**2021**
(dollars in thousands)						
Selling						
Salaries and related expenses	$	58,617	$	57,921	$	65,758
Incentive compensation		5,784		4,316		5,160
Stock-based compensation		1,595		1,277		1,415
Other selling expenses		5,964		8,627		4,632
Total selling		71,960		72,141		76,965
General and administrative						
Salaries and related expenses		98,622		103,161		111,149
Incentive compensation		23,580		12,108		8,908
Stock-based compensation		8,158		5,084		3,792
Other general and administrative expenses		92,146		80,116		102,201
Total general and administrative		222,506		200,469		226,050
Total selling, general and administrative	$	294,466	$	272,610	$	303,015
Percent of revenue		*8.4 %*		*8.3 %*		*8.7 %*

Selling Expenses

Selling expenses include the costs for estimating and bidding, including offsetting customer reimbursements for portions of our selling/bid submission expenses (i.e., stipends), business development and materials facility permits. Selling expenses can vary depending on the volume of projects in process and the number of employees assigned to estimating and bidding activities. As projects are completed or the volume of work slows down, we temporarily redeploy project employees to bid on new projects, moving their salaries and related costs from cost of revenue to selling expenses. Selling salaries and related expenses for 2022 2023 decreased by $7.8 million $0.2 million compared to 2021, primarily due to the sale of Inliner on March 16, 2022 as well as other cost reduction efforts. This decrease 2022. Increased selling incentive and stock-based compensation resulting from improved financial performance was partially offset by an increase of $4.0 million a decrease in other selling expenses driven by increased bidding activity in 2022.

expenses.

General and Administrative Expenses

General and administrative expenses include costs related to our operational offices that are not allocated to direct contract costs and expenses related to our corporate functions. Other general and administrative expenses include travel and entertainment, outside services, information technology, depreciation, occupancy, training, office supplies, changes in the fair market value of our Non-Qualified Deferred Compensation plan liability and other miscellaneous expenses. Total general and administrative expenses for 2022 decreased 2023 increased by $25.6 million, $22.0 million, or 11.3% 11.0%, compared to 2021, 2022, primarily due to the sale of Inliner on March 16, 2022, as well as decreases an increase in incentive compensation due to improved financial performance. The increase was also attributable to stock-based compensation and increases in the fair market value of our Non-Qualified Deferred Compensation plan liability, which is mostly offset in other Other (income) expense, net, through investments held within our own company-owned life insurance policy. These decreases increases were partially offset by an increase the elimination of general and administrative expenses related to Inliner which was sold in incentive compensation due to improved financial performance.

the first quarter of 2022.

Other Costs, net

The following table presents other costs for the respective periods:

Years Ended December 31,		2022		2021		2020
(in thousands)						
Other costs, net	$	24,120	$	101,351	$	37,089

Years Ended December 31,		**2023**		**2022**		**2021**
(in thousands)						
Other costs, net	$	50,217	$	24,120	$	101,351

Other costs for the year ended December 31, 2022 decreased December 31, 2023 increased by $77.2 million $26.1 million when compared to 2021 2022 primarily due to the securities litigation settlement charge of $66.0 million that occurred in 2021, settlement of the shareholder derivative lawsuit and related receipt of $5.0 million Salesforce Tower matter in 2022 as well as decreases in non-recurring legal and accounting fees of $7.4 million, net divestiture expenses of $8.0 million and personnel costs in connection with our operating group reorganization during 2021 of $2.8 million. These decreases were partially offset by a $12.0 million charge for the resolution of the SEC investigation in 2022. October 2023. See Note 20 of "Notes to the Consolidated Financial Statements" for information related to settlements legal matters. Also included in 2023 are costs and non-cash impairment charges associated with the wind down of certain legal matters and investigations.

our international Mineral Services operations. See Note 1 of "Notes to the Consolidated Financial Statements" for more information.

Gain on Sales of Property and Equipment, net

The following table presents the gain on sales of property and equipment, net for the respective periods:

Years Ended December 31,		2022		2021		2020
(in thousands)						
Gain on sales of property and equipment, net	$	(12,617)	$	(66,439)	$	(6,930)

Years Ended December 31,		**2023**		**2022**		**2021**
(in thousands)						
Gain on sales of property and equipment, net	$	(28,346)	$	(12,617)	$	(66,439)

Gain on sales of property and equipment, net for the year ended December 31, 2022 decreased December 31, 2023 increased by $53.8 million $15.7 million when compared to 2021 2022 primarily due to fewer properties sold and lower gains per the sale of a property sold in 2022. Texas in 2023. The properties sold were sale was part of our ongoing asset optimization plan. See Note 11 of "Notes to the Consolidated Financial Statements" for more information.

Other (Income) Expense

The following table presents the components of other (income) expense, net for the respective periods:

Years Ended December 31,		2022		2021		2020
(in thousands)						
Interest income	$	(6,528)	$	(1,176)	$	(3,096)
Interest expense		12,624		20,739		24,200
Equity in income of affiliates		(13,571)		(12,586)		(8,783)
Other income, net		1,039		(4,386)		(4,203)
Total other (income) expense, net	$	(6,436)	$	2,591	$	8,118

Years Ended December 31,		**2023**		**2022**		**2021**
(in thousands)						
Loss on debt extinguishment	$	51,052	$	—	$	—
Interest income		(17,538)		(6,528)		(1,176)
Interest expense		18,462		12,624		20,739
Equity in income of affiliates, net		(25,748)		(13,571)		(12,586)
Other (income) expense, net		(6,020)		1,039		(4,386)
Total other (income) expense, net	$	20,208	$	(6,436)	$	2,591

We incurred a $51.1 million loss on debt extinguishment in the second quarter of 2023 related to the refinancing of a portion of our 2.75% Convertible Notes. We issued 1,390,500 shares of Granite common stock and paid $198.8 million in cash in separate and individually negotiated transactions in exchange for $198.7 million aggregate principal amount of our 2.75% Convertible Notes concurrent with the offering of the 3.75% Convertible Notes. Included in the loss on debt extinguishment is a $1.7 million charge for the acceleration of the amortization of debt issuance costs associated with the 2.75% Convertible Notes that were redeemed early.

Interest income for 2022 2023 increased by $5.4 million $11.0 million when compared to 2021 2022 primarily due to higher interest rates on our investments. Interest expense for 2022 decreased 2023 increased by $8.1 million, or 39.1%, $5.8 million when compared to 2021 because we are no longer recording the amortization 2022 as a result of the debt discount on our 2.75% Convertible Notes due to the implementation of ASU 2020-06. increased borrowings in 2023. Equity in income of affiliates was relatively flat increased by $12.2 million when compared to 2021. 2022 due to overall increases in net income of our affiliates driven by increases in sales and margins. Other income, net decreased increased by $5.4 million $7.1 million primarily due to increases in the fair market value of our company owned company-owned life insurance policy, which is mostly offset in general and administrative expenses through our Non-Qualified Deferred Compensation plan liability.

policy.

Income Taxes

The following table presents the provision for (benefit from) income taxes for the respective periods:

Years Ended December 31,		2022		2021		2020
(dollars in thousands)						
Provision for (benefit from) income taxes	$	12,960	$	19,713	$	(282)

Effective tax rate	14.1 %	89.1 %	0.2 %

Years Ended December 31,	2023	2022	2021
(in thousands)			
Provision for income taxes	$ 30,267	$ 12,960	$ 19,713
Effective tax rate	50.6 %	14.1 %	89.1 %

Our effective tax rate decreasedincreased from 89.1% 14.1% to 14.1% 50.6% when compared to 2021 primarily 2022 due to increases in our provision for income taxes relative to lower income before income taxes. Provision for income taxes in the current year was higher than last year due to $49.3 million of non-deductible expense related to the tax refinancing of a portion of our 2.75% Convertible Notes in the second quarter of 2023. See Note 14 of “Notes to the Consolidated Financial Statements.” In the prior year, provision for income taxes was lower due to the benefit associated with the reversal of net deferred tax liabilities related to our Water Resources and Minerals businesses no longer being held for sale, and the benefit from the release of valuation allowances related to the utilization of capital loss carryforwards. The impacts carryforwards net of those items were partially offset by nondeductible the tax expense from non-deductible goodwill associated with the sale of Inliner and the impact of the relative change Inliner. The decrease in year-over-year income before income taxes was primarily due to the provision for income taxes.

loss in the current year related to debt extinguishment.

Amount Attributable to Non-controlling Interests

The following table presents the amount attributable to non-controlling interests in consolidated subsidiaries for the respective periods:

Years Ended December 31,	2022	2021	2020
(in thousands)			
Amount attributable to non-controlling interests	$ 4,445	$ 7,682	$ 21,064

Years Ended December 31,	**2023**	**2022**	**2021**
(in thousands)			
Amount attributable to non-controlling interests	$ 14,012	$ 4,445	$ 7,682

The amount attributable to non-controlling interests represents the non-controlling owners’ share of the net loss of our consolidated construction joint ventures. The change during 2022 2023 was primarily due to increased losses due to downward revisions in estimates from an existing joint venture, partially offset by increased profits from new and existing joint ventures, partially offset by a net negative impact from revisions in estimates on one project. (See Note 3 of “Notes to the Consolidated Financial Statements”).

Prior Years Comparison (2021 to 2020)

***Revenue*:** Construction revenue in 2021decreased $105.5 million, or 3.3%, compared to 2020 primarily due to lower CAP in the California operating group and inclement weather conditions in California near the end of 2021. Lower CAP was reflective of an extended competitive bidding environment that existed through the first half of 2021. Additionally, the Central operating group revenue decreased as we remain disciplined in our project bidding selection criteria and certain projects neared completion. These decreases were partially offset by increases in the Mountain operating group primarily driven by increased demand for water supply and maintenance services and mineral exploration, as well as lower activity levels in 2020 as a result of the COVID-19 pandemic which caused delays in awarded projects and deferrals in bidding processes.

Materials revenue in 2021increased $44.9 million, or 11.8%, when compared to 2020 from increased volumes in both aggregates and asphalt sales combined with increased pricing in certain markets.

Gross Profit: Construction gross profit for the year ended December 31,2021increased by $23.1 million, or 8.2%, when compared to 2020 primarily due to a decrease in the negative net impact from revisions in estimates in our Central operating group ventures. (see Note 3 of “Notes to the Consolidated Financial Statements”), .

Prior Years Comparison (2022 to 2021)

See Item 7. Management’s Discussion and increased activity in water supply Analysis of Financial Condition and maintenance services and mineral exploration, partially offset by decreases in gross profit from our vertically-integrated businesses from an extended competitive bidding environment.

Materials gross profit for the year ended December 31,2021decreased by $5.2 million, or 8.1%, when compared to 2020 driven primarily by higher fuel and liquid asphalt costs in 2021 compared to 2020 combined with lower volumes in California due to inclement weather during the fourth quarter Results of 2021.

Selling, General and Administrative Expenses: Selling expenses for 2021decreased $8.8 million, or 10.3%, compared to 2020 primarily due to reduced estimating and bidding activity following the implementation of our new project bidding selection criteria. General and administrative expenses were relatively flat year over year.

Non-cash Impairment Charges: The change during 2021 was primarily due to goodwill impairment charges as well as an impairment Operations in our investment in affiliates in 2020.

Other Costs: Other costs for the year ended December 31,2021increased by $64.3 million when compared to 2020 primarily due to $66.0 million in net settlement charges incurred during 2021 as further described in Note 20 of "Notes to the Consolidated Financial Statements." Other costs also decreased by $13.5 million in 2021 due to a reduction in non-recurring legal and accounting fees. The majority of these non-recurring fees related to the lawsuits discussed in Note 20 of "Notes to the Consolidated Financial Statements." This decrease in non-recurring legal and accounting fees was offset by increases of $3.3 million in personnel costs incurred in connection with our operating group reorganization and $8.5 million of divestiture expenses related to the planned sale of the businesses within our former WMS operating group during 2021.

Gain 2022 Annual Report* on *Sales of Property and Equipment: Gain on Sales of Property and Equipment increased $59.5 million compared to 2020 primarily due to sales of properties in California related to our ongoing asset optimization plan.

Other (Income) Expense: Interest income for 2021decreased $1.9 million, or 62.0%, compared to 2020 primarily due to the settlement of two notes receivable. Interest expense for 2021decreased $3.5 million, or 14.3%, when compared to 2020 as no amount was drawn on the revolver in 2021 and due to a decrease in the effective interest rate on our credit facility. Equity in income of affiliates for 2021increased $3.8 million, or 43.3%, compared to 2020 primarily due to an increase in income from our foreign affiliates, which was partially offset by a decrease in income from a real estate investment entity.

Income Taxes: Our tax rate increased from 0.2% to 89.1% when compared to 2020. The change in tax rate was due primarily to the tax expense associated Form 10-K filed with the non-cash impairment charges in 2020 (see Note 1 of "Notes to the Consolidated Financial Statements") and the income tax expense associated with the held for sale classification of the assets and liabilities of the former WMS operating group in 2021.

Amount Attributable to Non-controlling Interests: The change during 2021 was primarily due to a decrease in the net negative impact from revisions in estimates SEC on two projects (see Note 3 of "Notes to the Consolidated Financial Statements") February 21, 2023.

Liquidity and Capital Resources

Our primary sources of liquidity are cash and cash equivalents, investments, available borrowing capacity under our credit facility and cash generated from operations. We may also from time to time issue and sell equity, debt or hybrid securities or engage in other capital markets transactions or sell one or more business units or assets.

See Note 14 of the "Notes to the Consolidated Financial Statements" for information on our 2.75% Convertible Notes, our 3.75% Convertible Notes and our Credit Agreement.

Our material cash requirements include paying the costs and expenses associated with our operations, servicing outstanding indebtedness, making capital expenditures and paying dividends on our capital stock. We may also from time to time prepay or repurchase outstanding indebtedness and acquire assets or businesses that are complementary to our operations.

Our primary contractual obligations are as follows and are further discussed in the referenced "Notes to the Consolidated Financial Statements:"

-
    - Asset retirement obligations - see Note 11, *Property and Equipment, net*
    - Long-term debt and the associated interest payments – see Note 14, *Long-Term Debt*
    - Operating lease and royalty future minimum payments - see Note 15, *Leases*
    - Non-Qualified Deferred Compensation Plan obligations – see Note 16, *Employee Benefit Plans*

  Asset retirement obligations - see Note 11, *Property and Equipment, net*
- Long-term debt and the associated interest payments – see Note 14, *Long-Term Debt*
- Operating lease and royalty future minimum payments – see Note 15, *Leases*
- Non-Qualified Deferred Compensation Plan obligations – see Note 16, *Employee Benefit Plans*

In addition to the obligations referenced above, as of December 31, 2023 we had $18.6 million of purchase commitments for equipment and other goods and services not directly connected with our construction contracts, which are individually greater than $50,000 and have an expected fulfillment date after December 31, 2023. Of this, approximately $16.1 million and $2.5 million will be paid in 2024 and 2025, respectively. There are no material purchase commitments in the periods thereafter.

We believe our primary sources of liquidity will be sufficient to meet our expected working capital needs, capital expenditures, financial commitments, cash dividend payments, and other liquidity requirements associated with our existing operations for the next twelve months. We believe our primary sources of liquidity, access to the debt and equity capital markets and cash expected to be generated from operations will be sufficient to meet our long-term requirements and plans. However, there can be no assurance that sufficient capital will continue to be available or that it will be available on terms acceptable to us.

Cash, cash equivalents and marketable securities as of December 31, 2023 increased $93.6 million to $453.5 million from the prior year end. In addition to meeting our liquidity requirements listed above, our increased cash balances are expected to be used to invest in our business through strategic capital expenditures in 2024 and we will continue to explore acquisition opportunities in alignment with our strategic plan.

As of December 31,2022December 31, 2023, our cash and cash equivalents consisted of deposits and money market funds held with established national financial institutions and marketable securities consisting primarily of U.S. Government and agency obligations and corporate commercial paper.

At the end of the second quarter of obligations.

In June 2022, we had $16.5 million of past due receivables and $27.1 million of contract retention receivable from Brightline Trains Florida LLC ("Brightline") and they were experiencing delays in securing additional funding at that time. During the third quarter of 2022, Brightline obtained additional funding and paid their past due receivables balances. As of December 31,2022, we had $6.8 million of receivables and $28.4 million of contract retention receivable from Brightline (see Note 6 of "Notes to the Consolidated Financial Statements"). $3.4 million of the receivables were past due as of December 31, 2022 but were paid in January 2023. Brightline continues to experience challenges and delays in securing additional funding. As of the date of this report, the remaining $3.4 million that was due in January is past due and $2.8 million has been billed since December 31, 2022. The timing and probability of future payments may be affected and our liquidity impacted if Brightline faces additional funding difficulties.

During the first half of 2022, we prepaid 100% of our outstanding term loan and replaced the Third Amended and Restated Credit Agreement dated May 31, 2018 with entered into the Fourth Amended and Restated Credit Agreement (the "Credit Agreement") maturing June 2, 2027. The Credit Agreement is a $350.0 million senior secured, five-year revolving credit facility (the “Revolver”). In November 2023, we entered into Amendment No. 2 (the "Amendment") to the Credit Agreement which provided for a

$150 million senior secured term loan (the “Term Loan”). As of December 31, 2022December 31, 2023, the total unused availability under the our Credit Agreement was $269.3 million, $230.7 million, resulting from $30.7 million $19.3 million in issued and outstanding letters of credit and $50.0 million $100.0 million drawn under on the Revolver. See Note 14 of “Notes to the Consolidated Financial Statements” for further discussion regarding the Revolver.

As of December 31, 2023, we had $2.0 million of receivables and $29.1 million of contract retention receivables from Brightline Trains Florida LLC ("Brightline") (see Note 6 of “Notes to the Consolidated Financial Statements”). As of the date of this report, $1.9 million of the receivables outstanding at year-end have been collected. Our project with Brightline is nearing completion and final payment, including the retention receivable, will be due to us no later than 40 days after all conditions of final completion are satisfied. We expect to achieve final completion in the first half of 2024; however, timing cannot be assured. Brightline has experienced delays in securing additional funding in the past, therefore the timing and probability of future payments may be affected, and our liquidity impacted if Brightline faces future funding difficulties.

In evaluating our liquidity position and needs, we also consider cash and cash equivalents held by our consolidated construction joint ventures (“CCJVs”). The following table presents our cash, cash equivalents and marketable securities, including amounts from our CCJVs, as of the respective dates:

December 31,		2022		2021
(in thousands)				
Cash and cash equivalents excluding CCJVs	$	191,444	$	302,864
CCJV cash and cash equivalents (1)		102,547		92,783
Total consolidated cash and cash equivalents		293,991		395,647
Short-term and long-term marketable securities (2)		65,943		15,600
Total cash, cash equivalents and marketable securities	$	359,934	$	411,247

December 31,		**2023**		**2022**
(in thousands)				
Cash and cash equivalents excluding CCJVs	$	297,439	$	191,444
CCJV cash and cash equivalents (1)		120,224		102,547
Total consolidated cash and cash equivalents		417,663		293,991
Short-term and long-term marketable securities (2)		35,863		65,943
Total cash, cash equivalents and marketable securities	$	453,526	$	359,934

(1) The volume and stage of completion of contracts from our CCJVs may cause fluctuations in joint venture cash and cash equivalents between periods. The assets of each consolidated and unconsolidated construction joint venture relate solely to that joint venture. The decision to distribute joint venture assets must generally be made jointly by a majority of the members and, accordingly, these assets, including those associated with estimated cost recovery of customer affirmative claims and back charge claims, are generally not available for the working capital needs of Granite until distributed.

(2) All marketable securities were classified as held-to-maturity and consisted of U.S. and agency obligations and corporate commercial paper as of all periods presented.

Granite’s portion of CCJV cash and cash equivalents was $62.5 million $73.1 million and $54.4 million $62.5 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. Excluded from the table above is:

- $40.4 million and $56.5 million as of December 31,2022 and 2021, respectively, in Granite’s portion of unconsolidated construction joint venture cash and cash equivalents and
- $16.5 million of cash and cash equivalents as of December 31,2021 that was included in current assets held for sale.

is $34.2 million and $40.4 million as of December 31, 2023 and 2022, respectively, in Granite’s portion of unconsolidated construction joint venture cash and cash equivalents.

Capital Expenditures

Major capital expenditures are typically for aggregate and asphalt production facilities, aggregate reserves, construction equipment, buildings and leasehold improvements and investments in our information technology systems. The timing and amount of such expenditures can vary based on the progress of planned capital projects, the type and size of construction projects, changes in business outlook and other factors. During the year ended December 31, 2022 December 31, 2023, we had capital expenditures of $121.6 million, $140.4 million, compared to $94.8 million $121.6 million during 2021 for 2022, an increase of $26.8 million. $18.8 million. The increase year over year is primarily due to acquisitions of materials reserves in 2022. 2023. We currently anticipate 2023 2024 capital expenditures to be between approximately $100 million $130 million and $120 million.

$150 million, including approximately $50 million in planned strategic materials investments in land, reserves and an aggregate plant. This range also includes approximately $20 million related to a project-specific tunnel boring machine.

Cash Flows

Years Ended December 31,	**2023**	**2022**	**2021**
(in thousands)			
Net cash provided by (used in):			

Operating activities	$	183,707	$	55,647	$	21,931
Investing activities	$	(359,290)	$	(11,000)	$	(21,478)
Financing activities	$	299,255	$	(164,311)	$	(24,446)

Cash Flows

Years Ended December 31,		2022		2021		2020
(in thousands)						
Net cash provided by (used in):						
Operating activities	$	55,647	$	21,931	$	268,460
Investing activities	$	(11,000)	$	(21,478)	$	(41,262)
Financing activities	$	(164,311)	$	(24,446)	$	(57,658)

Operating activities

As a large infrastructure contractor and construction materials producer, our revenue, gross profit and the resulting operating cash flows can differ significantly from period to period due to a variety of factors, including seasonal cycles, project progression toward completion, outstanding contract change orders and affirmative claims, and the payment terms of our contracts. Additionally, operating cash flows are impacted by the timing related to funding construction joint ventures and the resolution of uncertainties inherent in the complex nature of the work that we perform, including claim and back charge settlements. Our working capital assets result from both public and private sector projects. Customers in the private sector can be slower paying than those in the public sector; however, private sector projects generally have higher gross profit as a percentage of revenue. While we typically invoice our customers on a monthly basis, our contracts frequently provide for retention that is a specified percentage withheld from each payment by our customers until the contract is completed and the work accepted by the customer.

Cash provided by operating activities of $55.6 $183.7 million during 2022 2023 represents a $33.7 $128.1 million increase in cash provided by operating activities when compared to 2021. 2022. The change was primarily due to a $105.1 million $73.6 million increase in cash provided by net income after adjusting for non-cash items and a $76.6 million decrease in cash provided by working capital. The decrease in cash provided by working capital, was primarily due to an increase in which includes receivables, net contract assets, largely due inventories, other assets, accounts payable and accrued expenses and other liabilities. Additionally, distributions from, net of contributions to, unresolved disputed work, as well as unconsolidated joint ventures and affiliates increased retention balances related to certain ongoing projects. This was partially offset by a decrease in receivables due to improvement in our billing and collection timing.

$42.6 million from 2022.

Investing activities

Cash used in investing activities of $11.0$359.3 million during 20222023 represents a $10.5$348.3 million decreaseincrease in cash used in investing activities when compared to 2021. 2022. The change was primarily due to the acquisition of LRC/MSG which resulted in a $294.0 million cash outflow during 2023. In addition, net cash used in investing activities in 2022 included $140.6 million of proceeds from the sale of the Inliner business in March 2022, 2022. These changes were partially offset by a decrease in proceeds from sales of property and equipment as well as increased decreased purchases of marketable securities and property and equipment in the current year.

Financing activities

Cash used in provided by financing activities of $164.3$299.3 million during 20222023 represents a $139.9$463.6 million increase in cash provided by financing activities when compared to 2021. 2022. The change was primarily due to a $150.0 million increase in cash provided by our Revolver and Term Loan. The change was also due to the prepayment in the prior year of our term loan of $123.8 million, which did not recur this year. In addition, net cash inflows related to our convertible bond transactions in the first half of 2022 and repurchases of common stock (inclusive of our accelerated share repurchase) of $70.9 million, partially offset by $50.0 million drawn on our Revolver. The net debt paydown was completed at the time the Credit Agreement was entered (see 2023 generated $98.8 million in cash. See Note 14 to "Notes to the Consolidated Financial Statements" for further information), information about our long-term debt transactions and our credit facility.

The year over year increase in cash provided by financing activities was also due to bring our $66.8 million less cash balance in line with projected cash needs used for the rest repurchases of 2022.

common stock and higher contributions from non-controlling partners, net of distributions, of $24.5 million.

Derivatives

Derivatives

We recognize derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value using Level 2 inputs. See Note 8 to "Notes to the Consolidated Financial Statements" for further information. The hedge option and warrant derivative transactions related to the 2.75% Convertible Notes and the Capped Call transactions related to the 3.75% Convertible Notes were recorded to equity on our condensed consolidated balance sheets based on the cash proceeds. See Note 14 to "Notes to the Consolidated Financial Statements" for further information.

Surety Bonds and Real Estate Mortgages

We are generally required to provide various types of surety bonds that provide an additional measure of security for our performance under certain public and private sector contracts. At December 31, 2022 December 31, 2023, approximately $2.5 $3.2 billion of our $4.5 billion $5.5 billion CAP was bonded. Performance bonds do not have stated expiration dates; rather, we are generally released from the bonds after the owner accepts the work performed under contract. The ability to maintain bonding capacity to support our current and future level of contracting requires that we maintain cash and working capital balances satisfactory to our sureties.

Our investments in real estate affiliates are subject to mortgage indebtedness. This indebtedness is non-recourse to Granite but is recourse to the real estate entities. The terms of this indebtedness are typically renegotiated to reflect the evolving nature of the real estate projects as they progress through acquisition, entitlement and development. Modification of these terms may include changes in loan-to-value ratios requiring the real estate entity to repay portions of the debt. The debt associated with our unconsolidated non-construction entities is included in Note 10 of "Notes to the Consolidated Financial Statements."

Covenants and Events of Default

Our Credit Agreement requires us to comply with various affirmative, restrictive and financial covenants, including the financial covenants described below. Our failure to comply with these covenants would constitute an event of default under the Credit Agreement. Additionally, the 2.75% Convertible Notes and 3.75% Convertible Notes are governed by the terms and conditions of the indenture. their respective indentures. Our failure to pay principal, interest or other amounts when due or within the relevant grace period on our 2.75% Convertible Notes, our 3.75% Convertible Notes or our Credit Agreement would constitute an event of default under the 2.75% Convertible Notes indenture, the 3.75% Convertible Note indenture or the Credit Agreement. A default under our Credit Agreement could result in (i) us no longer being entitled to borrow under such facility; (ii) termination of such facility; (iii) the requirement that any letters of credit under such facility be cash collateralized; (iv) acceleration of amounts owed under the Credit Agreement; and/or (v) foreclosure on any lien collateral securing the obligations under such facility. A default under the 2.75% Convertible Notes indenture or the 3.75% Convertible Notes indenture could result in acceleration of the maturity of the notes.

The most significant Credit Agreement contains certain affirmative and restrictive covenants, and customary events of default. The financial covenants under include a maximum Consolidated Leverage Ratio (as defined in the terms of our Credit Agreement require the maintenance of Agreement) and a minimum Consolidated Interest Coverage Ratio and a maximum Consolidated Leverage Ratio. (as defined in the Credit Agreement). As of December 31,2022December 31, 2023, we were in compliance with the Consolidated Leverage Ratio was 1.46, which did not exceed covenants in the maximum of 3.25. Our Consolidated Interest Coverage Ratio was 15.06, which exceeded the minimum of 3.00.

Credit Agreement.

Share Purchase Program

As announced on February 3, 2022, on February 1, 2022, the Board of Directors authorized us to purchase up to $300.0 million of our common stock at management's discretion. In March 2022 we repurchased 611,000 discretion (the "2022 authorization"). We did not purchase shares under this authorization.

On May 2, 2022 the share purchase program in 2023. As of December 31, 2023, we entered into an accelerated share repurchase transaction with Bank of Montreal. The Accelerated Share Repurchase was entered into pursuant to the existing share repurchase program. On May 2, 2022, we paid $50.0 million to the bank and received 80% $231.5 million of the notional amount, or $40.0 million, in shares using the closing price on the trade date. This equated to approximately 1.32 million shares, which were immediately retired. On August 31, 2022, the reference period ended and on September 2, 2022 we received an additional 0.37 million shares, which were immediately retired. The final share delivery was based on the average of the daily volume-weighted average price of Granite's common stock, less a discount, during the reference period. The average price of all shares purchased under the Accelerated Share Repurchase was $29.63.

2022 authorization remained available.

The specific timing and amount of any future repurchases will vary based on market conditions, securities law limitations and other factors.

Recently Issued and Adopted Accounting Pronouncements

See Note 1 of "Notes to the Consolidated Financial Statements" under the caption Recently Issued and Adopted Accounting Pronouncements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We maintain an investment portfolio of various holdings, types and maturities. We purchase instruments that meet high credit quality standards, as specified in our investment policy. Our investment policy also limits the amount of credit exposure to any one issue, issuer or type of instrument. The portfolio and accompanying cash balances are targeted to an average maturity of no more than one year from the date the purchase is settled. On an ongoing basis we monitor credit ratings, financial condition and other factors that could affect the carrying amount of our investment portfolio.

Marketable securities, consisting of U.S. government and agency obligations, are classified as held-to-maturity and are stated at cost, adjusted for amortization of premiums and discounts to maturity.

Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of cash and cash equivalents, marketable securities, and accounts receivable. We maintain our cash and cash equivalents and our marketable securities with several financial institutions.

Given the short-term nature of certain investments, the related income is subject to the general level of interest rates in the United States at the time of maturity and reinvestment. We manage investment interest rate market risk primarily by managing portfolio maturity. The fair value of our long-term held-to-maturity investment portfolio may be affected by changes in interest rates.

Operating in international markets involves exposure to possible volatile movements in currency exchange rates. In the third quarter of 2023 we began the wind down of our international Minerals Services operations which operated in Mexico and Canada. Our Mountain operating group has Materials Segment continues to have international operations in Mexico and Canada. We also have affiliates that operate in Latin America (see Note 10 of "Notes to the Consolidated Financial Statements"). The majority of the customer contracts in Mexico are U.S. dollar-based, reducing the exposure to currency fluctuations. As of December 31, 2022 December 31, 2023, we do not have any outstanding foreign currency option contracts. If the volume of our international operations increases and foreign currency exchange rates change, the impact to our consolidated statements of operations could be significant and may affect year-to-year comparability of operating results. The impact from foreign currency transactions during 2023, 2022, 2021 and 2020 2021 was immaterial.

Due to the adoption of ASU 2020-06 (see Note 1 of "Notes to the Consolidated Financial Statements"), we did not record amortization of debt discount related to our 2.75% Convertible Notes during 2022. As of December 31,2022 and 2021, the balance in long-term debt in our consolidated balance sheets of the 2.75% Convertible Notes, excluding debt issuance costs, and including $14.8 million of amortized debt discount in 2021, was $230.0 million and $207.4 million, respectively. As of December 31,2021, the remaining unamortized debt discount was $22.6 million but was reduced to zero upon adoption of ASU 2020-06 on January 1, 2022.

We may borrow on the Revolver, at our option, at either (a) the SOFR term rate plus a credit adjustment spread plus applicable margin ranging from 1.0% to 2.0%, or (b) a base rate plus an applicable margin ranging from 0.0% to 1.0%. The applicable margin is based on our Consolidated Leverage Ratio (as defined in our Credit Agreement), calculated quarterly.

As of December 31,2022December 31, 2023, there was $50.0$100 million drawn under on the Revolver.

See Note 14 of “Notes to the Consolidated Financial Statements” for further discussion on the 2.75% Convertible Notes, 3.75% Convertible Notes and Credit Agreement.

The table below presents principal amounts due by year and related weighted average interest rates for our cash and cash equivalents, held-to-maturity investments and significant debt obligations, excluding debt issuance costs, as of December 31, 2022 December 31, 2023 (dollars in thousands):

	2023	2024	2025	2026	2027	Thereafter	Total
Assets							
Cash, cash equivalents, held-to-maturity investments	$ 333,365	$ 26,569	$ —	$ —	$ —	$ —	$ 359,934
Weighted average interest rate	3.83 %	1.51 %	— %	— %	— %	— %	3.66 %
Liabilities							
Fixed rate debt							
Credit Agreement Revolver Loan	$ —	$ —	$ —	$ —	$ 50,000	$ —	$ 50,000
Effective interest rate (1)	5.92 %	5.92 %	5.92 %	5.92 %	5.92 %	— %	5.92 %
2.75% Convertible Notes	$ —	$ 230,000	$ —	$ —	$ —	$ —	$ 230,000
Coupon rate	2.75 %	2.75 %	— %	— %	— %	— %	2.75 %

	2024	2025	2026	2027	2028	Thereafter	Total
Assets							
Cash, cash equivalents, held-to-maturity investments	$ 453,526	$ —	$ —	$ —	$ —	$ —	$ 453,526
Weighted average interest rate	4.89 %	— %	— %	— %	— %	— %	4.89 %
Liabilities							
Debt							
Credit Agreement Revolver Loan	$ —	$ —	$ —	$ 100,000	$ —	$ —	$ 100,000
Effective interest rate (1)	7.46 %	7.46 %	7.46 %	7.46 %	— %	— %	7.46 %
Credit Agreement Term Loan	$ 7,500	$ 7,500	$ 7,500	$ 127,500	$ —	$ —	$ 150,000
Effective interest rate (2)	6.65 %	6.65 %	6.65 %	6.65 %	— %	— %	6.65 %
3.75% Convertible Notes	$ —	$ —	$ —	$ —	$ 373,750	$ —	$ 373,750
Coupon rate	3.75 %	3.75 %	3.75 %	3.75 %	3.75 %	— %	3.75 %
2.75% Convertible Notes	$ 31,338	$ —	$ —	$ —	$ —	$ —	$ 31,338
Coupon rate	2.75 %	— %	— %	— %	— %	— %	2.75 %

(1) The effective interest rate was calculated using one-month SOFR plus 10 basis points plus the applicable margin. Future

(2) The effective interest payments may differ from actual results. rate was calculated using a blended rate based on the fixed rate associated with the cash flow hedge (see Note 8 of “Notes to the Consolidated Financial Statements”)

of 3.73% plus 10 basis points plus applicable margin and the one-month SOFR plus 10 basis points plus the applicable margin for the remaining amount of the Term Loan not covered by the hedge.

The estimated fair value of our cash and cash equivalents approximates the principal amounts reflected above based on the generally short maturities of these financial instruments. The fair value of the 3.75% Convertible Notes was approximately $475.6 million as of December 31, 2023. The fair value of 2.75% Convertible Notes was approximately $281.4 million $51.0 million and $313.8 million $281.4 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements of Granite the supplementary data and the independent registered public accounting firm's report are incorporated by reference from Part IV, Item 15(a)(1) and (2):

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

As disclosed in the Explanatory Note and in Supplementary Data included in Part IV, Item 15(a) of this Form 10-K, we are restating our unaudited quarterly financial information for the first three quarters of the year ended December 31, 2022 to correct (a) errors related to deferred taxes and the calculation of income tax expense in connection with the sale of Inliner, which was completed in the first quarter of 2022 and was classified within discontinued operations in the Company's condensed consolidated statement of operations during the first and second quarters of 2022 and (b) other immaterial errors, including certain errors that had previously been adjusted for as out of period corrections. The errors were identified by management in connection with the preparation of this Form 10-K- through our annual review control processes.

Evaluation of Disclosure Controls and Procedures

Our

Based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and or 15d-15(e) under of the Securities Exchange Act Act) as required by paragraph (b) of 1934, as amended (the "Exchange Act")) are designed to provide reasonable assurance that information required to be disclosed by us in reports we file Rule 13a-15 or submit under Rule 15d-15 of the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Our management, including our principal executive and principal financial officers, officer have conducted an evaluation of the effectiveness of concluded that our disclosure controls and procedures were effective as of December 31, 2023, the end of the period covered by this report and, based on their evaluation, our principal executive and principal financial officers have concluded our disclosure controls and procedures were not effective as of December 31, 2022, due to the material weakness in our internal control over financial reporting, as further described below.

In connection with our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2022, June 30, 2022 and September 30, 2022, filed on April 28, 2022, July 28, 2022 and October 27, 2022, respectively, management evaluated the effectiveness of the Company's disclosure controls and procedures as of March 31, 2022, June 30, 2022 and September 30, 2022. Based upon those evaluations, our principal executive and principal financial officers concluded that the Company's disclosure controls and procedures were effective as of those dates. Subsequent to those evaluations our principal executive and principal financial officers re-evaluated the effectiveness of the Company's disclosure controls and procedures and concluded that our disclosure controls and procedures were not effective as of March 31, 2022, June 30, 2022 and September 30, 2022, because of the material weakness described below.

report.

Management nonetheless determined that the consolidated financial statements and related financial information included in this Form 10-K fairly present in all material respects our financial condition, results of operations and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with

accounting principles generally accepted in the United States of America ("U.S. GAAP"). Management's determination is based on a number of factors, including, but not limited to, management's performance of extensive analysis and other post-closing procedures as of and for the year ended December 31, 2022.

Management's Report on Internal Control Over Financial Reporting

Our management, including our principal executive and principal financial officers, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d -15(f). Internal control over financial reporting is defined as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Our management, under the supervision and with the participation of our principal executive and principal financial officers, has conducted an evaluation of the effectiveness of our internal control over financial reporting, using the criteria established in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management determined, based upon the existence of the material weakness described below, concluded that we did not maintain effective our internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

A material weakness is a deficiency, or a combination

The scope of deficiencies, in our assessment of the effectiveness of our internal control over financial reporting such that there is a reasonable possibility that a material misstatement did not include LRC/MSG as we acquired them on November 30, 2023. The tangible assets acquired from LRC/MSG were 5% of consolidated assets as of December 31, 2023 and revenues were less than 1% of consolidated revenue during the year ended December 31, 2023. We excluded LRC/MSG from the scope of our annual or interim financial statements will not assessment in accordance with the Securities and Exchange Commission's guidance that allows a recently acquired business to be prevented or detected on a timely basis.

We did not design an effective control to assess omitted from the impact of significant and unusual discrete items on the interim tax provision, such as the divestiture of a business. This material weakness resulted in the misstatement of our income tax expense, other costs, net and income tax payable, and in the restatement scope of the Company's unaudited quarterly financial information assessment for one year from the Restated Periods. Additionally, this material weakness could result in a misstatement date of the aforementioned account balances or disclosures that would result in a material misstatement to the interim consolidated financial statements that would not be prevented or detected.

its acquisition.

PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2022 December 31, 2023. The Their report is included in Part IV, Item 15(a) of this Form 10-K under the heading "Report of Independent Registered Public Accounting Firm."

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter ended December 31, 2022.

Remediation Plan

Management is committed to implementing changes to our internal control over financial reporting to ensure that the material weakness is remediated. We have evaluated the impact of the material weakness and will implement the following changes:

- We will enhance our accounting for income tax controls on an interim basis to include specific activities to assess the impacts of significant and unusual transactions, such as divestitures of a business.
- We will add additional reviews and approvals of the quarterly effective tax rate calculations with regard to significant and unusual transactions to ensure such discrete tax items are appropriately identified and accounted for accurately within the appropriate interim period.

While we believe that these actions will remediate the material weakness, we have not completed all of the corrective processes, procedures and related evaluation or remediation that we believe are necessary. As we continue to evaluate and work to remediate the material weakness, we may take additional measures to address the material weakness.

Until the remediation steps set forth above, including the efforts to implement the necessary control activities we identify, are fully implemented and concluded to be operating effectively for a sufficient period of time, the material weakness described above will not be considered remediated.

reporting.

Item 9B. OTHER INFORMATION

None.

Trading Arrangements

During the three months ended December 31, 2023, none of our directors or officers, as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required in response to this Item 10 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 11. EXECUTIVE COMPENSATION

The information required in response to this Item 11 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required in response to this Item 12 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required in response to this Item 13 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required in response to this Item 14 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

1. **Financial Statements.** The following consolidated financial statements and related documents are filed as part of this report:

Financial Statements	Page
Financial Statements	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	F-F-1 1 to F-2 F-3
Consolidated Balance Sheets	F-F- 3 4
Consolidated Statements of Operations	F-F- 4 5
Consolidated Statements of Comprehensive Income (Loss)	F-F- 5 6
Consolidated Statements of Shareholders’ Equity	F-F- 6 7
Consolidated Statements of Cash Flows	F-F- 7 9
Notes to the Consolidated Financial Statements	F-F- 8 11 to F- 33 F-42
Supplementary Data	F-34 to F-43

2. Financial Statement Schedules. Schedules are omitted because they are not required or applicable, or the required information is included in the Financial Statements or related notes.

3. Exhibits. The Exhibits exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of, or furnished with, this report.

(b)

INDEX TO 10-K EXHIBITS

Exhibit No.		**Exhibit Description**
2.1	*	Agreement and Plan of Merger by and among Granite Construction Incorporated, Layne Christensen Company and Lowercase Merger Sub Incorporated, dated as of February 13, 2018 [Exhibit 2.1 to the Company's

			Form 8-K filed on February 14, 2018]
2.2	*	Purchase Agreement, dated February 2, 2022, by and among Layne Heavy Civil, Inc., Granite Construction International, Granite Construction Incorporated, Inland Pipe Rehabilitation LLC and 1000097155 Ontario Inc. [Exhibit 2.1 to the Company's Form 8-K filed on February 3, 2022]	
3.1 2.2		*	Equity Purchase Agreement by and among Granite Construction Incorporated, Roberts Family Companies, Inc., Lehman-Roberts Company, Memphis Stone & Gravel Company, Patrick Nelson, as sellers' representative, and the entities and individuals party thereto [Exhibit 2.1 to the Company's Current Report on Form 8-K filed on December 5, 2023]
3.1		*	Certificate of Incorporation of Granite Construction Incorporated, as amended [Exhibit 3.1.b to the Company's Form 10-Q for the quarter ended June 30, 2006]
3.2		*	Certificate of Amendment to the Certificate of Incorporation of Granite Construction Incorporated [Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 9, 2023]

3.3	*	Amended and Restated Bylaws of Granite Construction Incorporated [Exhibit 3.1 to the Company's Form 8-K filed on November 15, 2011April 7, 2023]
4.1	*	Indenture (including Form of Note) with respect to Granite Construction Incorporated's 2.75% Convertible Senior Notes due 2024, dated November 1, 2019, by and between Granite Construction Incorporated and Wilmington Trust, National Association, as trustee [Exhibit 4.1 to the Company's Form 8-K filed on November 1, 2019]
4.2	*	Indenture (including Form of Note) with respect to Granite Construction Incorporated's 3.75% Convertible Senior Notes due 2028, dated May 11, 2023, by and between Granite Construction Incorporated and Wilmington Trust, National Association, as trustee [Exhibit 4.1 to the

		4.1 to the Company's Form 8-K filed on May 11, 2023]
4.3	*	Description of Common Stock [Exhibit 4.2 to the Company's Form 10-K for the year ended December 31, 2019]
10.1	†***	Key Management Deferred Compensation Plan II, as amended and restated [Exhibit 10.1 to the Company's Form 10-Q for the quarter ended March 31, 2010]
10.2	*** **	Form of Amended and Restated Director and Officer Indemnification Agreement [Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2002]
10.3	*** **	Granite Construction Incorporated Annual Incentive Plan adopted by the Board of Directors on March 30, 2022 [Exhibit 10.1 to the Company's Form 8-K filed on April 1, 2022]
10.4	*** **	Form of Annual Incentive Plan Participation Agreement

			[Exhibit 10.2 to the Company's Form 8-K filed on April 1, 2022]
10.5		*** **	Granite Construction Incorporated Long Term Incentive Plan effective January 1, 2010, as amended [Exhibit 10.24 to the Company's Form 10-K for the year ended December 31, 2011]
10.6	***	Amendment No. 2 to the Granite Construction Incorporated Long Term Incentive Plan effective January 1, 2012 [Exhibit 10.25 to the Company's Form 10-K for the year ended December 31, 2011]	
10.7	***	Granite Construction Incorporated 2012 Equity Incentive Plan [Exhibit 10.1 to the Company's Form 8-K filed on May 25, 2012]	
10.8 10.6		***	Form of Non-Employee Director Restricted Stock Unit Agreement effective May 22, 2012 (2012 Equity Incentive Plan) [Exhibit 10.2 to the Company's Form 8-K filed on May 25, 2012]
10.9	***	Granite Construction Incorporated NEO LTIP Awards Form of Restricted Stock Unit Agreement (Vesting on Date of Grant) (2012 Equity Incentive Plan) [Exhibit 10.30 to the Company's Form 10-K for the year ended December 31, 2012]	
10.10	***	Granite Construction Incorporated Form of Restricted Stock Unit Agreement (3 Year Vesting Schedule) (2012 Equity Incentive Plan) [Exhibit 10.31 to the Company's Form 10-K for the year ended December 31, 2012]	
10.11	*	Fourth Amended and Restated Credit Agreement, dated June 2, 2022, by and among Granite Construction Incorporated, Granite Construction Company, GILC Incorporated, Bank of America, N.A., as Administrative Agent, Collateral Agent, Swing Line Lender and L/C Issuer, and the lenders and other parties thereto [Exhibit 10.1 to the Company's Form 8-K filed on June 6, 2022]	

10.12 10.7	*	Amendment No. 1 to Fourth Amended and Restated Credit Agreement, dated May 8, 2023, by and among the Company, Granite Construction Company, and GILC Incorporated, as borrowers, Bank of America, N.A., as administrative agent, and the lenders party thereto [Exhibit 10.1 to the Company's Form 8-K filed on May 9, 2023]
10.8	*	Amendment No. 2 to Fourth Amended and Restated Credit Agreement, dated November 30, 2023, by and among the Company, Granite Construction Company and GILC Incorporated, as borrowers, Layne Christensen Company, as a guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent [Exhibit 10.1 to the Company's Form 8-K filed on December 5, 2023]

10.9	*	Fourth Amended and Restated Guaranty Agreement, dated June 2, 2022, by and among Granite Construction Incorporated, the guarantors party thereto and Bank of America, N.A., as Administrative Agent [Exhibit 10.2 to the Company's Form 8-K filed on June 6, 2022]
10.13 10.10	*	Form of Bond Hedge Confirmation [Exhibit 10.1 to the Company's Form 8-K filed on November 1, 2019]
10.14 10.11	*	Form of Warrant Confirmation [Exhibit 10.2 to the Company's Form 8-K filed on November 1, 2019]
10.15 10.12	*	Form of Capped Call Confirmation [Exhibit 10.1 to the Company's Form 8-K filed on May 11, 2023]

10.13	†***	Executive Retention and Severance Plan III and Participation Agreement [Exhibit 10.1 to the Company's Form 8-K filed on March 30, 2020] ,as amended

Exhibit No.		Exhibit Description
10.16 10.14	*** **	Long Term Incentive Plan, effective January 1, 2020 [Exhibit 10.2 to the Company's Form 8-K filed on March 30, 2020]
10.17 10.15	*** **	LTIP Award Agreement (2020 Long Term Incentive Plan) [Exhibit 10.3 to the Company's Form 8-K filed on March 30, 2020]
10.18 10.16	*** **	Retirement and Transition Agreement dated October 20, 2020 by and between the Company and Mr. Roberts [Exhibit 10.1 to the Company's Form 8-K filed on October 23, 2020]
10.20	***	Granite Construction Incorporated 2021 Equity Incentive Plan [Exhibit 10.2 to the Company's Form 8-K filed on June 4, 2021]
10.21 10.17	*** **	Form of Non-Employee Director Restricted Stock Unit Agreement (2021 Equity Incentive Plan) [Exhibit 10.3 to the Company's Form 8-K filed on June 4, 2021]
10.22 10.18	*** **	Form of Employee Service Award Restricted Stock Unit Agreement (2021 Equity Incentive Plan) [Exhibit 10.4 to the Company's Form 8-K filed on June 4, 2021]
10.23 10.19	*** **	Form of Employee TSR Award Restricted Stock Unit Agreement (2021 Equity Incentive Plan) [Exhibit 10.5 to the Company's Form 8-K filed on June 4, 2021]
10.2410.20	* **	Stipulation and Form of Executive Officer Acknowledgement & Agreement of Settlement, dated as of April 29, 2021 Pertaining to the Granite Construction Incorporated Clawback Policy [Exhibit 10.1 10.2 to the Company's Form 8-K filed on April 30, 2021 October 13, 2023]
10.2510.21	*	Notice of Pendency and Proposed Settlement of Actions [Exhibit 99.1 to the Company's Form 8-K filed on June 9, 2022]

Exhibit No.	Exhibit Description		
21 19		†	Insider Trading Policy
21		†	List of Subsidiaries of Granite Construction Incorporated

23.1	†	Consent of PricewaterhouseCoopers LLP
31.1	†	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	†	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	††	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95	†	Mine Safety Disclosure
101.INS 97	† * **	Clawback Policy [Exhibit 10.1 to the Company'sForm 8-K filed on October 13, 2023]
101.INS	†	Inline XBRL Instance Document
101.SCH	†	Inline XBRL Taxonomy Extension Schema
101.CAL	†	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	†	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	†	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	†	Inline XBRL Taxonomy Extension Presentation Linkbase
104	†	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, formatted in Inline XBRL (included within the Exhibit 101 attachments).

* Incorporated by reference

** Compensatory plan or management contract
† Filed herewith
†† Furnished herewith

* Incorporated by reference

** Compensatory plan or management contract

† Filed herewith

†† Furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRANITE CONSTRUCTION INCORPORATED

By: /s/ Elizabeth L. Curtis

Elizabeth L. Curtis

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: February 21, 2023

February 22, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities indicated and on the dates indicated.

/s/ Michael F. McNally	February 21, 2023 22, 2024
Michael F. McNally, Chairman of the Board and Director	
/s/ Kyle T. Larkin	February 21, 2023 22, 2024
Kyle T. Larkin, President, Chief Executive Officer and Director (Principal Executive Officer)	
/s/ Elizabeth L. Curtis	February 21, 2023 22, 2024
Elizabeth L. Curtis, Executive Vice President and Chief Financial Officer (Principal Financial Officer)	
/s/ Staci M. Woolsey	February 21, 2023 22, 2024
Staci M. Woolsey, Chief Accounting Officer (Principal Accounting Officer)	
/s/ Louis E. Caldera	February 21, 2023 22, 2024
Louis E. Caldera, Director	
/s/ Molly C. Campbell	February 21,

	2023 22, 2024
Molly C. Campbell, Director	
/s/ David C. Darnell	February 21, 2023 22, 2024
David C. Darnell, Director	
/s/ Patricia D. Galloway	February 21, 2023 22, 2024
Patricia D. Galloway, Director	
/s/ David H. Kelsey	February 21, 2023
David H. Kelsey, Director	
/s/ Alan P. Krusi	February 21, 2023 22, 2024
Alan P. Krusi, Director	
/s/ Jeffrey J. Lyash	February 21, 2023
Jeffrey J. Lyash, Director	
/s/ Celeste B. Mastin	February 21, 2023 22, 2024
Celeste B. Mastin, Director	
/s/ Laura M. Mullen	February 21, 2023 22, 2024
Laura M. Mullen, Director	
/s/ Gaddi H. Vasquez	February 21, 2023
Gaddi H. Vasquez, Director	

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Granite Construction Incorporated

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Granite Construction Incorporated and its subsidiaries (the "Company") as of December 31, 2022 December 31, 2023, and 2021, 2022,and the related consolidated statements of operations, of comprehensive income (loss), of shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements").We also have audited the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control - Integrated Framework*(2013)issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidatedfinancial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022**,** and the results of itsoperations and itscash flows for each of the three years in the period ended December 31, 2022 December 31, 2023in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control - Integrated*

Framework(2013)issued by the COSO because a material weakness in internal control over financial reporting existed as of that date related to not designing an effective control to assess the impact of significant and unusual discrete items on the interim tax provision, such as the divestiture of a business.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the 2022 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in management's report referred to above.. Our responsibility is to express opinions on the Company's consolidatedfinancial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidatedfinancial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidatedfinancial statements included performing procedures to assess the risks of material misstatement of the consolidatedfinancial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidatedfinancial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidatedfinancial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Lehman-Roberts Company ("LRC") and Memphis Stone and Gravel Company ("MSG") from its assessment of internal control over financial reporting as of December 31, 2023, because it was acquired by the Company in a purchase business combination during 2023. We have also excluded LRC and MSG from our audit of internal control over financial reporting. LRC and MSG are wholly-owned subsidiaries whose total tangible assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent 5% and less than 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2023.

Critical Audit Matters

The critical audit matter matters communicated below is a matter are matters arising from the current period audit of the consolidated financial statements that was were communicated or required to be communicated to the audit committee and that (i) relates relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidatedfinancial statements, taken as a whole, and we are not, by communicating the critical audit matter matters below, providing a separate opinion opinions on the critical audit matter matters or on the accounts or disclosures to which it relates.

they relate.

Revenue Recognition - Estimates of the forecasted revenue Forecasted Revenue and costs Costs to complete Complete for multi-year fixed price contracts Multi-Year Fixed Price Contracts in the construction segment

Construction Segment

As described in Notes 1, 3, and 4 to the consolidated financial statements, the revenue for the construction segment for the year ended December 31, 2022 December 31, 2023 was $2,802 million $2,992.3 million, a portion of which related to multi-year fixed price contracts. Revenue in the construction Construction segment is ordinarily recognized over time as control is transferred to the customers by measuring the progress toward complete satisfaction of the performance obligation(s) using an input (i.e., cost to cost) method. Under the cost to cost method, costs incurred to-date are generally the best depiction of transfer of control. The accuracy of the Company's revenue and profit recognition in a given period depends on the accuracy of management's estimates of the forecasted revenue and cost to complete each project. Cost estimates for all significant projects use a detailed bottom up approach in which there are a number of factors that can contribute to changes revisions in estimates of contract cost and profitability. Provisions for losses are recognized at the uncompleted performance obligation level for the amount of total estimated losses in the period that evidence indicates that the estimated total cost of a performance obligation exceeds its estimated total revenue. The estimates of transaction price and costs to complete can vary significantly in the normal course of business as projects progress, circumstances develop and evolve, and uncertainties are resolved. When the Company experiences significant revisions in estimates, management undergoes a process that includes reviewing the nature of the changes to ensure that no material amounts should have been recorded in a prior period rather than as a revision in estimate for the current period. Management generally uses the cumulative catch-up method for changes to the transaction price that are part of a single performance obligation. Under this method, revisions in estimates are accounted for in their entirety in the period of change.

The principal considerations for our determination that performing procedures relating to estimates of the forecasted revenue and costs to complete for multi-year fixed price contracts in the construction Construction segment and revisions in those estimates, is a critical audit matter are (i) the significant judgment by management in forecasting project when determining the estimates of forecasted revenue and costs to complete,

and revisions in those estimates and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to the management's estimates of forecasted revenue and costs to complete for multi-year fixed price contracts in the construction Construction segment, and revisions in those estimates.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over management's estimates of forecasted revenue and costs to complete for multi-year fixed price contracts in the construction Construction segment, and revisions in those estimates. These procedures also included, among others, for a sample of multi-year fixed price contracts, evaluating and testing management's process for determining the estimates of forecasted revenue and costs to complete, which included (i) assessing management's ability to reasonably estimate the forecasted revenue and costs to complete by evaluating management's methodology and assessing the consistency of management's approach over the life of the contract and (ii) evaluating the timely identification of circumstances that may warrant a modification to estimated forecasted revenue and costs to complete.

Acquisition of LRC/MSG – Valuation of the Customer Relationships Intangible Asset

As described in Note 2 to the consolidated financial statements, on November 30, 2023, the Company completed the acquisition of LRC/MSG for $278.0 million, subject to customary closing adjustments, plus an estimated amount related to tax make-whole agreements with the seller. Of the acquired intangible assets, $83.9 million of customer relationships were recorded. The fair value of customer relationships was estimated as of the acquisition date utilizing the multi-period excess earnings method. This method discounts to present value the projected cash flows attributable to the customer relationships. The significant estimates and assumptions used in determining the fair value included discount rates, revenue growth rates, projected EBITDA margins and customer revenue attrition rates.

The principal considerations for our determination that performing procedures relating to the valuation of the customer relationships intangible asset acquired in the acquisition of LRC/MSG is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the customer relationships intangible asset acquired; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the discount rate, revenue growth rates, projected EBITDA margins, and customer revenue attrition rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to acquisition accounting, including controls over management's valuation of the customer relationships intangible asset acquired.These procedures also included, among others (i) reading the purchase agreement; (ii) testing management's process for developing the fair value estimate of the customer relationships intangible asset acquired; (iii) evaluating the appropriateness of the multi-period excess earnings method; (iv) testing the completeness and accuracy of the underlying data used in the multi-period excess earnings method; and (v) evaluating the reasonableness of the significant assumptions used by management related to the discount rate, revenue growth rates, projected EBITDA margins, and customer revenue attrition rate. Evaluating the reasonableness of management's assumptions related to revenue growth rates and projected EBITDA margins involved considering (i) the current and past performance of the acquired business; (ii) the consistency with external market and industry data;

and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the multi-period excess earnings method and (ii) the reasonableness of the discount rate and customer revenue attrition rate assumptions.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 21, 2023

22, 2024

We have served as the Company's auditor since 1982.

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except share and per share data)

December 31,	2022	2021	December 31, 2023 2022
ASSETS			
Current assets			
Cash and cash equivalents ($102,547 and $92,783 related to consolidated construction joint ventures ("CCJVs"))	$ 293,991	$ 395,647	
Current assets			
Current assets			
Cash and cash equivalents ($120,224 and $102,547 related to consolidated construction joint ventures ("CCJVs"))			
Cash and cash equivalents ($120,224 and $102,547 related to consolidated construction joint ventures ("CCJVs"))			
Cash and cash equivalents ($120,224 and $102,547 related to consolidated construction joint ventures ("CCJVs"))			
Short-term marketable securities	39,374	—	
Receivables, net ($39,281 and $49,534 related to CCJVs)	463,987	464,588	
Contract assets ($80,306 and $50,054 related to CCJVs)	241,916	145,437	
Receivables, net ($62,040 and $39,281 related to CCJVs)			
Contract assets ($68,520 and $80,306 related to CCJVs)			
Inventories	86,809	61,965	
Equity in construction joint ventures	183,808	189,911	
Other current assets ($5,694 and $8,091 related to CCJVs)	37,411	177,210	
Current assets held for sale	—	392,641	
Equity in unconsolidated construction joint ventures			
Other current assets ($5,590 and $5,694 related to CCJVs)			
Total current assets	1,347,296	1,827,399	
Property and equipment, net ($7,834 and $14,920 related to CCJVs)	509,210	433,504	
Property and equipment, net ($7,557 and $7,834 related to CCJVs)			
Long-term marketable securities	26,569	15,600	
Investments in affiliates	80,725	23,368	
Goodwill	73,703	53,715	
Intangible assets			
Right of use assets	49,079	49,312	
Deferred income taxes, net	22,208	24,141	
Other noncurrent assets	59,143	67,888	
Total assets	$ 2,167,933	$ 2,494,927	
LIABILITIES AND EQUITY			

LIABILITIES AND EQUITY			
LIABILITIES AND EQUITY			
Current liabilities			
Current liabilities			
Current liabilities			
Current maturities of long-term debt	$ 1,447	$ 8,727	
Accounts payable ($57,534 and $55,012 related to CCJVs)	334,392	324,313	
Contract liabilities ($62,675 and $69,328 related to CCJVs)	173,286	200,041	
Accrued expenses and other current liabilities ($8,451 and $5,514 related to CCJVs)	288,469	452,829	
Current liabilities held for sale	—	83,408	
Current maturities of long-term debt			
Current maturities of long-term debt			
Accounts payable ($62,755 and $57,534 related to CCJVs)			
Contract liabilities ($50,929 and $62,675 related to CCJVs)			
Accrued expenses and other current liabilities ($5,426 and $8,451 related to CCJVs)			
Total current liabilities	797,594	1,069,318	
Long-term debt	286,934	331,191	
Long-term lease liabilities	32,170	32,928	
Deferred income taxes, net	1,891	1,856	
Other long-term liabilities	64,199	64,071	
Commitments and contingencies (see Note 20)			Commitments and contingencies (see Note 20)
Equity			
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding	—	—	
Common stock, $0.01 par value, authorized 150,000,000 shares; issued and outstanding: 43,743,907 shares as of December 31, 2022 and 45,840,260 shares as of December 31, 2021	437	458	
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding			
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding			
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding			
Common stock, $0.01 par value, authorized 150,000,000 shares; issued and outstanding: 43,944,118 shares as of December 31, 2023 and 43,743,907 shares as of December 31, 2022			
Additional paid-in capital	470,407	559,752	
Accumulated other comprehensive income (loss)	788	(3,359)	
Accumulated other comprehensive income			
Retained earnings	481,384	410,831	
Total Granite Construction Incorporated shareholders' equity	953,016	967,682	
Non-controlling interests	32,129	27,881	
Total equity	985,145	995,563	
Total liabilities and equity	$ 2,167,933	$ 2,494,927	

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands, except share and per share data)

Years Ended December 31,	2022	2021	2020	Years Ended December 31,	2023	2022	2021

Revenue			
Construction			
Construction			
Construction	$ 2,803,935	$ 3,076,190	$ 3,181,697
Materials	497,321	425,675	380,762
Total revenue	3,301,256	3,501,865	3,562,459
Cost of revenue			
Construction	2,500,054	2,772,962	2,901,528
Construction			
Construction			
Materials	431,708	366,258	316,143
Total cost of revenue	2,931,762	3,139,220	3,217,671
Gross profit	369,494	362,645	344,788
Selling, general and administrative expenses	272,610	303,015	316,284
Non-cash impairment charges (see Note 1)	—	—	156,690
Other costs, net (See Note 1)	24,120	101,351	37,089
Gain on sales of property and equipment, net (see Note 11)	(12,617)	(66,439)	(6,930)
Operating income (loss)	85,381	24,718	(158,345)
Other costs, net (see Note 1)			
Gain on sales of property and equipment, net			
Operating income			
Other (income) expense			
Loss on debt extinguishment			
Loss on debt extinguishment			
Loss on debt extinguishment			
Interest income	(6,528)	(1,176)	(3,096)
Interest expense	12,624	20,739	24,200
Equity in income of affiliates, net	(13,571)	(12,586)	(8,783)
Other (income) expense, net	1,039	(4,386)	(4,203)
Total other (income) expense, net	(6,436)	2,591	8,118
Income (loss) before income taxes	91,817	22,127	(166,463)
Provision for (benefit from) income taxes	12,960	19,713	(282)
Net income (loss)	78,857	2,414	(166,181)
Income before income taxes			
Provision for income taxes			
Net income			
Amount attributable to non-controlling interests	4,445	7,682	21,064
Net income (loss) attributable to Granite Construction Incorporated	$ 83,302	$ 10,096	$ (145,117)
Net income attributable to Granite Construction Incorporated			
Net income per share attributable to common shareholders (see Note 18):			
Basic earnings (loss) per share	$ 1.87	$ 0.22	$ (3.18)
Diluted earnings (loss) per share	$ 1.70	$ 0.21	$ (3.18)
Net income per share attributable to common shareholders (see Note 18):			
Net income per share attributable to common shareholders (see Note 18):			
Basic earnings per share			
Basic earnings per share			
Basic earnings per share			

Diluted earnings per share							
Weighted average shares outstanding:							
Basic	44,485	45,788	45,614				
Basic							
Basic					43,879	44,485	45,788
Diluted	52,326	47,599	45,614	Diluted	52,565	52,326	47,599

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands)

Years Ended December 31,	2022	2021	2020	Years Ended December 31, 2023	2022	2021
Net income (loss)	$ 78,857	$ 2,414	$ (166,181)			
Other comprehensive income (loss), net of tax:						
Net income						
Other comprehensive income, net of tax						
Net unrealized gain (loss) on cash flow hedges, net of tax						
Net unrealized gain (loss) on cash flow hedges, net of tax						
Net unrealized gain (loss) on cash flow hedges, net of tax	$ 275	$ (108)	$ (4,155)			
Less: reclassification for net gains included in interest expense, net of tax	3,042	2,131	1,816			
Net change	$ 3,317	$ 2,023	$ (2,339)			
Foreign currency translation adjustments, net	830	(347)	(51)			
Other comprehensive income (loss), net of tax	$ 4,147	$ 1,676	$ (2,390)			
Comprehensive income (loss), net of tax	$ 83,004	$ 4,090	$ (168,571)			
Other comprehensive income, net of tax						
Comprehensive income, net of tax						
Non-controlling interests in comprehensive income, net of tax	4,445	7,682	21,064			
Comprehensive income (loss) attributable to Granite Construction Incorporated, net of tax	$ 87,449	$ 11,772	$ (147,507)			
Comprehensive income attributable to Granite Construction Incorporated, net of tax						

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands, except share data)

	Outstanding Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Granite Shareholders' Equity	Non-controlling Interests	Total Equity
Balances at December 31, 2019	45,503,805	$ 456	$ 549,307	$ (2,645)	$ 594,353	$ 1,141,471	$ 36,945	$ 1,178,416

Net loss	—	—	—	—	(145,117)	(145,117)	(21,064)	(166,181)
Other comprehensive loss	—	—	—	(2,390)	—	(2,390)	—	(2,390)
RSUs vested	191,171	2	(2)	—	—	—	—	—
Common stock purchased for employee tax withholding for vested RSUs	(60,604)	(1)	(884)	—	—	(885)	—	(885)
Dividends on common stock ($0.52 per share)	—	—	—	—	(23,734)	(23,734)	—	(23,734)
Effect of adopting ASC Topic 326	—	—	—	—	(366)	(366)	—	(366)
Transactions with non-controlling interests, net	—	—	—	—	—	—	65	65
Stock-based compensation expense and other	34,169	—	6,986	—	(301)	6,685	—	6,685
	Outstanding Shares							

Outstanding Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Gra Sharehold Equity

Balances at December 31, 2020	45,668,541	457	555,407	(5,035)	424,835	975,664	15,946	991,610
Net income (loss)	—	—	—	—	10,096	10,096	(7,682)	2,414
Net income								
Other comprehensive income	—	—	—	1,676	—	1,676	—	1,676
RSUs vested	235,234	2	(2)	—	—	—	—	—
Common stock purchased for employee tax withholding for vested RSUs	(68,580)	(1)	(2,729)	—	—	(2,730)	—	(2,730)
Dividends on common stock ($0.52 per share)	—	—	—	—	(23,826)	(23,826)	—	(23,826)
Repurchases of common stock (1)								
Dividends on common stock ($0.52 per share)								

Transactions with non-controlling interests, net	—	—	—	—	—	—	19,617	19,617
Stock-based compensation expense and other	5,065	—	7,076	—	(274)	6,802	—	6,802
Balances at December 31, 2021	45,840,260	458	559,752	(3,359)	410,831	967,682	27,881	995,563
Cumulative effect of newly adopted accounting standard (see Note 1)	—	—	(26,961)	—	10,543	(16,418)	—	(16,418)
Balances at January 1, 2022	45,840,260	458	532,791	(3,359)	421,374	951,264	27,881	979,145
Net income (loss)	—	—	—	—	83,302	83,302	(4,445)	78,857
Net income								
Other comprehensive income	—	—	—	4,147	—	4,147	—	4,147
Repurchases of common stock (1)	(2,376,020)	(24)	(70,877)	—	—	(70,901)	—	(70,901)
RSUs vested	262,748	3	(3)	—	—	—	—	—
Dividends on common stock ($0.52 per share)	—	—	—	—	(23,292)	(23,292)	—	(23,292)
Dividends on common stock ($0.52 per share)								
Transactions with non-controlling interests, net	—	—	—	—	—	—	8,693	8,693
Stock-based compensation expense and other	16,919	—	8,496	—	—	8,496	—	8,496
Balances at December 31, 2022	43,743,907	$ 437	$ 470,407	$ 788	$ 481,384	$ 953,016	$ 32,129	$ 985,145

(1) This amount represents During the years ended December 31, 2022 and 2021, there were 75,303 shares and 68,580 shares, respectively, withheld related to employee tax withholding taxes for RSUs vested under our 2012 and 2021 Equity Incentive Plans and stock equity incentive plans. During the year ended December 31, 2022, we also repurchased including 2,298,353 shares purchased in connection with under the accelerated Board approved share repurchase in 2022 (see Note 1) program.

	Outstanding Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Granite Shareholders' Equity	Non-Controlling Interests	Total Equity
Balances at December 31, 2022	43,743,907	$ 437	$ 470,407	$ 788	$ 481,384	$ 953,016	$ 32,129	$ 985,145
Net income	—	—	—	—	43,599	43,599	(14,012)	29,587
Other comprehensive income	—	—	—	93	—	93	—	93
Repurchases of common stock (1)	(102,413)	(1)	(4,124)	—	—	(4,125)	—	(4,125)
RSUs vested	288,876	3	(3)	—	—	—	—	—
Dividends on common stock ($0.52 per share)	—	—	301	—	(23,139)	(22,838)	—	(22,838)
Capped call transactions	—	—	(39,641)	—	—	(39,641)	—	(39,641)
Redemption of warrants	—	—	(13,201)	—	—	(13,201)	—	(13,201)
Common stock issued in debt extinguishment	1,390,500	14	49,321	—	—	49,335	—	49,335
Exercise of bond hedge	(1,390,516)	(14)	14	—	—	—	—	—
Transactions with non-controlling interests, net	—	—	—	—	—	—	31,551	31,551
Stock-based compensation expense and other	13,764	—	11,060	—	—	11,060	—	11,060
Balances at December 31, 2023	43,944,118	$ 439	$ 474,134	$ 881	$ 501,844	$ 977,298	$ 49,668	$ 1,026,966

(1) Amounts represent shares withheld for employee taxes for RSUs vested under our equity incentive plans. During the year ended December 31, 2023, we did not repurchase any shares under the Board-approved share repurchase plan.

program.

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(*in thousands*)

Years Ended December 31,	2022	2021	2020	Years Ended December 31, 2023	2022	2021
Operating activities						
Net income	$ 78,857	$ 2,414	$ (166,181)			
Net income						
Net income						
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation, depletion and amortization	82,569	109,050	112,958			
Amortization related to long-term debt (see Note 14)	2,366	9,448	8,693			
Gain on sales of property and equipment, net (see Note 11)	(12,617)	(66,439)	(6,930)			
Depreciation, depletion and amortization						
Depreciation, depletion and amortization						
Amortization related to long-term debt						
Non-cash loss on debt extinguishment						
Gain on sales of property and equipment, net						
Deferred income taxes	5,447	16,600	8,817			

Stock-based compensation	7,765	6,407	6,377
Equity in net loss from unconsolidated joint ventures	19,676	765	51,486
Equity in net loss from unconsolidated construction joint ventures			
Net income from affiliates	(13,571)	(12,586)	(8,783)
Non-cash impairment charges (see Note 1)	—	—	156,690
Other non-cash adjustments	222	—	1,729
Changes in assets and liabilities:			
Receivables			
Receivables			
Receivables	59,623	(11,317)	6,840
Contract assets, net	(113,410)	12,046	123,670
Inventories	(14,307)	774	5,136
Contributions to unconsolidated construction joint ventures	(53,787)	(61,780)	(50,878)
Distributions from unconsolidated construction joint ventures and affiliates	19,223	22,004	11,065
Deposit for legal settlement (see Note 20)	129,000	(129,000)	—
Deposit for legal settlement			
Other assets, net	16,868	(11,969)	(1,035)
Accounts payable	(9,778)	7,396	(40,999)
Accrual for legal settlement (see Note 20)	(129,000)	129,000	—
Accrual for legal settlement			
Accrued expenses and other liabilities, net	(19,499)	(882)	49,805
Net cash provided by operating activities	$ 55,647	$ 21,931	$ 268,460
Investing activities			
Purchases of marketable securities			
Purchases of marketable securities			
Purchases of marketable securities	(94,104)	(10,000)	(9,996)
Maturities of marketable securities	45,000	—	10,000
Proceeds from called marketable securities	6	—	24,996
Purchases of property and equipment	(121,612)	(94,810)	(93,253)
Proceeds from sales of property and equipment	26,064	94,802	16,702
Proceeds from the sale of business (see Note 2)	140,576	—	5,000
Proceeds from company-owned life insurance			
Proceeds from the sale of business (see Note 1)			
Acquisition of businesses, net of cash acquired (see Note 2)			
Issuance of notes receivable	(7,560)	(20,400)	5,289
Collection of notes receivable	630	8,930	—
Net cash used in investing activities	$ (11,000)	$ (21,478)	$ (41,262)
Financing activities			
Proceeds from long-term debt	50,000	—	50,000
Proceeds from debt			
Proceeds from debt			
Proceeds from debt			
Debt principal repayments	(125,164)	(8,922)	(83,433)
Capped call transactions			
Redemption of warrants			
Proceeds from issuance of 3.75% Convertible Notes			
Debt issuance costs			
Cash dividends paid	(23,271)	(23,804)	(23,712)
Repurchases of common stock (See Note 17)	(70,898)	(2,730)	(885)
Repurchases of common stock (see Note 17)			
Contributions from non-controlling partners	13,150	20,126	11,875
Distributions to non-controlling partners	(8,567)	(9,514)	(11,810)

Other financing activities, net		439		398		307
Net cash used in financing activities	$	(164,311)	$	(24,446)	$	(57,658)
Net cash provided by (used in) financing activities						
Net increase (decrease) in cash, cash equivalents and restricted cash		(119,664)		(23,993)		169,540
Cash, cash equivalents and $1,512, $1,512 and $5,835 in restricted cash at beginning of period		413,655		437,648		268,108
Cash, cash equivalents and $0, $1,512 and $1,512 in restricted cash at end of period	$	293,991	$	413,655	$	437,648
Supplementary Information						
Right of use assets obtained in exchange for lease obligations	$	17,547	$	23,379	$	10,000
Cash paid during the period for:						
Operating lease liabilities	$	22,611	$	23,203	$	21,654
Interest	$	11,511	$	14,593	$	18,753
Income taxes	$	3,768	$	2,066	$	2,805
Other non-cash operating activities:						
Performance guarantees	$	(17,409)	$	(167)	$	350
Non-cash investing and financing activities:						
RSUs issued, net of forfeitures	$	8,694	$	8,299	$	4,449
Dividends declared but not paid	$	5,687	$	5,959	$	5,937
Contributions from non-controlling partners	$	4,110	$	9,006	$	—
Accrued equipment purchases	$	5,745	$	(4,714)	$	—

Cash, cash equivalents and $0, $1,512 and $1,512 in restricted cash at beginning of period		293,991		413,655		437,648
Cash, cash equivalents and $0, $0 and $1,512 in restricted cash at end of period	$	417,663	$	293,991	$	413,655
Supplementary Information						
Right of use assets obtained in exchange for lease obligations	$	39,361	$	17,547	$	23,379
Cash paid during the period for:						
Operating lease liabilities	$	21,458	$	22,611	$	23,203
Interest	$	15,640	$	11,511	$	14,593
Income taxes	$	15,381	$	3,768	$	2,066
Other non-cash operating activities:						
Performance guarantees	$	(6,854)	$	(17,409)	$	(167)
Deferred taxes related to capped call transactions	$	13,394	$	—	$	—
Non-cash investing and financing activities:						
RSUs issued, net of forfeitures	$	11,649	$	8,694	$	8,299
Dividends declared but not paid	$	5,713	$	5,687	$	5,959
Contributions from non-controlling partners	$	2,475	$	4,110	$	9,006
Accrued equipment purchases	$	152	$	5,745	$	(4,714)

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

GRANITE CONSTRUCTION INCORPORATED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Income Taxes

1. Summary of Significant Accounting Policies

Description of Business: Granite Construction Incorporated is one of

The following table presents the largest diversified infrastructure companies provision for income taxes for the respective periods:

Years Ended December 31,		2023		2022		2021
(in thousands)						
Provision for income taxes	$	30,267	$	12,960	$	19,713
Effective tax rate		50.6 %		14.1 %		89.1 %

Our effective tax rate increased from 14.1% to 50.6% when compared to 2022 due to increases in our provision for income taxes relative to lower income before income taxes. Provision for income taxes in the United States, engaged current year was higher than last year due to $49.3 million of non-deductible expense related to the refinancing of a portion of our 2.75% Convertible Notes in infrastructure projects including the construction of streets, roads, highways, mass transit facilities, airport infrastructure, bridges, dams, power-related facilities, utilities, tunnels, water well drilling and other infrastructure-related projects, site preparation, mining services and infrastructure services for commercial and industrial sites, railways, residential development, energy development, as well as construction management professional services. Our operations have primary offices located in Alaska, Arizona, California, Canada, Colorado, Florida, Guam, Illinois, Mexico, Nevada, Texas, Utah and Washington. Unless otherwise indicated, the terms "we," "us," "our," "Company" and "Granite" refer to Granite Construction Incorporated and its wholly-owned and consolidated subsidiaries.

During the fourthsecond quarter of 2021, we concluded that 2023. See Note 14 of "Notes to the assets Consolidated Financial Statements." In the prior year, provision for income taxes was lower due to the benefit associated with the reversal of deferred tax liabilities related to our Water Resources and liabilities of our former Water and Mineral Services operating group ("WMS") met the criteria for classification as Minerals businesses no longer being held for sale, and the results benefit from the release of operations were presented as discontinued operations. This included: our trenchless and pipe rehabilitation services business ("Inliner"); our water supply, treatment, delivery and maintenance business ("Water Resources"); and our mineral exploration drilling business ("Mineral Services"). During valuation allowances related to utilization of capital loss carryforwards net of the first quarter of 2022, we completed tax expense from non-deductible goodwill associated with the sale of Inliner. As The decrease in year-over-year income before income taxes was primarily due to the loss in the current year related to debt extinguishment.

Amount Attributable to Non-controlling Interests

The following table presents the amount attributable to non-controlling interests in consolidated subsidiaries for the respective periods:

Years Ended December 31,		2023		2022		2021
(in thousands)						
Amount attributable to non-controlling interests	$	14,012	$	4,445	$	7,682

The amount attributable to non-controlling interests represents the non-controlling owners' share of the net loss of our consolidated construction joint ventures. The change during 2023 was primarily due to increased losses due to downward revisions in estimates from an existing joint venture, partially offset by increased profits from new joint ventures. (see Note 3 of "Notes to the Consolidated Financial Statements").

Prior Years Comparison (2022 to 2021)

See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2022 Annual Report on Form 10-K filed with the SEC on February 21, 2023.

Liquidity and Capital Resources

Our primary sources of liquidity are cash and cash equivalents, investments, available borrowing capacity under our credit facility and cash generated from operations. We may also from time to time issue and sell equity, debt or hybrid securities or engage in other capital markets transactions or sell one or more business units or assets. See Note 14 of the "Notes to the Consolidated Financial Statements" for information on our 2.75% Convertible Notes, our 3.75% Convertible Notes and our Credit Agreement.

Our material cash requirements include paying the costs and expenses associated with our operations, servicing outstanding indebtedness, making capital expenditures and paying dividends on our capital stock. We may also from time to time prepay or repurchase outstanding indebtedness and acquire assets or businesses that are complementary to our operations.

Our primary contractual obligations are as follows and are further discussed in more detail the referenced "Notes to the Consolidated Financial Statements:"

- Asset retirement obligations - see Note 11, *Property and Equipment, net*
- Long-term debt and the associated interest payments – see Note 14, *Long-Term Debt*
- Operating lease and royalty future minimum payments – see Note 15, *Leases*
- Non-Qualified Deferred Compensation Plan obligations – see Note 16, *Employee Benefit Plans*

In addition to the obligations referenced above, as of December 31, 2023 we had $18.6 million of purchase commitments for equipment and other goods and services not directly connected with our construction contracts, which are individually greater than $50,000 and have an expected fulfillment date after December 31, 2023. Of this, approximately $16.1 million and $2.5 million will be paid in Note 2,2024 and 2025, respectively. There are no material purchase commitments in the third quarter periods thereafter.

We believe our primary sources of 2022,liquidity will be sufficient to meet our expected working capital needs, capital expenditures, financial commitments, cash dividend payments, and other liquidity requirements associated with our existing operations for the next twelve months. We believe our primary sources of liquidity, access to the debt and equity capital markets and cash expected to be generated from operations will be sufficient to meet our long-term requirements and plans. However, there can be no assurance that sufficient capital will continue to be available or that it will be available on terms acceptable to us.

Cash, cash equivalents and marketable securities as of December 31, 2023 increased $93.6 million to $453.5 million from the prior year end. In addition to meeting our liquidity requirements listed above, our increased cash balances are expected to be used to invest in our business through strategic capital expenditures in 2024 and we determined that will continue to explore acquisition opportunities in alignment with our strategic plan.

As of December 31, 2023, our cash and cash equivalents consisted of deposits and money market funds held with established national financial institutions and marketable securities consisting primarily of U.S. Government and agency obligations.

In June 2022, we entered into the remaining WMS businesses, Water Resources Fourth Amended and Mineral Services, no longer met Restated Credit Agreement (the “Credit Agreement”) maturing June 2, 2027. The Credit Agreement is a $350.0 million senior secured, five-year revolving facility (the “Revolver”). In November 2023, we entered into Amendment No. 2 (the "Amendment") to the criteria Credit Agreement which provided for classification as held a

$150 million senior secured term loan (the “Term Loan”). As of December 31, 2023, the total unused availability under our Credit Agreement was $230.7 million, resulting from $19.3 million in issued and outstanding letters of credit and $100.0 million drawn on the Revolver. See Note 14 of “Notes to the Consolidated Financial Statements” for sale, further discussion regarding the Revolver.

As of December 31, 2023, we had $2.0 million of receivables and therefore also no longer qualified for presentation as discontinued operations. This change $29.1 million of contract retention receivables from Brightline Trains Florida LLC ("Brightline") (see Note 6 of “Notes to our plan the Consolidated Financial Statements”). As of sale was the date of this report, $1.9 million of the receivables outstanding at year-end have been collected. Our project with Brightline is nearing completion and final payment, including the retention receivable, will be due to unfavorable market us no later than 40 days after all conditions which undermined our efforts of final completion are satisfied. We expect to secure an appropriate value for the businesses. We reclassified WMS from discontinued operations to continuing operations and it is reported within the Mountain operating group. The operations of the remaining WMS businesses fall within the Construction segment. Prior periods presented achieve final completion in the consolidated statements first half of operations have been conformed to 2024; however, timing cannot be assured. Brightline has experienced delays in securing additional funding in the current period presentation. The assets past, therefore the timing and liabilities probability of WMS met the criteria for classification as future payments may be affected, and our liquidity impacted if Brightline faces future funding difficulties.

In evaluating our liquidity position and needs, we also consider cash and cash equivalents held for sale as of December 31, 2021, therefore by our consolidated balance sheet continues to reflect these assets and liabilities as held for sale as of that date.

In alphabetical order, our business operating groups are as follows:

- California, which is comprised of vertically integrated businesses in home markets across the state;
- Central, which includes the vertically integrated Arizona region and regional civil construction businesses in Illinois, Florida and Texas. The Central group also includes the Federal division which performs civil construction across the continental United States and Guam, and the Tunnel division; and
- Mountain, which is comprised of vertically integrated regional businesses in Alaska, Washington, Oregon, Utah and Nevada. The Mountain Group also includes national businesses in the Industrial & Energy division, which primarily focuses on commercial solar construction projects, Water Resources, which performs water well drilling and rehabilitation services and Mineral Services, which performs mineral exploration services for mining clients.

Principles of Consolidation: The consolidated financial statements include the accounts of Granite Construction Incorporated and its wholly-owned and consolidated subsidiaries. All material inter-company transactions and accounts have been eliminated. Additionally, we participate in various construction joint ventures of which we are a limited member (“joint ventures” CCJVs”). Generally, The following table presents our cash, cash equivalents and marketable securities, including amounts from our CCJVs, as of the respective dates:

December 31,		**2023**		**2022**
(in thousands)				
Cash and cash equivalents excluding CCJVs	$	297,439	$	191,444
CCJV cash and cash equivalents (1)		120,224		102,547
Total consolidated cash and cash equivalents		417,663		293,991
Short-term and long-term marketable securities (2)		35,863		65,943
Total cash, cash equivalents and marketable securities	$	453,526	$	359,934

(1) The volume and stage of completion of contracts from our CCJVs may cause fluctuations in joint venture cash and cash equivalents between periods. The assets of each consolidated and unconsolidated construction joint venture is formed relate solely to accomplish a specific project and is jointly controlled by the that joint venture. The decision to distribute joint venture partners. The joint venture agreements typically provide that our interests in any profits and assets and our respective share in any losses and liabilities that may result from the performance must generally be made jointly by a majority of the contracts are limited to our stated percentage interest in the project. However, due to the joint members and, several nature of the performance obligations under the related owner contracts, if any of the partners fail to perform, we and the remaining partners, if any, would be responsible for performance of the outstanding work (i.e., we provide a performance guarantee). Under our joint venture contractual arrangements, we provide capital to accordingly, these joint ventures in return for an ownership interest. In addition, partners dedicate resources to the joint ventures necessary to complete the contracts and are reimbursed for their cost. The operational risks of each construction joint venture are passed along to the joint venture members. As we absorb our share of these risks, our investment in each venture is exposed to potential gains and losses. We consolidate joint ventures if we determine that through our participation we have a variable interest and are the primary beneficiary as defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810,*Consolidation*, and related standards. The factors we use to determine the primary beneficiary of a variable interest entity (“VIE”) may include the decision authority of each partner, which partner manages the day-to-day operations of the project and the amount of our equity investment in relation to that of our partners. Although not applicable for any of the years presented, if we determine that the power to direct the significant activities is shared equally by two or more joint venture parties, then there is no primary beneficiary and no party consolidates the VIE.

If we have determined we are not the primary beneficiary of a joint venture but do exercise significant influence, we account for our share of the operations of the unconsolidated construction joint ventures on a pro rata basis in revenue and cost of revenue in the consolidated statements of operations. We record the corresponding investment balance in equity in construction joint ventures in the consolidated balance sheets except when a project is in a loss position, the investment balance is recorded as a deficit in unconsolidated construction joint ventures and is included in accrued expenses and other current liabilities in the consolidated balance sheets. Our investment in unconsolidated construction joint ventures could extend beyond one year and is within the normal operating cycle of the associated construction projects. We account for non-construction unconsolidated joint ventures under the equity method of accounting in accordance with ASC Topic 323,*Investments - Equity Method and Joint Ventures,* and include our share of the operations in equity in income of affiliates in the consolidated statements of operations and in investment in affiliates in the consolidated balance sheets.

We also participate in "line-item" joint venture agreements under which each partner is responsible for performing certain discrete items of the total scope of contracted work. The revenue for each line-item joint venture partners' discrete items of work is defined in the contract with the project owner and each joint venture partner bears the profitability risk associated only with its own work. There is not a single set of books and records for a line-item joint venture. Each partner accounts for its items of work individually as it would for any self-performed contract. We account for our portion of these contracts as revenue and cost of revenue in the consolidated statements of operations and in relevant balances in the consolidated balance sheets.

Use of Estimates in the Preparation of Financial Statements: The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of these financial statements requires management to make estimates that affect the reported amounts of assets, and liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Our estimates and related judgments and assumptions are continually evaluated based on available information and experiences; however, actual amounts could differ from including those estimates.

Revenue Recognition: Our revenue is primarily derived from construction contracts that can span several quarters or years in our Construction segment and from sales of construction related materials in our Materials segment. We recognize revenue in accordance with ASC Topic 606,*Revenue from Contracts with Customers,* and subsequently issued additional related Accounting Standards Updates ("ASU"s) ("Topic 606"). Topic 606 provides for a five-step model for recognizing revenue from contracts with customers as follows:

1. Identify the contract
2. Identify performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognize revenue

Generally, our contracts contain one performance obligation. Contracts with customers in our Materials segment are typically defined by our customary business practices and are valued at the contractual selling price per unit. Our customary business practices are for the delivery of a separately identifiable good at a point in time which is typically when delivery to the customer occurs. Contracts in our Construction segment may contain multiple distinct promises or multiple contracts within a master agreement (e.g., contracts that cross multiple locations/geographies and task orders), which we review at contract inception to determine if they represent multiple performance obligations or multiple separate contracts. This review consists of determining if promises or groups of promises are distinct within the context of the contract, including whether contracts are physically contiguous, contain task orders, purchase or sales orders, termination clauses and/or elements not related to design and/or build.

The transaction price is the amount of consideration to which we expect to be entitled in exchange for transferring goods and services to the customer. The contractual consideration from customers of our Construction segment may include both fixed amounts and variable amounts (e.g., bonuses/incentives or penalties/liquidated damages) to the extent that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved (i.e., probable and estimable). When a contract has a single performance obligation, the entire transaction price is attributed to that performance obligation. When a contract has more than one performance obligation, the transaction price is allocated to each performance obligation based on estimated relative standalone selling prices cost recovery of the goods or services at the inception of the contract, which typically is determined using cost plus an appropriate margin.

Subsequent to the inception of a contract in our Construction segment, the transaction price could change for various reasons, including executed or unapproved change orders, and unresolved contract modifications and/or affirmative claims. Changes that are accounted for as an adjustment to existing performance obligations are allocated on the same basis at contract inception. Otherwise, changes are accounted for as separate performance obligation(s) and the separate transaction price is allocated as discussed above.

Changes are made to the transaction price from unapproved change orders to the extent the amount can be reasonably estimated and recovery is probable.

On certain projects we have submitted and have pending unresolved contract modifications and/or affirmative claims ("affirmative claims") to recover additional costs and the associated profit, if applicable, to which the Company believes it is entitled under the terms of contracts with customers, subcontractors, vendors or others. The owners or their authorized representatives and/or other third parties may be in partial or full agreement with the modifications or affirmative claims, or may have rejected or disagree entirely or partially as to such entitlement.

Changes are made to the transaction price from affirmative claims with customers to the extent that additional revenue on a claim settlement with a customer is probable and estimable. A reduction to costs related to affirmative claims with non-customers with whom we have a contractual arrangement ("back charges") is recognized when the estimated recovery is probable and estimable. Recognizing affirmative claims and back charge recoveries requires significant judgments claims, are generally not available for the working capital needs of certain Granite until distributed.

(2) All marketable securities were classified as held-to-maturity and consisted of U.S. and agency obligations as of all periods presented.

Granite's portion of CCJV cash and cash equivalents was $73.1 million and $62.5 million as of December 31, 2023 and 2022, respectively. Excluded from the table above is $34.2 million and $40.4 million as of December 31, 2023 and 2022, respectively, in Granite's portion of unconsolidated construction joint venture cash and cash equivalents.

Capital Expenditures

Major capital expenditures are typically for aggregate and asphalt production facilities, aggregate reserves, construction equipment, buildings and leasehold improvements and investments in our information technology systems. The timing and amount of such expenditures can vary based on the progress of planned capital projects, the type and size of construction projects, changes in business outlook and other factors. During the year ended December 31, 2023, we had capital expenditures of $140.4 million, compared to $121.6 million during 2022, an increase of $18.8 million. The increase year over year is primarily due to acquisitions of materials reserves in 2023. We currently anticipate 2024 capital expenditures to be between approximately $130 million and $150 million, including approximately $50 million in planned strategic materials investments in land, reserves and an aggregate plant. This range also includes approximately $20 million related to a project-specific tunnel boring machine.

Cash Flows

Years Ended December 31,		**2023**		**2022**		**2021**
(in thousands)						
Net cash provided by (used in):						
Operating activities	$	183,707	$	55,647	$	21,931
Investing activities	$	(359,290)	$	(11,000)	$	(21,478)
Financing activities	$	299,255	$	(164,311)	$	(24,446)

Operating activities

As a large infrastructure contractor and construction materials producer, our revenue, gross profit and the resulting operating cash flows can differ significantly from period to period due to a variety of factors, including but not limited to, dispute resolution developments and outcomes, anticipated negotiation results, and the cost of resolving such matters.

Generally, performance obligations related to contracts in our Construction segment are satisfied over time because our performance typically creates or enhances an asset that the customer controls as the asset is created or enhanced. We recognize revenue as performance obligations are satisfied and control of the promised good and/or service is transferred to the customer. Revenue in our Construction segment is ordinarily recognized over time as control is transferred to the customers by measuring the progress seasonal cycles, project progression toward complete satisfaction of the performance obligation(s) using an input (i.e., "cost to cost") method. Under the cost to cost method, costs incurred to-date are generally the best depiction of transfer of control.

All completion, outstanding contract costs, including those associated with affirmative claims, change orders and back charges, are recorded as incurred affirmative claims, and revisions to estimated total costs are reflected as soon as the obligation to perform is determined. Contract costs consist of direct costs on contracts, including labor and materials, amounts payable to subcontractors, direct overhead costs and equipment expense (primarily depreciation, fuel, maintenance and repairs).

The accuracy payment terms of our revenue contracts. Additionally, operating cash flows are impacted by the timing related to funding construction joint ventures and profit recognition the resolution of uncertainties inherent in a given period depends on the accuracy of our estimates complex nature of the forecasted revenue work that we perform, including claim and cost to complete each project. Cost estimates for all of our significant back charge settlements. Our working capital assets result from both public and private sector projects. Customers in the private sector can be slower paying than those in the public sector; however, private sector projects use a detailed "bottom up" approach. There are a number of factors that can contribute to revisions in estimates of contract cost and profitability. The most significant of these include:

- changes in costs of labor and/or materials;
- subcontractor costs, availability and/or performance issues;
- extended overhead and other costs due to owner, weather and other delays;
- changes in productivity expectations;
- changes from original design on design-build projects;
- our ability to fully and promptly recover on affirmative claims and back charges for additional contract costs;
- a change in the availability and proximity of equipment and materials;
- complexity in original design;
- length of time to complete the project;

- the availability and skill level of workers in the geographic location of the project;
- site conditions that differ from those assumed in the original bid;
- costs associated with scope changes; and
- the customer’s ability to properly administer the contract.

The foregoing factors, as well as the stage of completion of contracts in process and the mix of contracts at different margins may cause fluctuations in generally have higher gross profit and gross profit margin from period to period. Significant changes in revenue and cost estimates, particularly in as a percentage of revenue. While we typically invoice our larger, more complex, multi-year projects have had, and can in future periods have, customers on a significant effect on monthly basis, our profitability.

All state and federal government contracts and many of our other contracts frequently provide for termination of the contract at the convenience of the party contracting with us, with provisions to pay us for work performed through the date of termination including demobilization cost.

Costs to obtain retention that is a specified percentage withheld from each payment by our contracts (“pre-bid costs”) that are not expected to be recovered from the customer are expensed as incurred and included in selling, general and administrative expenses in our consolidated statements of operations. Although unusual, pre-bid costs that are explicitly chargeable to the customer even if customers until the contract is not obtained are completed and the work accepted by the customer.

Cash provided by operating activities of $183.7 million during 2023 represents a $128.1 million increase in cash provided by operating activities when compared to 2022. The change was primarily due to a $73.6 million increase in cash provided by working capital, which includes receivables, net contract assets, inventories, other assets, accounts payable and accrued expenses and other liabilities. Additionally, distributions from, net of contributions to, unconsolidated joint ventures and affiliates increased $42.6 million from 2022.

Investing activities

Cash used in investing activities of $359.3 million during 2023 represents a $348.3 million increase in cash used in investing activities when compared to 2022. The change was primarily due to the acquisition of LRC/MSG which resulted in a $294.0 million cash outflow during 2023. In addition, net cash used in investing activities in 2022 included in accounts receivable in our consolidated balance sheets when we are notified that we are not $140.6 million of proceeds from the low bidder with a corresponding reduction to selling, general and administrative expenses in our consolidated statements of operations.

Unearned Revenue: Unearned revenue represents the aggregate amount sale of the transaction price allocated Inliner business in March 2022. These changes were partially offset by decreased purchases of marketable securities in the current year.

Financing activities

Cash provided by financing activities of $299.3 million during 2023 represents a $463.6 million increase in cash provided by financing activities when compared to unsatisfied or partially unsatisfied performance obligations at the end of 2022. The change was primarily due to a reporting period. We generally include a project $150.0 million increase in cash provided by our unearned revenue at the time a contract is awarded, the contract has been executed Revolver and Term Loan. The change was also due to the extent we believe funding is probable. Certain contracts contain contract options that are exercisable at prepayment in the option prior year of our customers without requiring us to go through an additional competitive bidding process or contain task orders term loan of $123.8 million, which did not recur this year. In addition, net cash inflows related to master contracts under which we perform work only when the customer awards specific task orders our convertible bond transactions in 2023 generated $98.8 million in cash. See Note 14 to us. Contract options and task orders are included in unearned revenue when exercised or issued, respectively. As of December 31,2022 and 2021, unearned revenue was $2.9 billion and $2.6 billion, respectively. Approximately $1.8 billion of the December 31,2022 unearned revenue is expected to be recognized within the next twelve months and the remaining amount will be recognized thereafter. Substantially all of the contracts in our unearned revenue may be canceled or modified at the election of the customer; however, we have not been materially adversely affected by contract cancellations or modifications in the past. Many projects are added to unearned revenue and completed within the same fiscal quarter or year and, therefore, may not be reflected in our beginning or ending unearned revenue.

Balance Sheet Classifications: Prepaid expenses and amounts receivable and payable under construction contracts (principally retentions) that may exist over the duration of the contract and could extend beyond one year are included in current assets and liabilities. A one-year time period is used as the basis for classifying all other current assets and liabilities. Included in other current assets on the consolidated balance sheets as of December 31,2021 was the $129.0 million deposit for the securities litigation settlement discussed in Note 20.

Cash and Cash Equivalents: Cash equivalents are securities having maturities of three months or less from the date of purchase. Our access to joint venture cash may be limited by the provisions of the joint venture agreements.

Contract Assets: Our contract assets include costs and estimated earnings in excess of billings as well as amounts due under contractual retention provisions. Costs and estimated earnings in excess of billings represent amounts earned and reimbursable under contracts, including customer affirmative claim recovery estimates, and have a conditional right for billing and payment such as achievement of milestones or completion of the project. Generally, with the exception of customer affirmative claims, such unbilled amounts will become billable according “Notes to the contract terms Consolidated Financial Statements” for further information about our long-term debt transactions and generally will be billed our credit facility.

The year over year increase in cash provided by financing activities was also due to $66.8 million less cash used for repurchases of common stock and collected over the next twelve months. Settlement with the customer higher contributions from non-controlling partners, net of outstanding affirmative claims is dependent on the claims resolution process and could extend beyond one year. Based on our historical experience, we generally consider the collection risk related to billable amounts to be low. However, when events or conditions indicate that it is probable that the amounts become unbillable, the transaction price and associated contract asset is reduced. Certain contracts in our Construction segment include retention provisions to provide assurance to our customers that we will perform in accordance with the contract terms and are not considered a financing benefit under ASC Topic 606. The balances billed but not paid by customers pursuant to these provisions generally become due upon completion and acceptance distributions, of the project work or products by the customer.

Marketable Securities: We determine the classification of our marketable securities at the time of purchase and re-evaluate these determinations at each balance sheet date. Our marketable securities are fixed income marketable securities and are classified as held-to-maturity as we have the positive intent and ability to hold the securities to maturity. Held-to-maturity investments are stated at amortized cost and are periodically assessed for other-than-temporary impairment. Amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity and is included in interest income. The cost of securities redeemed or called is based on the specific identification method.

Derivative Instruments:$24.5 million.

Derivatives

We recognize derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value using Level 2 inputs. To receive hedge accounting treatment, derivative instruments that are designated as cash flow hedges must be highly effective in offsetting changes See Note 8 to expected future cash flows on hedged transactions. We formally document our hedge relationships at inception, including identification of the hedging instruments and the hedged items, our risk management objectives and strategies for undertaking the hedge transaction, and the initial quantitative assessment of the hedging instrument's effectiveness in offsetting changes in the fair value of the hedged items. The effective portion of the gain or loss on cash flow hedges is reported as a component of accumulated other comprehensive income (loss) and subsequently reclassified "Notes to the consolidated statements of operations when the periodic hedged cash flows are settled. Adjustments to fair value on derivative instruments that are not part of a designated hedging relationship are reported through the consolidated statements of operations. We do not enter into derivative instruments Consolidated Financial Statements" for speculative or trading purposes.

further information. The hedge option and warrant derivative transactions related to the 2.75% Convertible Notes (as defined in Note 14) and the Capped Call transactions related to the 3.75% Convertible Notes were recorded to equity in on our condensed consolidated balance sheets based on the cash proceeds and will not be remeasured as long as they continue proceeds. See Note 14 to meet the conditions for equity classification.

Fair Value of Financial Assets and Liabilities: We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820,*Fair Value Measurements and Disclosures,* defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC Topic 820 describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant "Notes to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value Consolidated Financial Statements" for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Allowance forCredit Losses: Financial assets, which potentially subject us to credit losses, consist primarily of short and long-term marketable securities, receivables, contract assets and long-term notes receivables included in other noncurrent assets in our consolidated balance sheets. We measure expected credit losses of financial assets based on historical loss and other information available to management using a loss rate method applied to asset groups with categorically similar risk characteristics. These expected credit losses are recorded to an allowance for credit losses valuation account that is deducted from receivables and contract assets to present the net amount expected to be collected on the financial asset in the consolidated balance sheets.

Concentrations of Credit Risk: Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of cash and cash equivalents, marketable securities, accounts receivable and contract assets. We maintain our cash and cash equivalents and our marketable securities with several financial institutions. We invest with high credit quality financial institutions and, by policy, limit the amount of credit exposure to any one financial institution. During the years ended December 31,2022, 2021 and 2020, our largest volume customer, including both prime and subcontractor arrangements, was the California Department of Transportation ("Caltrans"). Revenue recognized from contracts with Caltrans during the years ended December 31,2022, 2021 and 2020 represented $348.0 million (10.5% of total revenue), $337.1 million (9.6% of total revenue) and $316.9 million (8.9% of total revenue), respectively, which was primarily in the Construction segment. Other than Caltrans, none of our customers, including both prime and subcontractor arrangements, had revenue that individually exceeded 10% of total revenue during the year ended December 31,2022. None of our customers had revenue that individually exceeded 10% of total revenue during the years ended December 31,2021 and 2020.

The majority of our receivables are from customers concentrated in the United States. None of our customers had a receivable balance in excess of 10% of our total net receivables as of December 31,2022 and 2021. Certain construction contracts include retention provisions that were included in contract assets as of December 31,2022 and 2021 in our consolidated balance sheets. The balances billed but not paid by customers pursuant to these provisions generally become due upon completion and acceptance of the project work or products by the owners. The majority of the December 31,2022 contract retention balance disclosed in Note 6 is expected to be collected within one year. We perform ongoing credit evaluations of our customers and generally do not require collateral, although the law provides us the ability to file mechanics' liens on real property improved for private customers in the event of non-payment by such customers.

Foreign Currency Transactions and Translation: We have operations in Mexico and Canada which involve exposure to possible volatile movements in foreign currency exchange rates. We account for foreign currency exchange transactions and translation in accordance with ASC Topic 830,*Foreign Currency Matters*. In Mexico, most of our customer contracts and a significant portion of our costs are denominated in U.S. dollars; therefore, the functional currency is U.S. dollars. In Canada, the functional currency is the local currency. Foreign currency transactions are remeasured into the functional currency with gains and losses included in other income, net in the consolidated statements of operations. The impact from foreign currency transactions was immaterial for 2022, 2021 and 2020. Assets and liabilities in functional currency are translated into U.S. dollars at exchange rates prevailing at the balance sheet date. Revenues and expenses are translated into U.S. dollars at average foreign currency exchange rates prevailing during the reporting periods. The translation adjustments from functional currency to U.S. dollars are reported in accumulated other comprehensive income (loss) on the consolidated balance sheets.

Inventories: Inventories relating to our operations consist primarily of quarry products, contract-specific materials and water well drilling materials, supplies, as well as mineral extraction and drilling supplies located in the U.S. and Mexico. Cost of inventories are valued at the lower of average cost or net realizable value. We reservequarry productsbased on estimated quantities of materials on hand in excess of approximately one year of demand.

Investments in Affiliates: Each investment accounted for under the equity method of accounting is reviewed for impairment in accordance with ASC Topic 323,*Investments - Equity Method and Joint Ventures.* We account for our share of the operating results of the equity method investments in equity in income from affiliates, net in the consolidated statements of operations and as a single line item in the consolidated balance sheets as investments in affiliates. Our investments in affiliates include foreign entities, real estate entities and an asphalt terminal entity. These investments are evaluated for impairment using the other-than-temporary impairment model, which requires an impairment charge to be recognized if our investment's carrying amount exceeds its fair value, and the decline in fair value is deemed to be other than temporary. Recoverability is measured by comparison of carrying amounts to future undiscounted cash flows the investments are expected to generate. Events or changes in circumstances, which would cause us to review undiscounted future cash flows include, but are not limited to:

- significant adverse changes in legal factors or the business climate and
- current period cash flow or operating losses combined with a history of losses, or a forecast of continuing losses associated with the use of the asset.

In addition, events or changes in circumstances specifically related to our real estate entities, include:

- significant decreases in the market price of the asset;
- accumulation of costs significantly in excess of the amount originally expected for the acquisition, development or construction of the asset; and
- significant changes to the development or business plans of a project.

Future undiscounted cash flows and fair value assessments for our foreign entities and for the asphalt terminal entity are estimated based on market conditions and the political climate. Future undiscounted cash flows and fair value assessments for our real estate entities are estimated based on entitlement status, market conditions, cost of construction, debt load, development schedules, status of joint venture partners and other factors applicable to the specific project. Fair value is estimated based on the expected future cash flows attributable to the asset or group of assets and on other assumptions that market participants would use in determining fair value, such as market discount rates, transaction prices for other comparable assets, and other market data. Our estimates of cash flows may differ from actual cash flows due to, among other things, fluctuations in interest rates, decisions made by jurisdictional agencies, economic conditions, or changes to our business operations.

During the year ended December 31, 2020, the entities within our investments in foreign affiliates experienced other than temporary declines in fair value, which resulted in a non-cash impairment charge of $9.6 million.

Property and Equipment: Property and equipment are stated at cost. Depreciation for construction and other equipment is primarily provided using accelerated methods over lives ranging from three to ten years, and the straight-line method over lives from two to twenty years for the remaining depreciable assets. We believe that accelerated methods best approximate the service provided by the construction and other equipment. Depletion of quarry property is based on the usage of depletable reserves. We frequently sell property and equipment that has reached the end of its useful life or no longer meets our needs, including depleted quarry property. At the time that an asset or an asset group meets the held for sale criteria as defined by ASC Topic 360,*Property, Plant, and Equipment,* depreciation is discontinued and we write it down to fair value less cost to sell, if the fair value is below the carrying value. Fair value is estimated by a variety of factors including, but not limited to, market comparative data, historical sales prices, broker quotes and third-party valuations. If material, such property is separately disclosed in the consolidated balance sheets, otherwise it is held in property and equipment until sold. The cost and accumulated depreciation or depletion of property sold or retired is removed from the consolidated balance sheets and the resulting gains or losses, if any, are reflected in operating income in the consolidated statements of operations for the period. In the case that we abandon an asset, an amount equal to the carrying amount of the asset, less salvage value, if any, will be recognized as expense in the period that the asset was abandoned. Repairs and maintenance are expensed as incurred.

Costs related to the development of internal-use software during the preliminary project and post-implementation stages are expensed as incurred. Costs incurred during the application development stage are capitalized. These costs consist primarily of software, hardware and consulting fees, as well as salaries and related costs. Amounts capitalized are reported as a component of office furniture and equipment within property and equipment in the consolidated balance sheets. Capitalized software costs are depreciated using the straight-line method over the estimated useful life of the related software, which ranges from three to seven years. During the years ended December 31,2022, 2021 and 2020, we capitalized $11.4 million, $12.0 million and $7.4 million, respectively, of internal-use software development and related hardware costs.

Long-lived Assets: We review property and equipment and amortizable intangible assets for impairment at an asset group level whenever events or changes in circumstances indicate the carrying amount of an asset group may not be recoverable. Recoverability of these asset groups is measured by comparison of their carrying amounts to the future undiscounted cash flows the asset groups are expected to generate. If the asset groups are considered to be impaired, an impairment charge will be recognized equal to the amount by which the carrying amount of the asset group exceeds fair value. We group construction and plant equipment assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets. When an individual asset or group of assets is determined to no longer contribute to its vertically integrated construction and plant equipment asset group, it is assessed for impairment independently.

As of December 31,2022, amortizable intangible assets, which primarily include permits and customer relationships, are being amortized over remaining terms from two to fifteen years. All intangible assets are amortized on a straight-line basis except for customer relationships which will are amortized on a double declining basis.

further information.

Goodwill: As of December 31, 2022, we had five reporting units in which goodwill was recorded as follows:

- Central Group Construction
- Central Group Materials
- Mountain Group Construction
- Mountain Group Materials
- California Group Construction

We perform our goodwill impairment tests annually as of November 1 and more frequently when events and circumstances occur that indicate a possible impairment of goodwill. Examples of such events or circumstances include, but are not limited to, the following:

- a significant adverse change in the business climate;
- a significant adverse change in legal factors or an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold; or
- the testing for recoverability of a significant asset group within the segment.

In accordance with ASC Topic 350,*Intangibles – Goodwill and Other,* we can elect to perform a qualitative assessment to test a reporting unit's goodwill for impairment or perform a quantitative impairment test. Based on a qualitative assessment, if we determine that the fair value of a reporting unit is more likely than not to be less than its carrying amount, the quantitative impairment test will be performed.

In performing the quantitative goodwill impairment tests, we calculate the estimated fair value of the reporting unit in which the goodwill is recorded using the discounted cash flows and market multiple methods. The estimated fair value is compared to the carrying amount of the reporting unit, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. If the fair value of the reporting unit is less than its carrying amount, goodwill is impaired and the excess of the reporting unit's carrying amount over the fair value is recognized as a non-cash impairment charge.

Judgments inherent in these methods include the determination of appropriate discount rates, the amount and timing of expected future cash flows, revenue and margin growth rates, and appropriate benchmark companies. The cash flows used in our 2022 discounted cash flow model were based on five-year financial forecasts developed internally by management adjusted for market participant-based assumptions. Our discount rate assumptions are based on an assessment of the equity cost of capital and appropriate capital structure for our reporting units. To assess for reasonableness, we compare the estimated fair values of the reporting units to our current market capitalization.

For our 2022 annual goodwill impairment test, we elected to perform a qualitative assessment of the Central Group Materials, Mountain Group Construction, Mountain Group Materials and California Group Construction reporting units and we determined that it was more likely than not that the fair values were greater than the carrying amounts; therefore, no quantitative goodwill impairment test was performed for these reporting units. Factors we considered in our qualitative assessment were macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, changes in management or key personnel, changes in strategy, changes in customers and changes in the composition or carrying amount of the reporting unit's net assets. A quantitative impairment test was conducted for the Central Group Construction reporting unit, and we concluded that goodwill was not impaired. The assessment indicated that the estimated fair value of the reporting unit exceeded its carrying amount (i.e., headroom) by over 80%.

In the third quarter of 2022, in connection with our decision to retain the Water Resources and Mineral Services businesses, we performed impairment tests on the goodwill balances that had been previously held for sale. We concluded that goodwill was not impaired and therefore it was reclassified as held and used at its carrying amount before being classified as held for sale. The assessment indicated the estimated fair value exceeded its carrying amount by approximately 40%. At December 31, 2022, the goodwill associated with Water Resources and Mineral Services was included within the Mountain Group Construction reporting unit.

For our 2021 annual goodwill impairment test, we conducted quantitative impairment tests based on the operating structure in place at November 1, 2021. Due to changes in our reporting structure and resulting changes to our reporting units in 2021, we conducted impairment tests immediately before and after the reorganization, which was effective December 1, 2021. Based on the results of the tests performed, we concluded that goodwill was not impaired at either date since the estimated fair value of each reporting unit exceeded its respective carrying amount.

During the year ended December 31, 2020, our goodwill impairment tests resulted in a total impairment charge of $147.1 million, which is included in Non-cash impairment charges in the consolidated statements of operations.

Right of use Assetsand Lease Liabilities: A lease contract conveys the right to use an underlying asset for a period of time in exchange for consideration. At inception, we determine whether a contract contains a lease by determining if there is an identified asset and if the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time.

At lease commencement, we measure and record a lease liability equal to the present value of the remaining lease payments, generally discounted using the borrowing rate on our secured debt as the implicit rate is not readily determinable on many of our leases. We use a quarterly maturity discount rate if it is not materially different than the discount rates applied to each of the leases in the portfolio.

On the lease commencement date, the amount of the right of use assets consists of the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, minus any lease incentives received; and
- any initial direct costs incurred.

On a quarterly basis, we determine if subcontractor, vendor or service provider agreements contain embedded leases by assessing if an asset is explicitly or implicitly specified in the agreement and the counterparty has the right to substitute the asset. Most of our lease contracts do not have the option to extend or renew. We assess the option for individual leases, and we generally consider the base term to be the term of lease contracts. Lease contracts may contain non-lease components for which we elected to include both the lease and non-lease components as a single component and account for it as a lease.

Contract Liabilities: Our contract liabilities consist of billings in excess of costs and estimated earnings, net of the related contract retention and provisions for losses. Billings in excess of costs and estimated earnings are billings to customers on contracts in advance of work performed, including advance payments negotiated as a contract condition. Generally, unearned project-related costs will be earned over the next twelve months. Provisions for losses are recognized in the consolidated statements of operations at the uncompleted performance obligation level for the amount of total estimated losses in the period that evidence indicates that the estimated total cost of a performance obligation exceeds its estimated total revenue.

Asset Retirement Obligations: We account for the costs related to legal obligations to reclaim aggregate mining sites and other facilities by recording our estimated asset retirement obligation at fair value using Level 3 inputs, capitalizing the estimated liability as part of the related asset's carrying amount and allocating it to expense over the asset's useful life.

Warranties: Many of our construction contracts contain warranty provisions covering defects in equipment, materials, design or workmanship that generally run for less than two years after our customer accepts the contract. Because of the nature of our projects, including contract owner inspections of the work both during construction and prior to acceptance, we have not experienced material warranty costs for these short-term warranties and, therefore, do not believe an accrual for these costs is necessary. Certain construction contracts carry longer warranty periods, ranging from two to ten years, for which we have accrued an estimate of warranty cost. The warranty liability is estimated based on our experience with the type of work and any known risks relative to the project and was not material as of December 31,2022 and 2021.

Accrued Insurance Costs: We carry insurance policies to cover various risks, including general liability, automobile liability, workers compensation and employee medical expenses under which we are liable to reimburse the insurance company for certain losses. The amounts for which we are liable range from the first $0.5 million to $1.5 million per occurrence. We accrue for probable losses, both reported and unreported, that are reasonably estimable using actuarial methods based on historic trends, modified, if necessary, by recent events. The establishment of accruals for estimated losses associated with our insurance policies are based on actuarial studies that include known facts and interpretations of circumstances, including our experience with similar cases and historical trends involving claim payment patterns, pending levels of unpaid claims, claim severity, frequency patterns and changing regulatory and legal environments. Changes in our loss assumptions caused by changes in actual experience would affect our assessment of the ultimate liability and could have an effect on our operating results and financial position.

Surety Bonds: and Real Estate Mortgages

We are generally are required to provide various types of surety bonds that provide an additional measure of security for our performance under certain public and private sector contracts. At December 31, 2023, approximately $3.2 billion of our $5.5 billion CAP was bonded. Performance bonds do not have stated expiration dates; rather, we are generally released from the bonds after the owner accepts the work performed under contract. The ability to maintain bonding capacity to support our current and future level of contracting requires that we maintain cash and working capital balances satisfactory to our sureties.

Performance Guarantees: The agreements with our joint venture partners ("partner(s)") for both construction joint ventures and line item joint ventures define each partner's management role and financial responsibility

Our investments in the project. The amount of operational exposure real estate affiliates are subject to mortgage indebtedness. This indebtedness is generally limited non-recourse to our stated ownership interest. However, due Granite but is recourse to the joint and several real estate entities. The terms of this indebtedness are typically renegotiated to reflect the evolving nature of the performance real estate projects as they progress through acquisition, entitlement and development. Modification of these terms may include changes in loan-to-value ratios requiring the real estate entity to repay portions of the debt. The debt associated with our unconsolidated non-construction entities is included in Note 10 of "Notes to the Consolidated Financial Statements."

Covenants and Events of Default

Our Credit Agreement requires us to comply with various affirmative, restrictive and financial covenants, including the financial covenants described below. Our failure to comply with these covenants would constitute an event of default under the Credit Agreement. Additionally, the 2.75% Convertible Notes and 3.75% Convertible Notes are governed by the terms and conditions of their respective indentures. Our failure to pay principal, interest or other amounts when due or within the relevant grace period on our 2.75% Convertible Notes, our 3.75% Convertible Notes or our Credit Agreement would constitute an event of default under the 2.75% Convertible Notes indenture, the 3.75% Convertible Note indenture or the Credit Agreement. A default under our Credit Agreement could result in (i) us no longer being entitled to borrow under such facility; (ii) termination of such facility; (iii) the requirement that any letters of credit under such facility be cash collateralized; (iv) acceleration of amounts owed under the Credit Agreement; and/or (v) foreclosure on any collateral securing the obligations under such facility. A default under the related owner contracts, if any 2.75% Convertible Notes indenture or the 3.75% Convertible Notes indenture could result in acceleration of the partners fail to perform, we and the remaining partners, if any, would be responsible for performance maturity of the outstanding work (i.e. notes.

The Credit Agreement contains certain affirmative and restrictive covenants, and customary events of default. The financial covenants include a maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) and a minimum Consolidated Interest Coverage Ratio (as defined in the Credit Agreement). As of December 31, 2023, we provide a performance guarantee) were in compliance with the covenants in the Credit Agreement.

Share Purchase Program

As announced on February 3, 2022, on February 1, 2022, the Board of Directors authorized us to purchase up to $300.0 million of our common stock at management's discretion (the "2022 authorization"). We estimate our liability for performance guarantees for our unconsolidated did not purchase shares under the share purchase program in 2023. As of December 31, 2023, $231.5 million of the 2022 authorization remained available.

The specific timing and line item joint ventures using estimated partner bond rates, which are Level 2 inputs, and include them in accrued expenses amount of any future repurchases will vary based on market conditions, securities law limitations and other current liabilities with a corresponding increase in equity in construction joint ventures in the consolidated balance sheets. We reassess our liability when factors.

Recently Issued and if changes in circumstances occur. The liability and corresponding asset are removed from the consolidated balance sheets upon completion and customer acceptance Adopted Accounting Pronouncements

See Note 1 of the project. Circumstances that could lead to a loss under these agreements beyond our stated ownership interest include the failure of a partner to contribute additional funds "Notes to the venture Consolidated Financial Statements" under the caption Recently Issued and Adopted Accounting Pronouncements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We maintain an investment portfolio of various holdings, types and maturities. We purchase instruments that meet high credit quality standards, as specified in the event the project incurs a loss or additional costs that we could incur should a partner fail to provide the services and resources that it had committed to provide in the agreement. We are not able to estimate amounts that may be required beyond the remaining cost of the work to be performed. These costs could be offset by billings to the customer or by proceeds from our partners' corporate and/or other guarantees.

Contingencies: We are currently involved in various claims and legal proceedings. Loss contingency provisions are recorded if the potential loss from any asserted or un-asserted claim or legal proceeding is considered probable and the amount can be reasonably estimated. If a potential loss is considered probable but only a range of loss can be determined, the low-end of the range is recorded. These accruals represent management's best estimate of probable loss. Disclosure is investment policy. Our investment policy also provided when it is reasonably possible and estimable that a loss will be incurred or when it is reasonably possible that limits the amount of a loss will exceed credit exposure to any one issue, issuer or type of instrument. The portfolio and accompanying cash balances are targeted to an average maturity of no more than one year from the date the purchase is settled. On an ongoing basis we monitor credit ratings, financial condition and other factors that could affect the carrying amount recorded. Significant judgment of our investment portfolio.

Marketable securities, consisting of U.S. government and agency obligations, are classified as held-to-maturity and are stated at cost, adjusted for amortization of premiums and discounts to maturity.

Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of cash and cash equivalents, marketable securities, and accounts receivable. We maintain our cash and cash equivalents and our marketable securities with several financial institutions.

Given the short-term nature of certain investments, the related income is required subject to the general level of interest rates in both the determination of probability of loss and the determination as to whether an exposure is reasonably estimable. Because of uncertainties related to these matters, accruals are based only on the best information available United States at the time. time of maturity and reinvestment. We manage investment interest rate market risk primarily by managing portfolio maturity. The fair value of our long-term held-to-maturity investment portfolio may be affected by changes in interest rates.

Operating in international markets involves exposure to possible volatile movements in currency exchange rates. In the third quarter of 2023 we began the wind down of our international Minerals Services operations which operated in Mexico and Canada. Our Materials Segment continues to have international operations in Canada. We also have affiliates that operate in Latin America (see Note 10 of "Notes to the Consolidated Financial Statements"). As additional information becomes available, of December 31, 2023, we reassess do not have any outstanding foreign currency option contracts. If the potential liability related volume of our international operations increases and foreign currency exchange rates change, the impact to claims and litigation and may revise our estimates. We expense associated legal costs as they are incurred. See Note 20 for additional information.

Stock-Based Compensation: We measure and recognize compensation expense, net of forfeitures, over the requisite vesting periods for all stock-based payment awards made and we recognize forfeitures as they occur. Stock-based compensation is included in selling, general and administrative expenses and cost of revenue on our consolidated statements of operations.

operations could be significant and may affect year-to-year comparability of operating results. The impact from foreign currency transactions during 2023, 2022 and 2021 was immaterial.

We may borrow on the Revolver, at our option, at either (a) the SOFR term rate plus a credit adjustment spread plus applicable margin ranging from 1.0% to 2.0%, or (b) a base rate plus an applicable margin ranging from 0.0% to 1.0%. The applicable margin is based on our Consolidated Leverage Ratio (as defined in our Credit Agreement), calculated quarterly.

As of December 31, 2023, there was $100 million drawn on the Revolver.

See Note 14 of "Notes to the Consolidated Financial Statements" for further discussion on the 2.75% Convertible Notes, 3.75% Convertible Notes and Credit Agreement.

The table below presents principal amounts due by year and related weighted average interest rates for our cash and cash equivalents, held-to-maturity investments and significant debt obligations, excluding debt issuance costs, as of December 31, 2023 (dollars in thousands):

	2024	2025	2026	2027	2028	Thereafter	Total
Assets							
Cash, cash equivalents, held-to-maturity investments	$ 453,526	$ —	$ —	$ —	$ —	$ —	$ 453,526
Weighted average interest rate	4.89 %	— %	— %	— %	— %	— %	4.89 %
Liabilities							
Debt							
Credit Agreement Revolver Loan	$ —	$ —	$ —	$ 100,000	$ —	$ —	$ 100,000
Effective interest rate (1)	7.46 %	7.46 %	7.46 %	7.46 %	— %	— %	7.46 %
Credit Agreement Term Loan	$ 7,500	$ 7,500	$ 7,500	$ 127,500	$ —	$ —	$ 150,000
Effective interest rate (2)	6.65 %	6.65 %	6.65 %	6.65 %	— %	— %	6.65 %
3.75% Convertible Notes	$ —	$ —	$ —	$ —	$ 373,750	$ —	$ 373,750
Coupon rate	3.75 %	3.75 %	3.75 %	3.75 %	3.75 %	— %	3.75 %
2.75% Convertible Notes	$ 31,338	$ —	$ —	$ —	$ —	$ —	$ 31,338
Coupon rate	2.75 %	— %	— %	— %	— %	— %	2.75 %

(1) The effective interest rate was calculated using one-month SOFR plus 10 basis points plus the applicable margin.

(2) The effective interest rate was calculated using a blended rate based on the fixed rate associated with the cash flow hedge (see Note 8 of "Notes to the Consolidated Financial Statements") of 3.73% plus 10 basis points plus applicable margin and the one-month SOFR plus 10 basis points plus the applicable margin for the remaining amount of the Term Loan not covered by the hedge.

The estimated fair value of our cash and cash equivalents approximates the principal amounts reflected above based on the generally short maturities of these financial instruments. The fair value of the 3.75% Convertible Notes was approximately $475.6 million as of December 31, 2023. The fair value of 2.75% Convertible Notes was approximately $51.0 million and $281.4 million as of December 31, 2023 and 2022, respectively.

GRANITE CONSTRUCTION INCORPORATED

NOTES TO THE CONSOLIDATED

Item 8. FINANCIAL STATEMENTS - CONTINUED

AND SUPPLEMENTARY DATA

The following consolidated financial statements of Granite and the independent registered public accounting firm's report are incorporated by reference from Part IV, Item 15(a)(1) and (2):

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act) as required by paragraph (b) of Rule 13a-15 or Rule 15d-15 of the Exchange Act, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of December 31, 2023, the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Our management, including our principal executive and principal financial officers, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d -15(f). Internal control over financial reporting is defined as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Our management, under the supervision and with the participation of our principal executive and principal financial officers, has conducted an evaluation of the effectiveness of our internal control over financial reporting, using the criteria established in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2023.

The scope of our assessment of the effectiveness of our internal control over financial reporting did not include LRC/MSG as we acquired them on November 30, 2023. The tangible assets acquired from LRC/MSG were 5% of consolidated assets as of December 31, 2023 and revenues were less than 1% of consolidated revenue during the year ended December 31, 2023. We excluded LRC/MSG from the scope of our assessment in accordance with the Securities and Exchange Commission's guidance that allows a recently acquired business to be omitted from the scope of the assessment for one year from the date of its acquisition.

PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2023. Their report is included in Part IV, Item 15(a) of this Form 10-K under the heading "Report of Independent Registered Public Accounting Firm."

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

Trading Arrangements

During the three months ended December 31, 2023, none of our directors or officers, as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required in response to this Item 10 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 11. EXECUTIVE COMPENSATION

The information required in response to this Item 11 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required in response to this Item 12 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required in response to this Item 13 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required in response to this Item 14 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

1. **Financial Statements.** The following consolidated financial statements and related documents are filed as part of this report:

2. **Financial Statement Schedules.** Schedules are omitted because they are not required or applicable, or the required information is included in the Financial Statements or related notes.

3. **Exhibits**. The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of, or furnished with, this report.

(b)

INDEX TO 10-K EXHIBITS

Exhibit No.		Exhibit Description
2.1	*	Purchase Agreement, dated February 2, 2022, by and among Layne Heavy Civil, Inc., Granite Construction International, Granite Construction Incorporated, Inland Pipe Rehabilitation LLC and 1000097155 Ontario Inc. [Exhibit 2.1 to the Company's Form 8-K filed on February 3, 2022]
2.2	*	Equity Purchase Agreement by and among Granite Construction Incorporated, Roberts Family Companies, Inc., Lehman-Roberts Company, Memphis Stone & Gravel Company, Patrick Nelson, as sellers' representative, and the entities and individuals party thereto [Exhibit 2.1 to the Company's Current Report on Form 8-K filed on December 5, 2023]
3.1	*	Certificate of Incorporation of Granite Construction Incorporated, as amended [Exhibit 3.1.b to the Company's Form 10-Q for the quarter ended June 30, 2006]
3.2	*	Certificate of Amendment to the Certificate of Incorporation of Granite Construction Incorporated [Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 9, 2023]
3.3	*	Amended and Restated Bylaws of Granite Construction Incorporated [Exhibit 3.1 to the Company's Form 8-K filed on April 7, 2023]
4.1	*	Indenture (including Form of Note) with respect to Granite Construction Incorporated's 2.75% Convertible Senior Notes due 2024, dated November 1, 2019, by and between Granite Construction Incorporated and Wilmington Trust, National Association, as trustee [Exhibit 4.1 to the Company's Form 8-K filed on November 1, 2019]
4.2	*	Indenture (including Form of Note) with respect to Granite Construction Incorporated's 3.75% Convertible Senior Notes due 2028, dated May 11, 2023, by and between Granite Construction Incorporated and Wilmington Trust, National Association, as trustee [Exhibit 4.1 to the Company's Form 8-K filed on May 11, 2023]
4.3	*	Description of Common Stock [Exhibit 4.2 to the Company's Form 10-K for the year ended December 31, 2019]
10.1	†**	Key Management Deferred Compensation Plan II, as amended
10.2	* **	Form of Amended and Restated Director and Officer Indemnification Agreement [Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2002]
10.3	* **	Granite Construction Incorporated Annual Incentive Plan adopted by the Board of Directors on March 30, 2022 [Exhibit 10.1 to the Company's Form 8-K filed on April 1, 2022]
10.4	* **	Form of Annual Incentive Plan Participation Agreement [Exhibit 10.2 to the Company's Form 8-K filed on April 1, 2022]
10.5	* **	Granite Construction Incorporated 2012 Equity Incentive Plan [Exhibit 10.1 to the Company's Form 8-K filed on May 25, 2012]
10.6	*	Fourth Amended and Restated Credit Agreement, dated June 2, 2022, by and among Granite Construction Incorporated, Granite Construction Company, GILC Incorporated, Bank of America, N.A., as Administrative Agent, Collateral Agent, Swing Line Lender and L/C Issuer, and the lenders and other parties thereto [Exhibit 10.1 to the Company's Form 8-K filed on June 6, 2022]
10.7	*	Amendment No. 1 to Fourth Amended and Restated Credit Agreement, dated May 8, 2023, by and among the Company, Granite Construction Company, and GILC Incorporated, as borrowers, Bank of America, N.A., as administrative agent, and the lenders party thereto [Exhibit 10.1 to the Company's Form 8-K filed on May 9, 2023]
10.8	*	Amendment No. 2 to Fourth Amended and Restated Credit Agreement, dated November 30, 2023, by and among the Company, Granite Construction Company and GILC Incorporated, as borrowers, Layne Christensen Company, as a guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent [Exhibit 10.1 to the Company's Form 8-K filed on December 5, 2023]
10.9	*	Fourth Amended and Restated Guaranty Agreement, dated June 2, 2022, by and among Granite Construction Incorporated, the guarantors party thereto and Bank of America, N.A., as Administrative Agent [Exhibit 10.2 to the Company's Form 8-K filed on June 6, 2022]
10.10	*	Form of Bond Hedge Confirmation [Exhibit 10.1 to the Company's Form 8-K filed on November 1, 2019]
10.11	*	Form of Warrant Confirmation [Exhibit 10.2 to the Company's Form 8-K filed on November 1, 2019]
10.12	*	Form of Capped Call Confirmation [Exhibit 10.1 to the Company's Form 8-K filed on May 11, 2023]
10.13	†**	Executive Retention and Severance Plan III and Participation Agreement,as amended

Exhibit No.		Exhibit Description
10.14	* **	Long Term Incentive Plan, effective January 1, 2020 [Exhibit 10.2 to the Company's Form 8-K filed on March 30, 2020]
10.15	* **	LTIP Award Agreement (2020 Long Term Incentive Plan) [Exhibit 10.3 to the Company's Form 8-K filed on March 30, 2020]
10.16	* **	Granite Construction Incorporated 2021 Equity Incentive Plan [Exhibit 10.2 to the Company's Form 8-K filed on June 4, 2021]
10.17	* **	Form of Non-Employee Director Restricted Stock Unit Agreement (2021 Equity Incentive Plan) [Exhibit 10.3 to the Company's Form 8-K filed on June 4, 2021]
10.18	* **	Form of Employee Service Award Restricted Stock Unit Agreement (2021 Equity Incentive Plan) [Exhibit 10.4 to the Company's Form 8-K filed on June 4, 2021]
10.19	* **	Form of Employee TSR Award Restricted Stock Unit Agreement (2021 Equity Incentive Plan) [Exhibit 10.5 to the Company's Form 8-K filed on June 4, 2021]
10.20	* **	Form of Executive Officer Acknowledgement & Agreement Pertaining to the Granite Construction Incorporated Clawback Policy [Exhibit 10.2 to the Company's Form 8-K filed on October 13, 2023]
10.21	*	Notice of Pendency and Proposed Settlement of Actions [Exhibit 99.1 to the Company's Form 8-K filed on June 9, 2022]
19	†	Insider Trading Policy
21	†	List of Subsidiaries of Granite Construction Incorporated
23.1	†	Consent of PricewaterhouseCoopers LLP
31.1	†	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	†	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	††	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95	†	Mine Safety Disclosure
97	* **	Clawback Policy [Exhibit 10.1 to the Company'sForm 8-K filed on October 13, 2023]
101.INS	†	Inline XBRL Instance Document
101.SCH	†	Inline XBRL Taxonomy Extension Schema
101.CAL	†	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	†	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	†	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	†	Inline XBRL Taxonomy Extension Presentation Linkbase
104	†	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (included within the Exhibit 101 attachments).

* Incorporated by reference

** Compensatory plan or management contract

† Filed herewith

†† Furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRANITE CONSTRUCTION INCORPORATED

By: /s/ Elizabeth L. Curtis

Elizabeth L. Curtis

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: February 22, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities indicated and on the dates indicated.

/s/ Michael F. McNally	February 22, 2024
Michael F. McNally, Chairman of the Board and Director	
/s/ Kyle T. Larkin	February 22, 2024
Kyle T. Larkin, President, Chief Executive Officer and Director (Principal Executive Officer)	
/s/ Elizabeth L. Curtis	February 22, 2024
Elizabeth L. Curtis, Executive Vice President and Chief Financial Officer (Principal Financial Officer)	
/s/ Staci M. Woolsey	February 22, 2024
Staci M. Woolsey, Chief Accounting Officer (Principal Accounting Officer)	
/s/ Louis E. Caldera	February 22, 2024
Louis E. Caldera, Director	
/s/ Molly C. Campbell	February 22, 2024
Molly C. Campbell, Director	
/s/ David C. Darnell	February 22, 2024
David C. Darnell, Director	
/s/ Patricia D. Galloway	February 22, 2024
Patricia D. Galloway, Director	
/s/ Alan P. Krusi	February 22, 2024
Alan P. Krusi, Director	
/s/ Celeste B. Mastin	February 22, 2024
Celeste B. Mastin, Director	
/s/ Laura M. Mullen	February 22, 2024
Laura M. Mullen, Director	

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Granite Construction Incorporated

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Granite Construction Incorporated and its subsidiaries (the “Company”) as of December 31, 2023, and 2022,and the related consolidated statements of operations, include net costs of comprehensive income (loss), of shareholders’ equity and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to settlements as the “consolidated financial statements”).We also have audited the Company's internal control over financial reporting as of certain legal matters December 31, 2023, based on criteria established in *Internal Control - Integrated Framework*(2013)issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidatedfinancial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and investigations, 2022**,** and the results of itsoperations and itscash flows for each of the three years in the period ended December 31, 2023in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all discussed further material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Note 20,*Internal Control - Integrated Framework*(2013)issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in management’s report referred to above.. Our responsibility is to express opinions on the Company’s consolidatedfinancial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidatedfinancial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidatedfinancial statements included performing procedures to assess the risks of material misstatement of the consolidatedfinancial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidatedfinancial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as net divestiture evaluating the overall presentation of the consolidatedfinancial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Lehman-Roberts Company ("LRC") and Memphis Stone and Gravel Company ("MSG") from its assessment of internal control over financial reporting as of December 31, 2023, because it was acquired by the Company in a purchase business combination during 2023. We have also excluded LRC and MSG from our audit of internal control over financial reporting. LRC and MSG are wholly-owned subsidiaries whose total tangible assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent 5% and less than 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2023.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidatedfinancial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition - Estimates of the Forecasted Revenue and Costs to Complete for Multi-Year Fixed Price Contracts in the Construction Segment

As described in Notes 1, 3, and 4 to the consolidated financial statements, the revenue for the construction segment for the year ended December 31, 2023 was $2,992.3 million, a portion of which related to multi-year fixed price contracts. Revenue in the Construction segment is ordinarily recognized over time as control is transferred to the customers by measuring the progress toward complete satisfaction of the performance obligation(s) using an input (i.e., cost to cost) method. Under the cost to cost method, costs incurred to-date are generally the best depiction of transfer of control. The accuracy of the Company's revenue and profit recognition in a gain given period depends on sale the accuracy of management's estimates of the forecasted revenue and cost to complete each project. Cost estimates for all significant projects use a detailed bottom up approach in which there are a number of factors that can contribute to revisions in estimates of contract cost and profitability. Provisions for losses are recognized at the uncompleted performance obligation level for the amount of total estimated losses in the period that evidence indicates that the estimated total cost of a performance obligation exceeds its estimated total revenue. The estimates of transaction price and costs to complete can vary significantly in the normal course of business as projects progress, circumstances develop and evolve, and uncertainties are resolved. When the Company experiences significant revisions in 2022estimates, management undergoes a process that includes reviewing the nature of the changes to ensure that no material amounts should have been recorded in a prior period rather than as a revision in estimate for the current period. Management generally uses the cumulative catch-up method for changes to the transaction price that are part of a single performance obligation. Under this method, revisions in estimates are accounted for in their entirety in the period of change.

The principal considerations for our determination that performing procedures relating to estimates of the forecasted revenue and personnel costs incurred to complete for multi-year fixed price contracts in the Construction segment is a critical audit matter are (i) the significant judgment by management when determining the estimates of forecasted revenue and costs to complete,

and revisions in those estimates and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's estimates of forecasted revenue and costs to complete for multi-year fixed price contracts in the Construction segment, and revisions in those estimates.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our operating group reorganization during 2021.overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over management's estimates of forecasted revenue and costs to complete for multi-year fixed price contracts in the Construction segment, and revisions in those estimates. These procedures also included, among others, for a sample of multi-year fixed price contracts, testing management's process for determining the estimates of forecasted revenue and costs to complete, which included (i) assessing management's ability to reasonably estimate the forecasted revenue and costs to complete by evaluating management's methodology and assessing the consistency of management's approach over the life of the contract and (ii) evaluating the timely identification of circumstances that may warrant a modification to estimated forecasted revenue and costs to complete.

Acquisition of LRC/MSG – Valuation of the Customer Relationships Intangible Asset

As described in Note 2 to the consolidated financial statements, on November 30, 2023, the Company completed the acquisition of LRC/MSG for $278.0 million, subject to customary closing adjustments, plus an estimated amount related to tax make-whole agreements with the seller. Of the acquired intangible assets, $83.9 million of customer relationships were recorded. The fair value of customer relationships was estimated as of the acquisition date utilizing the multi-period excess earnings method. This method discounts to present value the projected cash flows attributable to the customer relationships. The significant estimates and assumptions used in determining the fair value included discount rates, revenue growth rates, projected EBITDA margins and customer revenue attrition rates.

The principal considerations for our determination that performing procedures relating to the valuation of the customer relationships intangible asset acquired in the acquisition of LRC/MSG is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the customer relationships intangible asset acquired; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the discount rate, revenue growth rates, projected EBITDA margins, and customer revenue attrition rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to acquisition accounting, including controls over management's valuation of the customer relationships intangible asset acquired.

These procedures also included, among others (i) reading the purchase agreement; (ii) testing management's process for developing the fair value estimate of the customer relationships intangible asset acquired; (iii) evaluating the appropriateness of the multi-period excess earnings method; (iv) testing the completeness and accuracy of the underlying data used in the multi-period excess earnings method; and (v) evaluating the reasonableness of the significant assumptions used by management related to the discount rate, revenue growth rates, projected EBITDA margins, and customer revenue attrition rate. Evaluating the reasonableness of management's assumptions related to revenue growth rates and projected EBITDA margins involved considering (i) the current and past performance of the acquired business; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the multi-period excess earnings method and (ii) the reasonableness of the discount rate and customer revenue attrition rate assumptions.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 22, 2024

We have served as the Company's auditor since 1982.

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share and per share data)

December 31,		**2023**		**2022**
ASSETS				
Current assets				
Cash and cash equivalents ($120,224 and $102,547 related to consolidated construction joint ventures ("CCJVs"))	$	417,663	$	293,991
Short-term marketable securities		35,863		39,374
Receivables, net ($62,040 and $39,281 related to CCJVs)		598,705		463,987
Contract assets ($68,520 and $80,306 related to CCJVs)		262,987		241,916
Inventories		103,898		86,809
Equity in unconsolidated construction joint ventures		171,233		183,808
Other current assets ($5,590 and $5,694 related to CCJVs)		53,102		37,411
Total current assets		1,643,451		1,347,296
Property and equipment, net ($7,557 and $7,834 related to CCJVs)		662,864		509,210
Long-term marketable securities		—		26,569
Investments in affiliates		92,910		80,725

Goodwill	155,004	73,703
Intangible assets	117,322	9,212
Right of use assets	78,176	49,079
Deferred income taxes, net	8,179	22,208
Other noncurrent assets	55,634	49,931
Total assets	$ 2,813,540	$ 2,167,933
LIABILITIES AND EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 39,932	$ 1,447
Accounts payable ($62,755 and $57,534 related to CCJVs)	408,363	334,392
Contract liabilities ($50,929 and $62,675 related to CCJVs)	243,848	173,286
Accrued expenses and other current liabilities ($5,426 and $8,451 related to CCJVs)	337,740	288,469
Total current liabilities	1,029,883	797,594
Long-term debt	614,781	286,934
Long-term lease liabilities	63,548	32,170
Deferred income taxes, net	3,708	1,891
Other long-term liabilities	74,654	64,199
Commitments and contingencies (see Note 20)		
Equity		
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding	—	—
Common stock, $0.01 par value, authorized 150,000,000 shares; issued and outstanding: 43,944,118 shares as of December 31, 2023 and 43,743,907 shares as of December 31, 2022	439	437
Additional paid-in capital	474,134	470,407
Accumulated other comprehensive income	881	788
Retained earnings	501,844	481,384
Total Granite Construction Incorporated shareholders’ equity	977,298	953,016
Non-controlling interests	49,668	32,129
Total equity	1,026,966	985,145
Total liabilities and equity	$ 2,813,540	$ 2,167,933

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except share and per share data)

Years Ended December 31,	2023	2022	2021
Revenue			
Construction	$ 2,992,254	$ 2,803,935	$ 3,076,190
Materials	516,884	497,321	425,675
Total revenue	3,509,138	3,301,256	3,501,865
Cost of revenue			
Construction	2,667,199	2,500,054	2,772,962
Materials	445,540	431,708	366,258
Total cost of revenue	3,112,739	2,931,762	3,139,220
Gross profit	396,399	369,494	362,645
Selling, general and administrative expenses	294,466	272,610	303,015
Other costs, net (see Note 1)	50,217	24,120	101,351
Gain on sales of property and equipment, net	(28,346)	(12,617)	(66,439)
Operating income	80,062	85,381	24,718

Other (income) expense						
Loss on debt extinguishment		51,052		—		—
Interest income		(17,538)		(6,528)		(1,176)
Interest expense		18,462		12,624		20,739
Equity in income of affiliates, net		(25,748)		(13,571)		(12,586)
Other (income) expense, net		(6,020)		1,039		(4,386)
Total other (income) expense, net		20,208		(6,436)		2,591
Income before income taxes		59,854		91,817		22,127
Provision for income taxes		30,267		12,960		19,713
Net income		29,587		78,857		2,414
Amount attributable to non-controlling interests		14,012		4,445		7,682
Net income attributable to Granite Construction Incorporated	$	43,599	$	83,302	$	10,096
Net income per share attributable to common shareholders (see Note 18):						
Basic earnings per share	$	0.99	$	1.87	$	0.22
Diluted earnings per share	$	0.97	$	1.70	$	0.21
Weighted average shares outstanding:						
Basic		43,879		44,485		45,788
Diluted		52,565		52,326		47,599

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

Years Ended December 31,		2023		2022		2021
Net income	$	29,587	$	78,857	$	2,414
Other comprehensive income, net of tax						
Net unrealized gain (loss) on cash flow hedges, net of tax	$	(184)	$	275	$	(108)
Less: reclassification for net gains included in interest expense, net of tax		—		3,042		2,131
Net change	$	(184)	$	3,317	$	2,023
Foreign currency translation adjustments, net		277		830		(347)
Other comprehensive income, net of tax	$	93	$	4,147	$	1,676
Comprehensive income, net of tax	$	29,680	$	83,004	$	4,090
Non-controlling interests in comprehensive income, net of tax		14,012		4,445		7,682
Comprehensive income attributable to Granite Construction Incorporated, net of tax	$	43,692	$	87,449	$	11,772

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share data)

	Outstanding Shares		Common Stock		Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)		Retained Earnings		Total Granite Shareholders' Equity		Non-Controlling Interests		Total Equity
Balances at December 31, 2020	45,668,541	$	457	$	555,407	$	(5,035)	$	424,835	$	975,664	$	15,946	$	991,610
Net income	—		—		—		—		10,096		10,096		(7,682)		2,414

Other comprehensive income	—	—	—	1,676	—	1,676	—	1,676
RSUs vested	235,234	2	(2)	—	—	—	—	—
Repurchases of common stock (1)	(68,580)	(1)	(2,729)	—	—	(2,730)	—	(2,730)
Dividends on common stock ($0.52 per share)	—	—	—	—	(23,826)	(23,826)	—	(23,826)
Transactions with non-controlling interests, net	—	—	—	—	—	—	19,617	19,617
Stock-based compensation expense and other	5,065	—	7,076	—	(274)	6,802	—	6,802
Balances at December 31, 2021	45,840,260	$ 458	$ 559,752	$ (3,359)	$ 410,831	$ 967,682	$ 27,881	$ 995,563
Cumulative effect of newly adopted accounting standard (see Note 1)	—	—	(26,961)	—	10,543	(16,418)	—	(16,418)
Balances at January 1, 2022	45,840,260	$ 458	$ 532,791	$ (3,359)	$ 421,374	$ 951,264	$ 27,881	$ 979,145
Net income	—	—	—	—	83,302	83,302	(4,445)	78,857
Other comprehensive income	—	—	—	4,147	—	4,147	—	4,147
Repurchases of common stock (1)	(2,376,020)	(24)	(70,877)	—	—	(70,901)	—	(70,901)
RSUs vested	262,748	3	(3)	—	—	—	—	—
Dividends on common stock ($0.52 per share)	—	—	—	—	(23,292)	(23,292)	—	(23,292)
Transactions with non-controlling interests, net	—	—	—	—	—	—	8,693	8,693
Stock-based compensation expense and other	16,919	—	8,496	—	—	8,496	—	8,496
Balances at December 31, 2022	43,743,907	$ 437	$ 470,407	$ 788	$ 481,384	$ 953,016	$ 32,129	$ 985,145

(1) During the years ended December 31, 2022 and 2021, there were 75,303 shares and 68,580 shares, respectively, withheld related to employee taxes for RSUs vested under our equity incentive plans. During the year ended December 31, 2022, we also repurchased 2,298,353 shares under the Board approved share repurchase program.

	Outstanding Shares	**Common Stock**	**Additional Paid-In Capital**	**Accumulated Other Comprehensive Income (Loss)**	**Retained Earnings**	**Total Granite Shareholders' Equity**	**Non-Controlling Interests**	**Total Equity**
Balances at December 31, 2022	43,743,907	$ 437	$ 470,407	$ 788	$ 481,384	$ 953,016	$ 32,129	$ 985,145
Net income	—	—	—	—	43,599	43,599	(14,012)	29,587
Other comprehensive income	—	—	—	93	—	93	—	93
Repurchases of common stock (1)	(102,413)	(1)	(4,124)	—	—	(4,125)	—	(4,125)
RSUs vested	288,876	3	(3)	—	—	—	—	—
Dividends on common stock ($0.52 per share)	—	—	301	—	(23,139)	(22,838)	—	(22,838)
Capped call transactions	—	—	(39,641)	—	—	(39,641)	—	(39,641)
Redemption of warrants	—	—	(13,201)	—	—	(13,201)	—	(13,201)
Common stock issued in debt extinguishment	1,390,500	14	49,321	—	—	49,335	—	49,335
Exercise of bond hedge	(1,390,516)	(14)	14	—	—	—	—	—
Transactions with non-controlling interests, net	—	—	—	—	—	—	31,551	31,551
Stock-based compensation expense and other	13,764	—	11,060	—	—	11,060	—	11,060
Balances at December 31, 2023	43,944,118	$ 439	$ 474,134	$ 881	$ 501,844	$ 977,298	$ 49,668	$ 1,026,966

(1) Amounts represent shares withheld for employee taxes for RSUs vested under our equity incentive plans. During the year ended December 31, 2023, we did not repurchase any shares under the Board-approved share repurchase program.

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(*in thousands*)

Years Ended December 31,	**2023**	**2022**	**2021**
Operating activities			
Net income	$ 29,587	$ 78,857	$ 2,414
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	92,270	82,569	109,050
Amortization related to long-term debt	2,390	2,366	9,448
Non-cash loss on debt extinguishment	51,052	—	—
Gain on sales of property and equipment, net	(28,346)	(12,617)	(66,439)
Deferred income taxes	26,556	5,447	16,600
Stock-based compensation	10,477	7,765	6,407
Equity in net loss from unconsolidated construction joint ventures	18,617	19,676	765
Net income from affiliates	(25,748)	(13,571)	(12,586)
Other non-cash adjustments	5,695	222	—
Changes in assets and liabilities:			
Receivables	(128,099)	59,623	(11,317)
Contract assets, net	49,691	(113,410)	12,046
Inventories	(1,430)	(14,307)	774
Contributions to unconsolidated construction joint ventures	(21,323)	(53,787)	(61,780)
Distributions from unconsolidated construction joint ventures and affiliates	29,337	19,223	22,004
Deposit for legal settlement	—	129,000	(129,000)
Other assets, net	(17,718)	16,868	(11,969)
Accounts payable	66,828	(9,778)	7,396
Accrual for legal settlement	—	(129,000)	129,000
Accrued expenses and other liabilities, net	23,871	(19,499)	(882)
Net cash provided by operating activities	$ 183,707	$ 55,647	$ 21,931
Investing activities			
Purchases of marketable securities	(9,740)	(94,104)	(10,000)
Maturities of marketable securities	40,000	45,000	—
Proceeds from called marketable securities	—	6	—
Purchases of property and equipment	(140,384)	(121,612)	(94,810)
Proceeds from sales of property and equipment	38,109	26,064	94,802
Proceeds from company-owned life insurance	1,545	—	—
Proceeds from the sale of business (see Note 1)	—	140,576	—
Acquisition of businesses, net of cash acquired (see Note 2)	(294,018)	—	—
Issuance of notes receivable	—	(7,560)	(20,400)
Collection of notes receivable	5,198	630	8,930
Net cash used in investing activities	$ (359,290)	$ (11,000)	$ (21,478)
Financing activities			
Proceeds from debt	305,000	50,000	—
Debt principal repayments	(305,118)	(125,164)	(8,922)
Capped call transactions	(53,035)	—	—
Redemption of warrants	(13,201)	—	—
Proceeds from issuance of 3.75% Convertible Notes	373,750	—	—
Debt issuance costs	(10,865)	—	—
Cash dividends paid	(22,811)	(23,271)	(23,804)

Repurchases of common stock (see Note 17)		(4,124)		(70,898)		(2,730)
Contributions from non-controlling partners		43,300		13,150		20,126
Distributions to non-controlling partners		(14,224)		(8,567)		(9,514)
Other financing activities, net		583		439		398
Net cash provided by (used in) financing activities	$	299,255	$	(164,311)	$	(24,446)
Net increase (decrease) in cash, cash equivalents and restricted cash		123,672		(119,664)		(23,993)

Cash, cash equivalents and $0, $1,512 and $1,512 in restricted cash at beginning of period		293,991		413,655		437,648
Cash, cash equivalents and $0, $0 and $1,512 in restricted cash at end of period	$	417,663	$	293,991	$	413,655
Supplementary Information						
Right of use assets obtained in exchange for lease obligations	$	39,361	$	17,547	$	23,379
Cash paid during the period for:						
Operating lease liabilities	$	21,458	$	22,611	$	23,203
Interest	$	15,640	$	11,511	$	14,593
Income taxes	$	15,381	$	3,768	$	2,066
Other non-cash operating activities:						
Performance guarantees	$	(6,854)	$	(17,409)	$	(167)
Deferred taxes related to capped call transactions	$	13,394	$	—	$	—
Non-cash investing and financing activities:						
RSUs issued, net of forfeitures	$	11,649	$	8,694	$	8,299
Dividends declared but not paid	$	5,713	$	5,687	$	5,959
Contributions from non-controlling partners	$	2,475	$	4,110	$	9,006
Accrued equipment purchases	$	152	$	5,745	$	(4,714)

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

GRANITE CONSTRUCTION INCORPORATED

Income Taxes

The following table presents the provision for income taxes for the respective periods:

Years Ended December 31,		2023		2022		2021
(in thousands)						
Provision for income taxes	$	30,267	$	12,960	$	19,713
Effective tax rate		50.6 %		14.1 %		89.1 %

Our effective tax rate increased from 14.1% to 50.6% when compared to 2022 due to increases in our provision for income taxes relative to lower income before income taxes. Provision for income taxes in the current year was higher than last year due to $49.3 million of non-deductible expense related to the refinancing of a portion of our 2.75% Convertible Notes in the second quarter of 2023. See Note 14 of “Notes to the Consolidated Financial Statements.” In the prior year, provision for income taxes was lower due to the benefit associated with the reversal of deferred tax liabilities related to our Water Resources and Minerals businesses no longer being held for sale, and the benefit from the release of valuation allowances related to utilization of capital loss carryforwards net of the tax expense from non-deductible goodwill associated with the sale of Inliner. The decrease in year-over-year income before income taxes was primarily due to the loss in the current year related to debt extinguishment.

Amount Attributable to Non-controlling Interests

The following table presents the amount attributable to non-controlling interests in consolidated subsidiaries for the respective periods:

Years Ended December 31,		2023		2022		2021
(in thousands)						
Amount attributable to non-controlling interests	$	14,012	$	4,445	$	7,682

The amount attributable to non-controlling interests represents the non-controlling owners' share of the net loss of our consolidated construction joint ventures. The change during 2023 was primarily due to increased losses due to downward revisions in estimates from an existing joint venture, partially offset by increased profits from new joint ventures. (see Note 3 of "Notes to the Consolidated Financial Statements").

Prior Years Comparison (2022 to 2021)

See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2022 Annual Report on Form 10-K filed with the SEC on February 21, 2023.

Liquidity and Capital Resources

Our primary sources of liquidity are cash and cash equivalents, investments, available borrowing capacity under our credit facility and cash generated from operations. We may also from time to time issue and sell equity, debt or hybrid securities or engage in other capital markets transactions or sell one or more business units or assets. See Note 14 of the "Notes to the Consolidated Financial Statements" for information on our 2.75% Convertible Notes, our 3.75% Convertible Notes and our Credit Agreement.

Our material cash requirements include paying the costs and expenses associated with our operations, servicing outstanding indebtedness, making capital expenditures and paying dividends on our capital stock. We may also from time to time prepay or repurchase outstanding indebtedness and acquire assets or businesses that are complementary to our operations.

Our primary contractual obligations are as follows and are further discussed in the referenced "Notes to the Consolidated Financial Statements:"

- Asset retirement obligations - see Note 11, *Property and Equipment, net*
- Long-term debt and the associated interest payments – see Note 14, *Long-Term Debt*
- Operating lease and royalty future minimum payments – see Note 15, *Leases*
- Non-Qualified Deferred Compensation Plan obligations – see Note 16, *Employee Benefit Plans*

In addition to the obligations referenced above, as of December 31, 2023 we had $18.6 million of purchase commitments for equipment and other goods and services not directly connected with our construction contracts, which are individually greater than $50,000 and have an expected fulfillment date after December 31, 2023. Of this, approximately $16.1 million and $2.5 million will be paid in 2024 and 2025, respectively. There are no material purchase commitments in the periods thereafter.

We believe our primary sources of liquidity will be sufficient to meet our expected working capital needs, capital expenditures, financial commitments, cash dividend payments, and other liquidity requirements associated with our existing operations for the next twelve months. We believe our primary sources of liquidity, access to the debt and equity capital markets and cash expected to be generated from operations will be sufficient to meet our long-term requirements and plans. However, there can be no assurance that sufficient capital will continue to be available or that it will be available on terms acceptable to us.

Cash, cash equivalents and marketable securities as of December 31, 2023 increased $93.6 million to $453.5 million from the prior year end. In addition to meeting our liquidity requirements listed above, our increased cash balances are expected to be used to invest in our business through strategic capital expenditures in 2024 and we will continue to explore acquisition opportunities in alignment with our strategic plan.

As of December 31, 2023, our cash and cash equivalents consisted of deposits and money market funds held with established national financial institutions and marketable securities consisting primarily of U.S. Government and agency obligations.

In June 2022, we entered into the Fourth Amended and Restated Credit Agreement (the "Credit Agreement") maturing June 2, 2027. The Credit Agreement is a $350.0 million senior secured, five-year revolving facility (the "Revolver"). In November 2023, we entered into Amendment No. 2 (the "Amendment") to the Credit Agreement which provided for a $150 million senior secured term loan (the "Term Loan"). As of December 31, 2023, the total unused availability under our Credit Agreement was $230.7 million, resulting from $19.3 million in issued and outstanding letters of credit and $100.0 million drawn on the Revolver. See Note 14 of "Notes to the Consolidated Financial Statements" for further discussion regarding the Revolver.

As of December 31, 2023, we had $2.0 million of receivables and $29.1 million of contract retention receivables from Brightline Trains Florida LLC ("Brightline") (see Note 6 of "Notes to the Consolidated Financial Statements"). As of the date of this report, $1.9 million of the receivables outstanding at year-end have been collected. Our project with Brightline is nearing completion and final payment, including the retention receivable, will be due to us no later than 40 days after all conditions of final completion are satisfied. We expect to achieve final completion in the first half of 2024; however, timing cannot be assured. Brightline has experienced delays in securing additional funding in the past, therefore the timing and probability of future payments may be affected, and our liquidity impacted if Brightline faces future funding difficulties.

In evaluating our liquidity position and needs, we also consider cash and cash equivalents held by our consolidated construction joint ventures ("CCJVs"). The following table presents our cash, cash equivalents and marketable securities, including amounts from our CCJVs, as of the respective dates:

December 31,		**2023**		**2022**
(in thousands)				
Cash and cash equivalents excluding CCJVs	$	297,439	$	191,444
CCJV cash and cash equivalents (1)		120,224		102,547
Total consolidated cash and cash equivalents		417,663		293,991
Short-term and long-term marketable securities (2)		35,863		65,943
Total cash, cash equivalents and marketable securities	$	453,526	$	359,934

(1) The volume and stage of completion of contracts from our CCJVs may cause fluctuations in joint venture cash and cash equivalents between periods. The assets of each consolidated and unconsolidated construction joint venture relate solely to that joint venture. The decision to distribute joint venture assets must generally be made jointly by a majority of the members and,

accordingly, these assets, including those associated with estimated cost recovery of customer affirmative claims and back charge claims, are generally not available for the working capital needs of Granite until distributed.

(2) All marketable securities were classified as held-to-maturity and consisted of U.S. and agency obligations as of all periods presented.

Granite's portion of CCJV cash and cash equivalents was $73.1 million and $62.5 million as of December 31, 2023 and 2022, respectively. Excluded from the table above is $34.2 million and $40.4 million as of December 31, 2023 and 2022, respectively, in Granite's portion of unconsolidated construction joint venture cash and cash equivalents.

Capital Expenditures

Major capital expenditures are typically for aggregate and asphalt production facilities, aggregate reserves, construction equipment, buildings and leasehold improvements and investments in our information technology systems. The timing and amount of such expenditures can vary based on the progress of planned capital projects, the type and size of construction projects, changes in business outlook and other factors. During the year ended December 31, 2023, we had capital expenditures of $140.4 million, compared to $121.6 million during 2022, an increase of $18.8 million. The increase year over year is primarily due to acquisitions of materials reserves in 2023. We currently anticipate 2024 capital expenditures to be between approximately $130 million and $150 million, including approximately $50 million in planned strategic materials investments in land, reserves and an aggregate plant. This range also includes approximately $20 million related to a project-specific tunnel boring machine.

Cash Flows

Years Ended December 31,	2023	2022	2021
(in thousands)			
Net cash provided by (used in):			
Operating activities	$ 183,707	$ 55,647	$ 21,931
Investing activities	$ (359,290)	$ (11,000)	$ (21,478)
Financing activities	$ 299,255	$ (164,311)	$ (24,446)

Operating activities

As a large infrastructure contractor and construction materials producer, our revenue, gross profit and the resulting operating cash flows can differ significantly from period to period due to a variety of factors, including seasonal cycles, project progression toward completion, outstanding contract change orders and affirmative claims, and the payment terms of our contracts. Additionally, operating cash flows are impacted by the timing related to funding construction joint ventures and the resolution of uncertainties inherent in the complex nature of the work that we perform, including claim and back charge settlements. Our working capital assets result from both public and private sector projects. Customers in the private sector can be slower paying than those in the public sector; however, private sector projects generally have higher gross profit as a percentage of revenue. While we typically invoice our customers on a monthly basis, our contracts frequently provide for retention that is a specified percentage withheld from each payment by our customers until the contract is completed and the work accepted by the customer.

Cash provided by operating activities of $183.7 million during 2023 represents a $128.1 million increase in cash provided by operating activities when compared to 2022. The change was primarily due to a $73.6 million increase in cash provided by working capital, which includes receivables, net contract assets, inventories, other assets, accounts payable and accrued expenses and other liabilities. Additionally, distributions from, net of contributions to, unconsolidated joint ventures and affiliates increased $42.6 million from 2022.

Investing activities

Cash used in investing activities of $359.3 million during 2023 represents a $348.3 million increase in cash used in investing activities when compared to 2022. The change was primarily due to the acquisition of LRC/MSG which resulted in a $294.0 million cash outflow during 2023. In addition, net cash used in investing activities in 2022 included $140.6 million of proceeds from the sale of the Inliner business in March 2022. These changes were partially offset by decreased purchases of marketable securities in the current year.

Financing activities

Cash provided by financing activities of $299.3 million during 2023 represents a $463.6 million increase in cash provided by financing activities when compared to 2022. The change was primarily due to a $150.0 million increase in cash provided by our Revolver and Term Loan. The change was also due to the prepayment in the prior year of our term loan of $123.8 million, which did not recur this year. In addition, net cash inflows related to our convertible bond transactions in 2023 generated $98.8 million in cash. See Note 14 to "Notes to the Consolidated Financial Statements" for further information about our long-term debt transactions and our credit facility.

The year over year increase in cash provided by financing activities was also due to $66.8 million less cash used for repurchases of common stock and higher contributions from non-controlling partners, net of distributions, of $24.5 million.

Derivatives

We recognize derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value using Level 2 inputs. See Note 8 to "Notes to the Consolidated Financial Statements" for further information. The hedge option and warrant derivative transactions related to the 2.75% Convertible Notes and the Capped Call transactions related to the 3.75% Convertible Notes were recorded to equity on our condensed consolidated balance sheets based on the cash proceeds. See Note 14 to "Notes to the Consolidated Financial Statements" for further information.

Surety Bonds and Real Estate Mortgages

We are generally required to provide various types of surety bonds that provide an additional measure of security for our performance under certain public and private sector contracts. At December 31, 2023, approximately $3.2 billion of our $5.5 billion CAP was bonded. Performance bonds do not have stated expiration dates; rather, we are generally released from the bonds after the owner accepts the work performed under contract. The ability to maintain bonding capacity to support our current and future level of contracting requires that we maintain cash and working capital balances satisfactory to our sureties.

Our investments in real estate affiliates are subject to mortgage indebtedness. This indebtedness is non-recourse to Granite but is recourse to the real estate entities. The terms of this indebtedness are typically renegotiated to reflect the evolving nature of the real estate projects as they progress through acquisition, entitlement and development. Modification of these terms may include changes in loan-to-value ratios requiring the real estate entity to repay portions of the debt. The debt associated with our unconsolidated non-construction entities is included in Note 10 of "Notes to the Consolidated Financial Statements."

Covenants and Events of Default

Our Credit Agreement requires us to comply with various affirmative, restrictive and financial covenants, including the financial covenants described below. Our failure to comply with these covenants would constitute an event of default under the Credit Agreement. Additionally, the 2.75% Convertible Notes and 3.75% Convertible Notes are governed by the terms and conditions of their respective indentures. Our failure to pay principal, interest or other amounts when due or within the relevant grace period on our 2.75% Convertible Notes, our 3.75% Convertible Notes or our Credit Agreement would constitute an event of default under the 2.75% Convertible Notes indenture, the 3.75% Convertible Note indenture or the Credit Agreement. A default under our Credit Agreement could result in (i) us no longer being entitled to borrow under such facility; (ii) termination of such facility; (iii) the requirement that any letters of credit under such facility be cash collateralized; (iv) acceleration of amounts owed under the Credit Agreement; and/or (v) foreclosure on any collateral securing the obligations under such facility. A default under the 2.75% Convertible Notes indenture or the 3.75% Convertible Notes indenture could result in acceleration of the maturity of the notes.

The Credit Agreement contains certain affirmative and restrictive covenants, and customary events of default. The financial covenants include a maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) and a minimum Consolidated Interest Coverage Ratio (as defined in the Credit Agreement). As of December 31, 2023, we were in compliance with the covenants in the Credit Agreement.

Share Purchase Program

As announced on February 3, 2022, on February 1, 2022, the Board of Directors authorized us to purchase up to $300.0 million of our common stock at management's discretion (the "2022 authorization"). We did not purchase shares under the share purchase program in 2023. As of December 31, 2023, $231.5 million of the 2022 authorization remained available.

The specific timing and amount of any future repurchases will vary based on market conditions, securities law limitations and other factors.

Recently Issued and Adopted Accounting Pronouncements

See Note 1 of "Notes to the Consolidated Financial Statements" under the caption Recently Issued and Adopted Accounting Pronouncements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We maintain an investment portfolio of various holdings, types and maturities. We purchase instruments that meet high credit quality standards, as specified in our investment policy. Our investment policy also limits the amount of credit exposure to any one issue, issuer or type of instrument. The portfolio and accompanying cash balances are targeted to an average maturity of no more than one year from the date the purchase is settled. On an ongoing basis we monitor credit ratings, financial condition and other factors that could affect the carrying amount of our investment portfolio.

Marketable securities, consisting of U.S. government and agency obligations, are classified as held-to-maturity and are stated at cost, adjusted for amortization of premiums and discounts to maturity.

Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of cash and cash equivalents, marketable securities, and accounts receivable. We maintain our cash and cash equivalents and our marketable securities with several financial institutions.

Given the short-term nature of certain investments, the related income is subject to the general level of interest rates in the United States at the time of maturity and reinvestment. We manage investment interest rate market risk primarily by managing portfolio maturity. The fair value of our long-term held-to-maturity investment portfolio may be affected by changes in interest rates.

Operating in international markets involves exposure to possible volatile movements in currency exchange rates. In the third quarter of 2023 we began the wind down of our international Minerals Services operations which operated in Mexico and Canada. Our Materials Segment continues to have international operations in Canada. We also have affiliates that operate in Latin America (see Note 10 of "Notes to the Consolidated Financial Statements"). As of December 31, 2023, we do not have any outstanding foreign currency option contracts. If the volume of our international operations increases and foreign currency exchange rates change, the impact to our consolidated statements of operations could be significant and may affect year-to-year comparability of operating results. The impact from foreign currency transactions during 2023, 2022 and 2021 was immaterial.

We may borrow on the Revolver, at our option, at either (a) the SOFR term rate plus a credit adjustment spread plus applicable margin ranging from 1.0% to 2.0%, or (b) a base rate plus an applicable margin ranging from 0.0% to 1.0%. The applicable margin is based on our Consolidated Leverage Ratio (as defined in our Credit Agreement), calculated quarterly.

As of December 31, 2023, there was $100 million drawn on the Revolver.

See Note 14 of "Notes to the Consolidated Financial Statements" for further discussion on the 2.75% Convertible Notes, 3.75% Convertible Notes and Credit Agreement.

The table below presents principal amounts due by year and related weighted average interest rates for our cash and cash equivalents, held-to-maturity investments and significant debt obligations, excluding debt issuance costs, as of December 31, 2023 (dollars in thousands):

	2024	2025	2026	2027	2028	Thereafter	Total
Assets							
Cash, cash equivalents, held-to-maturity investments	$ 453,526	$ —	$ —	$ —	$ —	$ —	$ 453,526
Weighted average interest rate	4.89 %	— %	— %	— %	— %	— %	4.89 %
Liabilities							
Debt							
Credit Agreement Revolver Loan	$ —	$ —	$ —	$ 100,000	$ —	$ —	$ 100,000
Effective interest rate (1)	7.46 %	7.46 %	7.46 %	7.46 %	— %	— %	7.46 %
Credit Agreement Term Loan	$ 7,500	$ 7,500	$ 7,500	$ 127,500	$ —	$ —	$ 150,000
Effective interest rate (2)	6.65 %	6.65 %	6.65 %	6.65 %	— %	— %	6.65 %
3.75% Convertible Notes	$ —	$ —	$ —	$ —	$ 373,750	$ —	$ 373,750
Coupon rate	3.75 %	3.75 %	3.75 %	3.75 %	3.75 %	— %	3.75 %
2.75% Convertible Notes	$ 31,338	$ —	$ —	$ —	$ —	$ —	$ 31,338
Coupon rate	2.75 %	— %	— %	— %	— %	— %	2.75 %

(1) The effective interest rate was calculated using one-month SOFR plus 10 basis points plus the applicable margin.

(2) The effective interest rate was calculated using a blended rate based on the fixed rate associated with the cash flow hedge (see Note 8 of "Notes to the Consolidated Financial Statements") of 3.73% plus 10 basis points plus applicable margin and the one-month SOFR plus 10 basis points plus the applicable margin for the remaining amount of the Term Loan not covered by the hedge.

The estimated fair value of our cash and cash equivalents approximates the principal amounts reflected above based on the generally short maturities of these financial instruments. The fair value of the 3.75% Convertible Notes was approximately $475.6 million as of December 31, 2023. The fair value of 2.75% Convertible Notes was approximately $51.0 million and $281.4 million as of December 31, 2023 and 2022, respectively.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements of Granite and the independent registered public accounting firm's report are incorporated by reference from Part IV, Item 15(a)(1) and (2):

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act) as required by paragraph (b) of Rule 13a-15 or Rule 15d-15 of the Exchange Act, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of December 31, 2023, the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Our management, including our principal executive and principal financial officers, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d -15(f). Internal control over financial reporting is defined as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Our management, under the supervision and with the participation of our principal executive and principal financial officers, has conducted an evaluation of the effectiveness of our internal control over financial reporting, using the criteria established in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2023.

The scope of our assessment of the effectiveness of our internal control over financial reporting did not include LRC/MSG as we acquired them on November 30, 2023. The tangible assets acquired from LRC/MSG were 5% of consolidated assets as of December 31, 2023 and revenues were less than 1% of consolidated revenue during the year ended December 31, 2023. We excluded LRC/MSG from the scope of our assessment in accordance with the Securities and Exchange Commission's guidance that allows a recently acquired business to be omitted from the scope of the assessment for one year from the date of its acquisition.

PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2023. Their report is included in Part IV, Item 15(a) of this Form 10-K under the heading "Report of Independent Registered Public Accounting Firm."

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. OTHER INFORMATION

Trading Arrangements

During the three months ended December 31, 2023, none of our directors or officers, as defined in Rule 16a-1(f) of the Exchange Act, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required in response to this Item 10 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 11. EXECUTIVE COMPENSATION

The information required in response to this Item 11 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required in response to this Item 12 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required in response to this Item 13 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required in response to this Item 14 is incorporated herein by reference to our definitive proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

1. **Financial Statements.** The following consolidated financial statements and related documents are filed as part of this report:

2. **Financial Statement Schedules.** Schedules are omitted because they are not required or applicable, or the required information is included in the Financial Statements or related notes.

3. **Exhibits**. The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of, or furnished with, this report.

(b)

INDEX TO 10-K EXHIBITS

Exhibit No.		Exhibit Description
2.1	*	Purchase Agreement, dated February 2, 2022, by and among Layne Heavy Civil, Inc., Granite Construction International, Granite Construction Incorporated, Inland Pipe Rehabilitation LLC and 1000097155 Ontario Inc. [Exhibit 2.1 to the Company's Form 8-K filed on February 3, 2022]
2.2	*	Equity Purchase Agreement by and among Granite Construction Incorporated, Roberts Family Companies, Inc., Lehman-Roberts Company, Memphis Stone & Gravel Company, Patrick Nelson, as sellers' representative, and the entities and individuals party thereto [Exhibit 2.1 to the Company's Current Report on Form 8-K filed on December 5, 2023]
3.1	*	Certificate of Incorporation of Granite Construction Incorporated, as amended [Exhibit 3.1.b to the Company's Form 10-Q for the quarter ended June 30, 2006]
3.2	*	Certificate of Amendment to the Certificate of Incorporation of Granite Construction Incorporated [Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 9, 2023]
3.3	*	Amended and Restated Bylaws of Granite Construction Incorporated [Exhibit 3.1 to the Company's Form 8-K filed on April 7, 2023]
4.1	*	Indenture (including Form of Note) with respect to Granite Construction Incorporated's 2.75% Convertible Senior Notes due 2024, dated November 1, 2019, by and between Granite Construction Incorporated and Wilmington Trust, National Association, as trustee [Exhibit 4.1 to the Company's Form 8-K filed on November 1, 2019]
4.2	*	Indenture (including Form of Note) with respect to Granite Construction Incorporated's 3.75% Convertible Senior Notes due 2028, dated May 11, 2023, by and between Granite Construction Incorporated and Wilmington Trust, National Association, as trustee [Exhibit 4.1 to the Company's Form 8-K filed on May 11, 2023]
4.3	*	Description of Common Stock [Exhibit 4.2 to the Company's Form 10-K for the year ended December 31, 2019]
10.1	†**	Key Management Deferred Compensation Plan II, as amended
10.2	* **	Form of Amended and Restated Director and Officer Indemnification Agreement [Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2002]
10.3	* **	Granite Construction Incorporated Annual Incentive Plan adopted by the Board of Directors on March 30, 2022 [Exhibit 10.1 to the Company's Form 8-K filed on April 1, 2022]
10.4	* **	Form of Annual Incentive Plan Participation Agreement [Exhibit 10.2 to the Company's Form 8-K filed on April 1, 2022]
10.5	* **	Granite Construction Incorporated 2012 Equity Incentive Plan [Exhibit 10.1 to the Company's Form 8-K filed on May 25, 2012]
10.6	*	Fourth Amended and Restated Credit Agreement, dated June 2, 2022, by and among Granite Construction Incorporated, Granite Construction Company, GILC Incorporated, Bank of America, N.A., as Administrative Agent, Collateral Agent, Swing Line Lender and L/C Issuer, and the lenders and other parties thereto [Exhibit 10.1 to the Company's Form 8-K filed on June 6, 2022]
10.7	*	Amendment No. 1 to Fourth Amended and Restated Credit Agreement, dated May 8, 2023, by and among the Company, Granite Construction Company, and GILC Incorporated, as borrowers, Bank of America, N.A., as administrative agent, and the lenders party thereto [Exhibit 10.1 to the Company's Form 8-K filed on May 9, 2023]
10.8	*	Amendment No. 2 to Fourth Amended and Restated Credit Agreement, dated November 30, 2023, by and among the Company, Granite Construction Company and GILC Incorporated, as borrowers, Layne Christensen Company, as a guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent [Exhibit 10.1 to the Company's Form 8-K filed on December 5, 2023]
10.9	*	Fourth Amended and Restated Guaranty Agreement, dated June 2, 2022, by and among Granite Construction Incorporated, the guarantors party thereto and Bank of America, N.A., as Administrative Agent [Exhibit 10.2 to the Company's Form 8-K filed on June 6, 2022]
10.10	*	Form of Bond Hedge Confirmation [Exhibit 10.1 to the Company's Form 8-K filed on November 1, 2019]
10.11	*	Form of Warrant Confirmation [Exhibit 10.2 to the Company's Form 8-K filed on November 1, 2019]
10.12	*	Form of Capped Call Confirmation [Exhibit 10.1 to the Company's Form 8-K filed on May 11, 2023]
10.13	†**	Executive Retention and Severance Plan III and Participation Agreement,as amended

Exhibit No.		Exhibit Description
10.14	* **	Long Term Incentive Plan, effective January 1, 2020 [Exhibit 10.2 to the Company's Form 8-K filed on March 30, 2020]
10.15	* **	LTIP Award Agreement (2020 Long Term Incentive Plan) [Exhibit 10.3 to the Company's Form 8-K filed on March 30, 2020]
10.16	* **	Granite Construction Incorporated 2021 Equity Incentive Plan [Exhibit 10.2 to the Company's Form 8-K filed on June 4, 2021]
10.17	* **	Form of Non-Employee Director Restricted Stock Unit Agreement (2021 Equity Incentive Plan) [Exhibit 10.3 to the Company's Form 8-K filed on June 4, 2021]
10.18	* **	Form of Employee Service Award Restricted Stock Unit Agreement (2021 Equity Incentive Plan) [Exhibit 10.4 to the Company's Form 8-K filed on June 4, 2021]
10.19	* **	Form of Employee TSR Award Restricted Stock Unit Agreement (2021 Equity Incentive Plan) [Exhibit 10.5 to the Company's Form 8-K filed on June 4, 2021]
10.20	* **	Form of Executive Officer Acknowledgement & Agreement Pertaining to the Granite Construction Incorporated Clawback Policy [Exhibit 10.2 to the Company's Form 8-K filed on October 13, 2023]
10.21	*	Notice of Pendency and Proposed Settlement of Actions [Exhibit 99.1 to the Company's Form 8-K filed on June 9, 2022]
19	†	Insider Trading Policy
21	†	List of Subsidiaries of Granite Construction Incorporated
23.1	†	Consent of PricewaterhouseCoopers LLP
31.1	†	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	†	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	††	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95	†	Mine Safety Disclosure
97	* **	Clawback Policy [Exhibit 10.1 to the Company'sForm 8-K filed on October 13, 2023]
101.INS	†	Inline XBRL Instance Document
101.SCH	†	Inline XBRL Taxonomy Extension Schema
101.CAL	†	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	†	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	†	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	†	Inline XBRL Taxonomy Extension Presentation Linkbase
104	†	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (included within the Exhibit 101 attachments).

* Incorporated by reference

** Compensatory plan or management contract

† Filed herewith

†† Furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRANITE CONSTRUCTION INCORPORATED

By: /s/ Elizabeth L. Curtis

Elizabeth L. Curtis

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: February 22, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities indicated and on the dates indicated.

/s/ Michael F. McNally	February 22, 2024
Michael F. McNally, Chairman of the Board and Director	
/s/ Kyle T. Larkin	February 22, 2024
Kyle T. Larkin, President, Chief Executive Officer and Director (Principal Executive Officer)	
/s/ Elizabeth L. Curtis	February 22, 2024
Elizabeth L. Curtis, Executive Vice President and Chief Financial Officer (Principal Financial Officer)	
/s/ Staci M. Woolsey	February 22, 2024
Staci M. Woolsey, Chief Accounting Officer (Principal Accounting Officer)	
/s/ Louis E. Caldera	February 22, 2024
Louis E. Caldera, Director	
/s/ Molly C. Campbell	February 22, 2024
Molly C. Campbell, Director	
/s/ David C. Darnell	February 22, 2024
David C. Darnell, Director	
/s/ Patricia D. Galloway	February 22, 2024
Patricia D. Galloway, Director	
/s/ Alan P. Krusi	February 22, 2024
Alan P. Krusi, Director	
/s/ Celeste B. Mastin	February 22, 2024
Celeste B. Mastin, Director	
/s/ Laura M. Mullen	February 22, 2024
Laura M. Mullen, Director	

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Granite Construction Incorporated

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Granite Construction Incorporated and its subsidiaries (the "Company") as of December 31, 2023, and 2022,and the related consolidated statements of operations, of comprehensive income (loss), of shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes (collectively referred to as the "consolidated financial statements").We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework*(2013)issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidatedfinancial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022**,** and the results of itsoperations and itscash flows for each of the three years in the period ended December 31, 2023in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework*(2013)issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in management's report referred to above.. Our responsibility is to express opinions on the Company's consolidatedfinancial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidatedfinancial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidatedfinancial statements included performing procedures to assess the risks of material misstatement of the consolidatedfinancial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidatedfinancial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidatedfinancial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Lehman-Roberts Company ("LRC") and Memphis Stone and Gravel Company ("MSG") from its assessment of internal control over financial reporting as of December 31, 2023, because it was acquired by the Company in a purchase business combination during 2023. We have also excluded LRC and MSG from our audit of internal control over financial reporting. LRC and MSG are wholly-owned subsidiaries whose total tangible assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting represent 5% and less than 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2023.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidatedfinancial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition - Estimates of the Forecasted Revenue and Costs to Complete for Multi-Year Fixed Price Contracts in the Construction Segment

As described in Notes 1, 3, and 4 to the consolidated financial statements, the revenue for the construction segment for the year ended December 31, 2023 was $2,992.3 million, a portion of which related to multi-year fixed price contracts. Revenue in the Construction segment is ordinarily recognized over time as control is transferred to the customers by measuring the progress toward complete satisfaction of the performance obligation(s) using an input (i.e., cost to cost) method. Under the cost to cost method, costs incurred to-date are generally the best depiction of transfer of control. The accuracy of the Company's revenue and profit recognition in a given period depends on the accuracy of management's estimates of the forecasted revenue and cost to complete each project. Cost estimates for all significant projects use a detailed bottom up approach in which there are a number of factors that can contribute to revisions in estimates of contract cost and profitability. Provisions for losses are recognized at the uncompleted performance obligation level for the amount of total estimated losses in the period that evidence indicates that the estimated total cost of a performance obligation exceeds its estimated total revenue. The estimates of transaction price and costs to complete can vary significantly in the normal course of business as projects progress, circumstances develop and evolve, and uncertainties are resolved. When the Company experiences significant revisions in estimates, management undergoes a process that includes reviewing the nature of the changes to ensure that no material amounts should have been recorded in a prior period rather than as a revision in estimate for the current period. Management generally uses the cumulative catch-up method for changes to the transaction price that are part of a single performance obligation. Under this method, revisions in estimates are accounted for in their entirety in the period of change.

The principal considerations for our determination that performing procedures relating to estimates of the forecasted revenue and costs to complete for multi-year fixed price contracts in the Construction segment is a critical audit matter are (i) the significant judgment by management when determining the estimates of forecasted revenue and costs to complete,

and revisions in those estimates and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's estimates of forecasted revenue and costs to complete for multi-year fixed price contracts in the Construction segment, and revisions in those estimates.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over management's estimates of forecasted revenue and costs to complete for multi-year fixed price contracts in the Construction segment, and revisions in those estimates. These procedures also included, among others, for a sample of multi-year fixed price contracts, testing management's process for determining the estimates of forecasted revenue and costs to complete, which included (i) assessing management's ability to reasonably estimate the forecasted revenue and costs to complete by evaluating management's methodology and assessing the consistency of management's approach over the life of the contract and (ii) evaluating the timely identification of circumstances that may warrant a modification to estimated forecasted revenue and costs to complete.

Acquisition of LRC/MSG – Valuation of the Customer Relationships Intangible Asset

As described in Note 2 to the consolidated financial statements, on November 30, 2023, the Company completed the acquisition of LRC/MSG for $278.0 million, subject to customary closing adjustments, plus an estimated amount related to tax make-whole agreements with the seller. Of the acquired intangible assets, $83.9 million of customer relationships were recorded. The fair value of customer relationships was estimated as of the acquisition date utilizing the multi-period excess earnings method. This method discounts to present value the projected cash flows attributable to the customer relationships. The significant estimates and assumptions used in determining the fair value included discount rates, revenue growth rates, projected EBITDA margins and customer revenue attrition rates.

The principal considerations for our determination that performing procedures relating to the valuation of the customer relationships intangible asset acquired in the acquisition of LRC/MSG is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the customer relationships intangible asset acquired; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the discount rate, revenue growth rates, projected EBITDA margins, and customer revenue attrition rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to acquisition accounting, including controls over management's valuation of the customer relationships intangible asset acquired.These procedures also included, among others (i) reading the purchase agreement; (ii) testing management's process for developing the fair value estimate of the customer relationships intangible asset acquired; (iii) evaluating the appropriateness of the multi-period excess earnings method; (iv) testing the completeness and accuracy of the underlying data used in the multi-period excess earnings method; and (v) evaluating the reasonableness of the significant assumptions used by management related to the discount rate, revenue growth rates, projected EBITDA margins, and customer revenue attrition rate. Evaluating the reasonableness of management's assumptions related to revenue growth rates and projected EBITDA margins involved considering (i) the current and past performance of the acquired business; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the multi-period excess earnings method and (ii) the reasonableness of the discount rate and customer revenue attrition rate assumptions.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 22, 2024

We have served as the Company's auditor since 1982.

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share and per share data)

December 31,	**2023**	**2022**
ASSETS		
Current assets		
Cash and cash equivalents ($120,224 and $102,547 related to consolidated construction joint ventures ("CCJVs"))	$ 417,663	$ 293,991
Short-term marketable securities	35,863	39,374
Receivables, net ($62,040 and $39,281 related to CCJVs)	598,705	463,987
Contract assets ($68,520 and $80,306 related to CCJVs)	262,987	241,916
Inventories	103,898	86,809
Equity in unconsolidated construction joint ventures	171,233	183,808
Other current assets ($5,590 and $5,694 related to CCJVs)	53,102	37,411
Total current assets	1,643,451	1,347,296
Property and equipment, net ($7,557 and $7,834 related to CCJVs)	662,864	509,210
Long-term marketable securities	—	26,569
Investments in affiliates	92,910	80,725
Goodwill	155,004	73,703
Intangible assets	117,322	9,212

Right of use assets		78,176		49,079
Deferred income taxes, net		8,179		22,208
Other noncurrent assets		55,634		49,931
Total assets	$	2,813,540	$	2,167,933
LIABILITIES AND EQUITY				
Current liabilities				
Current maturities of long-term debt	$	39,932	$	1,447
Accounts payable ($62,755 and $57,534 related to CCJVs)		408,363		334,392
Contract liabilities ($50,929 and $62,675 related to CCJVs)		243,848		173,286
Accrued expenses and other current liabilities ($5,426 and $8,451 related to CCJVs)		337,740		288,469
Total current liabilities		1,029,883		797,594
Long-term debt		614,781		286,934
Long-term lease liabilities		63,548		32,170
Deferred income taxes, net		3,708		1,891
Other long-term liabilities		74,654		64,199
Commitments and contingencies (see Note 20)				
Equity				
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding		—		—
Common stock, $0.01 par value, authorized 150,000,000 shares; issued and outstanding: 43,944,118 shares as of December 31, 2023 and 43,743,907 shares as of December 31, 2022		439		437
Additional paid-in capital		474,134		470,407
Accumulated other comprehensive income		881		788
Retained earnings		501,844		481,384
Total Granite Construction Incorporated shareholders' equity		977,298		953,016
Non-controlling interests		49,668		32,129
Total equity		1,026,966		985,145
Total liabilities and equity	$	2,813,540	$	2,167,933

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except share and per share data)

Years Ended December 31,		**2023**		**2022**		**2021**
Revenue						
Construction	$	2,992,254	$	2,803,935	$	3,076,190
Materials		516,884		497,321		425,675
Total revenue		3,509,138		3,301,256		3,501,865
Cost of revenue						
Construction		2,667,199		2,500,054		2,772,962
Materials		445,540		431,708		366,258
Total cost of revenue		3,112,739		2,931,762		3,139,220
Gross profit		396,399		369,494		362,645
Selling, general and administrative expenses		294,466		272,610		303,015
Other costs, net (see Note 1)		50,217		24,120		101,351
Gain on sales of property and equipment, net		(28,346)		(12,617)		(66,439)
Operating income		80,062		85,381		24,718
Other (income) expense						
Loss on debt extinguishment		51,052		—		—

Interest income		(17,538)		(6,528)		(1,176)
Interest expense		18,462		12,624		20,739
Equity in income of affiliates, net		(25,748)		(13,571)		(12,586)
Other (income) expense, net		(6,020)		1,039		(4,386)
Total other (income) expense, net		20,208		(6,436)		2,591
Income before income taxes		59,854		91,817		22,127
Provision for income taxes		30,267		12,960		19,713
Net income		29,587		78,857		2,414
Amount attributable to non-controlling interests		14,012		4,445		7,682
Net income attributable to Granite Construction Incorporated	$	43,599	$	83,302	$	10,096
Net income per share attributable to common shareholders (see Note 18):						
Basic earnings per share	$	0.99	$	1.87	$	0.22
Diluted earnings per share	$	0.97	$	1.70	$	0.21
Weighted average shares outstanding:						
Basic		43,879		44,485		45,788
Diluted		52,565		52,326		47,599

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

Years Ended December 31,		**2023**		**2022**		**2021**
Net income	$	29,587	$	78,857	$	2,414
Other comprehensive income, net of tax						
Net unrealized gain (loss) on cash flow hedges, net of tax	$	(184)	$	275	$	(108)
Less: reclassification for net gains included in interest expense, net of tax		—		3,042		2,131
Net change	$	(184)	$	3,317	$	2,023
Foreign currency translation adjustments, net		277		830		(347)
Other comprehensive income, net of tax	$	93	$	4,147	$	1,676
Comprehensive income, net of tax	$	29,680	$	83,004	$	4,090
Non-controlling interests in comprehensive income, net of tax		14,012		4,445		7,682
Comprehensive income attributable to Granite Construction Incorporated, net of tax	$	43,692	$	87,449	$	11,772

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share data)

	Outstanding Shares	**Common Stock**	**Additional Paid-In Capital**	**Accumulated Other Comprehensive Income (Loss)**	**Retained Earnings**	**Total Granite Shareholders' Equity**	**Non-Controlling Interests**	**Total Equity**
Balances at December 31, 2020	45,668,541	$ 457	$ 555,407	$ (5,035)	$ 424,835	$ 975,664	$ 15,946	$ 991,610
Net income	—	—	—	—	10,096	10,096	(7,682)	2,414
Other comprehensive income	—	—	—	1,676	—	1,676	—	1,676
RSUs vested	235,234	2	(2)	—	—	—	—	—

Repurchases of common stock (1)	(68,580)	(1)	(2,729)	—	—	(2,730)	—	(2,730)
Dividends on common stock ($0.52 per share)	—	—	—	—	(23,826)	(23,826)	—	(23,826)
Transactions with non-controlling interests, net	—	—	—	—	—	—	19,617	19,617
Stock-based compensation expense and other	5,065	—	7,076	—	(274)	6,802	—	6,802
Balances at December 31, 2021	45,840,260	$ 458	$ 559,752	$ (3,359)	$ 410,831	$ 967,682	$ 27,881	$ 995,563
Cumulative effect of newly adopted accounting standard (see Note 1)	—	—	(26,961)	—	10,543	(16,418)	—	(16,418)
Balances at January 1, 2022	45,840,260	$ 458	$ 532,791	$ (3,359)	$ 421,374	$ 951,264	$ 27,881	$ 979,145
Net income	—	—	—	—	83,302	83,302	(4,445)	78,857
Other comprehensive income	—	—	—	4,147	—	4,147	—	4,147
Repurchases of common stock (1)	(2,376,020)	(24)	(70,877)	—	—	(70,901)	—	(70,901)
RSUs vested	262,748	3	(3)	—	—	—	—	—
Dividends on common stock ($0.52 per share)	—	—	—	—	(23,292)	(23,292)	—	(23,292)
Transactions with non-controlling interests, net	—	—	—	—	—	—	8,693	8,693
Stock-based compensation expense and other	16,919	—	8,496	—	—	8,496	—	8,496
Balances at December 31, 2022	43,743,907	$ 437	$ 470,407	$ 788	$ 481,384	$ 953,016	$ 32,129	$ 985,145

(1) During the years ended December 31, 2022 and 2021, there were 75,303 shares and 68,580 shares, respectively, withheld related to employee taxes for RSUs vested under our equity incentive plans. During the year ended December 31, 2022, we also repurchased 2,298,353 shares under the Board approved share repurchase program.

	Outstanding Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Granite Shareholders' Equity	Non-Controlling Interests	Total Equity
Balances at December 31, 2022	43,743,907	$ 437	$ 470,407	$ 788	$ 481,384	$ 953,016	$ 32,129	$ 985,145
Net income	—	—	—	—	43,599	43,599	(14,012)	29,587
Other comprehensive income	—	—	—	93	—	93	—	93
Repurchases of common stock (1)	(102,413)	(1)	(4,124)	—	—	(4,125)	—	(4,125)
RSUs vested	288,876	3	(3)	—	—	—	—	—
Dividends on common stock ($0.52 per share)	—	—	301	—	(23,139)	(22,838)	—	(22,838)
Capped call transactions	—	—	(39,641)	—	—	(39,641)	—	(39,641)
Redemption of warrants	—	—	(13,201)	—	—	(13,201)	—	(13,201)
Common stock issued in debt extinguishment	1,390,500	14	49,321	—	—	49,335	—	49,335
Exercise of bond hedge	(1,390,516)	(14)	14	—	—	—	—	—
Transactions with non-controlling interests, net	—	—	—	—	—	—	31,551	31,551
Stock-based compensation expense and other	13,764	—	11,060	—	—	11,060	—	11,060
Balances at December 31, 2023	43,944,118	$ 439	$ 474,134	$ 881	$ 501,844	$ 977,298	$ 49,668	$ 1,026,966

(1) Amounts represent shares withheld for employee taxes for RSUs vested under our equity incentive plans. During the year ended December 31, 2023, we did not repurchase any shares under the Board-approved share repurchase program.

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

GRANITE CONSTRUCTION INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(*in thousands*)

Years Ended December 31,	2023	2022	2021
Operating activities			
Net income	$ 29,587	$ 78,857	$ 2,414
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	92,270	82,569	109,050
Amortization related to long-term debt	2,390	2,366	9,448
Non-cash loss on debt extinguishment	51,052	—	—
Gain on sales of property and equipment, net	(28,346)	(12,617)	(66,439)
Deferred income taxes	26,556	5,447	16,600
Stock-based compensation	10,477	7,765	6,407
Equity in net loss from unconsolidated construction joint ventures	18,617	19,676	765
Net income from affiliates	(25,748)	(13,571)	(12,586)
Other non-cash adjustments	5,695	222	—
Changes in assets and liabilities:			
Receivables	(128,099)	59,623	(11,317)
Contract assets, net	49,691	(113,410)	12,046
Inventories	(1,430)	(14,307)	774
Contributions to unconsolidated construction joint ventures	(21,323)	(53,787)	(61,780)
Distributions from unconsolidated construction joint ventures and affiliates	29,337	19,223	22,004
Deposit for legal settlement	—	129,000	(129,000)
Other assets, net	(17,718)	16,868	(11,969)
Accounts payable	66,828	(9,778)	7,396
Accrual for legal settlement	—	(129,000)	129,000
Accrued expenses and other liabilities, net	23,871	(19,499)	(882)
Net cash provided by operating activities	$ 183,707	$ 55,647	$ 21,931
Investing activities			
Purchases of marketable securities	(9,740)	(94,104)	(10,000)
Maturities of marketable securities	40,000	45,000	—
Proceeds from called marketable securities	—	6	—
Purchases of property and equipment	(140,384)	(121,612)	(94,810)
Proceeds from sales of property and equipment	38,109	26,064	94,802
Proceeds from company-owned life insurance	1,545	—	—
Proceeds from the sale of business (see Note 1)	—	140,576	—
Acquisition of businesses, net of cash acquired (see Note 2)	(294,018)	—	—
Issuance of notes receivable	—	(7,560)	(20,400)
Collection of notes receivable	5,198	630	8,930
Net cash used in investing activities	$ (359,290)	$ (11,000)	$ (21,478)
Financing activities			
Proceeds from debt	305,000	50,000	—
Debt principal repayments	(305,118)	(125,164)	(8,922)
Capped call transactions	(53,035)	—	—
Redemption of warrants	(13,201)	—	—
Proceeds from issuance of 3.75% Convertible Notes	373,750	—	—
Debt issuance costs	(10,865)	—	—
Cash dividends paid	(22,811)	(23,271)	(23,804)
Repurchases of common stock (see Note 17)	(4,124)	(70,898)	(2,730)
Contributions from non-controlling partners	43,300	13,150	20,126

Distributions to non-controlling partners	(14,224)	(8,567)	(9,514)
Other financing activities, net	583	439	398
Net cash provided by (used in) financing activities	$ 299,255	$ (164,311)	$ (24,446)
Net increase (decrease) in cash, cash equivalents and restricted cash	123,672	(119,664)	(23,993)

Cash, cash equivalents and $0, $1,512 and $1,512 in restricted cash at beginning of period	293,991	413,655	437,648
Cash, cash equivalents and $0, $0 and $1,512 in restricted cash at end of period	$ 417,663	$ 293,991	$ 413,655
Supplementary Information			
Right of use assets obtained in exchange for lease obligations	$ 39,361	$ 17,547	$ 23,379
Cash paid during the period for:			
Operating lease liabilities	$ 21,458	$ 22,611	$ 23,203
Interest	$ 15,640	$ 11,511	$ 14,593
Income taxes	$ 15,381	$ 3,768	$ 2,066
Other non-cash operating activities:			
Performance guarantees	$ (6,854)	$ (17,409)	$ (167)
Deferred taxes related to capped call transactions	$ 13,394	$ —	$ —
Non-cash investing and financing activities:			
RSUs issued, net of forfeitures	$ 11,649	$ 8,694	$ 8,299
Dividends declared but not paid	$ 5,713	$ 5,687	$ 5,959
Contributions from non-controlling partners	$ 2,475	$ 4,110	$ 9,006
Accrued equipment purchases	$ 152	$ 5,745	$ (4,714)

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

GRANITE CONSTRUCTION INCORPORATED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Description of Business: Granite Construction Incorporated is one of the largest diversified construction and construction materials companies in the United States, engaged in infrastructure projects including the construction of streets, roads, highways, mass transit facilities, airport infrastructure, bridges, dams, power-related facilities, utilities, tunnels, water well drilling and other infrastructure-related projects, site preparation, mining services and infrastructure services for commercial and industrial sites, railways, residential development, energy development, as well as construction management professional services. Our operations have primary offices located in Alaska, Arizona, California, Canada, Colorado, Florida, Guam, Illinois, Nevada, Tennessee, Texas, Utah and Washington. Unless otherwise indicated, the terms “we,” “us,” “our,” “Company” and “Granite” refer to Granite Construction Incorporated and its wholly-owned and consolidated subsidiaries.

In addition to reportable segments, we also review our business by operating groups. In alphabetical order, our operating groups are as follows:

- California, which is comprised of vertically integrated businesses in home markets across the state;
- Central, which includes the vertically integrated Arizona region and regional civil construction businesses in Illinois, Florida and Texas. The Central group also includes the Federal division which performs civil construction across the continental United States and Guam, and the Tunnel division; and
- Mountain, which is comprised of vertically integrated regional businesses in Alaska, Washington, Oregon, Utah and Nevada. The Mountain Group also includes national businesses in the Industrial & Energy division, which primarily focuses on commercial solar construction projects, Water Resources, which performs water well drilling and rehabilitation services and Mineral Services, which performs mineral exploration services for mining clients.

During the first quarter of 2022, we completed the sale of our trenchless and pipe rehabilitation services business (“Inliner”) to Inland Pipe Rehabilitation LLC (“IPR”) and 1000097155 Ontario Inc. (“Ontario” and together with IPR, the “Purchasers”), investment affiliates of J.F. Lehman & Company, for a purchase price of $159.7 million, subject to certain adjustments. As a result of the sale and post-closing adjustments, we received cash proceeds of $140.6 million and recognized a gain of $1.8 million. This gain is included in Other costs, net in the consolidated statements of operations for the year ended December 31, 2022.

On April 24, 2023, we completed the purchase of Coast Mountain Resources (2020) Ltd. (“CMR”). CMR is a construction aggregate producer based in British Columbia, Canada operating on Malahat First Nation land. This acquisition did not have a material impact on our results of operations. See Note 2 for more information.

On November 30, 2023, we completed the acquisition of Lehman-Roberts Company and Memphis Stone & Gravel Company (collectively, "LRC/MSG"). The acquired businesses are longstanding asphalt paving and asphalt and aggregates producers and suppliers. See Note 2 for more information.

Principles of Consolidation: The consolidated financial statements include the accounts of Granite Construction Incorporated and its wholly-owned and consolidated subsidiaries. All material inter-company transactions and accounts have been eliminated. Additionally, we participate in various construction joint ventures of which we are a limited member ("joint ventures"). Generally, each construction joint venture is formed to accomplish a specific project and is jointly controlled by the joint venture partners. The joint venture agreements typically provide that our interests in any profits and assets and our respective share in any losses and liabilities that mayresult from the performance of the contracts are limited to our stated percentage interest in the project. However, due to the joint and several nature of the performance obligations under the related owner contracts, if any of the partners fail to perform, we and the remaining partners, if any, would be responsible for performance of the outstanding work (i.e., we provide a performance guarantee). Under our joint venture contractual arrangements, we provide capital to these joint ventures in return for an ownership interest. In addition, partners dedicate resources to the joint ventures necessary to complete the contracts and are reimbursed for their cost. The operational risks of each construction joint venture are passed along to the joint venture members. As we absorb our share of these risks, our investment in each venture is exposed to potential gains and losses. We consolidate joint ventures if we determine that through our participation we have a variable interest and are the primary beneficiary as defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, *Consolidation*, and related standards. The factors we use to determine the primary beneficiary of a variable interest entity ("VIE") may include the decision authority of each partner, which partner manages the day-to-day operations of the project and the amount of our equity investment in relation to that of our partners. Although not applicable for any of the years presented, if we determine that the power to direct the significant activities is shared equally by two or more joint venture parties, then there is no primary beneficiary and no party consolidates the VIE.

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If we have determined we are not the primary beneficiary of a joint venture but do exercise significant influence, we account for our share of the operations of the unconsolidated construction joint ventures on a pro rata basis in revenue and cost of revenue in the consolidated statements of operations. We record the corresponding investment balance in equity in construction joint ventures in the consolidated balance sheets except when a project is in a loss position, the investment balance is recorded as a deficit in unconsolidated construction joint ventures and is included in accrued expenses and other current liabilities in the consolidated balance sheets. Our investment in unconsolidated construction joint ventures could extend beyond one year and is within the normal operating cycle of the associated construction projects. We account for non-construction unconsolidated joint ventures under the equity method of accounting in accordance with ASC Topic 323, *Investments - Equity Method and Joint Ventures,* and include our share of the operations in equity in income of affiliates in the consolidated statements of operations and in investment in affiliates in the consolidated balance sheets.

We also participate in "line-item" joint venture agreements under which each partner is responsible for performing certain discrete items of the total scope of contracted work. The revenue for each line-item joint venture partners' discrete items of work is defined in the contract with the project owner and each joint venture partner bears the profitability risk associated only with its own work. There is not a single set of books and records for a line-item joint venture. Each partner accounts for its items of work individually as it would for any self-performed contract. We account for our portion of these contracts as revenue and cost of revenue in the consolidated statements of operations and in relevant balances in the consolidated balance sheets.

Use of Estimates in the Preparation of Financial Statements: The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of these financial statements requires management to make estimates that affect the reported amounts of assets and liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Our estimates and related judgments and assumptions are continually evaluated based on available information and experiences; however, actual amounts could differ from those estimates.

Revenue Recognition: Our revenue is primarily derived from construction contracts that can span several quarters or years in our Construction segment and from sales of construction related materials in our Materials segment. We recognize revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers,* and subsequently issued additional related Accounting Standards Updates ("ASU"s) ("Topic 606"). Topic 606 provides for a five-step model for recognizing revenue from contracts with customers as follows:

1. Identify the contract
2. Identify performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognize revenue

Generally, our contracts contain one performance obligation. Contracts with customers in our Materials segment are typically defined by our customary business practices and are valued at the contractual selling price per unit. Our customary business practices are for the delivery of a separately identifiable good at a point in time which is typically when delivery to the customer occurs. Contracts in our Construction segment may contain multiple distinct promises or multiple contracts within a master agreement (e.g., contracts that cross multiple locations/geographies and task orders), which we review at contract inception to determine if they represent multiple performance obligations or multiple separate contracts. This review consists of determining if promises or groups of promises are distinct within the context of the contract, including whether contracts are physically contiguous, contain task orders, purchase or sales orders, termination clauses and/or elements not related to design and/or build.

The transaction price is the amount of consideration to which we expect to be entitled in exchange for transferring goods and services to the customer. The contractual consideration from customers of our Construction segment may include both fixed amounts and variable amounts (e.g., bonuses/incentives or penalties/liquidated damages) to the extent that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved (i.e., probable and estimable). When a contract has a single performance obligation, the entire transaction price is attributed to that performance obligation. When a contract has more than one performance obligation, the transaction price is allocated to each performance obligation based on estimated relative standalone selling prices of the goods or services at the inception of the contract, which typically is determined using cost plus an appropriate margin.

Subsequent to the inception of a contract in our Construction segment, the transaction price could change for various reasons, including executed or unapproved change orders, and unresolved contract modifications and/or affirmative claims. Changes that are accounted for as an adjustment to existing performance obligations are allocated on the same basis at

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contract inception. Otherwise, changes are accounted for as separate performance obligation(s) and the separate transaction price is allocated as discussed above.

Changes are made to the transaction price from unapproved change orders to the extent the amount can be reasonably estimated and recovery is probable.

On certain projects we have submitted and have pending unresolved contract modifications and/or affirmative claims (“affirmative claims”) to recover additional costs and the associated profit, if applicable, to which we believe we are entitled under the terms of contracts with customers, subcontractors, vendors or others. The owners or their authorized representatives and/or other third parties may be in partial or full agreement with the modifications or affirmative claims, or may have rejected or disagree entirely or partially as to such entitlement.

Changes are made to the transaction price from affirmative claims with customers to the extent that additional revenue on a claim settlement with a customer is probable and estimable. A reduction to costs related to affirmative claims with non-customers with whom we have a contractual arrangement (“back charges”) is recognized when the estimated recovery is probable and estimable. Recognizing affirmative claims and back charge recoveries requires significant judgments of certain factors including, but not limited to, dispute resolution developments and outcomes, anticipated negotiation results, and the cost of resolving such matters.

Generally, performance obligations related to contracts in our Construction segment are satisfied over time because our performance typically creates or enhances an asset that the customer controls as the asset is created or enhanced. We recognize revenue as performance obligations are satisfied and control of the promised good and/or service is transferred to the customer. Revenue in our Construction segment is ordinarily recognized over time as control is transferred to the customers by measuring the progress toward complete satisfaction of the performance obligation(s) using an input (i.e., “cost to cost”) method. Under the cost to cost method, costs incurred to-date are generally the best depiction of transfer of control.

All contract costs, including those associated with affirmative claims, change orders and back charges, are recorded as incurred and revisions to estimated total costs are reflected as soon as the obligation to perform is determined. Contract costs consist of direct costs on contracts, including labor and materials, amounts payable to subcontractors, direct overhead costs and equipment expense (primarily depreciation, fuel, maintenance and repairs).

The accuracy of our revenue and profit recognition in a given period depends on the accuracy of our estimates of the forecasted revenue and cost to complete each project. Cost estimates for all of our significant projects use a detailed “bottom up” approach. There are a number of factors that can contribute to revisions in estimates of contract cost and profitability. The most significant of these include:

- changes in costs of labor and/or materials;
- subcontractor costs, availability and/or performance issues;
- extended overhead and other costs due to owner, weather and other delays;
- changes in productivity expectations;
- changes from original design on design-build projects;
- our ability to fully and promptly recover on affirmative claims and back charges for additional contract costs;
- a change in the availability and proximity of equipment and materials;
- complexity in original design;
- length of time to complete the project;
- the availability and skill level of workers in the geographic location of the project;
- site conditions that differ from those assumed in the original bid;
- costs associated with scope changes; and
- the customer’s ability to properly administer the contract.

The foregoing factors, as well as the stage of completion of contracts in process and the mix of contracts at different margins may cause fluctuations in gross profit and gross profit margin from period to period. Significant changes in revenue and cost estimates, particularly in our larger, more complex, multi-year projects have had, and can in future periods have, a significant effect on our profitability.

All state and federal government contracts and many of our other contracts provide for termination of the contract at the convenience of the party contracting with us, with provisions to pay us for work performed through the date of termination including demobilization cost.

Costs to obtain our contracts (“pre-bid costs”) that are not expected to be recovered from the customer are expensed as incurred and included in selling, general and administrative expenses in our consolidated statements of operations.

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Although unusual, pre-bid costs that are explicitly chargeable to the customer even if the contract is not obtained are included in accounts receivable in our consolidated balance sheets when we are notified that we are not the low bidder with a corresponding reduction to selling, general and administrative expenses in our consolidated statements of operations.

Unearned Revenue: Unearned revenue represents the aggregate amount of the transaction price allocated to unsatisfied or partially unsatisfied performance obligations at the end of a reporting period. We generally include a project in our unearned revenue at the time a contract is awarded, the contract has been executed and to the extent we believe funding is probable. Certain contracts contain contract options that are exercisable at the option of our customers without requiring us to go through an additional competitive bidding process or contain task orders related to master contracts under which we perform work only when the customer awards specific task orders to us. Contract options and task orders are included in unearned revenue when exercised or issued, respectively. As of December 31, 2023 and 2022, unearned revenue was $3.6 billion and $2.9 billion, respectively. Approximately $2.3 billion of the December 31, 2023 unearned revenue is expected to be recognized within the next twelve months and the remaining amount will be recognized thereafter. Substantially all of the contracts in our unearned revenue may be canceled or modified at the election of the customer; however, we have not been materially adversely affected by contract cancellations or modifications in the past. Many projects are added to unearned revenue and completed within the same fiscal quarter or year and, therefore, may not be reflected in our beginning or ending unearned revenue.

Balance Sheet Classifications: Prepaid expenses and amounts receivable and payable under construction contracts (principally retentions) that may exist over the duration of the contract and could extend beyond one year are included in current assets and liabilities. A one-year time period is used as the basis for classifying all other current assets and liabilities.

Cash and Cash Equivalents: Cash equivalents are securities having maturities of three months or less from the date of purchase. Our access to joint venture cash may be limited by the provisions of the joint venture agreements.

Contract Assets: Our contract assets include costs and estimated earnings in excess of billings as well as amounts due under contractual retention provisions. Costs and estimated earnings in excess of billings represent amounts earned and reimbursable under contracts, including customer affirmative claim recovery estimates, and have a conditional right for billing and payment such as achievement of milestones or completion of the project. Generally, with the exception of customer affirmative claims, such unbilled amounts will become billable according to the contract terms and generally will be billed and collected over the next twelve months. Settlement with the customer of outstanding affirmative claims is dependent on the claims resolution process and could extend beyond one year. Based on our historical experience, we generally consider the collection risk related to billable amounts to be low. However, when events or conditions indicate that it is probable that the amounts become unbillable, the transaction price and associated contract asset is reduced. Certain contracts in our Construction segment include retention provisions to provide assurance to our customers that we will perform in accordance with the contract terms and are not considered a financing benefit under ASC Topic 606. The balances billed but not paid by customers pursuant to these provisions generally become due upon completion and acceptance of the project work or products by the customer.

Marketable Securities: We determine the classification of our marketable securities at the time of purchase and re-evaluate these determinations at each balance sheet date. Our marketable securities are fixed income marketable securities and are classified as held-to-maturity as we have the positive intent and ability to hold the securities to maturity. Held-to-maturity investments are stated at amortized cost and are periodically assessed for other-than-temporary impairment. Amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity and is included in interest income. The cost of securities redeemed or called is based on the specific identification method.

Derivative Instruments: We recognize derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value using Level 2 inputs. To receive hedge accounting treatment, derivative instruments that are designated as cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions. We formally document our hedge relationships at inception, including identification of the hedging instruments and the hedged items, our risk management objectives and strategies for undertaking the hedge transaction, and the initial quantitative assessment of the hedging instrument's effectiveness in offsetting changes in the fair value of the hedged items. The effective portion of the gain or loss on cash flow hedges is reported as a component of accumulated other comprehensive income (loss) and subsequently reclassified to the consolidated statements of operations when the periodic hedged cash flows are settled. Adjustments to fair value on derivative instruments that are not part of a designated hedging relationship are reported through the consolidated statements of operations. We do not enter into derivative instruments for speculative or trading purposes.

The derivative transactions related to the 2.75% senior convertible notes due 2024 (the "2.75% Convertible Notes") and the Capped Call Transactions related to the 3.75% convertible senior notes due 2028 (the "3.75% Convertible Notes") were

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recorded to equity in our consolidated balance sheets based on the cash proceeds and will not be remeasured as long as they continue to meet the conditions for equity classification.

Fair Value of Financial Assets and Liabilities: We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, *Fair Value Measurements and Disclosures,* defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC Topic 820 describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Allowance forCredit Losses: Financial assets, which potentially subject us to credit losses, consist primarily of short and long-term marketable securities, receivables, contract assets and long-term notes receivables included in other noncurrent assets in our consolidated balance sheets. We measure expected credit losses of financial assets based on historical loss and other information available to management using a loss rate method applied to asset groups with categorically similar risk characteristics. These expected credit losses are recorded to an allowance for credit losses valuation account that is deducted from receivables and contract assets to present the net amount expected to be collected on the financial asset in the consolidated balance sheets.

Concentrations of Credit Risk: Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of cash and cash equivalents, marketable securities, accounts receivable and contract assets. We maintain our cash and cash equivalents and our marketable securities with several financial institutions. We invest with high credit quality financial institutions and, by policy, limit the amount of credit exposure to any one financial institution. During the years ended December 31, 2023, 2022 and 2021, our largest volume customer, including both prime and subcontractor arrangements, was the California Department of Transportation ("Caltrans"). Revenue recognized from contracts with Caltrans during the years ended December 31, 2023, 2022 and 2021 represented $458.2 million (13.1% of total revenue), $348.0 million (10.5% of total revenue), and $337.1 million (9.6% of total revenue), respectively, which was primarily in the Construction segment. Other than Caltrans, none of our customers, including both prime and subcontractor arrangements, had revenue that individually exceeded 10% of total revenue during the year ended December 31, 2023 and December 31, 2022. During the year ended December 31, 2021, none of our customers had revenue that individually exceeded 10% of total revenue.

The majority of our receivables are from customers concentrated in the United States. None of our customers had a receivable balance in excess of 10% of our total net receivables as of December 31, 2023 and 2022. Certain construction contracts include retention provisions that were included in contract assets as of December 31, 2023 and 2022 in our consolidated balance sheets. The balances billed but not paid by customers pursuant to these provisions generally become due upon completion and acceptance of the project work or products by the owners. The majority of the December 31, 2023 contract retention balance disclosed in Note 6 is expected to be collected within one year. We perform ongoing credit evaluations of our customers and generally do not require collateral, although the law provides us the ability to file mechanics' liens on real property improved for private customers in the event of non-payment by such customers.

*Foreign Currency Transactions and Translation:*In the periods presented we had operations in Mexico and Canada which involved exposure to possible volatile movements in foreign currency exchange rates. We account for foreign currency exchange transactions and translation in accordance with ASC Topic 830, *Foreign Currency Matters*. In the third quarter of 2023 we began the wind down of our international Minerals Services operations which operated in Mexico and Canada. Our Materials Segment continues to have international operations in Canada. In Mexico, most of our customer contracts and a significant portion of our costs were denominated in U.S. dollars; therefore, the functional currency was U.S. dollars. In Canada, the functional currency is the local currency. Foreign currency transactions are remeasured into the functional currency with gains and losses included in other income, net in the consolidated statements of operations. The impact from

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foreign currency transactions was immaterial for 2023, 2022 and 2021. Assets and liabilities in functional currency are translated into U.S. dollars at exchange rates prevailing at the balance sheet date. Revenues and expenses are translated into U.S. dollars at average foreign currency exchange rates prevailing during the reporting periods. The translation adjustments from functional currency to U.S. dollars are reported in accumulated other comprehensive income on the consolidated balance sheets.

Inventories: Inventories relating to our operations consist primarily of quarry products, contract-specific materials and water well drilling materials, supplies, as well as mineral extraction and drilling supplies located primarily in the U.S. Cost of inventories are valued at the lower of average cost or net realizable value. We reservequarry productsbased on estimated quantities of materials on hand in excess of approximately one year of demand.

Investments in Affiliates: Each investment accounted for under the equity method of accounting is reviewed for impairment in accordance with ASC Topic 323, *Investments - Equity Method and Joint Ventures.* We account for our share of the operating results of the equity method investments in equity in income from affiliates, net in the consolidated statements of operations and as a single line item in the consolidated balance sheets as investments in affiliates. Our investments in affiliates include foreign entities, real estate entities and an asphalt terminal entity. These investments are evaluated for impairment using the other-than-temporary impairment model, which requires an impairment charge to be recognized if our investment's carrying amount exceeds its fair value, and the decline in fair value is deemed to be other than temporary. Recoverability is measured by comparison of carrying amounts to future undiscounted cash flows the investments are expected to generate. Events or changes in circumstances, which would cause us to review undiscounted future cash flows include, but are not limited to:

- significant adverse changes in legal factors or the business climate and
- current period cash flow or operating losses combined with a history of losses, or a forecast of continuing losses associated with the use of the asset.

In addition, events or changes in circumstances specifically related to our real estate entities, include:

- significant decreases in the market price of the asset;
- accumulation of costs significantly in excess of the amount originally expected for the acquisition, development or construction of the asset; and
- significant changes to the development or business plans of a project.

Future undiscounted cash flows and fair value assessments for our foreign entities and for the asphalt terminal entity are estimated based on market conditions and the political climate. Future undiscounted cash flows and fair value assessments for our real estate entities are estimated based on entitlement status, market conditions, cost of construction, debt load, development schedules, status of joint venture partners and other factors applicable to the specific project. Fair value is estimated based on the expected future cash flows attributable to the asset or group of assets and on other assumptions that market participants would use in determining fair value, such as market discount rates, transaction prices for other comparable assets, and other market data. Our estimates of cash flows may differ from actual cash flows due to, among other things, fluctuations in interest rates, decisions made by jurisdictional agencies, economic conditions, or changes to our business operations.

Property and Equipment: Property and equipment are stated at cost. Depreciation for construction and other equipment is primarily provided using accelerated methods over lives ranging from three to ten years, and the straight-line method over lives from two to twenty years for the remaining depreciable assets. We believe that accelerated methods best approximate the service provided by the construction and other equipment. Depletion of quarry property is based on the usage of depletable reserves. We frequently sell property and equipment that has reached the end of its useful life or no longer meets our needs, including depleted quarry property. At the time that an asset or an asset group meets the held for sale criteria as defined by ASC Topic 360, *Property, Plant, and Equipment,* depreciation is discontinued and we write it down to fair value less cost to sell, if the fair value is below the carrying value. Fair value is estimated by a variety of factors including, but not limited to, market comparative data, historical sales prices, broker quotes and third-party valuations. If material, such property is separately disclosed in the consolidated balance sheets, otherwise it is held in property and equipment until sold. The cost and accumulated depreciation or depletion of property sold or retired is removed from the consolidated balance sheets and the resulting gains or losses, if any, are reflected in operating income in the consolidated statements of operations for the period. In the case that we abandon an asset, an amount equal to the carrying amount of the asset, less salvage value, if any, will be recognized as expense in the period that the asset was abandoned. Repairs and maintenance are expensed as incurred.

Costs related to the development of internal-use software during the preliminary project and post-implementation stages are expensed as incurred. Costs incurred during the application development stage are capitalized. These costs consist

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primarily of software, hardware and consulting fees, as well as salaries and related costs. Amounts capitalized are reported as a component of office furniture and equipment within property and equipment in the consolidated balance sheets. Capitalized software costs are depreciated using the straight-line method over the estimated useful life of the related software, which ranges from three to seven years. During the years ended December 31, 2023, 2022 and 2021, we capitalized $10.1 million, $11.4 million, $12.0 million and, respectively, of internal-use software development and related hardware costs.

Long-lived Assets: We review property and equipment and amortizable intangible assets for impairment at an asset group level whenever events or changes in circumstances indicate the carrying amount of an asset group may not be recoverable. Recoverability of these asset groups is measured by comparison of their carrying amounts to the future undiscounted cash flows the asset groups are expected to generate. If the asset groups are considered to be impaired, an impairment charge will be recognized equal to the amount by which the carrying amount of the asset group exceeds fair value. We group construction and plant equipment assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets. When an individual asset or group of assets is determined to no longer contribute to its vertically integrated construction and plant equipment asset group, it is assessed for impairment independently.

As of December 31, 2023, amortizable intangible assets, which primarily include customer relationships, trademarks/trade names and permits, are being amortized over remaining terms from one to thirty years. All intangible assets are amortized on a straight-line basis.

Goodwill: We account for business combinations using the acquisition method, under which the purchase price of an acquired company is allocated to the tangible and intangible assets acquired and the liabilities assumed on the basis of their fair values at the date of acquisition. Any excess of purchase price over the fair value of tangible and intangible assets acquired and liabilities assumed is allocated to goodwill. The determination of fair values of assets acquired and liabilities assumed requires us to make estimates and use valuation techniques when a market value is not readily available.

As ofDecember 31, 2023, we had seven reporting units in which goodwill was recorded as follows:

- Central Group Construction
- Central Group Materials
- Mountain Group Construction
- Mountain Group Materials
- California Group Construction
- LRC/MSG Construction
- LRC/MSG Materials

We perform our goodwill impairment tests annually as of November 1 and more frequently when events and circumstances occur that indicate a possible impairment of goodwill. Examples of such events or circumstances include, but are not limited to, the following:

- a significant adverse change in the business climate;
- a significant adverse change in legal factors or an adverse action or assessment by a regulator;
- a more likely than not expectation that a segment or a significant portion thereof will be sold; or
- the testing for recoverability of a significant asset group within the segment.

In the third quarter of 2023, in connection with our decision to wind down our international Mineral Services operations, we performed an interim goodwill impairment test on the Mountain Group Construction reporting unit, which resulted in a $4.5 million non-cash impairment charge. This charge is included in Other costs, net in the consolidated statements of operations.

In accordance with ASC Topic 350, *Intangibles – Goodwill and Other,* we can elect to perform a qualitative assessment to test a reporting unit's goodwill for impairment or perform a quantitative impairment test. Based on a qualitative assessment, if we determine that the fair value of a reporting unit is more likely than not to be less than its carrying amount, the quantitative impairment test will be performed.

In performing the quantitative goodwill impairment tests, we calculate the estimated fair value of the reporting unit in which the goodwill is recorded using the discounted cash flows and market multiple methods. The estimated fair value is compared to the carrying amount of the reporting unit, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. If the fair value of the reporting unit is less than its carrying amount, goodwill is impaired and the excess of the reporting unit's carrying amount over the fair value is recognized as a non-cash impairment charge.

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Judgments inherent in these methods include the determination of appropriate discount rates, the amount and timing of expected future cash flows, revenue and margin growth rates, and appropriate benchmark companies. The cash flows used in our discounted cash flow model are based on five-year financial forecasts developed internally by management adjusted for market participant-based assumptions. Our discount rate assumptions are based on an assessment of the equity cost of capital and appropriate capital structure for our reporting units. To assess for reasonableness, we compare the estimated fair values of the reporting units to our current market capitalization.

For our 2023 annual goodwill impairment test, we elected to perform a qualitative assessment on each of our reporting units and we determined that it was more likely than not that the fair values were greater than the carrying amounts; therefore, no quantitative goodwill impairment test was performed for these reporting units. Factors we considered in our qualitative assessment were macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, changes in management or key personnel, changes in strategy, changes in customers and changes in the composition or carrying amount of the reporting unit's net assets.

Right of use Assetsand Lease Liabilities: A lease contract conveys the right to use an underlying asset for a period of time in exchange for consideration. At inception, we determine whether a contract contains a lease by determining if there is an identified asset and if the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time.

At lease commencement, we measure and record a lease liability equal to the present value of the remaining lease payments, generally discounted using the borrowing rate on our secured debt as the implicit rate is not readily determinable on many of our leases. We use a quarterly maturity discount rate if it is not materially different than the discount rates applied to each of the leases in the portfolio.

On the lease commencement date, the amount of the right of use assets consists of the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, minus any lease incentives received; and
- any initial direct costs incurred.

On a quarterly basis, we determine if subcontractor, vendor or service provider agreements contain embedded leases by assessing if an asset is explicitly or implicitly specified in the agreement and the counterparty has the right to substitute the asset. Most of our lease contracts do not have the option to extend or renew. We assess the option for individual leases, and we generally consider the base term to be the term of lease contracts. Lease contracts may contain non-lease components for which we elected to include both the lease and non-lease components as a single component and account for it as a lease.

Contract Liabilities: Our contract liabilities consist of billings in excess of costs and estimated earnings, net of the related contract retention and provisions for losses. Billings in excess of costs and estimated earnings are billings to customers on contracts in advance of work performed, including advance payments negotiated as a contract condition. Generally, unearned project-related costs will be earned over the next twelve months. Provisions for losses are recognized in the consolidated statements of operations at the uncompleted performance obligation level for the amount of total estimated losses in the period that evidence indicates that the estimated total cost of a performance obligation exceeds its estimated total revenue.

Asset Retirement Obligations: We account for the costs related to legal obligations to reclaim aggregate mining sites and other facilities by recording our estimated asset retirement obligation at fair value using Level 3 inputs, capitalizing the estimated liability as part of the related asset's carrying amount and allocating it to expense over the asset's useful life.

Warranties: Many of our construction contracts contain warranty provisions covering defects in equipment, materials, design or workmanship that generally run for less than two years after our customer accepts the contract. Because of the nature of our projects, including contract owner inspections of the work both during construction and prior to acceptance, we have not experienced material warranty costs for these short-term warranties and, therefore, do not believe an accrual for these costs is necessary. Certain construction contracts carry longer warranty periods, ranging from two to ten years, for which we have accrued an estimate of warranty cost. The warranty liability is estimated based on our experience with the type of work and any known risks relative to the project and was not material as of December 31, 2023 and 2022.

Accrued Insurance Costs: We carry insurance policies to cover various risks, including general liability, automobile liability, workers compensation and employee medical expenses under which we are liable to reimburse the insurance company for certain losses. The amounts for which we are liable range from the first $0.5 million to $1.5 million per occurrence. We accrue for probable losses, both reported and unreported, that are reasonably estimable using actuarial methods based on historic trends, modified, if necessary, by recent events. The establishment of accruals for estimated

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losses associated with our insurance policies are based on actuarial studies that include known facts and interpretations of circumstances, including our experience with similar cases and historical trends involving claim payment patterns, pending levels of unpaid claims, claim severity, frequency patterns and changing regulatory and legal environments. Changes in our loss assumptions caused by changes in actual experience would affect our assessment of the ultimate liability and could have an effect on our operating results and financial position.

Surety Bonds: We generally are required to provide various types of surety bonds that provide an additional measure of security for our performance under certain public and private sector contracts. Performance bonds do not have stated expiration dates; rather, we are generally released from the bonds after the owner accepts the work performed under contract. The ability to maintain bonding capacity to support our current and future level of contracting requires that we maintain cash and working capital balances satisfactory to our sureties.

Performance Guarantees: The agreements with our joint venture partners ("partner(s)") for both construction joint ventures and line item joint ventures define each partner's management role and financial responsibility in the project. The amount of operational exposure is generally limited to our stated ownership interest. However, due to the joint and several nature of the performance obligations under the related owner contracts, if any of the partners fail to perform, we and the remaining partners, if any, would be responsible for performance of the outstanding work (i.e., we provide a performance guarantee). We estimate our liability for performance guarantees for our unconsolidated and line item joint ventures using estimated partner bond rates, which are Level 2 inputs, and include them in accrued expenses and other current liabilities with a corresponding increase in equity in construction joint ventures in the consolidated balance sheets. We reassess our liability when and if changes in circumstances occur. The liability and corresponding asset are removed from the consolidated balance sheets upon completion and customer acceptance of the project. Circumstances that could lead to a loss under these agreements beyond our stated ownership interest include the failure of a partner to contribute additional funds to the venture in the event the project incurs a loss or additional costs that we could incur should a partner fail to provide the services and resources that it had committed to provide in the agreement. We are not able to estimate amounts that may be required beyond the remaining cost of the work to be performed. These costs could be offset by billings to the customer or by proceeds from our partners' corporate and/or other guarantees.

Contingencies: We are currently involved in various claims and legal proceedings. Loss contingency provisions are recorded if the potential loss from any asserted or un-asserted claim or legal proceeding is considered probable and the amount can be reasonably estimated. If a potential loss is considered probable but only a range of loss can be determined, the low-end of the range is recorded. These accruals represent management's best estimate of probable loss. Disclosure is also provided when it is reasonably possible and estimable that a loss will be incurred or when it is reasonably possible that the amount of a loss will exceed the amount recorded. Significant judgment is required in both the determination of probability of loss and the determination as to whether an exposure is reasonably estimable. Because of uncertainties related to these matters, accruals are based only on the best information available at the time. As additional information becomes available, we reassess the potential liability related to claims and litigation and may revise our estimates. We expense associated legal costs as they are incurred. See Note 20 for additional information.

Stock-Based Compensation: We measure and recognize compensation expense, net of forfeitures, over the requisite vesting periods for all stock-based payment awards made and we recognize forfeitures as they occur. Stock-based compensation is included in selling, general and administrative expenses and cost of revenue on our consolidated statements of operations.

Other Costs: Other costs, net in the consolidated statements of operations are expensed as they are incurred and relate to settlements of certain legal matters and investigations, investigation-related legal fees and net acquisition and divestiture costs. In addition, these net costs included non-cash impairment charges associated with the wind down of our international Mineral Services operations in 2023, a gain on sale of a business in 2022 and personnel costs incurred in connection with our operating group reorganization during 2021.

Income Taxes: Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. Disproportionate income tax effects which are stranded in accumulated other comprehensive income will be released using the item-by-item approach.

We report a liability in accrued expenses and other current liabilities and in other long-term liabilities in the consolidated balance sheets for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax

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return. We recognize interest and penalties, if any, related to unrecognized tax benefits in interest expense and other income, net in the consolidated statements of operations.

Computation of Earnings per Share: Basic net income (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share is computed using the weighted-average number of common shares and dilutive potential common shares outstanding during the period. Dilutive potential common shares include common share equivalents under the equity incentive plans and common share equivalents issuable under our 3.75% Convertible Notes and 2.75% Convertible Notes using the if-converted method. Dilutive potential common shares also include common share equivalents issuable under the terms of our warrants assuming the share price of our common stock was in excess of $53.44, the exercise price of warrants. See Note 14 for further discussion related to the 3.75% Convertible Notes, 2.75% Convertible Notes and warrants.

Convertible Notes: U.S. GAAP requires certain convertible debt instruments that may be settled in cash on conversion to be separately accounted for into liability and equity components in a manner that reflects the issuer's non-convertible debt borrowing rate. Third party offering costs are allocated to the liability and equity components based on allocation of proceeds to those components and are recorded net of the associated balances on the consolidated balance sheets and are generally amortized to interest expense through the maturity date of the debt. Therefore, cash received from the issuance of the 2.75% Convertible Notes (as defined in Note 14) was separated into liability and equity components on the consolidated balance sheets at the time of issuance based on the fair value of a similar liability that does not have an associated convertible feature. The difference between the principal amount and the liability component on the issuance date has been recorded to interest expense using an effective interest rate of 6.62% over the expected life of the 2.75% Convertible Notes. Debt discounts are recorded to the liability component through the maturity date of the debt.

Recently Issued and Adopted Accounting Pronouncements: We closely monitor all ASUs issued by the FASB and other authoritative guidance. There are currently no recently issued accounting pronouncements that are expected to have a material impact on our financial statements.

In August 2020, the FASB issued ASU 2020-06, which simplifies 2020-06 simplified the accounting for convertible instruments resulting in accounting for convertible debt instruments as a single liability measured at its amortized cost and ASU 2020-06 is applicable to our 2.75% convertible senior notes due 2024. In addition, ASU 2020-06 requires the application of the if-converted method for calculating diluted earnings per share and eliminates the treasury stock method for convertible debt. cost. We adopted ASU 2020-062020-06 effective January 1, 2022*January 1, 2022*, using the modified retrospective transition approach under which financial results reported in prior periods were not adjusted. Upon adoption we recorded of this new accounting guidance, the 2.75% Convertible Notes were accounted for entirely as a net cumulative increase liability, and the issuance costs were accounted for wholly as debt issuance costs.

Recently Issued and Adopted Accounting Pronouncements: We closely monitor all ASUs issued by the FASB and other authoritative guidance. There are currently no recently issued accounting pronouncements that are expected to debt of approximately $22.0 million and to deferred tax assets of $5.6 million, offset by have a decrease to additional paid-in capital and retained earnings of $16.4 million (See Note 14 for details). material impact on our financial statements.

In March 2020, August 2023, the FASB issued ASU 2020-04, which provides optional guidance to ease the potential burden in accounting for the effects of the transition away from LIBOR 2023-05, *Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and other reference rates. Also, in January 2021, the FASB issued ASU 2021-01, which provided clarification guidance to ASU 2020-04. We adopted these ASUs during the quarter ended June 30, 2022, in conjunction with entering into our Fourth Amended and Restated Credit Agreement (the "Credit Agreement") (see Note 14) Initial Measurement*, which replaced requires that a joint venture apply a new basis of accounting upon formation. As a result, a newly formed joint venture, upon formation, would initially measure its assets and liabilities at fair value. This ASU is effective prospectively for all joint venture formations with a formation date on or after January 1, 2025. We plan to adopt this ASU in the London Interbank Offered Rate ("LIBOR") with first quarter of 2025, but do not expect the Secured Overnight Financing Rate ("SOFR") administered by the Federal Reserve Bank of New York for purposes of setting floating interest rates. In December 2022, the FASB issued ASU 2022-06, which extends the period of time preparers can utilize the reference rate reform relief guidance established in ASU 2020-04. The adoption of these ASUs did notto have a material impact on our consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting—Improvements to Reportable Segment Disclosures,* which enhances the disclosures regarding an entity's reportable segments and addresses requests from investors and other allocators of capital for additional, more detailed information about a reportable segment's expenses. This ASU is effective retrospectively commencing with our annual report for the year ending December 31, 2024, and quarterly periods thereafter. We do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* which is intended to improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. It also includes certain other amendments intended to improve the effectiveness of income tax disclosures. These new disclosure requirements are effective prospectively commencing with our annual report for the year ending December 31, 2025. We do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

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2. Acquisitions

2. Assets On November 30, 2023 ("acquisition date"), we completed the acquisition of LRC/MSG for $278.0 million, subject to customary closing adjustments, plus an estimated amount related to tax make-whole agreements with the seller. We purchased all of the outstanding equity interests in LRC/MSG and Liabilities Held for Sale

As discussed the purchase price was funded by our new $150.0 million senior secured term loan, as described further in Note 1, during 14, a draw of $100 million under our existing revolver and the fourth quarter remainder from cash on hand.

The acquired businesses are longstanding asphalt paving and asphalt and aggregates producers and suppliers. LRC/MSG operates strategically located asphalt plants and sand and gravel mines serving the greater Memphis area and northern Mississippi.

The buyer of 2021, we concluded LRC/MSG, Granite Southeast, is a wholly-owned subsidiary of Granite Construction Incorporated. LRC/MSG's results are reported in the assets Central operating group in both the Construction and liabilities of our former WMS businesses met Materials segments. The Central operating group is most similar in geography, and LRC/MSG's 2023 operating results were not material. LRC/MSG's customers are in both the criteria public and private sector. We have accounted for classification as held for sale. This included: Inliner, Water Resources and Mineral Services. We concluded the planned disposal activities represented a strategic shift that would have a major effect on our operations and financial results and qualified for presentation as discontinued operations this transaction in accordance with ASC Topic 205-20,*Presentation 805, Business Combinations ("ASC 805").*

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We have included LRC/MSG's operating results in our consolidated statements of financial statements - Discontinued operations. Additionally, beginning December 31, 2021, in since the acquisition date. Revenue attributable to LRC/MSG for the year ended December 31, 2023 was $7.7 million and the loss before taxes for the year ended December 31, 2023 was $2.3 million.

Preliminary Purchase Price Allocation

In accordance with ASC 360,*Property, Plant, 805, the total purchase price and Equipment*, we ceased recording depreciation assumed liabilities were allocated to the net tangible and amortization for WMS property, plant and equipment, finite-lived identifiable intangible assets based on their estimated fair values as of November 30, 2023, as presented in the table below. These estimates are subject to revision, which may result in adjustments to the values presented below. There are certain provisional estimates that are subject to finalization, one of which is related to tax make-whole agreements with the seller of approximately $22.0 million, which will be finalized upon the former owners of LRC/MSG paying their personal tax burden related to the sale of the businesses. As we continue to integrate the acquired business, we may obtain additional information on the acquired tangible and right of use lease assets.

During identifiable intangible net assets which, if significant, may require revisions to preliminary valuation assumptions, estimates and resulting fair values. We expect to finalize these amounts within 12 months from the first quarter of 2022*acquisition date.*

(in thousands)		**November 30, 2023**
Assets		
Cash and cash equivalents	$	12,798
Receivables		18,373
Contract assets		3,388
Inventories		13,738
Other current assets		1,032
Property and equipment		84,815
Right of use assets		15,539
Other noncurrent assets		3,718
Total tangible assets	$	153,401
Identifiable intangible assets	$	110,660
Liabilities		
Accounts payable	$	6,806
Contract liabilities		3,213
Accrued expenses and other current liabilities		9,572
Long-term lease liabilities		15,558
Other long-term liabilities		5,960
Total liabilities assumed	$	41,109
Total tangible and identifiable net assets acquired	$	222,952
Goodwill		80,826
Estimated purchase price	$	303,778

In addition, on April 24, 2023, we completed the sale purchase of Inliner to Inland Pipe Rehabilitation LLC Coast Mountain Resources (2020) Ltd. ("IPR" CMR") for $26.6 million. CMR is a construction aggregate producer based in British Columbia, Canada operating on Malahat First Nation land. This acquisition did not have a material impact on our results of operations. The tangible assets acquired and 1000097155 Ontario Inc. ("Ontario" liabilities assumed were approximately $28.5 million and together with IPR, $7.1 million, respectively, resulting in acquired goodwill of $5.1 million. The tangible assets balance consists primarily of equipment, vehicles and the "Purchasers"), investment affiliates right-to-mine which are reported in Property and equipment, net. CMR results are reported in the Mountain operating group in the Materials segment.

Intangible assets

The following table lists amortized intangible assets from the LRC/MSG acquisition that are included in intangible assets in the consolidated balance sheets as of J.F. Lehman & Company, for a purchase price December 31, 2023 (in thousands):

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	Useful Lives (Years)		Gross Value		Accumulated Amortization		Net Value
Customer relationships	20	$	83,860	$	(349)	$	83,511
Backlog	1		7,800		(600)		7,200
Trademarks/trade name	10		12,000		(100)		11,900
Permits	10		7,000		(58)		6,942
Total intangible assets		$	110,660	$	(1,107)	$	109,553

The fair value of $159.7 million, subject to certain adjustments. As a result customer relationships was estimated as of the sale acquisition date utilizing the multi-period excess earnings method. This method discounts to present value the projected cash flows attributable to the customer relationships. The significant estimates and post-closing adjustments, we received cash proceeds of $140.6 million assumptions used in determining the fair value included discount rates, revenue growth rates, projected EBITDA margins and recognized a gain of $1.8 million. This gain is customer revenue attrition rates.

The net amortization expense related to the acquired amortized intangible assets for the year ended December 31, 2023 was included in Other costs, net cost of revenue and selling, general and administrative expenses in the consolidated statements of operations. All of the acquired intangible assets will be amortized on a straight-line basis. Amortization expense related to the acquired amortized intangible asset balances at December 31, 2023 is expected to be recorded in the future as follows: $13.3 million in 2024; $6.1 million in 2025; $6.1 million in 2026; $6.1 million in 2027; $6.1 million in 2028; and $71.9 million thereafter.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and intangible assets. The factors that contributed to the recognition of goodwill from the acquisitions of LRC/MSG and CMR include strengthening and expanding our vertically integrated home markets. For the LRC/MSG acquisition, we recorded

$80.8 million of goodwill which is expected to be deductible for the year ended December 31, 2022.

In the third quarter of 2022, we announced our decision to retain the Water Resources tax purposes. $63.0 million and Mineral Services businesses. This change $17.8 million were allocated to our plan Construction and Materials segments, respectively. For the CMR acquisition, we recorded $5.1 million in goodwill that was allocated to our Materials segment and is not expected to be deductible for income tax purposes.

Pro Forma Financial Information

The unaudited pro forma financial information in the table below summarizes the combined results of sale was due to unfavorable market conditions which undermined our efforts to secure an appropriate value for operations of Granite and LRC/MSG as though the businesses. As a result, we have reclassified WMS from discontinued operations to continuing operations for all periods presented. At companies had been combined as of January 1, 2022. The CMR acquisition is not included in the time pro forma financial information as the effects of the change, we recorded an entry business would not have a material impact. The pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place on January 1, 2022, nor does it intend to adjust for be a projection of future results.

Years Ended December 31,		**2023**		**2022**
(unaudited, in thousands, except per share amounts)				
Revenue	$	3,720,449	$	3,485,186
Net income	$	55,025	$	72,219
Basic net income per share attributable to common shareholders	$	1.25	$	1.62
Diluted net income per share attributable to common shareholders	$	1.19	$	1.49

These amounts have been calculated after applying Granite’s accounting policies and adjusting the results of LRC/MSG to reflect the additional depreciation and amortization that would have been recognized if recorded assuming the unsold businesses fair value adjustments to property and equipment and intangible assets had been continually classified applied starting on January 1, 2022. Additionally, these amounts reflect adjustment for additional interest that would have been incurred as held a result of incurring debt for the acquisition over the periods in the pro forma financial information. Acquisition and used from integration expenses related to LRC/MSG that were incurred during the beginning year ended December 31, 2023 are reflected in the year ended December 31, 2022 due to the assumed timing of the year. transaction. The assets statutory tax rate of 26% was used for both 2023 and liabilities 2022 for the pro forma adjustments.

During the year ended December 31, 2023, we incurred $5.0 million of WMS met acquisition and integration expenses associated with the criteria for classification as held for sale as of December 31, 2021, therefore our consolidated balance sheet continues LRC/MSG and CMR acquisitions which were primarily related to reflect these assets and liabilities as held for sale as of that date.

The following table presents summarized balance sheet information of assets and liabilities held for sale:

(in thousands)		**December 31, 2021**
Cash and cash equivalents	$	16,496
Receivables, net		102,208
Contract assets		41,340
Inventories		19,625
Other current assets		1,781
Property and equipment, net		70,912
Investments in affiliates		48,675
Goodwill		63,063
Right of use assets		12,365
Other noncurrent assets		16,176
Total assets classified as held for sale	$	392,641
Accounts payable	$	37,997
Contract liabilities		7,129
Other current liabilities		27,764
Long-term lease liabilities		8,352
Other long-term liabilities		2,166
Total liabilities classified as held for sale	$	83,408

professional services.

3. Revisions in Estimates

Our profit recognition related to construction contracts is based on estimates of transaction price and costs to complete each project. These estimates can vary significantly in the normal course of business as projects progress, circumstances develop and evolve, and uncertainties are resolved. Changes in estimates of transaction price and costs to complete may result in the reversal of previously recognized revenue if the current estimate adversely differs from the previous estimate. In addition, the estimated or actual recovery related to estimated costs associated with unresolved affirmative claims and back charges may be recorded in future periods or may be at values below the associated cost, which can cause fluctuations in the gross profit impact from revisions in estimates.

When we experience significant revisions in our estimates, we undergo a process that includes reviewing the nature of the changes to ensure that there are no material amounts that should have been recorded in a prior period rather than as revisions in estimates for the current period. For revisions in estimates, generally we use the cumulative catch-up method for changes to the transaction price that are part of a single performance obligation. Under this method, revisions in estimates are accounted for in their entirety in the period of change. There can be no assurance that we will not experience further changes in circumstances or otherwise be required to revise our estimates in the future.

In our review of these changes for the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, we did not identify any material amounts that should have been recorded in a prior period.

The net changes in project profitability projects with increases from revisions in estimates, both increases and decreases, which individually had an impact of $5.0$5.0 million or more on gross profit, were net decreases of $80.1 million, $70.6 million and $143.4 million for the years ended December 31,2022, 2021 and 2020, respectively. The projects are summarized as follows (dollars in millions, except per share data):

Increases

Years Ended December 31,		2022		2021		2020
Number of projects with upward estimate changes		2		2		—
Range of increase in gross profit from each project, net	$	5.4 - 6.8	$	6.2 - 9.2	$	—
Increase to project profitability, net	$	12.1	$	15.4	$	—
Increase to net income/decrease to net loss	$	9.7	$	11.4	$	—
Amounts attributable to non-controlling interests	$	2.7		—		—
Increase to net income/decrease to net loss attributable to Granite Construction Incorporated	$	7.0	$	11.4		—
Increase to net income/decrease to net loss per diluted share attributable to common shareholders	$	0.13	$	0.24	$	—

Years Ended December 31,		2023		2022		2021
Number of projects with upward estimate changes		1		2		2
Range of increase in gross profit from each project, net	$	8.1	$	5.4 - 6.8	$	6.2 - 9.2
Increase to project profitability, net	$	8.1	$	12.1	$	15.4
Increase to net income	$	6.9	$	9.7	$	11.4
Amounts attributable to non-controlling interests	$	3.2	$	2.7	$	—
Increase to net income attributable to Granite Construction Incorporated	$	3.6	$	7.0	$	11.4
Increase to net income per diluted share attributable to common shareholders	$	0.07	$	0.13	$	0.24

The increase during the year ended December 31, 2023 was due to decreases in estimated costs from mitigated risks. The increases during the year ended December 31,2022December 31, 2022 were due to production at a higher rate than anticipated and a decrease in estimated cost from mitigated risks. The increases during the year ended December 31,2021December 31, 2021 were due to production at a higher rate than anticipated and a decrease in estimated cost from mitigated risks as well as settlement of outstanding customer affirmative claims. There were no amounts attributable to non-controlling interests for 2021.

during the year ended December 31, 2021.

Decreases

Years Ended December 31,		2022		2021		2020
Number of projects with downward estimate changes		8		6		7
Range of reduction in gross profit from each project, net	$	5.6 - 32.2	$	5.3 - 34.6	$	6.7 - 49.9
Decrease to project profitability, net	$	92.2	$	86.0	$	143.4
Decrease to net income/increase to net loss	$	74.1	$	69.1	$	114.7
Amounts attributable to non-controlling interests	$	21.7	$	20.5	$	31.9

Decrease to net income/increase to net loss attributable to Granite Construction Incorporated	**$**	**52.4**	**$**	**48.6**	**$**	**82.9**
Decrease to net income/increase to net loss per diluted share attributable to common shareholders	**$**	**1.00**	**$**	**1.02**	**$**	**1.79**

Years Ended December 31,		**2023**		**2022**		**2021**
Number of projects with downward estimate changes		6		8		6
Range of reduction in gross profit from each project, net		$5.1 - 54.9		$5.6 - 32.2		$5.3 - 34.6
Decrease to project profitability, net	$	96.9	$	92.2	$	86.0
Decrease to net income	$	79.6	$	74.1	$	69.1
Amounts attributable to non-controlling interests	$	29.8	$	21.7	$	20.5
Decrease to net income attributable to Granite Construction Incorporated	$	49.8	$	52.4	$	48.6
Decrease to net income per diluted share attributable to common shareholders	$	0.95	$	1.00	$	1.02

The decreases during the year ended December 31,2022December 31, 2023 were due to a change in the estimated amount of probable recovery on an outstanding claim, additional costs related to changes in project durations, lower productivity than

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originally anticipated, increased labor and materials costs and disputed work being performed where there are ongoing legal claims. The decreases during the year ended December 31, 2022 were due to additional costs related to extended project duration, increased labor and materials costs, and disputed work being performed where there are ongoing legal claims. The decreases during the year ended December 31,2021December 31, 2021, were primarily due to additional costs from acceleration of work coupled with lower productivity and higher costs than originally anticipated, unfavorable weather and extended project duration. The decreases during the year ended December 31, 2020, were due to increases in design, production, weather-related and labor contingency costs.

4. Disaggregation of Revenue

We disaggregate our revenue based on our reportable segments and operating groups as it is the format that is regularly reviewed by management. Our reportable segments are: Construction and Materials. In alphabetical order, our operating groups are: California, Central and Mountain. In connection with the reclassification of the WMS businesses from discontinued operations to continuing operations, the Consolidated Statements of Operations have been revised to include Inliner, through the date of sale and Water Resources and Mineral Services in the Mountain operating group for all periods presented (see Note 2). The following tables present our disaggregated revenue (in thousands):

Years ended December 31,						
2022		**Construction**		**Materials**		**Total**
California	$	811,623	$	273,314	$	1,084,937
Central		851,779		46,531		898,310
Mountain		1,140,533		177,476		1,318,009
Total	$	2,803,935	$	497,321	$	3,301,256
2021		**Construction**		**Materials**		**Total**
California	$	822,448	$	242,552	$	1,065,000
Central		1,058,448		33,270		1,091,718
Mountain		1,195,294		149,853		1,345,147
Total	$	3,076,190	$	425,675	$	3,501,865
2020		**Construction**		**Materials**		**Total**
California	$	928,193	$	222,021	$	1,150,214
Central		1,145,725		25,181		1,170,906
Mountain		1,107,779		133,560		1,241,339
Total	$	3,181,697	$	380,762	$	3,562,459

Years ended December 31,						
2023		**Construction**		**Materials**		**Total**
California	$	1,029,410	$	258,725	$	1,288,135
Central		765,560		55,125		820,685
Mountain		1,197,284		203,034		1,400,318
Total	$	2,992,254	$	516,884	$	3,509,138
2022		**Construction**		**Materials**		**Total**
California	$	811,623	$	273,314	$	1,084,937
Central		851,779		46,531		898,310
Mountain		1,140,533		177,476		1,318,009
Total	$	2,803,935	$	497,321	$	3,301,256
2021		**Construction**		**Materials**		**Total**
California	$	822,448	$	242,552	$	1,065,000
Central		1,058,448		33,270		1,091,718
Mountain		1,195,294		149,853		1,345,147
Total	$	3,076,190	$	425,675	$	3,501,865

5. Unearned Revenue

The following table presents our unearned revenue as of the respective periods:

(in thousands)		**December 31, 2022**		**December 31, 2021 (1)**
California	$	945,971	$	771,759
Central		1,444,983		1,334,901
Mountain		486,524		488,425
Total	$	2,877,478	$	2,595,085

(1) These balances do not include amounts held for sale (see Note 2).

(in thousands)		**December 31, 2023**		**December 31, 2022**
California	$	1,220,772	$	945,971
Central		1,486,288		1,444,983
Mountain		889,616		486,524
Total	$	3,596,676	$	2,877,478

6. Contract Assets and Liabilities

As a result of changes in contract transaction price related to performance obligations that were satisfied or partially satisfied prior to the end of the periods we recognized revenue of $182.8 million, $153.9 million $147.4 million, $182.8 million and $176.1 million $153.9 million during the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, respectively. The changes in contract transaction price were from items such as executed or estimated change orders and unresolved contract modifications and claims.

As of December 31,2022December 31, 2023 and 2021, 2022, the aggregate claim recovery estimates included in contract asset and liability balances were approximately $75.8 million $77.9 million and $35.5 million, $75.8 million, respectively.

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The components of the contract asset balances as of the respective dates were as follows (in thousands):

December 31,		2022		2021 (1)
Costs in excess of billings and estimated earnings	$	80,357	$	14,158
Contract retention		161,559		131,279
Total contract assets	$	241,916	$	145,437

(1) These balances do not include amounts held for sale (see Note 2).

follows:

(in thousands)		December 31, 2023		December 31, 2022
Costs in excess of billings and estimated earnings	$	100,106	$	80,357
Contract retention		162,881		161,559
Total contract assets	$	262,987	$	241,916

The increase in contract assets is primarily due to increasing costs in excess of billings and estimated earnings balances from unresolved disputed work and increased retention balances related to certain ongoing projects. As of December 31,2022December 31, 2023 and 2021, 2022, contract retention receivable from Brightline Trains Florida LLC represented 11.7% 11.1%, and 17.2% 11.7%, respectively, of total contract assets. No other contract retention receivable individually exceeded 10% of total contract assets at any of the presented dates. The majority of the contract retention balance is expected to be collected within one year.

As work is performed, revenue is recognized and the corresponding contract liabilities are reduced. During the years ended December 31,2022December 31, 2023 and 20212022 and 2020,2021, we recognized revenue of $223.7 million, $176.2 million $191.8 million, $223.7 million and $110.9 million, $176.2 million, respectively, that was included in the contract liability balances at December 31, December 31, 2022, 20212020 and 2019,2020, respectively.

The components of the contract liability balances as of the respective dates were as follows (in thousands):

December 31,		2022		2021 (1)
Billings in excess of costs and estimated earnings, net of retention	$	152,294	$	169,542
Provisions for losses		20,992		30,499
Total contract liabilities	$	173,286	$	200,041

(1) These balances do not include amounts held for sale (see Note 2).

follows:

(in thousands)		December 31, 2023		December 31, 2022
Billings in excess of costs and estimated earnings	$	227,913	$	152,294
Provisions for losses		15,935		20,992
Total contract liabilities	$	243,848	$	173,286

The decrease increase in contract liabilities is primarily due to revenue recognized increases in billings in excess of billings as well as costs on new projects partially offset by reductions in provisions for losses as certain loss projects progress towards completion.

7. Receivables, net

Receivables include billed and unbilled amounts for services provided to clients for which we have an unconditional right to payment as of the end of the applicable period and generally do not bear interest. The following table presents major categories of receivables (in thousands):

December 31,		2022		2021 (1)
Contracts completed and in progress:				
Billed	$	220,809	$	236,053
Unbilled		120,348		126,371
Total contracts completed and in progress		341,157		362,424
Materials sales		52,182		43,746
Other		71,790		59,496
Total gross receivables		465,129		465,666
Less: allowance for credit losses		1,142		1,078
Total net receivables	$	463,987	$	464,588

(1) These balances do not include amounts held for sale (see Note 2).

receivables:

(in thousands)		December 31, 2023		December 31, 2022
Contracts completed and in progress:				
Billed	$	343,190	$	220,809
Unbilled		119,170		120,348
Total contracts completed and in progress		462,360		341,157
Materials sales		61,808		52,182
Other		76,084		71,790
Total gross receivables		600,252		465,129
Less: allowance for credit losses		1,547		1,142
Total net receivables	$	598,705	$	463,987

Included in other receivables at December 31,2022December 31, 2023 and 20212022 were items such as estimated recovery from back charge claims, notes receivable, fuel tax refunds and income tax refunds. Other receivables at December 31,2022both December 31, 2023 and 2021 and 2022 also included $24.9 million and $20.4 million$24.9 million of working capital contributions in the form of a loan to a partner in one of our unconsolidated joint ventures, that bears plus accrued interest at prime plus 3.0% per annum. No receivable individually exceeded 10% of total net receivables at any of these dates.

8. Fair Value Measurement

The following tables summarize significant assets and liabilities measured at fair value in the consolidated balance sheets on a recurring basis for each of the fair value levels (in thousands):

	Fair Value Measurement at Reporting Date Using							
December 31, 2022		Level 1		Level 2		Level 3		Total
Cash equivalents								
Money market funds	$	99,806	$	—	$	—	$	99,806
Other current assets								
Commodity swap		—		121		—		121
Total assets	$	99,806	$	121	$	—	$	99,927
December 31, 2021 (1)								
Cash equivalents								
Money market funds	$	65,233	$	—	$	—	$	65,233
Total assets	$	65,233	$	—	$	—	$	65,233
Accrued and other current liabilities								
Interest rate swap	$	—	$	3,514	$	—	$	3,514
Total liabilities	$	—	$	3,514	$	—	$	3,514

(1) These balances do not include amounts held for sale (see Note 2).

	Fair Value Measurement at Reporting Date Using							
December 31, 2023		*Level 1*		*Level 2*		*Level 3*		*Total*
Cash equivalents								
Money market funds	*$*	*101,275*	*$*	*—*	*$*	*—*	*$*	*101,275*
Total assets	*$*	*101,275*	*$*	*—*	*$*	*—*	*$*	*101,275*
Accrued and other current liabilities								
Interest rate swap	*$*	*—*	*$*	*126*	*$*	*—*	*$*	*126*
Commodity swaps		*—*		*153*		*—*		*153*
Diesel collars		*—*		*802*		*—*		*802*
Total liabilities	*$*	*—*	*$*	*1,081*	*$*	*—*	*$*	*1,081*

December 31, 2022								
Cash equivalents								
Money market funds	*$*	*99,806*	*$*	*—*	*$*	*—*	*$*	*99,806*
Other current assets								
Commodity swaps	*$*	*—*	*$*	*121*	*$*	*—*	*$*	*121*
Total assets	*$*	*99,806*	*$*	*121*	*$*	*—*	*$*	*99,927*

Interest Rate Swaps

Swap

In connection with entering into Amendment No. 2 of the Third Fourth Amended and Restated Credit Agreement in May 2018, November 2023, we entered into twoan interest rate swaps swap designated as a cash flow hedge with a combined an initial notional amount of $150.0 million $75.0 million and an effective date of May 2018 December 2023 and a maturity date of May June 2027.

Commodity Derivatives

In 2023,.

During we entered into collar contracts and commodity swaps to reduce our price exposure on diesel consumption and heating oil consumption, respectively. The collars and swaps were not designated as hedges and will be treated as a mark-to-market derivative instruments through their maturity dates. The financial statement impact of the second quarter of 2022, we terminated the entirety of our floating-to-fixed interest rate collar contracts and commodity swaps in connection with the prepayments of our term loan (see Note 14). The impact to interest expense in the consolidated statements of operations was $2.2 million for the year ended December 31, 2022.

December 31, 2023 was immaterial.

Commodity Swaps

In December 2022, we entered into a commodity swap designed as a cash flow hedge for crude oil with a notional amount of $7.0 million and a maturity date of October 31, 2023. October 31, 2023. The financial statement impacts of this swap during the years ended December 31, 2023 and 2022 were immaterial.

In December, 2021, we entered into two commodity swaps designed as cash flow hedges for crude oil covering the period from April 2022 to October 2022 with a total notional amount of $8.1 million. The financial statement impact of these swaps during the year ended December 31,2022December 31, 2022 was a realized gain of $4.1 million $4.1 million and an immaterial unrealized gain of $0.4 million. The financial statement impact during the year ended December 31, 2021 was immaterial.

gain.

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Other Assets and Liabilities

The carrying values and estimated fair values of our financial instruments that are not required to be recorded at fair value in the consolidated balance sheets were as follows (in thousands):

December 31,		2022				2021			
	Fair Value Hierarchy	**Carrying Value**		**Fair Value**		**Carrying Value**		**Fair Value**	
Assets:									
Held-to-maturity marketable securities (1)	Level 1	$	65,943	$	64,584	$	15,600	$	15,459
Liabilities (including current maturities):									
2.75% Convertible Notes (2),(3)	Level 2	$	230,000	$	281,365	$	207,354	$	313,785
Third Amended and Restated Credit Agreement - term loan (2)	Level 3	$	—	$	—	$	123,750	$	124,598
Fourth Amended and Restated Credit Agreement - revolver (2)	Level 3	$	50,000	$	49,536	$	—	$	—

(1)

(in thousands)		December 31, 2023		December 31, 2022	
	Fair Value Hierarchy	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**

Assets:									
Held-to-maturity marketable securities (1)	Level 1	$	35,863	$	35,357	$	65,943	$	64,584
Liabilities (including current maturities):									
3.75% Convertible Notes (2)	Level 2	$	373,750	$	475,601	$	—	$	—
2.75% Convertible Notes (2)	Level 2	$	31,338	$	51,045	$	230,000	$	281,365
Fourth Amended and Restated Credit Agreement - Term Loan (2)	Level 3	$	150,000	$	153,585	$	—	$	—
Fourth Amended and Restated Credit Agreement - Revolver (2)	Level 3	$	100,000	$	102,317	$	50,000	$	49,536

(1) All marketable securities were classified as held-to-maturity and consisted of U.S. Government and agency obligations as of December 31,2022December 31, 2023 and 2021.

(2) 2022.

(2) The fair value values of the our 2.75% Convertible Notes is and 3.75% Convertible Notes are based on the median price of the notes in an active market as of December 31,2022 and 2021. market. The fair value of the Fourth Amended and Restated Credit Agreement term loan and revolver are (the "Credit Agreement") is based on borrowing rates available to us for long-term loans with similar terms, average maturities, and credit risk. See Note 14 for definitions of, and more information about the 2.75% Convertible Notes, 3.75% Convertible Notes and Credit Agreement.

(3) Excluded from carrying value is $22.6 million of debt discount as of December 31,2021, related to the 2.75% Convertible Notes (see Note 14). There is no debt discount in 2022 due to the adoption of ASU 2020-06.

The carrying value of marketable securities approximates their fair value as determined by market quotes. Rates currently available to us for debt with similar terms and remaining maturities are used to estimate the fair value of existing debt. The carrying value of receivables and other amounts arising out of normal contract activities, including retentions, which may be settled beyond one year, is estimated to approximate fair value.

At least annually, we measure certain nonfinancial assets and liabilities at fair value on a nonrecurring basis. As of December 31,2022December 31, 2023 and 2021, 2022, the nonfinancial assets and liabilities included our asset retirement and reclamation obligations, as well as assets and corresponding liabilities associated with performance guarantees. Asset retirement and reclamation obligations were measured using Level 3 inputs and performance guarantees were measured using Level 2 inputs.

Asset retirement and reclamation obligations were initially measured using internal discounted cash flow calculations based upon our estimates of future retirement costs. To determine the fair value of the obligation, we estimate the cost for a third-party third-party to perform the legally required reclamation including a reasonable profit margin. This cost is then increased for future estimated inflation based on the estimated years to complete and discounted to fair value using present value techniques with a credit-adjusted, risk-free rate. In estimating the settlement date, we evaluate the current facts and conditions to determine the most likely settlement date. We review reclamation obligations at least annually for a revision to the cost or a change in the estimated settlement date. Additionally, reclamation obligations are reviewed in the period that a triggering event occurs that would result in either a revision to the cost or a change in the estimated settlement date. See Note 11for details of the asset retirement obligation balances.

We estimate our liability for performance guarantees for our unconsolidated construction joint ventures and line item joint ventures using estimated partner bond rates, which are Level 2 inputs, and include them in accrued expenses and other current liabilities (see Note 13) 13) with a corresponding increase in equity in construction joint ventures in the consolidated balance sheets. See Note 1 for further discussion on of performance guarantees.

During the years ended December 31,2022December 31, 2023 and 2021, 2022, we had no material nonfinancial asset and liability fair value adjustments.

9. Construction Joint Ventures

We participate in various construction joint ventures. As discussed in Note 1, we have determined that certain of these joint ventures are consolidated because they are VIEs and we are the primary beneficiary. We continually evaluate whether there are changes in the status of the VIEs or changes to the primary beneficiary designation of the VIE. Based on our

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assessments during the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, we determined no change was required for existing joint ventures.

Due to the joint and several nature of the performance obligations under the related owner contracts, if any of the partners fail to perform, we and the remaining partners, if any, would be responsible for performance of the outstanding work (i.e., we provide a performance guarantee). At December 31,2022December 31, 2023, there was $246.4 million $195.6 million of remaining contract value on unconsolidated and line item construction joint venture contracts of which $110.9 million $93.1 million represented our share and the remaining $135.5 million $102.5 million represented our partners' share. We are not able to estimate amounts that may be required beyond the remaining cost of the work to be performed. These costs could be offset by billings to the customer or by proceeds from our partners' corporate and/or other guarantees. See Note 13 for disclosure of the performance guarantee amounts recorded in the consolidated balance sheets and Note 1 for additional discussion regarding performance guarantees.

Consolidated Construction Joint Ventures

At December 31,2022December 31, 2023, we were engaged in ten active CCJV projects with total contract values ranging from $2.5 million $47.7 million to $433.4 million $426.5 million for a combined total of $1.8 billion $2.0 billion of which our share was $1.0 billion. $1.2 billion. As of December 31,2022December 31, 2023, our share of revenue remaining to be recognized on these CCJVs was $120.0 million $345.5 million and ranged from $1.3 million $1.3 million to $24.6 million $133.1 million by project. Our proportionate share of the equity in these joint ventures was between 50.0% and 70.0%. During the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, total revenue from CCJVs was $437.1 million $307.2 million, $405.1 million $437.1 million and $312.5 million, $405.1 million, respectively. During the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, CCJVs used $5.7 million, $4.1 million $38.1 million, $5.7 million and $3.0 million $4.1 million of operating cash flows, respectively.

Unconsolidated Construction Joint Ventures

As discussed in Note 1, where we have determined we are not the primary beneficiary of a joint venture but do exercise significant influence, we account for our share of the operations of unconsolidated construction joint ventures on a pro rata basis in revenue and cost of revenue in the consolidated statements of operations and in equity in construction joint ventures or accrued expenses and other current liabilities in the consolidated balance sheets.

As of December 31,2022December 31, 2023, we were engaged in seven active unconsolidated joint venture projects with total contract values ranging from $12.3 million $6.0 million to $3.8 billion $3.7 billion for a combined total of $8.9 billion $7.9 billion of which our share was $2.6 billion. $2.2 billion. Our proportionate share of the equity in these unconsolidated joint ventures ranged from 23.0% 23.3% to 50.0%. As of December 31,2022December 31, 2023, our share of the revenue remaining to be recognized on these unconsolidated construction joint ventures was $73.4 million $55.7 million and ranged from $0.2 million $1.4 million to $34.6 million $32.3 million by project.

The following is summary financial information related to unconsolidated construction joint ventures (in thousands):

December 31,		2022		2021
Assets				
Cash, cash equivalents and marketable securities	$	130,635	$	182,891
Other current assets (1)	$	681,221		661,342
Noncurrent assets	$	76,204		103,579
Less partners' interest	$	604,741		633,634
Granite's interest (1),(2)	$	283,319	$	314,178
Liabilities				
Current liabilities	$	244,411	$	307,674
Less partners' interest and adjustments (3)	$	130,911		154,771
Granite's interest	$	113,500	$	152,903
Equity in construction joint ventures (4)	$	169,819	$	161,275

(1) I ventures:

(in thousands)		December 31, 2023		December 31, 2022
Assets				
Cash, cash equivalents and marketable securities	$	117,962	$	130,635
Other current assets (1)		666,536		681,221
Noncurrent assets		52,580		76,204
Less: partners' interest		574,723		604,741
Granite's interest (1),(2)	$	262,355	$	283,319
Liabilities				
Current liabilities	$	191,175	$	244,411
Less: partners' interest and adjustments (3)		85,131		130,911
Granite's interest	$	106,044	$	113,500
Equity in construction joint ventures (4)	$	156,311	$	169,819

ncluded (1) Included in this balance and in accrued and other current liabilities on the consolidated balance sheets as of December 31,2022December 31, 2023 and 20212022 was $64.7 million $57.8 million and $82.1 $64.7 million, respectively, related to performance guarantees (see Note 13) 13).

(2)

(2) Included in this balance as of December 31,2022December 31, 2023 and 20212022 was $104.3 million $66.6 million and $103.8 $104.3 million, respectively, related to Granite's share of estimated cost recovery of customer affirmative claims. In addition, this balance included $2.7 million $1.7 million and $10.7 $2.7 million related to Granite's share of estimated recovery of back charge claims asof December 31,2022December 31, 2023 and 2021, 2022, respectively.

(3)

(3) Partners' interest and adjustments includes amounts to reconcile total net assets as reported by our partners to Granite's interest adjusted to reflect our accounting policies and estimates primarily related to contract forecast differences.

(4)

(4) Included in this balance and in accrued expenses and other current liabilities on the consolidated balance sheets was $14.0 million$14.9 million and $28.6 $14.0 million as of December 31,2022December 31, 2023 and 2021, 2022, respectively, related to deficits in unconsolidated construction joint ventures which includes provisions for losses.

Years Ended December 31,		2023		2022		2021
(in thousands)						
Revenue						
Total	$	66,738	$	330,835	$	820,586
Less: partners' interest and adjustments (1)		42,230		210,678		526,522
Granite's interest	$	24,508	$	120,157	$	294,064
Cost of revenue						
Total	$	95,448	$	378,237	$	835,899
Less: partners' interest and adjustments (1)		51,359		238,699		540,854
Granite's interest	$	44,089	$	139,538	$	295,045
Granite's interest in gross loss	$	(19,581)	$	(19,381)	$	(981)
Net Loss						
Total	$	(24,843)	$	(47,904)	$	(15,533)
Less: partners' interest and adjustments (1)		(6,226)		(28,228)		(14,765)
Granite's interest in net loss (2)	$	(18,617)	$	(19,676)	$	(768)

Years Ended December 31,		2022		2021		2020
Revenue						
Total	$	330,835	$	820,586	$	918,716
Less partners' interest and adjustments (1)		210,678		526,522		559,480
Granite's interest	$	120,157	$	294,064	$	359,236
Cost of revenue						
Total	$	378,237	$	835,899	$	1,193,358
Less partners' interest and adjustments (1)		238,699		540,854		782,683
Granite's interest	$	139,538	$	295,045	$	410,675
Granite's interest in gross profit (loss)	$	(19,381)	$	(981)	$	(51,439)
Net Income (Loss)						
Total	$	(47,904)	$	(15,533)	$	(274,410)
Less partners' interest and adjustments (1)		(28,228)		(14,765)		(222,924)
Granite's interest in net income (loss) (2)	$	(19,676)	$	(768)	$	(51,486)

(1) (1) Partners' interest and adjustments includes amounts to reconcile total revenue and total cost of revenue as reported by our partners to Granite's interest adjusted to reflect our accounting policies and estimates primarily related to contract forecast and/or actual differences.

(2) (2) These joint ventures ventures' net income (loss) loss amounts exclude our corporate overhead required to manage the joint ventures and include taxes only to the extent the applicable states have joint venture level taxes.

Line Item Joint Ventures

As of December 31,2022December 31, 2023, we were engaged in threefour active line item joint venture construction projects with a total contract value of $ 327.7 million $334.9 million of which our portion was $ 206.7 million. $212.0 million. As of December 31,2022December 31, 2023, our share of revenue remaining to be recognized on these line item joint ventures was $ 37.5 million. $37.4 million. During the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, our portion of revenue from line item joint ventures was $ 35.4 million, $ 67.8 $5.3 million, $35.4 million and $ 80.8 $67.8 million, respectively.

10. Investments in Affiliates

Our investments in affiliates balance is related to our investments in unconsolidated non-construction entities that we account for using the equity method of accounting, including investments in foreign affiliates, real estate entities and an asphalt terminal entity.

The foreign affiliates in which we are invested are engaged in mineral drilling services and the manufacture and supply of drilling equipment, parts and supplies in Latin America. The real estate entities were formed to accomplish specific real estate development projects in which our wholly owned subsidiary, Granite Land Company, participates with third-party third-party partners. The asphalt terminal entity is a 50% interest in a limited liability company which owns and operates an asphalt terminal and operates an emulsion plant in Nevada.

We have determined that the real estate entities are not consolidated because although they are VIEs, we are not the primary beneficiary. We have determined that the foreign affiliates and the asphalt terminal entity are not consolidated because they are not VIEs and we do not hold the majority voting interest. As such, these entities are accounted for using the equity method.

Our investments in affiliates balance consists of equity method investments in the following types of entities (in thousands):

December 31,	2022	2021 (1)
Foreign	$ 58,579	$ —
Real estate	8,517	9,619
Asphalt terminal	13,629	13,749
Total investments in affiliates	$ 80,725	$ 23,368

(1) These balances do not include amounts held for sale (see Note 2).

entities:

(in thousands)	December 31, 2023	December 31, 2022
Foreign	$ 68,407	$ 58,579
Real estate	7,136	8,517
Asphalt terminal	17,367	13,629
Total investments in affiliates	$ 92,910	$ 80,725

The following table provides summarized balance sheet information for our affiliates accounted for under the equity method on a combined basis (in thousands):

December 31,	2022	2021 (1)
Current assets	$ 194,210	$ 34,374
Noncurrent assets	172,560	78,829
Total assets	$ 366,770	$ 113,203
Current liabilities	$ 106,780	$ 23,685
Long-term liabilities (2)	59,356	48,104
Total liabilities	$ 166,136	$ 71,789
Net assets	$ 200,634	$ 41,414
Granite's share of net assets	$ 80,725	$ 23,368

(1) These balances do not include amounts held for sale (see Note 2).

basis:

(in thousands)	December 31, 2023	December 31, 2022
Current assets	$ 204,897	$ 194,210
Noncurrent assets	159,694	172,560
Total assets	$ 364,591	$ 366,770
Current liabilities	$ 81,899	$ 106,780
Long-term liabilities (1)	54,591	59,356
Total liabilities	$ 136,490	$ 166,136
Net assets	$ 228,101	$ 200,634
Granite's share of net assets	$ 92,910	$ 80,725

(2) The (1) This balance is primarily related to local bank debt for equipment purchases, working capital in our foreign affiliates and debt associated with our real estate investments.

Of the $366.8 million $364.6 million in total assets as of December 31,2022December 31, 2023, we had investments in two real estate entities with total assets of $31.0 million $30.5 million and $40.2 million, $25.8 million, our foreign affiliates had total assets of $264.6 million, $265.0 million, and the asphalt terminal entity had total assets of $31.0 million. $43.2 million. As of December 31,2022December 31, 2023 and 2021, 2022, all of the equity method investments in real estate affiliates were in residential real estate in Texas. As of December 31,2022December 31, 2023, our percent ownership in the real estate entities ranged from 10% to 25%. We have direct and indirect investments in our foreign affiliates, and our percent ownership in foreign affiliates ranged from 25% to 50% as of December 31, 2022.

December 31, 2023.

The following table provides summarized statements of operations information for our affiliates accounted for under the equity method on a combined basis (in thousands):

Years Ended December 31,		2022		2021		2020
Revenue	$	377,256	$	302,084	$	194,717
Gross profit	$	95,816	$	74,939	$	48,948
Income before taxes	$	60,513	$	38,261	$	28,471
Net income	$	47,331	$	33,864	$	24,073
Granite’s interest in affiliates’ net income	$	13,571	$	12,586	$	8,783

During 2020, the entities within our investments in foreign affiliates experienced a change in business climate from a rise in operating costs, resulting in increased prices and decreased demand. The corresponding decline in future operating cash flows resulted in the investments fair value to fall below the associated carrying amounts, which was considered to be other than temporary. Therefore, we recorded a non-cash impairment charge of $9.6 million during the year ended December 31, 2020.

Years Ended December 31,		**2023**		**2022**		**2021**
(in thousands)						
Revenue	$	476,361	$	377,256	$	302,084
Gross profit	$	142,139	$	95,816	$	74,939
Income before taxes	$	99,108	$	60,513	$	38,261
Net income	$	86,124	$	47,331	$	33,864
Granite’s interest in affiliates’ net income	$	25,748	$	13,571	$	12,586

11. Property and Equipment, net

The following table presents the major classes of assets and total accumulated depreciation and depletion (in thousands):

December 31,		2022		2021 (1)
Equipment and vehicles	$	994,602	$	870,672
Quarry property		219,843		191,982
Land and land improvements		105,733		108,518
Buildings and leasehold improvements		103,658		96,180
Office furniture and equipment		82,465		75,043
Property and equipment		1,506,301		1,342,395
Less: accumulated depreciation and depletion		997,091		908,891
Property and equipment, net	$	509,210	$	433,504

(1) These balances do not include amounts held for sale (see Note 2).

depletion:

(in thousands)		**December 31, 2023**		**December 31, 2022**
Equipment and vehicles	$	1,140,195	$	994,602
Quarry property		251,922		219,843
Land and land improvements		105,872		105,733
Buildings and leasehold improvements		102,676		103,658
Office furniture and equipment		72,098		82,465
Property and equipment		1,672,763		1,506,301
Less: accumulated depreciation and depletion		1,009,899		997,091
Property and equipment, net	$	662,864	$	509,210

Depreciation and depletion expense primarily included in cost of revenue in our consolidated statements of operations was $79.5 million, $97.7 million $89.2 million, $79.5 million and $98.3 million $97.7 million for the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, respectively.

During 2021, we completed sale-leaseback transactions for three properties in California. The sale of these properties resulted in a $49.5 million gain on sales of property and equipment in the consolidated statements of operations for the year ended December 31, 2021.

As discussed in Note 1, we have asset retirement obligations, which are liabilities associated with our legally required obligations to reclaim owned and leased quarry property and related facilities. As of December 31,2022December 31, 2023 and 2021, $1.8 million 2022, $5.8 million and $1.7 million, $1.8 million, respectively, of our asset retirement obligations were included in accrued expenses and other

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current liabilities and $27.4 million $32.7 million and $23.3 million, $27.4 million, respectively, were included in other long-term liabilities in the consolidated balance sheets. Of the amount included in other long-term liabilities as of December 31,2022December 31, 2023, $11.9 million $4.8 million is expected to be settled by in 2025, $1.6 million in 2026, $6.3 million in 2027, $1.4 million in 2028 and the remaining $18.6 million is expected to be settled thereafter.

The following table summarizes the asset retirement obligation balances for the periods presented (in thousands):

Years Ended December 31,		2022		2021
Beginning balance	$	24,950	$	23,853
Revisions to estimates		4,904		1,596
Liabilities settled		(2,015)		(1,708)
Accretion		1,351		1,209
Ending balance	$	29,190	$	24,950

Years Ended December 31,		**2023**		**2022**
Beginning balance	$	29,190	$	24,950
Acquisition additions		6,422		—
Revisions to estimates		1,726		4,904
Liabilities settled		(371)		(2,015)
Accretion		1,562		1,351
Ending balance	$	38,529	$	29,190

12. Intangible Assets

Indefinite-lived Intangible Assets

Indefinite-lived intangible assets primarily consist of goodwill. The following table presents the goodwill balance by reportable segment (in thousands):

December 31,		2022		2021(1)
Construction	$	71,757	$	51,769
Materials		1,946		1,946
Total goodwill	$	73,703	$	53,715

segment:

(1) These balances do not include amounts held for sale (see Note 2).

(in thousands)		**December 31, 2023**		**December 31, 2022**
Construction	$	130,569	$	71,757
Materials		24,435		1,946
Total goodwill	$	155,004	$	73,703

Amortized Intangible Assets

As of December 31,2022December 31, 2023 and 2021, 2022, net amortized intangible assets included in other noncurrent assets in the consolidated balance sheets were $9.1 million $117.2 million and $9.5 million, $9.1 million, respectively, net of accumulated amortization of $24.1 million $24.8 million and $14.5 million, respectively, $24.1 million, respectively. The intangible assets balances in the consolidated balance sheets as of December 31, 2023 and 2022 also included an immaterial amount of indefinite-lived intangible assets. The increase in the 2023 amortized intangible assets balance was primarily related to permits.

the LRC/MSG acquisition (see Note 2) which contributed $110.7 million of amortized intangible assets. Of this, $83.9 million were customer relationship intangibles.

The net amortization expense related to amortized intangible assets for each of the years ended December 31,2022December 31, 2023, 20212022 and 20202021 was $2.0 million, $10.1 million $2.3 million, $2.0 million and $13.5 million, $10.1 million, respectively, and was primarily included in cost of revenue in the consolidated statements of operations. Amortization expense based on the amortized intangible assets balance at December 31,2022December 31, 2023 is expected to be $1.2 $14.3 million in 2023 and 2024,, $1.1 in 2025, $1.0 $7.1 million in 2026, $0.6 million 2025, $7.1 million in 2026, $6.7 million in 2027, $6.5 million in 2028 and $4.0 million $75.4 million thereafter.

13. Accrued Expenses and Other Current Liabilities (in thousands):

December 31,		2022		2021(1)
Accrued insurance	$	78,427	$	76,999
Deficits in unconsolidated construction joint ventures (see Note 9)		13,989		28,636
Payroll and related employee benefits		80,910		87,460
Performance guarantees (see Note 1)		64,703		82,112
Accrued legal settlement (see Note 20)		-		129,000
Other		50,440		48,622
Total	$	288,469	$	452,829

(1) These balances do not include amounts held for sale (see Note 2).

The decrease in performance guarantees in the current year is due to receiving customer acceptance on two unconsolidated construction joint ventures during the year.

(in thousands)		December 31, 2023		December 31, 2022
Accrued insurance	$	81,936	$	78,427
Deficits in unconsolidated construction joint ventures		14,921		13,989
Payroll and related employee benefits		105,418		80,910
Performance guarantees		57,849		64,703
Short-term lease liabilities		16,826		18,662
Other		60,790		31,778
Total	$	337,740	$	288,469

Other includes short-term lease liability, dividends payable, warranty reserves, asset retirement obligations, remediation reserves, the LRC/MSG tax make-whole liability (see Note 2) and other miscellaneous accruals, none of which are greater than 5% of total current liabilities.

14. Long-Term Debt (in thousands):

December 31,		**2022**		**2021**
2.75% Convertible Notes	**$**	**230,000**	**$**	**207,354**
Third Amended and Restated Credit Agreement - term loan		**—**		**123,750**
Fourth Amended and Restated Credit Agreement - revolver		**50,000**		**—**
Debt issuance costs and other		**8,381**		**8,814**
Total debt	**$**	**288,381**	**$**	**339,918**
Less current maturities		**1,447**		**8,727**
Total long-term debt	**$**	**286,934**	**$**	**331,191**

(in thousands)		December 31, 2023		December 31, 2022
3.75% Convertible Notes	$	373,750	$	—
2.75% Convertible Notes		31,338		230,000
Credit Agreement - Term Loan		150,000		—
Credit Agreement - Revolver		100,000		50,000
Debt issuance costs and other		(375)		8,381
Total debt	$	654,713	$	288,381

Less: current maturities		39,932		1,447
Total long-term debt	$	614,781	$	286,934

The aggregate minimum principal maturities of long-term debt related to balances at December 31,2022December 31, 2023, excluding debt issuance costs, and including current maturities are as follows: $1.4 million$40.3 million in 2023; $231.5 million2024; $8.6 million in 2024; $1.1 million2025; $14.3 million in 2025; $6.8 million2026; $227.5 million in 20262027 and $50.0 million$373.8 million in 2027.

2028.

Credit Agreement

During the first half of 2022,, we prepaid 100% of our outstanding term loan and replaced the Third Amended and Restated Credit Agreement dated May 31, 2018 May 31, 2018 with the Fourth Amended and Restated Credit Agreement (the (as amended, the "Credit Agreement") maturing June 2, 2027*June 2, 2027*. The Credit Agreement isconsisted of a $350.0 million$350.0 million senior secured, five-yearfive-year revolving credit facility (the "Revolver"), including an accordion feature allowing us to increase borrowings up to the greater of (a) $200.0 million$200.0 million and (b) 100% of twelve-monthtwelve-month trailing EBITDA, subject to lender approval. The Credit Agreement includesincluded a $150.0 million$150.0 million sublimit for letters of credit ($75.0 million for financial letters of credit) and a $20.0 million$20.0 million sublimit for swingline loans.

In May 2023, we entered into Amendment No. 1 to the Credit Agreement ("Amendment No. 1"). Amendment No. 1 amended the Credit Agreement to, among other things, permit us to exchange our 2.75% Convertible Notes for cash and shares of our common stock and to clarify that (i) the issuance of the 3.75% Convertible Notes was permitted under the terms of the Credit Agreement and (ii) that a Swap Contract (as defined in the Credit Agreement) does not include any Permitted Call Spread Transaction (as defined in the Credit Agreement).

In November 2023, we entered into Amendment No. 2 to the Credit Agreement ("Amendment No. 2") which amended it to, among other things, provide for a $150 million senior secured term loan (the "Term Loan"), which was fully drawn on closing to fund the LRC/MSG acquisition. Borrowings under the Term Loan bear interest at term Secured Overnight Financing Rate ("SOFR") with an interest period of one, three or six months (at our option), or such other period that is twelve months or less and consented to by all lenders subject to a credit spread adjustment of 0.1% for one-month and three-month daily simple SOFR and term SOFR and 0.25% for six-month term SOFR, or a base rate (at our option), in each case, plus an applicable margin of between 1.25% and 2.25% for term SOFR loans and 0.25% and 1.25% for base rate loans, in each case, based on the our Consolidated Leverage Ratio (as defined in our Credit Agreement). The Term Loan will mature on June 2, 2027 and will amortize 5% per year payable in quarterly installments beginning in the first quarter of 2024.

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We may borrow on the Revolver, at our option, at either (a) the SOFR term rate plus a credit adjustment spread plus applicable margin ranging from 1.0% to 2.0%, or (b) a base rate plus an applicable margin ranging from 0.0% to 1.0%. The applicable margin is based on our Consolidated Leverage Ratio (as defined in our Credit Agreement), calculated quarterly. As of December 31,2022December 31, 2023, the total unused availability under the Credit AgreementRevolver was $269.3 million,$230.7 million, resulting from $30.7 million$19.3 million in issued and outstanding letters of credit and $50.0 million$100.0 million drawn under the Revolver. The letters of credit had expiration dates between April 2023June 2024 and December 2026. As2027.

3.75% Convertible Notes

On May 11, 2023, we issued $373.8 million aggregate principal amount of December 31,2022our 3.75% Convertible Notes. The 3.75% Convertible Notes bear interest at a rate of 3.75% per annum payable semiannually in arrears on May 15 and November 15 of each year, beginning on November 15, 2023 and mature on May 15, 2028, unless earlier converted, redeemed or repurchased. Prior to the close of business on the business day immediately preceding November 15, 2027, the applicable rate was 1.8% for loans under the Credit Agreement bearing interest based on SOFR and 0.8% for loans bearing interest3.75% Convertible Notes will be convertible at the base rate. Accordingly,option of the effectiveholders only upon the occurrence of certain events and during certain periods. Thereafter, the 3.75% Convertible Notes will be convertible at the option of the holders at any time until the close of business on the second scheduled trading day immediately preceding the maturity date.

The initial conversion rate applicable to the 3.75% Convertible Notes is 21.6807 shares of Granite common stock per $1,000 principal amount of the 3.75% Convertible Notes, which is equivalent to an initial conversion price of approximately $46.12 per share of Granite common stock, subject to adjustment if certain events occur. Upon conversion, we will pay or deliver, as the case may be, cash, shares of Granite common stock or a combination of cash and shares of Granite common stock, at our election. In addition, upon the occurrence of a "fundamental change" as defined in the indenture governing the 3.75% Convertible Notes, holders may require us to repurchase for cash all or any portion of their 3.75% Convertible Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 3.75% Convertible Notes to be repurchased plus any accrued and unpaid interest ratesto, but excluding, the fundamental change repurchase date. If certain corporate events that constitute a "make-whole fundamental change" as set forth in the indenture governing the 3.75% Convertible Notes occur prior to the maturity date of the 3.75% Convertible Notes or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder who elects to convert its 3.75% Convertible Notes in connection with such event or notice of redemption.

We will not be able to redeem the 3.75% Convertible Notes prior to May 20, 2026. On or after May 20, 2026, we have the option to redeem for cash all or any portion of the 3.75% Convertible Notes if the last reported sale price of our common stock is equal to or greater than 130% of the conversion price for a specified period of time at December 31,2022 for SOFR and base rate loans were 6.2% and 8.3%, respectively.

a redemption price equal to 100% of the principal amount of the 3.75% Convertible Notes to be redeemed, plus any accrued but unpaid interest to, but excluding, the redemption date. The amended Credit Agreementindenture governing the 3.75% Convertible Notes contains certain affirmative and restrictive covenants, and customary events of default. In the case of an event of default arising from certain events of bankruptcy, insolvency or reorganization, with respect to us or our significant subsidiaries, all outstanding 3.75% Convertible Notes will become due and payable immediately without further action or notice. If any other event of default occurs and is continuing, then the trustee or the holders of at least 25% in aggregate principal amount of the 3.75% Convertible Notes then outstanding may declare the 3.75% Convertible Notes due and payable immediately.

The net proceeds from the sale of the 3.75% Convertible Notes were approximately $364.4 million after deducting the initial purchasers' discount. We used approximately $53.0 million of the net proceeds from the offering to pay the cost of the Capped Call Transactions (as described below). In addition, we used approximately $198.8 million of the net proceeds and issued 1,390,500 shares of Granite common stock in exchange for approximately $198.7 million aggregate principal amount of our 2.75% Convertible Notes concurrent with the offering in separate and individually negotiated transactions (the "Exchange Transaction"). In connection with the Exchange Transaction, we entered into partial unwind agreements (the “Unwind Agreements”) with certain financial covenants include institutions to unwind a maximum Consolidated Leverage Ratio (as defined portion of the convertible note hedge and warrant transactions entered into in connection with the offering of the 2.75% Convertible Notes (the “Unwind Transactions”). Pursuant to the Unwind Agreements, we received 1,390,516 shares of our common stock (and cash in lieu of any fractional shares) in respect of the unwind of the portion of the existing convertible note hedge transactions that correspond to the 2.75% Convertible Notes that were exchanged in the Credit Agreement) Exchange Transaction described above and paid $13.2 million in cash in respect of 3.25 the unwind of the portion of the existing warrant transactions that correspond to 1.00 and a minimum Consolidated Interest Coverage Ratio (as defined the 2.75% Convertible Notes that were exchanged in the Credit Agreement) Exchange Transaction described above.

Capped Call Transactions

In May 2023, we entered into capped call transactions (the "Capped Call Transactions") in connection with the offering of 3.00 the 3.75% Convertible Notes. The Capped Call Transactions are expected generally to 1.00. As reduce the potential dilution to our common stock upon conversion of December 31,2022, the Consolidated Leverage Ratio was 1.46, which did not exceed the maximum of 3.25. Our Consolidated Interest Coverage Ratio was 15.06, which was above the minimum of 3.00.

Convertible Notes

As of December 31, 2022, the 2.75%3.75% Convertible Notes comprised and/or offset any cash payments we are required to make in excess of the principal amount of converted 3.75% Convertible Notes, as the case may be. If, however, the market price

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per share of our only convertible debt instrument. common stock, as measured under the terms of the Capped Call Transactions, exceeds the cap price ($79.83) of the Capped Call Transactions, there would nevertheless be dilution and/or there would not be an offset of such cash payments, in each case, to the extent that such market price exceeds the cap price of the Capped Call Transactions.

2.75% Convertible Notes

The 2.75% Convertible Notes were issued in November 2019 in an aggregate principal amount of $230.0 million, with an interest rate of 2.75% and a maturity date of November 1, 2024, November 1, 2024, unless earlier converted, redeemed or repurchased. The 2.75% Convertible Notes are convertible at the option of the holders prior to May 1, 2024 the close of business on the business day before May 1, 2024 only during certain periods and upon the occurrence of certain events. After May 1, 2024, May 1, 2024, the 2.75% Convertible Notes will be convertible at the option of the holders at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. The conversion rate applicable to the 2.75% Convertible Notes is 31.7776 shares of Granite common stock per $1,000$1,000 principal amount of 2.75% Convertible Notes, which is equivalent to a conversion price of approximately $31.47 per share of Granite common stock. Upon conversion, we will pay or deliver, as the case may be, cash, shares of Granite common stock or a combination of cash and shares of Granite common stock, at our election. In addition, upon the occurrence of a “make-whole fundamental change” as defined in the indenture governing the 2.75% Convertible Notes (the “Indenture”) prior to the maturity date of the 2.75% Convertible Notes or if we deliver a notice of redemption, we will, in certain circumstances, increase the conversion rate for a holder that elects to convert its 2.75% Convertible Notes in connection with such a make-whole fundamental change.

change or notice of redemption.

We have the option to redeem for cash all or any portion of the 2.75% Convertible Notes if the last reported sale price of our common stock is equal to or greater than 130% of the conversion price for a specified period of time. time at a redemption price equal to 100% of the principal amount of the 2.75% Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. Upon the occurrence of a “fundamental change” as defined in the Indenture, indenture governing the 2.75% Convertible Notes, holders may require us to repurchase for cash all or any portion of their 2.75% Convertible Notes at a price equal to 100% of the principal amount of the 2.75% Convertible Notes to be repurchased plus any accrued and unpaid interest. interest to, but excluding, the fundamental change repurchase date. The indenture governing the 2.75% Convertible Notes contains customary events of default. In addition, as described in the Indenture, case of an event of default arising from certain events of default including, but not limited to, bankruptcy, insolvency or reorganization, may result in the with respect to us or our significant subsidiaries, all outstanding 2.75% Convertible Notes becoming will become due and payable immediately.

As immediately without further action or notice. If any other event of December 31,2022default occurs and 2021, is continuing, then the balance trustee or the holders of at least 25% in long-term debt in our consolidated balance sheets aggregate principal amount of the 2.75% Convertible Notes, excluding debt issuance costs, including $- million and $14.8 million, respectively, of amortized debt discount, was $230.0 million and $207.4 million, respectively. As of December 31,2022 and 2021, the remaining unamortized debt discount was $- million and $22.6 million, respectively.

Effective January 1, 2022, we adopted ASU 2020-06 (see Note 1), which updated our accounting for the 2.75% Convertible Notes. During Notes then outstanding may declare the year ended December 31,2022, we did not record amortization of the debt discount notes due to the implementation of ASU 2020-06, and during the years ended December 31,2021 and 2020, we recorded $7.1 million and $6.6 million, respectively, of amortization of the debt discount. During the years ended December 31,2022, 2021 and 2020, we recorded $2.5 million, $3.2 million, and $4.3 million, respectively, of amortization related to debt issuance costs.

F- 26payable immediately.

Real Estate Indebtedness

Our unconsolidated investments in real estate entities are subject to mortgage indebtedness. This indebtedness is non-recourse to Granite but is recourse to the real estate entity. The terms of this indebtedness are typically renegotiated to reflect the evolving nature of the real estate project as it progresses through acquisition, entitlement and development.

Modification of these terms may include changes in loan-to-value ratios requiring the real estate entity to repay portions of the debt. This debt is non-recourse to Granite, but it is recourse to the affiliates. The debt associated with our unconsolidated non-construction entities is disclosed in Note 10.

Covenants and Events of Default

Our Credit Agreement requires us to comply with various affirmative, restrictive and financial covenants, including the financial covenants described below. Our failure to comply with these covenants would constitute an event of default under the Credit Agreement. Additionally, our the 2.75% Convertible Notes and 3.75% Convertible Notes are governed by the terms and conditions of their respective indentures. Our failure to pay principal, interest or other amounts when due or within the relevant grace period on our 2.75% Convertible Notes, our 3.75% Convertible Notes or our Credit Agreement would constitute an event of default under the indenture governing our 2.75% Convertible Notes indenture, the 3.75% Convertible Note indenture or the Credit Agreement. A default under our Credit Agreement could result in (i) us no longer being entitled to borrow under such facility; (ii) termination of such facility; (iii) the requirement that any letters of credit under such facility be cash collateralized; (iv) acceleration of amounts owed under the Credit Agreement; and/or (v) foreclosure on any lien collateral securing the obligations under such facility. A default under the indenture governing our 2.75% Convertible Notes indenture or the 3.75% Convertible Notes indenture could result in acceleration of the maturity of the notes.

The most significant financial covenants under the terms of our Credit Agreement require the maintenance of a minimum Consolidated Interest Coverage Ratio and a maximum Consolidated Leverage Ratio. As of December 31,2022, the Consolidated Leverage Ratio was 1.46, which did not exceed the maximum of 3.25. Our Consolidated Interest Coverage Ratio was 15.06, which exceeded the minimum of 3.00. As of December 31,2022December 31, 2023, we were in compliance with all covenants contained in the Credit Agreement. Agreement. We are not aware of any non-compliance by any of our unconsolidated real estate entities with the covenants contained in their debt agreements.

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Debt Issuance Costs

During the year ended December 31, 2023, we capitalized $10.9 million in third party offering costs related to the issuance of the 3.75% Convertible Notes and the Term Loan. These debt issuance costs will be amortized over the expected life of the 3.75% Convertible Notes and the Term Loan, respectively.

During the years ended December 31, 2023, 2022 and 2021, we recorded $3.5 million, $2.5 million and $3.2 million, respectively, of amortization related to debt issuance costs. The year ended December 31, 2023 includes $1.7 million of accelerated amortization of debt issuance costs associated with the 2.75% Convertible Notes that were repaid and are included in the loss on debt extinguishment.

15. Leases

We have leases for office and shop space, as well as for equipment primarily utilized in our construction projects. As of December 31,2022December 31, 2023, our lease contracts were primarily classified as operating leases and had terms ranging from month-to-month to 23 31 years. As of December 31,2022December 31, 2023 and 2021, 2022, right of use assets and long term lease liabilities were separately presented and short term lease liabilities of $18.6 million $16.8 million and $18.8 million, $18.6 million, respectively, were included in accrued expenses and other current liabilities in our consolidated balance sheets. As of December 31,2022December 31, 2023, we had no lease contracts that had not yet commenced but created significant rights and obligations. Lease expense was $21.9 $21.4 million, $22.9 million and $21.7 million $21.9 million, $22.9 million for the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, respectively.

As of December 31,2022December 31, 2023 and 20212022 our weighted-average remaining lease term was 4.28 9.39 years and 3.72 4.28 years, respectively, and the weighted-average discount rate was 3.85% 4.92% and 3.58% 3.85%, respectively.

As of December 31,2022December 31, 2023, the lease liability is equal to the present value of the remaining lease payments, discounted using the incremental borrowing rate on our secured debt, using one maturity discount rate that is updated quarterly, as it is not materially different than the discount rates applied to each of the leases in the portfolio.

The following table summarizes the maturities of our undiscounted lease liabilities outstanding as of December 31,2022December 31, 2023 (in thousands):

2023	$	22,798
2024		20,110
2025		12,822
2026		7,244
2027		5,564
2028 through 2036		9,743
Total future minimum lease payments	$	78,281
Less imputed interest		(27,449)
Total	$	50,832

2024	*$*	*21,094*
2025		*16,314*
2026		*14,070*
2027		*10,849*
2028		*6,718*
Thereafter		*41,569*

Total future minimum lease payments	*$*	*110,614*
Less: imputed interest		*(30,240)*
Total	*$*	*80,374*

Royalties

Excluded from the table above are minimum royalty requirements under all contracts, primarily quarry property, in effect at December 31,2022December 31, 2023 which are payable as follows: $2.1 $1.9 million in 2023; $1.6 2024; $1.3 million in 2024; $1 2025; $1.3 million in 2025; 2026; $0.9 million in 2026; $0.6 2027; $0.9 million in 2027; 2028; and $3.8 $6.3 million thereafter.

16. Employee Benefit Plans

Profit Sharing and 401(k) Plan: 401(k) Plan: The Profit Sharing and 401(k) 401(k) Plan (the "401(k) "401(k) Plan") is a defined contribution plan covering all employees except employees covered by collective bargaining agreements and certain employees of our CCJVs. Our 401(k) 401(k) matching contributions can be up to 6% of an employee's gross pay at the discretion of the Board of Directors. Our 401(k) 401(k) matching contributions to the 401(k) 401(k) Plan for the years ended December 31,2022December 31, 2023, 20212022 and 20202021 were $17.7 $18.6 million, $19.1 million $17.7 million, and $17.6 million $19.1 million, respectively. Profit sharing contributions from the Company us may be made to the 401(k) 401(k) Plan in an amount determined by the Board of Directors. We made no profit sharing contributions during the years ended December 31,2022December 31, 2023, 20212022 and 2020.

2021.

Non-Qualified Deferred Compensation Plan: We offer a Non-Qualified Deferred Compensation Plan ("NQDC Plan") to a select group of our highly compensated employees and non-employee directors. The NQDC Plan provides participants the opportunity to defer payment of certain compensation as defined in the NQDC Plan. Our NQDC Plan obligations are funded through a Rabbi Trust which was fully funded as of December 31,2022December 31, 2023. The assets held by the Rabbi Trust at

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December 31,2022 2023 and 20212022 are substantially in the form of Company-owned life insurance and are included in other noncurrent assets in the consolidated balance sheets. As of December 31,2022December 31, 2023, there were 6366 active participants in the NQDC Plan. NQDC Plan obligations were $25.2 million and $23.1 million and $32.7 million as of December 31,2022December 31, 2023 and 2021, 2022, respectively, and were primarily included in other long-term liabilities in the consolidated balance sheets. In addition, we had supplemental retirement benefits of $3.7 million $3.7 million and $4.9 million $3.7 million in other long-term liabilities in the consolidated balance sheets as of December 31,2022December 31, 2023 and 2021, 2022, respectively.

Our significant obligations related to the NQDC Plan are $3.1 million in 2024, $2.2 million in 2025, $1.9 million in 2026, $1.5 million in 2027, $1.5 million in 2028 and $15.0 million thereafter.

Multi-employer Pension Plans: As of December 31,2022December 31, 2023, three of our wholly-owned subsidiaries, Granite Construction Company, Layne Christensen Company and Granite Industrial, Inc. contribute to various multi-employer pension plans on behalf of union employees. The risks of participating in these multiemployer multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If we chose to stop participating in some of the multi-employer plans, we may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If we chose to stop participating in some of the multi-employer plans, we may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The following table presents our participation in these plans (dollars in thousands):

	Pension Protection Act ("PPA") Certified Zone Status (1)	Contributions

Pension Trust Fund	Pension Plan Employer Identification Number	2022	2021	FIP / RP Status Pending / Implemented (2)	2022	2021	2020	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement (3)
Operating Engineers Pension Trust Fund	95-6032478	Yellow	Yellow	Yes	$ 4,768	$ 5,266	$ 5,239	No	6/30/2025
Locals 302 and 612 IUOE-Employers Construction Industry Retirement Plan	91-6028570	Green	Green	No	5,204	4,744	3,658	No	3/31/2023 5/31/2024 5/31/2025
Pension Trust Fund for Operating Engineers	94-6090764	Yellow	Yellow	Yes	9,783	10,095	10,001	No	3/31/2023 6/30/2023 9/30/2023 1/31/2024 6/30/2024 10/31/2024 3/31/2025
All other funds (53 as of December 31, 2022)					18,270	21,517	20,572		
				Total contributions:	$ 38,025	$ 41,622	$ 39,470		

(1)

Pension Trust Fund	Pension Plan Employer Identification Number	Pension Protection Act ("PPA") Certified Zone Status (1)		FIP / RP Status Pending / Implemented (2)	Contributions			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement (3)
		2023	2022		2023	2022	2021		
Operating Engineers Pension Trust Fund	95-6032478	Green	Yellow	No	$ 5,357	$ 4,768	$ 5,266	No	6/30/2025
Locals 302 and 612 IUOE-Employers Construction Industry Retirement Plan	91-6028571	Green	Green	No	6,520	5,204	4,744	No	5/31/2024 5/31/2025 3/31/2026
Pension Trust Fund for Operating Engineers	94-6090764	Yellow	Yellow	Yes	10,434	9,783	10,095	No	6/30/2024 10/31/2024 3/31/2025 3/31/2026 6/30/2026 9/30/2026 3/31/2027
All other funds (48 as of December 31, 2023)					20,466	18,270	21,517		
				Total contributions:	$ 42,777	$ 38,025	$ 41,622		

(1) The most recent PPA zone status available in 20222023 and 20212022 is for the plan's year-end during 20212022 and 2020, 2021, respectively. The zone status is based on information that we received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the orange zone are less than 80 percent funded and have an Accumulated Funding Deficiency in the current year or projected into the next six years, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded.

(2)

(2) The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.

(3)

(3) Lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject. Pension trust funds with a range of expiration dates have various collective bargaining agreements.

Based upon the most recently available annual reports, our contribution to each of the individually significant plans listed in the table above was less than 5% of each plan's total contributions. We currently have no intention of withdrawing from any of the multi-employer pension plans in which we participate that would result in a significant withdrawal liability. In addition, we do not have any significant future obligations or funding requirements related to these plans other than the ongoing contributions that are paid as hours are worked by plan participants.

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17. Shareholders' Equity

Stock-based Compensation: On June 2, 2021, the Company's June 2, 2021, our stockholders approved the 2021 Equity Incentive Plan (the "2021"2021 Plan"), which replaced the Amended and Restated 2012 Equity Incentive Plan (the "2012"2012 Plan") and no further awards may be granted under the 2012 Plan. The 2021 Plan provides for the issuance of restricted stock, RSUs and stock options to eligible employees and to members of our Board of Directors. A total of 2,689,909 2,507,814 shares of our common stock were reserved for issuance under the 2021 Plan of which 2,121,419 which 1,940,149 remained available available as of December 31,2022December 31, 2023. During the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, we did not grant any stock options or restricted stock awards and as of December 31,2022December 31, 2023, there were no stock options or restricted stock awards outstanding.

Restricted Stock Units: RSUs are issued for compensatory purposes. RSU stock compensation cost is measured at our common stock's fair value based on the market price at the date of grant. We recognize stock compensation cost only for RSUs that we estimate will ultimately vest. We estimate the number of shares that will ultimately vest at each grant date based on our historical experience and adjust stock compensation cost based on changes in those estimates over time.

RSU stock compensation cost is recognized ratably over the shorter of the vesting period (generally ranging from immediate vesting to three years) or the period from grant date to the first maturity date after the holder reaches age 62 and has completed certain specified years of service, when all RSUs become fully vested. Vesting of RSUs is not subject to any market or performance conditions and vesting provisions are at the discretion of the Compensation Committee. A recipient of RSUs may not sell or otherwise transfer unvested RSUs and, in the event a recipient's employment or board service is terminated prior to the end of the vesting period, any unvested RSUs are surrendered to us, subject to limited exceptions.

A summary of the changes in our RSUs during the years ended December 31,2022December 31, 2023, 20212022 and 20202021 is as follows (shares in thousands):

Years Ended December 31,	2022		2021		2020	
	RSUs	Weighted-Average Grant-Date Fair Value per RSU	RSUs	Weighted-Average Grant-Date Fair Value per RSU	RSUs	Weighted-Average Grant-Date Fair Value per RSU
Outstanding, beginning balance	553	$ 30.09	601	$ 24.96	387	$ 43.99
Granted	311	31.70	254	40.34	462	12.89
Vested	(263)	28.98	(235)	28.77	(190)	34.36
Forfeited	(33)	28.21	(67)	22.50	(58)	24.76
Outstanding, ending balance	568	$ 31.64	553	$ 30.09	601	$ 24.96

Years Ended December 31,	2023		2022		2021	
	RSUs	Weighted-Average Grant-Date Fair Value per RSU	RSUs	Weighted-Average Grant-Date Fair Value per RSU	RSUs	Weighted-Average Grant-Date Fair Value per RSU
Outstanding, beginning balance	568	$ 31.64	553	$ 30.09	601	$ 24.96
Granted	315	40.86	311	31.70	254	40.34
Vested	(289)	30.83	(263)	28.98	(235)	28.77
Forfeited	(27)	36.09	(33)	28.21	(67)	22.50
Outstanding, ending balance	568	$ 37.05	568	$ 31.64	553	$ 30.09

Compensation cost related to RSUs was $10.5 million ($7.8 million net of statutory tax rate), $7.5 million ($5.6 million net of statutory tax rate), and $6.6 million ($4.9 million net of statutory tax rate), and $6.4 million ($4.7 million net of statutory tax rate) for the years ended December 31,2022December 31, 2023, 20212022 and 2020, 2021, respectively. The grant date fair value of RSUs vested during the years ended December 31,2022December 31, 2023, 20212022 and 20202021 was $7.6 million, $6.8 million $8.9 million, $7.6 million and $6.5 million, $6.8 million, respectively. As of December 31,2022December 31, 2023, there was $8.2 million $9.4 million of unrecognized compensation cost related to RSUs which will be recognized over a remaining weighted-average period of 1.4 1.3 years.

401(k)

*401(k) Plan:*As of December 31,2022December 31, 2023, the 401(k) 401(k) Plan owned 1,021,194 952,239 shares of our common stock. Dividends on shares held by the 401(k) 401(k) Plan are charged to retained earnings and all shares held by the 401(k) 401(k) Plan are treated as outstanding in computing our earnings per share.

Share Purchase Repurchase Program: As announced on February 3, 2022, February 3, 2022, on February 1, 2022, February 1, 2022, the Board of Directors authorized us to purchase up to $300.0 million of our common stock at management's discretion (the "2022"2022 authorization"). As of December 31, 2023, $231.5 million of the 2022 authorization remained available with no purchases in 2023 and purchases of 2,298,353 shares for $68.5 million in 2022. The specific timing and amount of any future repurchases will vary based on market conditions, securities law limitations and other factors. As of December 31,2022, $231.5 million of the 2022 authorization remained available with purchases of 611,000 shares for $18.5 million in March 2022, 1,320,568 shares for $40 million in May 2022 and 366,785 shares for $10 million in September 2022.

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18. Weighted Average Shares Outstanding and Net Income (Loss) Per Share

The following table presents a reconciliation of net income and the weighted average shares of common stock used in calculating basic and diluted net income (loss) per share as well as the calculation of basic and diluted net income (loss) per share.

Years Ended December 31,		2022		2021		2020
Numerator						
Net income (loss) attributable to common shareholders for basic earnings per share	$	83,302	$	10,096	$	(145,117)
Add: Interest expense related to 2.75% Convertible Notes (1)		5,890		-		-
Net income (loss) attributable to common shareholders for diluted earnings per share	$	89,192	$	10,096	$	(145,117)
Denominator						
Weighted average common shares outstanding, basic		44,485		45,788		45,614
Add: Dilutive effect of RSUs (2)		532		533		—
Add: Dilutive effect of 2.75% Convertible Notes (1)(3)		7,309		1,279		—
Weighted average common shares outstanding, diluted		52,326		47,599		45,614
Net income (loss) per share, basic	$	1.87	$	0.22	$	(3.18)
Net income (loss) per share, diluted	$	1.70	$	0.21	$	(3.18)

Years Ended December 31,		**2023**		**2022**		**2021**
Numerator						
Net income attributable to common shareholders for basic earnings per share	$	43,599	$	83,302	$	10,096
Add: Interest expense, net of tax, related to Convertible Notes (1)(2)		7,622		5,890		—
Net income attributable to common shareholders for diluted earnings per share	$	51,221	$	89,192	$	10,096
Denominator						
Weighted average common shares outstanding, basic		43,879		44,485		45,788
Add: Dilutive effect of RSUs		583		532		533
Add: Dilutive effect of Convertible Notes (1)(2)(3)		8,103		7,309		1,279
Weighted average common shares outstanding, diluted		52,565		52,326		47,599
Net income per share, basic	$	0.99	$	1.87	$	0.22
Net income per share, diluted	$	0.97	$	1.70	$	0.21

(1) (1) Beginning in 2022, with the adoption of ASU 2020-06,2020-06, we have applied the if-converted method for calculating diluted earnings per share (see Note 1). share.

(2) Due (2) Interest expense, net of tax, related to the net losses for 2.75% Convertible Notes of $2.5 million and the year ended December 31,2020, RSUs representing approximately 589,000 shares, respectively, have been excluded from the number of shares used in calculating diluted net income (loss) per share, as their inclusion would be antidilutive.

(3) The number of shares used in calculating diluted net income per share for the year ended December 31,2020, excluded potential dilution from the 2.75% Convertible Notes converting into 995,847 shares of common stock since for the average stock price did not exceed $31.47. year ended December 31, 2023 have been excluded from the calculation of diluted earnings per share, as their inclusion would have been antidilutive.

(3) (See Note 14In connection with the issuance of the 3.75% Convertible Notes in May 2023, we entered into Capped Calls Transactions, which were not included for further details). purposes of calculating the number of diluted shares outstanding at December 31, 2023, as their effect would have been anti-dilutive.

19. Income Taxes

The following is a summary of the income (loss) before income taxes (in thousands):

Years Ended December 31,		2022		2021		2020
Domestic	$	97,235	$	13,531	$	(176,448)
Foreign		(5,418)		8,596		9,985
Total income (loss) before income taxes	$	91,817	$	22,127	$	(166,463)

Years Ended December 31,		2023		2022		2021
Domestic	$	92,552	$	97,235	$	13,531
Foreign		(32,698)		(5,418)		8,596
Total income before income taxes	$	59,854	$	91,817	$	22,127

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The following is a summary of the provision for (benefit from) income taxes (in thousands):

Years Ended December 31,		2022		2021		2020
Federal:						
Current	$	255	$	1,382	$	(9,017)
Deferred		10,326		15,022		7,941
Total federal		10,581		16,404		(1,076)
State:						
Current		5,721		(935)		(443)
Deferred		(1,691)		2,652		2,052
Total state		4,030		1,717		1,609
Foreign:						
Current		1,951		2,663		136
Deferred		(3,602)		(1,071)		(951)
Total foreign		(1,651)		1,592		(815)
Total provision for (benefit from) income taxes	$	12,960	$	19,713	$	(282)

Years Ended December 31,		2023		2022		2021
Federal:						
Current	$	1,579	$	255	$	1,382
Deferred		23,331		10,326		15,022
Total federal		24,910		10,581		16,404
State:						
Current		3,565		5,721		(935)
Deferred		1,362		(1,691)		2,652
Total state		4,927		4,030		1,717
Foreign:						
Current		(1,432)		1,951		2,663
Deferred		1,862		(3,602)		(1,071)
Total foreign		430		(1,651)		1,592
Total provision for income taxes	$	30,267	$	12,960	$	19,713

The following is a reconciliation of our provision for (benefit from) income taxes based on the Federal statutory tax rate to our effective tax rate (dollars in thousands):

Years Ended December 31,		2022			2021			2020	
Federal statutory tax	$	19,282	21.0%	$	4,647	21.0%	$	(34,957)	21.0%
State taxes, net of federal tax benefit		2,761	3.0		1,912	8.6		1,696	(1.0)
Foreign taxes		(2,695)	(2.9)		1,912	8.6		(1,374)	0.8
Percentage depletion deduction		(1,062)	(1.2)		(1,015)	(4.6)		(1,096)	0.7
Non-controlling interests		933	1.0		1,613	7.3		4,423	(2.7)

Non-cash impairment charges	—	—	—	—	32,905	(19.8)
Nondeductible expenses	3,744	4.1	1,398	6.3	1,073	(0.6)
Company-owned life insurance	902	1.0	(736)	(3.3)	—	—
Stock-based compensation	(330)	(0.4)	(664)	(3.0)	—	—
Changes in uncertain tax positions	(54)	(0.1)	—	—	(1,781)	1.1
Valuation allowance	(3,212)	(3.5)	(518)	(2.3)	4,197	(2.5)
Assets held for sale	(14,427)	(15.7)	10,089	45.6	—	—
Gain on sale of business	—	—	—	—	(3,827)	2.3
Nondeductible goodwill disposal	8,212	9.0	—	—	—	—
Provision to return adjustments	(1,102)	(1.2)	1,153	5.2	—	—
Other	8	—	(78)	(0.3)	(1,541)	0.9
Total	$ 12,960	14.1 %	$ 19,713	89.1 %	$ (282)	0.2 %

Years Ended December 31,	2023		2022		2021	
Federal statutory tax	$ 12,569	21.0 %	$ 19,282	21.0 %	$ 4,647	21.0 %
Non-deductible debt extinguishment costs	10,360	17.3	—	—	—	—
State taxes, net of federal tax benefit	5,171	8.6	2,761	3.0	1,912	8.6
Foreign taxes	(3,473)	(5.8)	(2,695)	(2.9)	1,912	8.6
Percentage depletion deduction	(1,119)	(1.9)	(1,062)	(1.2)	(1,015)	(4.6)
Non-controlling interests	2,942	4.9	933	1.0	1,613	7.3
Nondeductible expenses	2,699	4.5	3,744	4.1	1,398	6.3
Company-owned life insurance	(466)	(0.8)	902	1.0	(736)	(3.3)
Stock-based compensation	(685)	(1.2)	(330)	(0.4)	(664)	(3.0)
Changes in uncertain tax positions	(96)	(0.2)	(54)	(0.1)	—	—
Change in valuation allowance, net	3,163	5.3	(3,212)	(3.5)	(518)	(2.3)
Assets held for sale	—	—	(14,427)	(15.7)	10,089	45.6
Nondeductible goodwill	945	1.6	8,212	9.0	—	—
Return to provision adjustments	(1,250)	(2.1)	(1,102)	(1.2)	1,153	5.2
Other	(493)	(0.8)	8	—	(78)	(0.3)
Total	$ 30,267	50.6 %	$ 12,960	14.1 %	$ 19,713	89.1 %

The majority of the variance from the statutory tax rate in 2022 2023 is due primarily to the tax benefit expense associated with the reversal of net deferred tax liabilities related to businesses no longer held for sale non-deductible debt extinguishment costs and the release of valuation allowances related to the utilization of capital loss carryforwards. These were partially offset by nondeductible goodwill associated with the sale of Inliner state and the impact of the relative change in local income before income taxes to the provision for income taxes.

The following is a summary of the deferred tax assets and liabilities (in thousands):

December 31,	2022	2021
Long-term deferred tax assets:		
Receivables	$ 2,818	$ 3,173
Insurance	12,575	14,334
Deferred compensation	9,432	11,133
Accrued compensation	3,354	3,792
Other accrued liabilities	1,536	1,088
Contract income recognition	16,181	11,453
Lease liabilities	12,572	16,351

Net operating loss carryforwards	41,388	59,760
Valuation allowance	(19,919)	(26,533)
Other	6,504	8,440
Total long-term deferred tax assets	86,441	102,991
Long-term deferred tax liabilities:		
Property and equipment	53,921	64,915
Right of use assets	12,202	15,791
Total long-term deferred tax liabilities	66,123	80,706
Net long-term deferred tax assets	$ 20,318	$ 22,285

liabilities:

(in thousands)	December 31, 2023	December 31, 2022
Long-term deferred tax assets:		
Receivables	$ 1,328	$ 2,818
Insurance	15,018	12,575
Deferred compensation	10,424	9,432
Convertible debt - call option amortization	11,963	3,832
Accrued compensation	3,811	3,354
Other accrued liabilities	1,218	1,536
Contract income recognition	16,986	16,181
Lease liabilities	16,272	12,572
Net operating loss carryforwards	40,541	41,388
Valuation allowance	(24,569)	(19,919)
Other	3,587	2,671
Total long-term deferred tax assets	96,579	86,440
Long-term deferred tax liabilities:		
Property and equipment	76,067	53,921
Right of use assets	16,041	12,202
Total long-term deferred tax liabilities	92,108	66,123
Net long-term deferred tax assets	$ 4,471	$ 20,317

The following is a summary of the net operating loss carryforwards at December 31,2022 (in thousands) December 31, 2023:

	Expiration	Gross Carryforward	Tax Effected Carryforward
Federal net operating loss carryforwards	N/A	$ 90,073	$ 18,915
State net operating loss carryforwards	2023-2041	$ 196,507	9,996
Foreign tax loss carryforwards	2023-2041	$ 45,895	12,477
Total net operating loss carryforwards at December 31, 2022			$ 41,388

(in thousands)	Expiration	Gross Carryforward	Tax Effected Carryforward
Federal net operating loss carryforwards	N/A	$ 67,827	$ 14,243
State net operating loss carryforwards	2024-2042	$ 187,314	9,458
Foreign tax loss carryforwards	2024-2042	$ 57,625	16,840
Total net operating loss carryforwards at December 31, 2023			$ 40,541

The federal, state and foreign net operating loss carryforwards above included unrecognized tax benefits taken in prior years and the net operating loss carryforward deferred tax asset is presented net of these unrecognized tax benefits in accordance with ASC Topic 740,*Income Taxes*. The federal and state net operating loss losses acquired during the Layne acquisition in 2018 are subject to Internal Revenue Code Section 382 limitations and may be limited in future periods and a portion may expire unused. As we expect to use the federal net operating loss carryforwards prior to expiration we believe that it is more likely than not that these deferred tax assets will be realized and no valuation allowance was deemed necessary. We have provided a valuation allowance on the net operating loss deferred tax asset or the net deferred tax assets for certain foreign, state and local jurisdictions because we do not believe it is more likely than not that they will be realized.

The following is a summary of the change in valuation allowance (in thousands):

December 31,	2022	2021
Beginning balance	$ 26,533	$ 29,547
Additions (deductions), net	(6,614)	(3,014)
Ending balance	$ 19,919	$ 26,533

allowance:

(in thousands)	December 31, 2023	December 31, 2022
Beginning balance	$ 19,919	$ 26,533
Additions (deductions), net	4,650	(6,614)
Ending balance	$ 24,569	$ 19,919

The change in the valuation allowance in 2023 is mainly due to the utilization of various state increase in losses and other net operating losses as well as the release of valuation allowances related deferred tax assets associated with our foreign operations which we do not believe are more likely than not to the utilization of capital loss carryforwards.

be used in future years.

We intend to indefinitely reinvest certain earnings of our foreign subsidiaries and affiliates. There are generally no federal income taxes on dividends from foreign subsidiaries therefore we would only be subject to other taxes, such as withholding

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and local taxes, upon distribution of these earnings. Of the $55.0 million We have $51.6 million of accumulated undistributed earnings that we consider indefinitely reinvested as of December 31, 2022, it December 31, 2023. It is not practicable to determine the amount of taxes that would be payable upon remittance of these earnings. Deferred foreign withholding taxes have been provided on undistributed earnings of certain foreign subsidiaries and foreign affiliates where the earnings are not considered to be invested indefinitely.

Uncertain tax positions: We file income tax returns in the U.S. and various state and local jurisdictions. We are currently under examination by various state taxing authorities for various tax years. We do not anticipate that any of these audits will result in a material change in our financial position. We are no longer subject to U.S. federal examinations by tax authorities for years before 2017. With few exceptions, as of December 31,2022December 31, 2023, we are no longer subject to state examinations by taxing authorities for years before 2017.

We file income tax returns in foreign jurisdictions where we operate. The returns are subject to examination which may be ongoing at any point in time and tax liabilities are recorded based on estimates of additional taxes which will be due upon settlement of those examinations. The tax years subject to examination by foreign tax authorities vary by jurisdiction, but generally we are no longer subject to examinations by taxing authorities for years before 2016.

We had approximately $22.8 million $22.6 million and $22.7 million $22.8 million of total gross unrecognized tax benefits as of December 31,2022December 31, 2023 and 2021, 2022, respectively. There were approximately $5.5 million $5.5 million of unrecognized tax benefits that would affect the effective tax rate in any future period at both December 31,2022December 31, 2023 and 2021. 2022. It is reasonably possible that our unrecognized tax benefit could decrease by approximately $1.5 million $1.5 million in 2023,2024, of which $1.3 million $1.3 million would impact our effective tax rate in 2023.2024. The decrease relates to anticipated statute expirations and anticipated resolution of outstanding unrecognized tax benefits.

The following is a tabular reconciliation of unrecognized tax benefits (in thousands). The balances in the reconciliation are the gross amounts before considering reductions related to available net operating losses. The balance of which unrecognized tax benefits net of available net operating losses is included in other long-term liabilities and accrued expenses and other current liabilities in the consolidated balance sheets:

December 31,	2022	2021	2020
Beginning balance	$ 22,724	$ 23,320	$ 27,303
Gross increases – current period tax positions	—	—	(1,590)
Gross decreases – current period tax positions	—	—	—
Gross increases – prior period tax positions	—	—	—
Gross decreases – prior period tax positions	(426)	(9)	(608)
Settlements with taxing authorities/lapse of statute of limitations	(60)	(69)	(1,785)
Reclassification of balances from (to) held for sale	518	(518)	—
Ending balance	$ 22,756	$ 22,724	$ 23,320

December 31,		2023		2022		2021
Beginning balance	$	22,756	$	22,724	$	23,320
Gross increases – current period tax positions		—		—		—
Gross decreases – current period tax positions		—		—		—
Gross increases – prior period tax positions		—		—		—
Gross decreases – prior period tax positions		77		(426)		(9)
Settlements with taxing authorities/lapse of statute of limitations		(242)		(60)		(69)
Reclassification of balances from (to) held for sale		—		518		(518)
Ending balance	$	22,591	$	22,756	$	22,724

20. Contingencies - Legal Proceedings

Liabilities relating to legal proceedings and government inquiries, to the extent that we have concluded such liabilities are probable and the amounts of such liabilities are reasonably estimable, are recorded in the consolidated balance sheets. It is possible that future developments in our legal proceedings and inquiries could require us to (i) adjust or reverse existing accruals, or (ii) record new accruals that we did not originally believe to be probable or that could not be reasonably estimated. Such changes could be material to our financial condition, results of operations and/or cash flows in any particular reporting period. In addition, disclosure is required when a material loss is probable but not reasonably estimable, a material loss is reasonably possible but not probable, or when it is reasonably possible that the amount of a loss will exceed the amount recorded.

The total liabilities recorded for legal proceedings were immaterial as of December 31, 2022 December 31, 2023 and 2021, were $0 and $129 million, respectively. 2022. The total range of possible loss related to (i) matters considered reasonably possible, and (ii) reasonably possible amounts in excess of accrued losses recorded for probable loss contingencies, including those related to liquidated damages, could have a material impact on our consolidated financial statements if they become probable and the reasonably estimable amount is determined.

Ordinary Course Legal Proceedings

In the ordinary course of business, we and our affiliates are involved in various legal proceedings alleging, among other things, liability issues or breach of contract or tortious conduct in connection with the performance of services and/or

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materials provided, the various outcomes of which often cannot be predicted with certainty. For information on our accounting policies regarding affirmative claims and back charges that we are party to in the ordinary course of business, see Note 1. We and our affiliates are also subject to government inquiries in the ordinary course of business seeking information concerning our compliance with government construction contracting requirements and various laws and regulations, the outcomes which often cannot be predicted with certainty.

Some of the matters in which we or our joint ventures and affiliates are involved may involve compensatory, punitive, or other claims or sanctions that, if granted, could require us to pay damages or make other expenditures in amounts that are not probable to be incurred or cannot currently be reasonably estimated. In addition, in some circumstances our government contracts could be terminated, we could be suspended, debarred or incur other administrative penalties or sanctions, or payment of our costs could be disallowed. While any of our pending legal proceedings may be subject to early resolution as a result of our ongoing efforts to resolve the proceedings, whether or when any legal proceeding will be resolved is neither predictable nor guaranteed.

Securities Litigation and Derivative Lawsuits

On August 13, 2019, a securities class action was filed in the United States District Court for the Northern District of California against the Company, James H. Roberts, our former President and Chief Executive Officer, and Jigisha Desai, our former Senior Vice President and Chief Financial Officer and Executive Vice President and Chief Strategy Officer. An amended complaint was filed on February 20, 2020 that, among other things, added Laurel Krzeminski, our former Chief Financial Officer, as a defendant. The amended complaint was brought on behalf of an alleged class of persons or entities that acquired our common stock between April 30, 2018 and October 24, 2019, and alleged claims arising under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. After the filing of the amended complaint, this case was re-titled *Police Retirement System of St. Louis v. Granite Construction Incorporated, et. al.* The amended complaint sought damages based on allegations that the defendants made false and/or misleading statements and failed to disclose material adverse facts in the Company's SEC filings about its business, operations and prospects. On January 21, 2021, the court granted the plaintiff's motion for class certification.

On October 23, 2019, a putative class action lawsuit, titled *Nasseri v. Granite Construction Incorporated, et. al.*, was filed in the Superior Court of California, County of Santa Cruz against the Company, James H. Roberts, our former President and Chief Executive Officer, Laurel Krzeminski, our former Chief Financial Officer, and the then-serving Board of Directors on behalf of persons who acquired shares of Company common stock in the Company's June 2018 merger with

Salesforce Tower Matter

Our wholly-owned subsidiary, Layne Christensen Company ("Layne"). The complaint asserted causes of action under the Securities Act of 1933 and alleged that the registration statement and prospectus were negligently prepared and included materially false and misleading statements and failed to disclose facts required to be disclosed and seeks monetary damages based on the allegations.

On April 29, 2021, we entered into a stipulation of settlement (the “Settlement Agreement”) to settle *Police Retirement System of St. Louis v. Granite Construction Incorporated, et al.* The Settlement Agreement also settled claims alleged in *Nasseri v. Granite Construction Incorporated, et al.*

Under the Settlement Agreement, the Company agreed to pay or cause to be paid a total of $129 million in cash, $63 million of which was paid through insurance proceeds, to a settlement fund that would pay all settlement fees and expenses, attorneys’ fees and expenses, and cash payments to members of the settlement class. The settlement class agreed to release us, the other defendants named in the lawsuits and certain of their respective related parties from any and all claims, rights, causes of action, liabilities, actions, suits, damages or demands of any kind whatsoever, that relate in any way to the purchase, acquisition, holding, sale or disposition of our common stock during the period between February 17, 2017 and October 24, 2019 that arose out of or are based upon or related to the facts alleged or the claims or allegations set forth in *Police Retirement System of St. Louis v. Granite Construction Incorporated, et al*. or relate in any way to any alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, or any other state, federal or foreign jurisdiction’s securities or other laws, any alleged misstatement, omission or disclosure (including in financial statements) or other alleged securities-related wrongdoing or misconduct, including all claims alleged in *Nasseri v. Granite Construction Incorporated, et al*. The Settlement Agreement contained no admission of liability, wrongdoing or responsibility by any of the parties. As a result of entering into the Settlement Agreement, we recorded a pre-tax charge of approximately $66 million in the quarter ended March 31, 2021.

On October 6, 2021, the court issued an order granting preliminary approval of the settlement and, pursuant to the terms of the Settlement Agreement, $129 million was paid to the settlement escrow account. $66 million was paid by the Company and $63 million was paid through insurance proceeds. The total $129 million was included in the consolidated balance sheet as of December 31, 2021 as an accrued liability and as a deposit in other current assets. Members of the settlement class had the opportunity to object to the settlement at a fairness hearing held by the court to determine whether the settlement should be finally approved and whether the proposed order and final judgment should be entered. The fairness hearing occurred on February 24, 2022. On March 17, 2022, the court granted final approval of the settlement, granted the request for attorneys’ fees by class representative's counsel, granted in part and denied in part the request for attorneys’ fees by the plaintiff in *Nasseri v. Granite Construction Incorporated, et al.*, and entered final judgment. On April 29, 2022, the Superior Court granted the request by plaintiff in *Nasseri v. Granite Construction Incorporated, et al*. that the Nasseri case be dismissed with prejudice in light of the final approval of the settlement. On December 15, 2022, the court approved the plaintiffs’ application to release payments to the class from the settlement fund. As a result, we removed the accrued liability and deposit from our consolidated balance sheet as of December 31, 2022.

On May 6, 2020, a stockholder derivative lawsuit, titled *English v. Roberts, et al.*, was filed in the United States District Court for the Northern District of California against James H. Roberts, our former President and Chief Executive Officer, Jigisha Desai, our former Senior Vice President and Chief Financial Officer and Executive Vice President and Chief Strategy Officer, Laurel Krzeminski, our former Chief Financial Officer, and our then-current Board of Directors, and the Company, as a nominal defendant, asserting claims for breach of fiduciary duty, unjust enrichment, and violations of the Securities Exchange Act of 1934 that allegedly occurred between April 30, 2018 and October 24, 2019. The lawsuit alleged that the individual defendants each knowingly inflated the Company’s revenue, income, and margins in violation of U.S. GAAP, which caused the results during the relevant periods to be materially false and misleading. The complaint sought monetary damages and corporate governance reforms.

On May 12, 2021, a stockholder derivative lawsuit, titled *Davydov v. Roberts, et al.*, was filed in the Delaware Court of Chancery against James H. Roberts, Jigisha Desai, Laurel Krzeminski, Craig Hall, our Senior Vice President, General Counsel, Corporate Compliance Officer, and Secretary, and our then-current Board of Directors, and the Company, as a nominal defendant, asserting claims for breach of fiduciary duty, unjust enrichment, and aiding and abetting breach of fiduciary duty that allegedly occurred between April 30, 2018 and October 24, 2019. The lawsuit alleged that the individual defendants each knowingly inflated the Company’s revenue, income, and margins in violation of U.S. GAAP, which caused the results during the relevant periods to be materially false and misleading. The complaint sought monetary damages and corporate governance reforms.

On April 14, 2022, the parties in *Davydov v. Roberts et al.*, the plaintiff in *English v. Roberts et al.*, and the Company entered into a Stipulation of Compromise and Settlement providing that (i) defendants will cause insurers to pay $7.5 million, which amount, less court-awarded attorneys’ fees and expenses, will be paid to the Company, (ii) the Company shall implement agreed upon corporate governance provisions within 30 days of final approval of the settlement, and (iii) all claims that were asserted or could have been asserted against the defendants or their related persons in *Davydov v. Roberts, et al.*, *English v. Roberts, et al.*, or any other proceeding on behalf of the Davydov plaintiff, the English plaintiff, the Company or any Granite stockholder, will be released. On April 14, 2022, the plaintiff in *Davydov v. Roberts, et al*. filed the Stipulation of Compromise and Settlement and a proposed scheduling order for a hearing in the Delaware Court of Chancery for review of the settlement. The Delaware Court of Chancery held a fairness hearing concerning its review of the settlement on July 12, 2022. On July 27, 2022, the Court in *Davydov v. Roberts, et al.* entered an order and final judgment approving the terms of the Stipulation of Compromise and Settlement and dismissed the case with prejudice. On July 28, 2022, the Court in *English v. Roberts, et al.* entered a stipulation and order of dismissal that dismissed the case with prejudice. The Company received a payment of $5.0 million for the settlement, which was net of court-awarded attorneys' fees and expenses, that was recorded in Other costs, net on the Consolidated Statement of Operations for the year ended December 31, 2022.

As of December 31, 2022 and December 31, 2021 (other than the Settlement Agreement charge described above), we did not record any liability related to the above matters because we concluded such liabilities were resolved or not probable and the amounts of such liabilities were not reasonably estimable.

Other Matters

In connection with our prior disclosure of the Audit/Compliance Committee’s independent investigation of prior-period reporting for the former Heavy Civil operating group and the extent to which those matters affected the effectiveness of the Company’s internal control over financial reporting (the “Investigation” ("Layne"), we voluntarily contacted the San Francisco office of the SEC Division of Enforcement regarding the Investigation. The SEC issued subpoenas for documents in connection with the accounting issues identified in the Investigation. We produced documents to the SEC and fully cooperated with the SEC in its investigation. In the second quarter of 2022, we recorded a $12 million charge for the expected resolution of this investigation which was reflected in Other costs, net in the Consolidated Statement of Operations for the year ended December 31, 2022.

During the third quarter of 2022, we reached a settlement with the SEC. Under the terms of the settlement, we, without admitting or denying any allegations made by the SEC, agreed to pay a civil penalty of $12 million and to be enjoined from violating specified provisions of the federal securities laws and rules promulgated thereunder. On August 25, 2022, the SEC filed a complaint against us, along with our consent to the entry of judgment in the United States District Court for the Northern District of California, and requested entry of judgment. Judgment concluding and resolving this matter in its entirety was entered on September 9, 2022, and on September 16, 2022, we paid the $12 million penalty.

Our wholly-owned subsidiary, Layne, was a subcontractor on the foundation for the Salesforce Tower office building in San Francisco in 2013 and 2014. Certain anomalies were discovered in March 2014 in the foundation's structural concrete, which were remediated by the general contractor during 2015. Layne assigned any insurance claims it may have had under the project's builder's risk insurance policy to the general contractor. During 2014, the project owner and the general contractor submitted a claim to the project's builder's risk insurers to cover the cost of remedial work and related damages. The claim was denied by the builder's risk insurers. The project owner and the general contractor subsequently filed a legal proceeding against the insurers seeking coverage under the builder's risk insurance policy, which proceeding was then transferred by agreement to arbitration. On July 20, 2021, July 20, 2021, we were informed of an arbitration award denying insurance coverage for claims related to the remedial measures undertaken by the general contractor of the Salesforce Tower and related damages. Although we were not a party to this legal proceeding, we believe, based on court filings and developments in the arbitration, that the project owner and the general contractor asserted a claim for damages against the project's builder's risk insurers for an amount in excess of $100 million.

OnFebruary 3, 2022, a lawsuit titled *Steadfast Insurance Company ("Steadfast"), a subrogee of Clark/Hathaway Dinwiddie, a Joint Venture ("CHDJV") v. Layne Christensen Company ("Layne")*, was filed in the Superior Court of the State of California, County of San Francisco, seeking damages of approximately $70 million $70.0 million for costs incurred by Steadfast on behalf of CHDJV to cure Layne's allegedly defective work on the foundation of the Salesforce Tower. On February 4, 2022, February 4, 2022, CHDJV submitted an arbitration demand with the American Arbitration Association against Granite Construction Incorporated seeking to recover approximately $30 million $30.0 million for costs incurred by CHDJV to cure Layne's allegedly defective work on the foundation of the Salesforce Tower. CHDJV subsequently dismissed Granite and added Layne as a respondent to the arbitration. On March 8, 2022, we filed a motion to dismiss the CHDJV arbitration. On April 8, 2022, we filed a demurrer seeking to dismiss the Steadfast lawsuit. On May 6, 2022, May 6, 2022, CHDJV consolidated its claims with those of Steadfast and joined as a plaintiff in the Steadfast lawsuit, and on May 16, 2022, May 16, 2022, the arbitration was stayed. On June 14, 2022, we filed

The parties attended mediation on August 4, 2023, and, on October 11, 2023, entered into a demurrer settlement agreement to resolve the matters in the Steadfast lawsuit and arbitration. Pursuant to the amended complaint seeking to dismiss terms of the claims of both settlement agreement, Steadfast and CHDJV. On August 24, 2022, CHDJV agreed to release the court overruled our demurrer. We believe Company and Layne has multiple defenses from any and counterclaims all claims, rights, causes of action, liabilities, actions, suits, damages or demands of any kind whatsoever, that arose out of or are based upon or related to the claims at issue. Layne intends to vigorously defend against facts alleged in the claims Steadfast lawsuit and prosecute its counterclaims, but we cannot provide assurance that Layne will be successful arbitration. The settlement agreement contained no admission of liability, wrongdoing or responsibility by any of the parties. The settlement amount was paid on December 8, 2023 and on December 19, 2023 the Steadfast lawsuit and arbitration were dismissed with prejudice. We recorded a pre-tax charge of $20.0 million, net of insurance recovery, which is reflected in these efforts. We do not believe it is probable this matter will result in a material loss, however, if we are unsuccessful, we believe other costs on the range condensed consolidated statements of reasonably possible loss upon final resolution of this matter could be up to approximately $100 million operations for the year ended December 31, 2023.

21. Reportable Segment Information

Our reportable segments are the same as our operating segments and correspond with how our CODM regularly reviews financial information to allocate resources and assess performance. Our reportable segments are: Construction and Materials.

The Construction segment focuses on construction and rehabilitation of roads, pavement preservation, bridges, rail lines, airports, marine ports, dams, reservoirs, aqueducts, infrastructure and site development for use by the general public and water-related construction for municipal agencies, commercial water suppliers, industrial facilities and energy companies. It also provides construction of various complex projects including infrastructure / site development, mining, public safety, tunnel, solar, battery storage and other power-related projects. The Materials segment focuses on production of aggregates, asphalt concrete, liquid asphalt and asphalt recycled materials production for internal use in our construction projects and for sale to third parties.

As discussed in Note 2, we have reclassified WMS from discontinued operations to continuing operations for all periods presented. The Water Resources and Mineral Services businesses are included in the Construction segment. Inliner, which was sold in the first quarter of 2022, had both Construction and Materials operations.

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The accounting policies of the segments are the same as those described in the Summary of Significant Accounting Policies (see Note 1) 1). We evaluate segment performance based on gross profit, and do not include selling, general and administrative expenses or non-operating income or expense. Segment assets include property and equipment, intangibles, goodwill, inventory and equity in construction joint ventures.

Summarized segment information is as follows (in thousands, except per share data) thousands):

Years Ended December 31,	**Construction**	**Materials**	**Total**
2022			

Total revenue from reportable segments	$	2,803,935	$	671,428	$	3,475,363
Elimination of intersegment revenue		—		(174,107)	$	(174,107)
Revenue from external customers	$	2,803,935	$	497,321	$	3,301,256
Gross profit	$	303,881	$	65,613	$	369,494
Depreciation, depletion and amortization	$	41,836	$	26,500	$	68,336
Segment assets as of period end (1)	$	432,868	$	364,336	$	797,204
2021						
Total revenue from reportable segments	$	3,076,190	$	587,600	$	3,663,790
Elimination of intersegment revenue		—		(161,925)	$	(161,925)
Revenue from external customers	$	3,076,190	$	425,675	$	3,501,865
Gross profit	$	303,228	$	59,417	$	362,645
Depreciation, depletion and amortization	$	71,106	$	26,130	$	97,236
Segment assets as of period end (1)	$	358,561	$	333,089	$	691,650
2020						
Total revenue from reportable segments	$	3,181,697	$	548,439	$	3,730,136
Elimination of intersegment revenue		—		(167,677)	$	(167,677)
Revenue from external customers	$	3,181,697	$	380,762	$	3,562,459
Gross profit	$	280,169	$	64,619	$	344,788
Depreciation, depletion and amortization	$	79,597	$	22,554	$	102,151

(1) These balances do not include amounts held for sale (see Note 2).

Years Ended December 31,		**Construction**		**Materials**		**Total**
2023						
Total revenue from reportable segments	$	2,992,254	$	717,369	$	3,709,623
Elimination of intersegment revenue		—		(200,485)	$	(200,485)
Revenue from external customers	$	2,992,254	$	516,884	$	3,509,138
Gross profit	$	325,055	$	71,344	$	396,399
Depreciation, depletion and amortization	$	43,828	$	29,718	$	73,546
Segment assets as of period end	$	598,078	$	539,071	$	1,137,149
2022						
Total revenue from reportable segments	$	2,803,935	$	671,428	$	3,475,363
Elimination of intersegment revenue		—		(174,107)	$	(174,107)
Revenue from external customers	$	2,803,935	$	497,321	$	3,301,256
Gross profit	$	303,881	$	65,613	$	369,494
Depreciation, depletion and amortization	$	41,836	$	26,500	$	68,336
Segment assets as of period end	$	432,868	$	364,336	$	797,204
2021						
Total revenue from reportable segments	$	3,076,190	$	587,600	$	3,663,790
Elimination of intersegment revenue		—		(161,925)	$	(161,925)
Revenue from external customers	$	3,076,190	$	425,675	$	3,501,865
Gross profit	$	303,228	$	59,417	$	362,645
Depreciation, depletion and amortization	$	71,106	$	26,130	$	97,236

As of December 31, December 31, 2023, 2022, 2021 and 20202021 segment assets included $4.7 million, $10.3 million$25.1 million, $4.7 million and $12.4 million, $10.3 million, respectively, of property and equipment located in foreign countries (primarily Canada and Mexico). During the years ended December 31, December 31, 2023, 2022, 2021 and 20202021 less than 5% of our revenue was derived from foreign operations.

A reconciliation of segment gross profit to consolidated income (loss) before income taxes is as follows (in thousands, except per share data) thousands):

Years Ended December 31,		2022		2021		2020
Total gross profit from reportable segments	$	369,494	$	362,645	$	344,788
Selling, general and administrative expenses		272,610		303,015		316,284
Non-cash impairment charges		—		—		156,690

Other costs, net	24,120	101,351	37,089
Gain on sales of property and equipment (see Note 11)	(12,617)	(66,439)	(6,930)
Total other (income) expense, net	(6,436)	2,591	8,118
Income (loss) before income taxes	$ 91,817	$ 22,127	$ (166,463)

Years Ended December 31,	2023	2022	2021
Total gross profit from reportable segments	$ 396,399	$ 369,494	$ 362,645
Selling, general and administrative expenses	294,466	272,610	303,015
Other costs, net	50,217	24,120	101,351
Gain on sales of property and equipment, net	(28,346)	(12,617)	(66,439)
Total other (income) expense, net	20,208	(6,436)	2,591
Income before income taxes	$ 59,854	$ 91,817	$ 22,127

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A reconciliation of segment assets to consolidated total assets is as follows (in thousands):

December 31,	2022	2021
Total assets for reportable segments	$ 797,204	$ 691,650
Assets not allocated to segments:		
Cash and cash equivalents	293,991	395,647
Receivables, net	463,987	464,588
Other current assets, excluding segment assets	280,014	323,051
Current assets held for sale	-	392,641
Property and equipment, net, excluding segment assets	64,851	56,658
Short-term and long-term marketable securities	65,943	15,600
Investments in affiliates	80,725	23,368
Right of use assets	49,079	49,312
Deferred income taxes, net	22,209	24,141
Other noncurrent assets, excluding segment assets	49,930	58,271
Consolidated total assets	$ 2,167,933	$ 2,494,927

follows:

(in thousands)	December 31, 2023	December 31, 2022
Total assets for reportable segments	$ 1,137,149	$ 797,204
Assets not allocated to segments:		
Cash and cash equivalents	417,663	293,991
Receivables, net	598,705	463,987
Other current assets, excluding segment assets	316,552	280,014
Property and equipment, net, excluding segment assets	72,709	64,851
Short-term and long-term marketable securities	35,863	65,943
Investments in affiliates	92,910	80,725
Right of use assets	78,176	49,079
Deferred income taxes, net	8,179	22,208
Other noncurrent assets	55,634	49,931
Consolidated total assets	$ 2,813,540	$ 2,167,933

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GRANITE CONSTRUCTION INCORPORATED KEY MANAGEMENT DEFERRED COMPENSATION PLAN II

Supplementary Data – Restatement

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GRANITE CONSTRUCTION INCORPORATED KEY MANAGEMENT DEFERRED COMPENSATION PLAN II 1. Introduction. (a) The purpose of the Plan is to provide deferred compensation to a select group of executive employees Recast non-employee directors Quarterly Financial Information

Quarterly Financial Data

The following tables the Company in recognition of their contributions to the Company and its affiliates. This document constitutes the written instrument under which the Plan is maintained. (b) This Plan is the successor plan to the Granite Construction Incorporated Key Management Deferred Compensation Plan, as amended through December 31, 2004 and the Key Management Deferred Incentive Compensation Plan, as amended through December 31, 2004 (collectively, the "Prior Plans"). Effective December 31, 2004, the Prior Plans are frozen and no new deferrals or Company contributions will be made to them; provided, however, that any deferrals or Company contributions made under the Prior Plans before January 1, 2005 shall continue to be governed by the terms and conditions of the Prior Plans as in effect on December 31, 2004. (c) Any deferrals and Company contributions made under the Prior Plans after December 31, 2004 are deemed to have been made under this Plan and all such deferrals and Company contributions shall be governed by the terms and conditions of this Plan as it may be amended from time to time; provided, however, that deferrals and Company contributions made in 2005 through 2007 are governed by the terms and conditions of this Plan along with the terms and conditions selected unaudited quarterly financial information in the Appendix. (d) This Plan is intended to be a plan that is unfunded and that is maintained by Granite Construction Incorporated primarily years ended December 31, 2022 purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of the Employee Retirement Income Security Act 2021, for the benefit of the Company's non-employee directors. unaudited quarterly financial information Plan also is intended to comply with the requirements of Section 409A of the Code. (e) The Board approved the amendment and restatement of this Plan effective January 1, 2010. 2. Definitions. (a) "Account" means as to any Participant the separate account(s) established and maintained by the Company in order to reflect his or her interest in the Plan. Each Participant's Account or Accounts will reflect (i) allocations and earnings credited (or debited) thereto in accordance with Section 5 and (ii) amounts payable at different times and in different forms. (b) "Beneficiary" means the person or persons designated by the Participant

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2 or by the Plan under Section 7(g) to receive payment of the Participant's Account in the event of the Participant's death. (c) "Board" means the Board of Directors of Granite Construction Incorporated. (d) "Bonus" means any cash bonus earned by a Participant, including, but not limited to, (i) the cash bonus payable under the Granite Construction Profit Sharing Cash Bonus Plan, if any and (ii) the Participant's usual and customary annual cash incentive, if any. (e) "Change in Control" means the effective date of any one of the following events but only to the extent that such change in control transaction is a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company as defined in the regulations promulgated under Section 409A of the Code: (i) an acquisition, consolidation, or merger of the Company with or into any other corporation or corporations, unless the stockholders of the Company retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the surviving or acquiring corporation or corporations; or (ii) the sale, exchange, or transfer of all or substantially all of the assets of the Company to a transferee other than a corporation or partnership controlled by the Company or the stockholders of the Company; or (iii) a transaction or series of related transactions in which stock of the Company representing more than thirty percent (30%) of the outstanding voting power of the Company is sold, exchanged, or transferred to any single person or affiliated persons leading to a change of a majority of the members of the Board. The Board shall have final authority to determine, in accordance with Section 409A of the Code, whether multiple transactions are related and the exact date on which a Change in Control recast deemed have occurred under subsections (i), (ii), and (iii) above. (f) "Code" means the Internal Revenue Code of 1986, as amended. (g) "Committee" means the Compensation Committee of the Company's Board of Directors and its delegatee, as applicable. (h) "Company" means Granite Construction Incorporated, a Delaware corporation, and any other affiliated entity that is designated from time to time by the Board. As to a particular Participant, "Company" refers to the corporate entity which is his or her employer. For purposes of Sections 2(e) and (g), 5 and 10, "Company" refers only to Granite Construction Incorporated. (i) "Disability" means that an individual is (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous

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3 period of not less than 12 months or (ii) by reason of any medically determinable physical o mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than three months under an accident and health plan covering employees of the Company. (j) “Equity Incentive Plan” means the Granite Construction Incorporated Amended and Restated 1999 Equity Incentive Plan, as amended from time to time. (k) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended. (l) “Identification Date” means each December 31. (m) “Key Employee” means a Participant who, on an Identification Date, is: (i) An officer of the Company having annual compensation greater than the compensation limit in Section 416(i)(1)(A)(i) of the Code, provided that no more than fifty officers of the Company shall be determined to be Key Employees as of any Identification Date; (ii) A five percent owner of the Company; or (iii) A one percent owner of the Company having annual compensation from the Company of more than $150,000. If a Participant is identified as a Key Employee on an Identification Date, then such Participant shall be considered a Key Employee for purposes of the Plan during the period beginning on the first April 1 following the Identification Date and ending on the next March 31. (n) “Participant” means each employee and non-employee director of the Company who is designated as such from time to time by the Committee. (o) “Performance Units” means an award granted pursuant to a Performance Unit Agreement under the Equity Incentive Plan. (p) “Plan” means the Granite Construction Incorporated Key Management Deferred Compensation Plan II, as set forth in this instrument and as hereafter amended. (q) “Plan Year” means the calendar year. (r) “Prior Plans” means the Granite Construction Incorporated Key Management Deferred Compensation Plan and the Granite Construction Incorporated Key Management Deferred Incentive Compensation Plan. (s) “Restricted Stock Units” means an award granted pursuant to a Restricted Stock Units Agreement under the Equity Incentive Plan. (t) “Retirement” means an employee-Participant’s Separation from Service at

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4 or after the earlier of (i) age 55 with ten years of service or (ii) age 65 with five years of service. Retirement means a non-employee director-Participant's Separation from Service at any time. (u) "Separation from Service" means termination of employment with the Company, other than by reason of death. (i) A Participant shall not be deemed to have Separated from Service if the Participant continues to provide services to the Company in a capacity other than as an employee and if the former employee is providing services at an annual rate that is fifty percent (50%) or more of the services rendered, on average, during the immediately preceding three full calendar years of employment with the Company (or if employed by the Company less than three years, such lesser period). (ii) A Participant shall be deemed to have Separated from Service if a Participant's service with the Company is reduced to an annual rate that is less than twenty percent (20%) of the services rendered, on average, during the immediately preceding three full calendar years of employment with the Company (or if employed by the Company less than three years, such lesser period). (v) "Unforeseeable Emergency" means a severe financial hardship to the Participant or Beneficiary resulting from: (i) An illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent (as defined in Section 152(a) of the Code); or (ii) Loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance); or (iii) Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. Hardship shall not constitute an Unforeseeable Emergency under the Plan to the extent that it is, or may be, relieved by: (i) Reimbursement or compensation, by insurance or otherwise; (ii) Liquidation of the Participant's or Beneficiary's assets to the extent that the liquidation of such assets would not itself cause severe financial hardship. Such assets shall include but not be limited to stock options, Company stock, and 401(k) plan balances; or (iii) Cessation of deferrals under the Plan. An Unforeseeable Emergency under the Plan does not include (among other events): (i) Sending a child to college; or

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5 (ii) Purchasing a home. 3. Eligibility to Participate. The Committee will, from time to time, designate Company employees to be Participants. Each employee-Participant selected by the Committee must belong to a select group of management or highly compensated employees of the Company. In addition, non-employee directors of the Company will become Participants upon notification of eligibility from the Committee. Non-employee directors are not eligible for In- Service Distributions described in Section 7(c) or the survivor benefit under Section 8. 4. Vesting. Each Participant will always be 100% vested in his or her Account; provided, however, that if a Participant is Separated from Service for "Cause" (as such term is defined in Section 2.1(d) of the Equity Incentive Plan), the Participant will forfeit all amounts other than his or her own Bonus, Performance Units and Restricted Stock Units deferrals, if any. 5. Additions to Accounts. (a) Participant Bonus Deferrals. Each Participant may annually elect to defer the receipt of a whole percentage (up to 100% or such other percentage as may be determined by the Board) of his or her Bonus(es). (b) Participant Performance Unit Deferrals. Effective June 15, 2007, each Participant who is at least 62 years of age on the last day of the performance period applicable to of his or her Performance Units award may elect to defer the receipt of the 100% of the stock payable under his or her Performance Unit agreement. (c) Participant Dividend Deferrals. Each Participant may annually elect to defer the receipt of the full amount of the quarterly cash dividends that are paid to the Participant under Section 13(a) of the Granite Construction Employee Stock Ownership Plan. (d) Company Matching Contributions. Effective January 1, 2008, the Company will credit, in accordance with the Company's regular payroll schedule, each employee-Participant's Account with an amount equal to six percent of the first $100,000 a Participant defers under Section 5(a) or Section 5(c) of the Plan in the applicable Plan Year. (e) Deemed Investments. For each Plan Year, the balance of each Participant's Account (except that portion of the Account consisting of deferred Performance Units or Restricted Stock Units awards) will be credited with earnings based upon the Participant's investment allocation among a menu of investment options selected in advance by the Company's Vice President and Director of Human Resources, Treasurer and Director of Compensation and Benefits (collectively, the "Investment Committee). (i) Investment options will be determined by the Investment Committee. The Investment Committee, in its sole discretion, shall be permitted to add or investment options from effect Plan menu from time to time, provided that any such additions or removals discontinued operations investment options shall not be effective with respect to any period prior to the effective date of such change. (ii) A Participant's investment allocation constitutes a deemed, not

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6 actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Company or any trustee acting on its behalf have any obligation to purchase actual securities well a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account. A Participant shall specify an investment allocation for his Account, or components thereof, in accordance with procedures established by the Committee. Allocation among the investment options must be designated in increments of 1%. The Participant's investment allocation will become effective in accordance with procedures established by the Committee. A Participant may change an investment allocation, both with respect to future credits to the Plan and with respect to existing Accounts, and such changes shall become effective, in accordance with procedures adopted by the Committee. (iii) If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, the primary objective of which is the preservation of capital, as determined by the Investment Committee. (iv) Dividend equivalents shall be credited in respect of the deferred Performance Units and Restricted Stock Units. Such dividend equivalents shall be converted into additional deferred common stock equivalents covered by the deferred awards by dividing (1) the aggregate amount or value of the dividends paid with respect to that number of stock equivalents covered by the deferred award by (2) the Fair Market Value (as defined in the Equity Incentive Plan) per share of Company common stock on the payment date for such dividend. Any additional stock equivalents covered by the deferred Performance Units or Restricted Stock Units credited by reason of such dividend equivalents shall be deferred and subject to all the terms and conditions of this Plan. (v) In the event of any stock dividend, stock split, reverse stock split, recapitalization, merger, combination, exchange of shares, reclassification or similar change in the capital structure of the Company, appropriate adjustments shall be made in the number and class of share equivalents subject to the deferred Performance Units and Restricted Stock Units awards. Subject to Section 11(c) below, if a majority of the shares which are of the same class as the shares the underlie the share equivalents subject to deferred Performance Units and Restricted Stock Units awards are exchanged for, converted into, or otherwise become shares of another corporation (the "New Shares"), the Committee may unilaterally amend the deferred awards to provide that shares that underlie the share equivalents subject to such deferred awards are New Shares. In the event of any such amendment, the number of share equivalents subject to deferred awards shall be adjusted in a fair and equitable manner as determined by the Committee, in its discretion. Notwithstanding the foregoing, any fractional share equivalents resulting from an adjustment pursuant to this Section 5(e)(v) shall be rounded down to the nearest whole share equivalent. The adjustments determined by the Committee pursuant to this Section 5(e)(v) shall be final, binding and conclusive.

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7 (f) Non-Employee Director Deferrals. Each Participant who is a non- employee director may annually elect to defer the receipt of a whole percentage (up to 100% or such other percentage as may be determined by the Board) of his or her annual retainer and meeting fees. (g) Participant Restricted Stock Unit Deferrals. Effective for Restricted Stock Units granted and earned on or after January 1, 2010, each Participant may elect to defer the receipt of a whole percentage (up to 100% or such other percentage as may be determined by the Board) of his or her Restricted Stock Units award under his or her Restricted Stock Units agreement. 6. Deferral Elections. Each Participant must complete a deferral form for each Plan Year. To be effective, each such deferral form must satisfy the following rules: (a) Content and Form Requirements. The deferral election form must be signed and dated by the Participant, and must specify the form(s) of payment and date(s) of distribution of the Participant's Account. A Participant's deferral election is irrevocable on the first day of the Plan Year following the Plan Year in which it is made; provided, however, that a Participant's election shall be suspended for the remainder of any Plan Year in which the such Participant receives a distribution on account of an Unforeseeable Emergency and thereafter the Participant must submit a new deferral election to resume participant in the Plan; provided further, however, that a Participant's deferral election will terminate on the date the Participant Separates from Service. (b) Timing of Deferral Elections. Except as provided in subsections (i) through (iii) below, a Participant's deferral election must be received by the Committee before the beginning of the Plan Year in which the amount to be deferred is earned. Any such deferral election must be accompanied by an election correct errors time and form of payment of the Participant's Account. (i) A Participant's election to defer Performance Units must be received by the Committee at least six months prior to the date on which the Performance Units are no longer subject to a substantial risk of forfeiture (the vesting date); provided, however, that such election shall be made prior to the date that the Performance Units are substantially certain to be paid or the number of Performance Units is readily ascertainable. (ii) A Participant's deferral election may be received by the Committee both (i) within 30 days of the date on which the employee is notified of his or her eligibility to participate in the Plan, and (ii) before the date on which the amount subject to the deferral election is earned. (iii) To the extent permitted by the Committee, a Participant's deferral election pursuant to which the Participant defers "performance-based compensation" as defined in Section 409A(a)(4)(b)(iii) of the Code and the regulations promulgated thereunder, may be received by the Committee no later than six months before the end of the applicable performance period. (c) Special Distribution Election on or before December 31, 2007. Each

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8 Participant may make a special distribution election to receive a distribution of their Accounts in calendar year 2008 or later, provided that the distribution election is made at least twelve months in advance of the newly elected distribution date (and the previously scheduled distribution date, if any) and the election is made no later than December 31, 2007. An election made pursuant to this Section 6(c) shall be subject to any special administrative rules imposed by the Committee including rules intended to comply with Section 409A of the Code, Notice 2005-1, A-19 and any subsequent guidance published thereunder. No election under this Section 6(c) shall (i) change the payment date of any distribution otherwise scheduled to be paid in 2007 or cause a payment to be paid in 2007, or (ii) be permitted after December 31, 2007. 7. Distribution of Accounts. (a) Distribution prior to Retirement. If a Participant Separates from Service prior to the time such Participant is eligible for Retirement and not on account of his or her death or Disability, the Participant will receive a distribution of the balance of his or her Account in a lump sum at least six months (but not more than seven months) following the date he or she Separates from Service. (b) Form of Distribution Upon Retirement. Subject to the provisions of this Section 7 and Section 10, each Participant who Separates from Service on account of Retirement, Disability or death will receive a distribution of the balance of his or her Account in the form specified in the Participant's election form, which may be a lump sum payment and/or annual installments of substantially equal amounts payable over a period of years certain not to exceed ten. Distributions made pursuant to this Section 7(b) shall be made, or shall begin, at least six months (but not more than seven months) following the date the Participant Separates from Service on account of Retirement, Disability or death. Participants who elect to defer Restricted Stock Units may make a separate distribution election applicable only to the deferred Restricted Stock Units. Distribution elections made with respect to distributions made on account of Retirement are irrevocable when made. (c) Form of In-Service Distribution. (i) Subject to the provisions of this Section 7 and Section 10, each Participant may elect to receive one or more in-service distributions of his or her Accounts in the form specified in the Participant's election form, which may be a lump sum payment and/or annual installments of substantial equal amounts payable over a period of years certain not to exceed ten. Any such in-service distribution may be scheduled for any month and year prior to the Participant's Separation from Service (as below. See Note 2 for more information regarding discontinued operations below) assets held for sale. This information has been prepared must be scheduled at least two years from the year in which the deferred amount is earned. Any in-service distribution will commence same basis first day of the month following the month designated by the Participant audited consolidated financial statements distribution month. Notwithstanding the foregoing, in-service distributions shall be made only prior to Separation from Service. To the extent that a Participant Separates from Service, a distribution of the Participants Account(s) shall be made in accordance with Section 7(a) or Section 7(b); provided, however, that if an in-service distribution is an installment distribution and if it is in pay status, then such in-service distribution installments shall be paid in accordance with the Participant's in-service distribution election and not in accordance with Section 7(a) or Section 7(b).

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9 (ii) A Participant who elects an in-service distribution may make a re- deferral election with respect to the in-service distribution election if the following conditions are met: (1) the re-deferral election does not take effect until twelve months after the date the re- deferral election is made, (2) the new in-service distribution date is at least five years after the scheduled distribution date in effect on the date the re-deferral election is made, and (3) the re- deferral election is made not less than twelve months prior to the scheduled distribution date in effect on the date the re-deferral election is made. (d) Rules for Installment Distributions. If, at any time after installment distributions have begun, the amount of any installment would be less than $1,000, the remainder of the Participant's Account will be distributed in a lump sum. For purposes of the Plan, installment payments shall be treated as a single distribution under Section 409A of the Code. Participant Accounts will continue to be credited with earnings under Section 5(e) while they are in pay status. (e) [Reserved.] (f) Default Distribution Election. In the absence of an effective distribution election as to the timing and/or form of distribution of a Participant's Account, including but not limited to a Participant's failure to make a distribution election in accordance with Section 6(c) above, distribution of the Participant's Account shall be made in a lump sum at least six months (but not more than seven months) following the date he or she Separates from Service for any reason. (g) Delayed Distribution to Key Employees. Notwithstanding any other provision of Section 7 to the contrary, a distribution made on account of Separation from Service to a Participant who is identified as a Key Employee shall be delayed for a minimum of six months following the Participant's Separation from Service. The determination of which Participants are Key Employees shall be made by the Committee in its sole discretion in accordance with Section 2(m) of the Plan and Sections 416(i) and 409A of the Code and the regulations promulgated thereunder. (h) Beneficiary Designation. Each Participant must designate a Beneficiary to receive a distribution of his or her Account if the Participant dies before it is distributed to him or her. A Beneficiary designation form must be signed, dated and delivered to the Committee to become effective. In the absence of a valid or effective Beneficiary designation, the Participant's surviving spouse will be his or her Beneficiary or if there is no such spouse, the Participant's children in equal shares, or if none, the Participant's estate will be his or her Beneficiary. (i) Performance Units and Restricted Stock Units Distributions. Notwithstanding any other provision of the Plan to the contrary, that portion of the Participant's Account consisting of Performance Units or Restricted Stock Units deferrals shall be distributed in shares of the Company's Common Stock. (j) Hardship Distributions. In the event of an Unforeseeable Emergency, a Participant may apply to the Committee for a distribution of part or all of his or her Account prior to the date that it would otherwise be distributed under this Section 7. If the Committee

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10 approves such an application, it will make such distribution as a lump sum payment. Payments due to a Participant's Unforeseeable Emergency shall be permitted only to the extent reasonably required to satisfy the Participant's need. (k) Prohibition on Acceleration. Notwithstanding any other provision of the Plan to the contrary, no distribution shall be made from the Plan that would constitute an impermissible acceleration of payment as defined in Section 409A(a)(3) of the Code and the regulations promulgated thereunder. 8. Survivor Benefit. In addition to any other benefit provided under the Plan, the Beneficiary of an employee-Participant who dies prior to his or her Separation from Service and who consented to the purchase of insurance by the Company on his or her life will be entitled to receive a payment equal to the Participant's annualized salary in the year of death. Such payment will be made in a single lump sum within ninety days of the employee-Participant's death. 9. Withholding. The Company will withhold from any Plan distribution all required federal, state, local and other taxes and any other payroll deductions required. Each Participant agrees as a condition of participation in the Plan to have withheld annually from his or her salary such amounts as are necessary to satisfy all applicable taxes. 10. Administration. The Plan is administered and interpreted by the Committee. The Committee has delegated to the Company's Vice President and Director of Human Resources its delegable responsibilities under the Plan. The Committee (and its delegatee) has the full and exclusive discretion to interpret and administer the Plan. All actions, interpretations and decisions of the Committee (and its delegatee) are conclusive and binding on all persons, and will be given the maximum possible deference allowed by law. The Company agrees to indemnify and hold harmless the members of the Committee and any employee to whom the Committee delegates any responsibility under the Plan. 11. Amendment or Termination. (a) Amendment or Suspension. The Company reserves the right, in its sole and unlimited discretion, to amend the Plan at any time, without prior notice to any Participant or Beneficiary. The Board may, at any time, suspend the Plan. Upon such suspension, Participants' Accounts shall be paid in accordance with Section 7 of the Plan. (b) Termination in General. The Board may terminate the Plan at any time opinion Board's discretion the Accounts of Participants may be distributed within the period beginning twelve months after the date the Plan was terminated and ending twenty-four months after the date the Plan was terminated, or pursuant to Section 7, if earlier. If the Plan is terminated and Accounts are distributed, the Company shall terminate all account balance non- qualified deferred compensation plans with respect to all participants and shall not adopt a new account balance non-qualified deferred compensation plan for at least three years after the date the Plan was terminated. (c) Change in Control. The Board, in its discretion, may terminate the Plan thirty days prior to or within twelve months following a Change in Control and distribute the Accounts of the Participants within the twelve-month period following the termination of the

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11 Plan. If the Plan is terminated and Accounts are distributed, the Company shall terminate all substantially similar non-qualified deferred compensation plans sponsored by the Company and all of the benefits of the terminated plans shall be distributed within twelve months following the termination of the plans. (d) Dissolution or Bankruptcy. The Board, in its discretion, may terminate the Plan upon a corporate dissolution of the Company that is taxed under Section 331 of the Code or with the approval of a bankruptcy court pursuant to 11 U.S.C. Section 503(b)(1(A), provided that the Participants' Accounts are distributed and included in the gross income of the Participants by the latest of (i) the calendar year in which the Plan terminates or (ii) the first calendar year in which payment of the Accounts is administratively practicable. 12. Claims and Review Procedure. (a) Informal Resolution of Questions. Any Participant or Beneficiary who has questions or concerns about his or her benefits under the Plan is encouraged to communicate with the Committee. If this discussion does not give the Participant or Beneficiary satisfactory results, a formal claim for benefits may be made within one year of the event giving rise to the claim in accordance with the procedures of this Section 11. (b) Formal Benefits Claim – Review by Committee. A Participant or Beneficiary may make a written request for review of any matter concerning his or her benefits under this Plan. The claim must be addressed to the Committee, Key Management Deferred Compensation Plan II, Granite Construction Incorporated, 585 West Beach Street, PO Box 50085, Watsonville, California 95077. The Committee shall decide the action to be taken with respect to any such request and may require additional information if necessary to process the request. The Committee shall review the request and shall issue its decision, in writing, no later than 90 days after the date the request is received, unless the circumstances require an extension of time. If such an extension is required, written notice of the extension shall be furnished to the person making the request within the initial 90-day period, and the notice shall state the circumstances requiring the extension and the date by which the Committee expects to reach a decision on the request. In no event shall the extension exceed a period of 90 days from the end of the initial period. (c) Notice of Denied Request. If the Committee denies a request in whole or in part, it shall provide the person making the request with written notice of the

denial within the period specified in Section 11(b) above. The notice shall set forth the specific reason for the denial, reference to the specific Plan provisions upon which the denial is based, a description of any additional material or information necessary to perfect the request, an explanation of why such information is required, and an explanation of the Plan's appeal procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. (d) Appeal to Committee. (i) A person whose request has been denied in whole or in part (or such person's authorized representative) may file an appeal of the decision in writing with the

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12 Committee within 60 days of receipt of the notification of denial. The appeal must be addressed to: Committee, Key Management Deferred Compensation Plan II, Granite Construction Incorporated, 585 West Beach Street, PO Box 50085, Watsonville, California 95077. The Committee, for good cause shown, may extend the period during which the appeal may be filed for another 60 days. The appellant and/or his or her authorized representative shall be permitted to submit written comments, documents, records and other information relating to the claim for benefits. Upon request and free of charge, the applicant should be provided reasonable access to and copies of, all documents, records or other information relevant to the appellant's claim. (ii) The Committee's review shall take into account all comments, documents, records and other information submitted by the appellant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Committee shall not be restricted in its review to those provisions of the Plan cited in the original denial of the claim. (iii) The Committee shall issue a written decision within a reasonable period of time but not later than 60 days after receipt of the appeal, unless special circumstances require an extension of time for processing, in which case the written decision shall be issued as soon as possible, but not later than 120 days after receipt of an appeal. If such an extension is required, written notice shall be furnished to the appellant within the initial 60-day period. This notice shall state the circumstances requiring the extension and the date by which the Committee expects to reach a decision on the appeal. (iv) If the decision on the appeal denies the claim in whole or in part, written notice shall be furnished to the appellant. Such notice shall state the reason(s) for the denial, including references to specific Plan provisions upon which the denial was based. The notice shall state that the appellant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits. The notice shall describe any voluntary appeal procedures offered by the Plan and the appellant's right to obtain the information about such procedures. The notice shall also include a statement of the appellant's right to bring an action under Section 502(a) of ERISA. (v) The decision of the Committee on the appeal shall be final, conclusive and binding upon all persons and shall be given the maximum possible deference allowed by law. (e) Exhaustion of Remedies. No legal or equitable action for benefits under the Plan shall be brought unless and until the claimant has submitted a written claim for benefits in accordance with Section 11(b) above, has been notified that the claim is denied in accordance with Section 11(c) above, has filed a written request for a review of the claim in accordance with Section 11(d) above, and has been notified in writing that the Committee has affirmed the denial of the claim in accordance with Section 11(d) above; provided, however, that an action for benefits may be brought after the Committee has failed to act on the claim within the time prescribed in Section 11(b) and Section 11(d), respectively. 13. Source of Payments.

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13 (a) No Plan Assets. Subject to Section 12(b), all cash payments under the Plan will be paid in cash from the general funds of the Company. No separate fund will be established under the Plan, and the Plan will have no assets. Any right of any person to receive any payment under the Plan is no greater than the right of any other unsecured creditor of the Company. The Plan constitutes a mere promise by the Company to pay benefit payments in the future and is unfunded for purposes of both Title I of ERISA and the Code. (b) Rabbi Trust. The Company will (i) establish a trust, (ii) fund such trust in the event that it determines that a Change in Control is imminent, and (iii) arrange to have such trust assume its obligations to pay benefits under the Plan. Any trust created by the Company to assist it in meeting its obligations under the Plan will conform to the terms of the model trust as described in Revenue Ruling 92-64. 14. Inalienability. A Participant's rights to benefits under the Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or the Participant's Beneficiary. Notwithstanding the foregoing, the procedures established by the Company for the determination of the qualified status of domestic relations orders and for making distributions under qualified domestic relations orders, as provided in Section 206(d) of ERISA, shall apply to the Plan, to the extent pertinent. Amounts awarded to an alternate payee under a qualified domestic relations order shall be distributed in the form of a lump sum distribution as soon as administratively feasible following the determination of the qualified status of the domestic relations order. 15. Applicable Law. The provisions of the Plan will be construed, administered and enforced in accordance with ERISA and, to the extent applicable, the laws of the State of California. 16. Severability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provision of the Plan, and the Plan will be construed and enforced as if such provision had not been included. 17. No Employment Rights. Neither the adoption nor maintenance of the Plan will be deemed to constitute a contract of employment between the Company and any employee, or to be a consideration for, or an inducement or condition of, any employment. Nothing contained in this Plan will be deemed to give an employee the right to be retained in the service of the Company or to interfere with the right of the Company to discharge, with or without cause, any employee at any time. 18. Status of Plan as ERISA "Top Hat" Plan. The Plan is intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group contains all adjustments necessary and highly compensated employees and will be administered and construed to effectuate this intent. Accordingly, the Plan is subject to Title I of ERISA, but is exempt from Parts 2, 3 and 4 of such Title.

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14 19. Execution. IN WITNESS WHEREOF, Granite Construction Incorporated, by its duly authorized officers, has executed the Plan on the date(s) indicated below. GRANITE CONSTRUCTION INCORPORATED By /s/ William G. Dorey Its President & CEO Dated 2-18-10 By /s/ Michael Futch Its Vice President & General Counsel Dated 2/18/10

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1 APPENDIX Deferrals and Company contributions made in Plan Years 2005 through 2007 are governed by the terms and conditions of the Plan along with the terms and conditions set forth in this Appendix. Defined terms not defined in this Appendix A but defined in the Plan will have the same definition as in the Plan. 1. Definitions. (a) "Compensation" means "compensation" (as defined in the Company's tax- qualified retirement plans) in excess of $210,000 in 2005 (as indexed under Section 401(a)(17) of the Code) but not in excess of $310,000 in 2005 (as indexed from time to time by the Committee). (b) "Excess Cash Incentive" means Compensation that exceeds a Participant's usual and customary Compensation (as determined by the Committee). 2. Additions to Accounts. (a) Participant Cafeteria Plan Deferrals. Effective for Plan Years 2005 through 2007, under rules established by the Committee, each Participant may elect to defer the amount payable to the Participant under the Company's "cafeteria plan" under Section 125 of the Code. (b) Participant Profit Sharing Deferrals. Effective for Plan Years 2005 through 2007, each Participant may elect to defer an amount up to 85% of the Participant's cash bonus (in 5% increments) payable under the Granite Construction Profit Sharing Cash Bonus Plan. (c) Company Matching Contributions. Effective for Plan Years 2005 through 2007, the Company will annually credit each Participant's Account with an amount equal to a percentage of the Compensation deferred by the Participant, which percentage will equal the matching contribution percentage determined under the Granite Construction Profit Sharing and 401(k) Plan for such Plan Year. (d) Company Discretionary Contributions. Effective for Plan Years 2005 through 2007 in which a Participant elects to defer a portion of his or her Compensation, the Company will credit each Participant's Account with an amount equal to a percentage of the Participant's Compensation that is equal to the total discretionary contribution percentage determined by the Board for the Granite Construction Profit Sharing and 401(k) Plan and the Granite Construction Employee Stock Ownership Plan with respect to the Plan Year for which such Compensation was deferred. (e) Hypothetical Investment Experience. Effective for Plan Years 2005 through 2007, the balance of each Participant's Excess Cash Incentive Compensation Account will be credited quarterly with hypothetical earnings (or losses) equal to an amount determined by the Committee as though such Account had been invested in shares of Company common stock for such period.

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2 3. Deferral Elections. (a) Content and Form Requirements. Effective for Plan Years 2005 through 2007, each annual Bonus deferral must be fair statement thereof. Net income (loss) per share calculations minimum amount of at least $1,000 and must be for a period of at least five years. Also effective for Plan Years 2005 through 2007, a Participant may extend (but not reduce) the length of his or her deferral period for five-year periods, so long as such extensions based made at least twelve months prior to an otherwise schedule distribution date. (b) Special Elections in 2005 regarding Deferrals. In accordance with IRS Notice 2005-1, A-20, (i) on or before March 15, 2005, Participants were permitted to defer Compensation earned on or before December 31, 2005. Elections made pursuant to this Section 3(b) are irrevocable and subject to any special administrative rules imposed by the Committee consistent with Section 409A of the Code and Notice 2005-1, A-20. No special election under this Section 3(b) shall be permitted after December 31, 2005. (c) Distribution Election. Effective for Plan Years 2005 through 2007, any deferral election under Section 6 of the Plan also shall include an election as to the time and form of payment of the Compensation deferred and Company contributions attributable to services performed in the Plan Year following the Plan Year in which the distribution election is made. Participants shall be permitted to make a separate distribution election with respect to each Plan Year. A distribution election is irrevocable weighted average common shares outstanding first day of the Plan Year following the Plan Year in which it is made. (d) Special Distribution Election on or before December 31, 2006. Certain Participants who are identified by the Committee in its sole discretion may make a special distribution election to receive a distribution of their Accounts in calendar year 2007 or later, provided that the distribution election is made at least twelve months in advance of the newly elected distribution date (and the previously scheduled distribution date, if any) and the election is made no later than December 31, 2006. An election made pursuant to this Section 3(d) shall be subject to any special administrative rules imposed by the Committee including rules intended to comply with Section 409A of the Code and Notice 2005-1, A-19. No election under this Section 3(d) shall (i) change the payment date of any distribution otherwise scheduled to be paid in 2006 or cause a payment to be paid in 2006, or (ii) be permitted after December 31, 2006. 4. Distribution of Accounts. (a) Distribution upon Retirement, Disability or Death. Effective each Plan Years 2005 through 2007, if a Participant Separates from Service on account of Retirement, Disability or death, the Participant will receive a distribution of the balance of his or her Account, in accordance with his or her election described in Section 7(b) of the Plan, at least six months (but not more than seven months) following the date he or she Separates from Service; provided, however, that a Participant may elect, in accordance with Section 6 of the Plan, to receive or begin receiving his or her Account balance 13 months, 25 months, 37 months, 49 months or 61 months following the date he or she Separates from Service. (b) Delayed Distribution of Excess Cash Incentive Account. Effective for

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3 Plan Years 2005 through 2007, notwithstanding any other provision of Section 7 of the Plan to the contrary, a Participant's Excess Cash Incentive Account must be deferred for a minimum of five years and distribution of this account shall be delayed until such minimum deferral presented. has been satisfied regardless of the Participant's distribution election. If distribution of the Excess Cash Incentive Account is delayed in accordance with this Section 4(b), then any payment that otherwise would have been made during such five-year deferral period, shall be made in one lump sum payment within thirty days following the date that is at least five years following the date that the Excess Cash Incentive was deferred.

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GRANITE CONSTRUCTION INCORPORATED KEY MANAGEMENT DEFERRED COMPENSATION PLAN II (Amended and Restated Effective January 1, 2010) Amendment No. 1 Section 11(a) of the Granite Construction Incorporated Key Management Deferred Compensation Plan II, as amended and restated effective January 1, 2010 (the "Plan") authorizes amendments to the Plan by action of the Compensation Committee of the Company's Board of Directors. sum Plan is hereby amended, effective January 1, 2011, as follows: 1. Section 5(d) is amended by adding the following new sentence at the end quarterly net income (loss) per share section: "Notwithstanding the foregoing, no 'company matching contribution' shall be made with respect to (i) 'participant dividend deferrals' deferred in accordance with Section 5(c) (such dividends being dividends that would otherwise be payable to the Participants under Section 13(a) of the Granite Construction Employee Stock Ownership Plan) after December 31, 2010 and (ii) 'participant bonus deferrals' deferred in accordance with Section 5(a) after March 31, 2011." 2. Section 6 is amended by replacing the first sentence as follows: "6. Deferral Elections. Except as provided in Section 6(a) below, each Participant's deferral election shall remain in effect until revoked." Except as amended hereby, the terms of the Plan remain in full force and effect. IN WITNESS WHEREOF, this Amendment is executed this 4th day of January, 2011. GRANITE CONSTRUCTION INCORPORATED /s/ James H. Roberts James H. Roberts President and Chief Executive Officer

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GRANITE CONSTRUCTION INCORPORATED KEY MANAGEMENT DEFERRED COMPENSATION PLAN II (Amended and Restated Effective January 1, 2010) Amendment No. 2 Section 11(a) of the Granite Construction Incorporated Key Management Deferred Compensation Plan II, as amended and restated effective January 1, 2010 (the “Plan”) authorizes amendments to the Plan by action of the Compensation Committee of the Company’s Board of Directors. Accordingly, the Plan is hereby amended, effective January 1, 2012, as follows: 1. A new Section 2(w) is added as follows: “(w) ‘Salary’ means the base salary paid to an employee-Participant by the Company before payroll deductions.” 2. Section 4 is amended by inserting “Salary,” between “own” and “Bonus” in the last line. 3. A new Section 5(h) is added as follows: “Participant Salary Deferrals. Effective January 1, 2012, each Participant who is an employee may annually elect to defer the receipt of a whole percentage (up to 50% or such other percentage as may be determined by the Committee) of his or her Salary.” 4. Section 7(e) is amended by inserting “Salary,” between “her” and “Bonus” in the 5th line. 5. Section 8 is amended by capitalizing “salary” in the third line. Except as amended hereby, the terms of the Plan remain in full force and effect. IN WITNESS WHEREOF, this Amendment is executed this 11th day of August, 2011. GRANITE CONSTRUCTION INCORPORATED /s/ James H. Roberts James H. Roberts President and Chief Executive Officer

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GRANITE CONSTRUCTION INCORPORATED KEY MANAGEMENT DEFERRED COMPENSATION PLAN II (Amended and Restated Effective January 1, 2010) Amendment No. 3 Section 11(a) of the Granite Construction Incorporated Key Management Deferred Compensation Plan II, as amended and restated effective January 1, 2010 (the "Plan"), authorizes amendments to the Plan by action of the Compensation Committee of the Company's Board of Directors. Accordingly, the Plan is hereby amended, effective June 5, 2014, as follows: 1. Section 2(j) is amended to read as follows in its entirety: "(j) "Equity Incentive Plan" means the Granite Construction Incorporated Amended and Restated 1999 Equity Incentive Plan, as amended from time to time, the Granite Construction Incorporated 2012 Equity Incentive Plan, as amended from time to time, and any successor thereto." 2. Section 2 is amended by adding new subsections (w) and (x) to the end thereof to read in their entirety as follows: "(w) "Primary Retirement Account" means the Account established by the Participant in accordance with Section 7(b)(i) of the Plan. (x) "Secondary Retirement Account" means the Account established by the Participant in accordance with Section 7(b)(ii) of the Plan." 3. The first sentence of Section 6(a) is replaced in its entirety as follows: "The deferral election form must be signed and dated by the participant, and must specify the form(s) of payment and dates(s) of distribution of the Participant's Account, which may include a Primary Retirement Account, effective January 1, 2015, a Secondary Retirement Account, and any in-service distribution account, as applicable." 4. The last sentence of Section 6(b) is replaced in its entirety as follows: "Any such deferral election must be accompanied by an election as to the time and form of payment of the Participant's Account, which may include a Primary Retirement Account, effective January 1, 2015, a Secondary Retirement Account, and any in-service distribution account, as applicable."

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5. Section 7(b) is replaced in its entirety as follows: “(b) Form of Distribution Upon Retirement. (i) Subject to the provisions of this Section 7 and Section 10, each Participant who Separates from Service on account of Retirement, Disability or death will receive a distribution of the balance of his or her Account in the form specified in the Participant’s election form, which may be a lump sum payment or annual installments of substantially equal payable over a period of years certain not to exceed ten. Distributions made pursuant to this Section 7(b)(i) shall be made, or shall begin, at least six months (but not more than seven months) following the date the Participant Separates from Service on account of Retirement, Disability or death. Such election shall establish the Participant’s “Primary Retirement Account”. Notwithstanding the foregoing, Participants who elect to defer Restricted Stock Units not make a separate distribution election applicable only to the deferred Restricted Stock Units. Distribution elections made with respect to the Primary Retirement Account are irrevocable when made. (ii) Effective with respect to deferrals made on after January 1, 2015 and their corresponding distribution elections, a Participant may establish a “Secondary Retirement Account” and may elect to receive a distribution with respect to such deferrals allocated to the Secondary Retirement Account in a lump sum payment or annual installments of substantially amounts payable over a period of years certain not to exceed ten. The form of distribution with respect to per share Secondary Retirement Account may be different than the form of distribution with respect to the Primary Retirement Account. Except as provided below, distributions made pursuant to this Section 7(b)(ii) shall be made, or shall begin, at least six months (but not more than seven months) following the date the Participant Separates from Service on account of Retirement, Disability or death. A Participant who establishes a Secondary Retirement Account in accordance with Section 7(b)(ii) may make a re-deferral election with respect to such Secondary Retirement Account if the following conditions are met: (1) the re-deferral election does not take effect until twelve months after the date the re-deferral election is made, (2) the new distribution date is at least five years after the scheduled distribution date in effect on the date the re-deferral election is made, and (3) the re-deferral election is made not less than twelve months prior to the scheduled distribution date in effect on the date the re-deferral election is made.” 6. Section 7(c)(i) is replaced in its entirety as follows: “(i) Subject to the provisions of this Section 7 and Section 10, each Participant may elect to receive one or more in-service distributions of his or her Accounts in the form specified in the Participant’s election form, which may be a lump sum payment and/or annual installments of substantial equal amounts payable over a period of years certain not to exceed ten. Any such in-service distribution may be scheduled for any month and year prior to the Participant’s Separation from Service (as described below) and must be scheduled at least two

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years from the year in which the deferred reported is earned. Any in-service distribution will commence on the first day of the month following the month designated by the Participant as the distribution month. Notwithstanding the foregoing, in-service distributions shall be made only prior to Separation from Service. To the extent that a Participant Separates from Service, a distribution of the Participants Account(s) shall be made in accordance with Section 7(a) or pursuant to the Participant's distribution election made in accordance with Section 7(b)(i); provided, however, that if an in-service distribution is an installment distribution and if it is in pay status, then such in-service distribution installments shall be paid in accordance with the Participant's in-service distribution election and not in accordance with Section 7(a) or Section 7(b)(i)." Except as amended hereby, the terms of the Plan remain in full force and effect. IN WITNESS WHEREOF, this Amendment is executed this 5th day of June 2014. GRANITE CONSTRUCTION INCORPORATED _/s/ James H. Roberts______________________________ James H. Roberts President and Chief Executive Officer

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GRANITE CONSTRUCTION INCORPORATED KEY MANAGEMENT DEFERRED COMPENSATION PLAN II (Amended and Restated Effective January 1, 2010) Amendment No. 4 Section 11(a) of the Granite Construction Incorporated Key Management Deferred Compensation Plan II, as amended and restated effective January 1, 2010 (the "Plan"), authorizes amendments to the Plan by action of the Compensation Committee of the Company's Board of Directors. Accordingly, the Plan is hereby amended, effective January 1, 2015, as follows: 1. Section 8 is amended by adding the following sentence at the end thereof: "Notwithstanding any other provision of the Plan to the contrary, this Section 8 shall apply to employee-Participants who first become Participants on or after January 1, 2015 provided that each employee- Participant elects to defer a minimum amount from salary (a dollar amount or a percentage of salary) as may be determined by the Company from time to time." Except as amended hereby, the terms of the Plan remain in full force and effect. IN WITNESS WHEREOF, this Amendment is executed this 11th day of September 2014. GRANITE CONSTRUCTION INCORPORATED /s/ James H. Roberts________________ James H. Roberts President and Chief Executive Officer

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GRANITE CONSTRUCTION INCORPORATED KEY MANAGEMENT DEFERRED COMPENSATION PLAN II (As Amended and Restated by the Board of Directors Effective January 1, 2010) Amendment. No. 5 Section 11(a) of the Key Management Deferred Compensation Plan II, amended and restated January 1, 2010 (the "Plan") authorizes amendments to the Plan by action of the Compensation Committee of the Company's Board of Directors. Accordingly, the Plan is hereby amended, effective September 12, 2017, as follows: 1. Section 5(g) is amended in its entirety to read as follows: "(g) Participant Restricted Stock Unit Deferrals. Effective for Restricted Stock Units granted and earned on or after January 1, 2018, each Participant may elect to defer the receipt of a whole percentage (with a minimum of 25% up to 100% or such other percentage as may be determined by the Board) of his or her Restricted Stock Units award under his or her Restricted Stock Units agreement." 2. Section 7 is amended by inserting the following subsection at the end of the section: "(l) Deminimis Cashout. Effective for distributions made on and after January 1, 2018, and notwithstanding the Participant's election, with respect to distributions made pursuant to Plan Section 7(b), the Committee (or its delegate) in its sole discretion may distribute an Account to a Participant or a Beneficiary in a single payment if the value of the Account, and any other plan or arrangement with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treasury Regulation Section 1.409A-1(c)(2), is less than the Code Section 402(g)(1)(B) limit." Except as amended hereby, the terms of the Plan remain in full force and effect. IN WITNESS WHEREOF, this Amendment is executed this 22nd day of September, 2017. GRANITE CONSTRUCTION INCORPORATED /s/ James H. Roberts James H. Roberts President and Chief Executive Officer /s/ Richard A. Watts Richard A. Watts Secretary

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GRANITE CONSTRUCTION INCORPORATED KEY MANAGEMENT DEFERRED COMPENSATION PLAN II (As Amended and Restated by the Board of Directors Effective January 1, 2010) Amendment. No. 6 Section 11(a) of the Key Management Deferred Compensation Plan II, amended and restated January 1, 2010 (the "Plan") authorizes amendments to the Plan by action of the Compensation Committee of the Company's Board of Directors. Accordingly, the Plan is hereby amended, effective December 7, 2022, as follows: Section 5(a) Participant Bonus Deferrals is amended in its entirety as follows: "Each Participant may annually elect to defer the receipt of a whole percentage (up to 100% or such other percentage as may be determined by the Board) of his or her Bonus. Alternatively, each Participant may annually elect to defer receipt of 100% of his or her Bonus above a specified dollar amount." Except as amended hereby, the terms of the Plan remain in full force and effect. IN WITNESS WHEREOF, this Amendment is effective this 7th day of December 2022. GRANITE CONSTRUCTION INCORPORATED __/s/ Kyle Larkin

Kyle Larkin President and Chief Executive Officer

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19830823.1 GRANITE CONSTRUCTION INCORPORATED KEY MANAGEMENT DEFERRED COMPENSATION PLAN II (As Amended and Restated by the Board of Directors Effective January 1, 2010) Amendment. No. 7 Section 11(a) of the Key Management Deferred Compensation Plan II, amended and restated January 1, 2010 (the "Plan") authorizes amendments to the Plan by action of the Compensation Committee of the Company's Board of Directors and the Compensation Committee has delegated that authority to the Company's President and Chief Executive Officer. Accordingly, the Plan is hereby amended, effective October 2, 2023, as follows: A new Section 19 is inserted as follows: "19. Clawback Policy. Incentive-based compensation (as defined in the Granite Construction Incorporated Clawback Policy) deferred under the Plan, including Bonus, Restricted Stock Units or both Bonus and Restricted Stock Units, and earnings thereon, are subject to the Granite Construction Incorporated Clawback Policy, as amended from time to time, and any successor policy thereto. For the avoidance of doubt, the recovery of compensation under the Granite Construction Incorporated Clawback Policy or any successor policy shall not be an event giving rise to a right to resign for “good reason” or “constructive termination” (or similar term) under any agreement with the Company." Section 19 – Execution is renumbered as Section 20. Except as amended hereby, the terms of the Plan remain in full force and effect. IN WITNESS WHEREOF, this Amendment is executed this 16th day of October 2023. GRANITE CONSTRUCTION INCORPORATED ___/s/ Kyle Larkin________________ Kyle Larkin President and Chief Executive Officer

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1 16123680.8 GRANITE CONSTRUCTION INCORPORATED EXECUTIVE RETENTION AND SEVERANCE PLAN III 1. ESTABLISHMENT AND PURPOSE 1.1. Establishment. The Granite Construction Incorporated Executive Retention and Severance Plan III (the "Plan") is hereby established by the Board of Directors of Granite Construction Incorporated, adopted effective January 1, 2020 (the "Effective Date"). 1.2. Purpose. The Company draws upon the knowledge, experience and advice of the officers and key employees of the Company and its subsidiaries in order to manage its business year. benefit of the Company's stockholders. Due to the widespread awareness of the possibility of mergers, acquisitions and other strategic alliances in the Company's industry, the topic of compensation and other employee benefits in the event of a Change in Control is an issue in competitive recruitment and retention efforts. The Committee recognizes that the possibility or pending occurrence of a Change in Control could lead to uncertainty regarding the consequences of such an event and could adversely affect the Company's ability to attract, retain and motivate officers and key employees. The Committee has therefore determined that it is in the best interests of the Company and its stockholders to provide for the continued dedication of officers and key employees notwithstanding the possibility or occurrence of a Change in Control by establishing this Plan to provide designated officers and key employees with enhanced financial security in the event of a Change in Control. The purpose of this Plan is to provide its Participants with specified compensation and benefits in the event of termination of employment under circumstances specified herein upon or following a Change in Control. The Company intends that all payments pursuant to the Plan be exempt from or comply with all applicable requirements of Section 409A (as defined below), and the Plan shall be so construed. 1.3. Successor Plan. This Plan is the successor plan to the Granite Construction Incorporated Executive Retention and Severance Plan, effective September 20, 2007 and to the Granite Construction Incorporated Executive Retention and Severance Plan II, effective March 9, 2011, as amended (collectively, the "Prior Plans"). Officers and key employees eligible to participate in the Prior Plans shall discontinue participation in the Prior Plans and shall instead participant in this Plan. This Plan is effective for officers and key employees of the Company employed, hired, or appointed to an eligible position, on or after January 1, 2020. 1.4. Amendment and Restatement. The Plan is amended and restated effective March 31, 2021. 2. DEFINITIONS AND CONSTRUCTION 2.1. Definitions. Whenever used in this Plan, the following terms shall have the meanings set forth below: (a) "Annual Bonus Rate" means an amount equal to the annual average of the aggregate of all annual incentive bonuses earned by the Participant (whether or not actually paid) under the terms of the programs, plans or agreements providing for such bonuses for the three (3) fiscal years of the Company immediately preceding the fiscal year of the Change in Control (or the portion of such three fiscal years during which the Participant was employed by the Company). For this purpose, annual incentive bonuses shall not include signing bonuses or other nonrecurring cash incentive awards.

QUARTERLY FINANCIAL DATA

(unaudited - dollars in thousands, except per share data)

Quarters Ended	December 31, 2022	As Restated September 30, 2022	As Restated and Recast June 30, 2022	As Restated and Recast March 31, 2022
Revenue	$ 789,213	$ 1,008,910	$ 849,247	$ 653,886
Gross profit	$ 96,781	$ 115,055	$ 97,566	$ 60,092
As a percent of revenue	12.3 %	11.4 %	11.5 %	9.2 %
Net income (loss)	$ 19,176	$ 65,198	$ 19,578	$ (25,095)
Net income (loss) attributable to Granite	$ 22,052	$ 69,302	$ 18,681	$ (26,733)
Net income (loss) per share attributable to common shareholders				
Basic earnings (loss) per share	$ 0.50	$ 1.58	$ 0.42	$ (0.58)
Diluted earnings (loss) per share	$ 0.46	$ 1.36	$ 0.39	$ (0.58)

Quarters Ended	As Recast December 31, 2021	As Recast September 30, 2021	As Recast June 30, 2021	As Recast March 31, 2021
Revenue	$ 805,651	$ 1,062,129	$ 964,172	$ 669,913
Gross profit	$ 62,446	$ 119,935	$ 116,946	$ 63,318
As a percent of revenue	7.8 %	11.3 %	12.1 %	9.5 %
Net income (loss)	$ (20,433)	$ 32,423	$ 55,747	$ (65,323)
Net income (loss) attributable to Granite	$ (13,213)	$ 35,043	$ 54,461	$ (66,195)
Net income (loss) per share attributable to common shareholders				
Basic earnings (loss) per share	$ (0.29)	$ 0.76	$ 1.19	$ (1.45)
Diluted earnings (loss) per share	$ (0.29)	$ 0.73	$ 1.14	$ (1.45)

Restatement

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2 16123680.8 (b) “Base Salary Rate” means the Participant’s annual base salary rate in effect immediately prior to the Participant’s Termination upon a Change in Control, without giving effect to any reduction in the Participant’s base salary rate which constitutes Good Reason. For this purpose, base salary does not include any bonuses, commissions, fringe benefits, car allowances, other irregular payments or any other compensation except base salary. (c) “Benefit Period” means two (2) years. (d) “Board” means the Board of Directors of the Company. (e) “Cause” means the occurrence of any of the following: (1) the Participant’s theft, dishonesty, misconduct, breach of fiduciary duty for personal profit, or falsification of any documents or records of the Company Group; (2) the Participant’s material failure to abide by the code of conduct or other policies (including, without limitation, policies relating to confidentiality Recast reasonable workplace conduct) Previously Issued Unaudited Condensed Consolidated Financial Statements any member of the Company Group; (3) misconduct by the Participant within the scope of Section 304 of the Sarbanes-Oxley Act of 2002 as a result of which of the Company is required to prepare an accounting restatement; (4) the Participant’s unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a member of the Company Group (including, without limitation, the Participant’s improper use or disclosure of the confidential or proprietary information of a member of the Company Group); (5) any intentional act by the Participant which has a material detrimental effect on the reputation or business of a member of the Company Group; (6) the Participant’s repeated failure or inability to perform any reasonable assigned duties after written notice from a member of the Company Group of, and a reasonable opportunity to cure, such failure or inability; (7) any material breach by the Participant of any employment, non- disclosure, non-competition, non-solicitation or other similar agreement between the Participant and a member of the Company Group, which breach is not cured pursuant to the terms of such agreement; or (8) the Participant’s conviction (including any plea of guilty or nolo contendere) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant’s ability to perform his or her duties with a member of the Company Group. (f) “Change in Control” means, except as otherwise provided in the Participation Agreement applicable to a given Participant, the occurrence of any of the following: (1) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), other than a trustee or other fiduciary holding securities of the Company under an employee benefit plan of the Company, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person) “beneficial ownership” (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of stock of the Company representing more than thirty percent (30%) of the total combined voting power of the Company’s then- outstanding stock entitled to vote generally in the election of directors; (2) the Company is party to a merger or consolidation which results in the holders of the voting stock of the Company outstanding immediately prior thereto failing to retain immediately after such merger or consolidation direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the stock entitled to vote generally in the election of directors of the Company or the surviving entity outstanding immediately after such merger or consolidation;

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3 16123680.8 (3) the sale or disposition of all or substantially all of the Company's assets or consummation of any transaction having similar effect (other than a sale or disposition to one or more subsidiaries of the Company); or (4) a change in the composition of the Board within any consecutive 12-month period as a result of which fewer than a majority of the directors are Incumbent Directors; provided, however, that a Change in Control shall be deemed not to include a transaction described in subsections (1) or (2) of this Section in which a majority of the members of the board of directors of the continuing, surviving or successor entity, or parent thereof, immediately after such transaction is comprised of Incumbent Directors. Notwithstanding the foregoing, to the extent that any amount constituting Section 409A Deferred Compensation would become payable under this Plan by reason of a Change in Control, such amount shall become payable only if the event constituting a Change in Control would also constitute a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A. (g) "Change in Control Period" means a period commencing upon the consummation of a Change in Control and ending on the date occurring two (2) years thereafter. (h) "Code" means the Internal Revenue Code of 1986, as amended, or any successor thereto and any applicable regulations promulgated thereunder. (i) "Committee" means the Compensation Committee of the Board. (j) "Company" means Granite Construction Incorporated, a Delaware corporation, and, following a Change in Control, a Successor that agrees to assume all of the terms and provisions of this Plan or a Successor which otherwise becomes bound by operation of law to this Plan. (k) "Company Group" means the group consisting of the Company and each present or future parent and subsidiary corporation or other business entity thereof. (l) "Disability" means a Participant's permanent and total disability within the meaning of Section 22(e)(3) of the Code. (m) "Employer Contribution Rate" means an amount equal to the annual average of the aggregate employer contributions (excluding contributions deducted from the Participant's compensation and treated as employer contributions) made on behalf of the Participant for the three (3) fiscal years of the Company immediately preceding the fiscal year of the Change in Control (or the portion of such three fiscal years during which the Participant was employed by the Company) to the Employee Stock Ownership Plan, the 401(k) plan, profit sharing plan and any other retirement plan of the Company Group in effect immediately prior to the Change in Control. (n) "Equity Award" means any Option, Restricted Stock, Restricted Stock Units, performance shares, performance units or other stock-based compensation award granted by the Company or any other Company Group member to a Participant, including any such award which is assumed by, or for which a replacement award is substituted by, the Successor or any other member of the Company Group in a Change in Control.

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4 16123680.8 (o) "Good Reason" means preparation occurrence during a Change in Control Period of any of the following conditions without the Participant's informed written consent, which condition(s) remain(s) in effect thirty (30) days after written notice to the Company from the Participant of such condition(s) and which notice must have been given within sixty (60) days following the initial occurrence of such condition(s): (1) a material diminution in the Participant's authority, duties or responsibilities, causing the Participant's position to be of materially lesser rank or responsibility within the Company or an equivalent business unit of its parent; (2) a decrease in the Participant's Base Salary Rate (except as part of a broad-based reduction plan applicable to substantially all Company Group employees); (3) a geographical relocation of the Participant's principal office location by more than thirty (30) miles (one-way); or (4) any material breach Form 10-K, we identified errors related Plan by the Company with respect deferred taxes the Participant. The existence of Good Reason shall not be affected by the Participant's temporary incapacity due to physical or mental illness not constituting a Disability. For the purposes of any determination regarding the existence of Good Reason hereunder, any claim by the Participant that Good Reason exists shall be presumed to be correct unless the Company establishes to the Board that Good Reason does not exist. calculation Board, acting in good faith, affirms such determination by a vote income tax expense not less than two-thirds $12.3 million its entire membership (excluding the Participant if the Participant is a member of the Board). (p) "Incumbent Director" means a director who either (1) is a member of the Board as of the Effective Date, or (2) is elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination, but (3) was not elected or nominated in connection with an actual or threatened proxy contest relating to the election of directors of the Company. (q) "Option" means any option to purchase shares of the capital stock of the Company or of any other member of the Company Group granted to a Participant by the Company or any other Company Group member, whether granted before or after a Change in Control, including any such option which is assumed by, or for which a replacement option is substituted by, the Successor or any other member of the Company Group sale of Inliner, which was completed Change in Control. (r) "Participant" means each officer and each key employee designated by the Committee to participate first quarter of 2022 and was classified within discontinued operations Plan, provided such individual has executed a Participation Agreement. (s) "Participation Agreement" means an Agreement to Participate Company's condensed consolidated financial statements Plan in the form attached hereto as Exhibit A or in such other form as the Committee may approve from time to time; provided, however, that, after a Participation Agreement has been entered into between a Participant and the Company, it may be modified only by a supplemental written agreement executed by both the Participant and the Company. The terms of such forms of Participation Agreement need not be identical with respect to each Participant.

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5 16123680.8 (t) "Release" means a general release of all known and unknown claims against the Company and its affiliates and their stockholders, directors, officers, employees, agents, successors and assigns substantially in the form attached hereto as Exhibit B ("General Release of Claims - Age 40 and over)") or Exhibit C ("General Release of Claims - Under age 40"), whichever is applicable, with any modifications thereto determined by legal counsel to the Company to be necessary or advisable to comply with applicable law or to accomplish the intent of Section 8 (Exclusive Remedy) hereof. (u) "Restricted Stock" means any compensatory award of shares of the capital stock of the Company or of any other member of the Company Group granted to a Participant by the Company or any other Company Group member, whether such shares are granted or acquired before or after a Change in Control, including any shares issued in exchange for any such shares by a Successor or any other member of the Company Group in connection with a Change in Control. (v) "Restricted Stock Units" mean any compensatory award of rights to receive shares of the capital stock or cash in an amount measured by the value of shares of the capital stock of the Company or of any other member of the Company Group granted to a Participant by the Company or any other Company Group member, whether such rights are granted before or after a Change in Control, including any such rights issued in exchange for any such rights by a Successor or any other member of the Company Group in connection with a Change in Control. (w) "Section 409A" means Section 409A of the Code and any applicable regulations and other administrative guidance promulgated thereunder. (x) "Section 409A Deferred Compensation" means compensation and benefits provided by the Plan that constitute deferred compensation subject to and not exempted from the requirements of Section 409A. (y) "Separation from Service" means a separation from service within the meaning of Section 409A. (z) "Specified Employee" means a specified employee within the meaning of Section 409A. (aa) "Successor" means any successor in interest to substantially all of the business and/or assets of the Company. (bb) "Termination upon a Change in Control" means the occurrence of any of the following events firstChange in Control Period: (1) termination by the Company Group of the Participant's employment for any reason other than Cause; or (2) the Participant's resignation for Good Reason from all capacities in which the Participant is then rendering service to the Company Group, provided that such resignation occurs no later than one hundred twenty (120) days following the occurrence of the condition constituting Good Reason; provided, however, that Termination upon a Change in Control shall not include any termination of the Participant's employment which is (i) for Cause,

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6 16123680.8 (ii) a result of the Participant's death or Disability, or (iii) a result of the Participant's voluntary termination of employment other than for Good Reason. 2.2. Construction. Captions second quarters titles contained herein are for convenience only and shall not affect the meaning or interpretation 2022any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise. 3. ELIGIBILITY The Board or Committee shall designate those officers and key employees of the Company or any other member of the Company Group, employed, hired, or appointed to an eligible position, on or after January 1, 2020, who shall be eligible to become Participants the Plan. To become a Participant, the designated officer or key employee must execute a Participation Agreement. 4. TREATMENT OF EQUITY AWARDS UPON A CHANGE IN CONTROL 4.1. [Reserved]. 4.2. Restricted Stock Units. With respect to (a) Restricted Stock Units granted prior to January 1, 2020 that are subject to time-based vesting and (b) Restricted Stock Units granted upon the achievement of certain performance goals during a performance period beginning prior to January 1, 2020 and notwithstanding any provision to the contrary contained in any plan or agreement evidencing Restricted Stock Units held by a Participant, such Restricted Stock Units shall vest in full upon the consummation of a Change in Control, provided that the Participant remains an employee or other service provider with the Company Group immediately prior to the Change in Control. 4.3. Equity Awards. Except as set forth in Sections 4.1 and 4.2 above, the treatment of stock-based compensation upon the consummation of a Change in Control shall be determined in accordance with the terms of the plans or agreements providing for such awards. The provisions of this Section 4 with respect to all amounts that constitute Section 409A Deferred Compensation shall be subject to, limited by and construed in accordance with the requirements of Section 409A and Section 6.2 below. 5. TERMINATION UPON A CHANGE IN CONTROL In the event of a Participant's Termination upon a Change in Control, the Participant shall be entitled to receive: 5.1. Accrued Obligations. The Participant shall be entitled to receive: (a) all salary, commissions and accrued but unused vacation earned through the date of the Participant's termination of employment; (b) reimbursement within ten (10) business days of submission, within thirty (30) days following the Participant's termination of employment, of proper expense reports

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7 16123680.8 of all expenses reasonably and necessarily incurred by the Participant in connection with the business of the Company Group prior to his or her termination of employment; and (c) the benefits accrued through the date of the Participant's termination of employment, if any, under any Company Group retirement plan, nonqualified deferred compensation plan or stock-based compensation plan or agreement (other than any such plan or agreement pertaining to Equity Awards whose treatment is prescribed by Section 5.2(c) below), health benefits plan or other Company Group benefit plan to which the Participant may be entitled pursuant to the terms of such plans or agreements. 5.2. Severance Benefits. Provided that on or before the sixtieth (60th) day following the Participant's Termination upon a Change in Control, the Participant executes the Release applicable to such Participant and the period for revocation, if any, of such Release has expired without the Release having been revoked, the Participant shall be entitled to receive the following severance payments and benefits: (a) Salary, Bonus and Employer Contributions. Subject to Section 6.2, the Company shall pay to the Participant in a lump sum cash payment on the seventy-fifth (75th) day following the Participant's Termination upon a Change in Control an amount equal to the product of two (2) and the sum of (a) the Participant's Base Salary Rate, (b) the Participant's Annual Bonus Rate and (c) the Participant's Employer Contribution Rate. (b) Health, Life and Long-Term Disability Insurance Benefits. Subject to Section 6.2, the Company shall pay to the Participant in a lump sum cash payment on the seventy-fifth (75th) day following the Participant's Termination upon a Change in Control an amount equal to the product of two (2) and the average annual premium cost to the Company Group for health (including medical and dental), life and long-term disability insurance benefits provided to the Participant (including his or her dependents covered by such insurance benefits immediately prior to the Termination upon a Change in Control) for the three (3) fiscal years of the Company immediately preceding the fiscal year of the Termination upon a Change in Control (or the portion of such three fiscal years during which the Participant was employed by the Company). (c) Acceleration of Vesting of Equity Awards. Notwithstanding any provision to the contrary contained in any plan or agreement evidencing an Equity Award granted to a Participant but subject to Section 6.2, each of the Participant's outstanding Equity Awards which were not otherwise accelerated pursuant to Section 4 shall become immediately exercisable and vested as of the date of the Participant's Termination upon a Change in Control. (d) Outplacement Services. Subject to Section 6.2, the Company shall provide at its expense reasonable professional outplacement services to the Participant until the earlier of two (2) years following the Participant's Termination upon a Change in Control or the date on which the Participant obtains other employment. (e) Long-Term Incentives. Subject to Section 6.2, each Participant whose long-term incentive is based on a one-year performance period under the Company's Incentive Compensation Plan Summary shall receive a cash payment equal to his or her long- term incentive paid at target for the performance period in which the Participant's Termination upon a Change in Control occurs. 5.3. Indemnification; Insurance.

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8 16123680.8 (a) In addition to any rights a Participant may have under any indemnification agreement previously entered into between the Company and such Participant (a "Prior Indemnity Agreement"), from and after the date of the Participant's Termination upon a Change in Control, the Company shall indemnify and hold harmless the Participant against any net or expenses (including attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, by reason of the fact that the Participant is or was a director, officer, employee or agent of the Company Group, or is or was serving at the request of the Company Group as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether asserted or claimed prior to, at or after the date of the Participant's termination of employment, to the fullest extent permitted under applicable law. Provision the Company shall also advance fees and expenses (including attorneys' fees) as incurred by the Participant to the fullest extent permitted under applicable law. In the event of a conflict between the provisions of a Prior Indemnity Agreement and the provisions of this Plan, the Participant may elect which provisions shall govern. (b) For a period of six (6) years from and after the date of the Termination upon a Change in Control of a Participant who was an officer and/or director of the Company at any time prior to such termination of employment, the Company shall maintain a policy of directors' and officers' liability insurance income taxes during third quarter benefit 2022. We have restated herein our previously issued unaudited condensed consolidated statements such Participant which provides him or her with coverage no less favorable than that provided for the Company's continuing officers and directors. 6. CERTAIN FEDERAL TAX CONSIDERATIONS 6.1. Federal Excise Tax Under Section 4999 operations and condensed consolidated balance sheets for each interim period the Code. (a) Treatment of Excess Parachute Payments. In the event that any benefits payable to a Participant pursuant to this Plan ("Payments") (i) constitute "parachute payments" nine months ended September 30, 2022. The restated financial information also includes adjustments meaning of Section 280G of the Code, and (ii) but for this Section 6.1 would be subject correct the excise tax imposed by Section 4999 of the Code, or any comparable successor provisions (the "Excise Tax"), then the Participant's Payments hereunder shall be either (a) provided to the Participant in full, or (b) provided to the Participant as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, when taking into account applicable federal, state, local and foreign income and employment taxes, the Excise Tax, and any immaterial errors applicable taxes, results firstthree quarters receipt by the Participant, on an after-tax basis, 2022, including certain errors (primarily in revenue and cost the greatest amount revenue, including benefits, notwithstanding that all or some portion of such benefits may be taxable under associated tax impact) that had previously been adjusted for Excise Tax. In the event of a reduction of benefits hereunder, the Accountants (as defined below) shall determine which benefits shall be reduced so out of period corrections to achieve the principle set forth period identified.

The impacts preceding sentence. (b) Determination of Amounts. All computations and determinations called for by this Section 6.1 shall be promptly determined and reported in writing condensed consolidated statements Company and the Participant by independent public accountants or other independent advisors selected by the Company and reasonably acceptable to the Participant (the "Accountants"), and all such computations and determinations shall be conclusive and binding upon the Participant and the Company. For the purposes shareholders' equity such determinations, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G comprehensive (loss) income 4999 of the Code. The Company and the Participant shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determinations. The

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9 16123680.8 Company shall bear all fees and expenses charged by the Accountants in connection with such services. (c) Potential Further Reduction of Benefits. If, notwithstanding any reduction described in Section 6.1(a), the IRS determines that a Participant is liable for the Excise Tax restatement receipt of any payments made pursuant to this Plan, then the Participant shall be obligated to pay back to the Company, within thirty (30) days after a final IRS determination or in the event that the Participant challenges the final IRS determination, a final judicial determination, a portion of the Payments equal to the "Repayment Amount." The Repayment Amount shall be the smallest such amount, if any, as shall be required to be paid to the Company so that the Participant's net after-tax proceeds with respect to the Payments (after taking into account the payment of the Excise Tax and all other applicable taxes imposed on such benefits) shall be maximized. The Repayment Amount shall be zero if a Repayment Amount of more than zero would not result in the Participant's net after-tax proceeds with respect to the Payments being maximized. If the Excise Tax is not eliminated pursuant to this Section 6.1(c), the Participant shall pay the Excise Tax. (d) Potential Increase in Benefits. Notwithstanding any other provision of this Section 6.1, if (i) there is a reduction in the payments to a Participant as described in this Section 6.1, (ii) the IRS later determines that the Participant is liable for the Excise Tax, the payment of which would result in the maximization of the Participant's net after-tax proceeds (calculated as if the Participant's benefits had not previously been reduced), and (iii) the Participant pays the Excise Tax, then the Company shall pay to the Participant those payments which reduced pursuant to this Section 6.1 as soon as administratively possible after the Participant pays the Excise Tax so that the Participant's net after-tax proceeds with respect to the payment of the Payments are maximized. 6.2. Compliance with Section 409A. Notwithstanding any other provision of the Plan to the contrary, the provision, time and manner of payment or distribution of all compensation and benefits provided by the Plan that constitute Section 409A Deferred Compensation shall be subject to, limited by and construed in accordance with the requirements of Section 409A, including the following: (a) Separation from Service. Payments and benefits constituting Section 409A Deferred Compensation otherwise payable or provided pursuant to Section 5 upon a Participant's Termination upon a Change in Control shall be paid or provided only at the time of a termination of Participant's employment which constitutes a Separation from Service. (b) Six-Month Delay Applicable to Specified Employees. Payments and benefits constituting Section 409A Deferred Compensation to be paid or provided pursuant to Sections 5 or 6.1 pursuant to the Separation from Service of a Participant who is a Specified Employee, and to the extent delayed commencement is otherwise required in order to avoid a prohibited distribution under Section 409A, shall be paid or provided commencing on the later of (1) the date that is six (6) months after the date of such Separation from Service or, if earlier, the date of death of the Participant (in either case, the "Delayed Payment Date"), or (2) the date or dates on which such Section 409A Deferred Compensation would otherwise be paid or provided in accordance with Section 5 or 6.1, as applicable. All such amounts that would, but for this Section 6.2(b), become payable prior to the Delayed Payment Date shall be accumulated and paid on the Delayed Payment Date.

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10 16123680.8 (c) Restricted Stock Units and Other Stock-Based Awards. The vesting of any Restricted Stock Units or other stock-based compensation awards which constitute Section 409A Deferred Compensation and are held by a Participant who is a Specified Employee shall be accelerated in accordance with Section 5.2(c) to the extent applicable; provided, however, that the payment in settlement of any such awards shall occur on the Delayed Payment Date to the extent delayed commencement is otherwise required in order to avoid a prohibited distribution under Section 409A. Restricted Stock Units and other stock-based compensation which vests and becomes payable upon a Change in Control in accordance with Section 4.2 or Section 4.3 shall not be subject to this Section 6.2(c). 7. CONFLICT IN BENEFITS; NONCUMULATION OF BENEFITS 7.1. Effect of Plan. The terms of this Plan, when accepted by a Participant pursuant to an executed Participation Agreement, shall supersede all prior arrangements, whether written or oral, and understandings regarding the subject matter of this Plan and, subject to Section 7.2, shall be the exclusive agreement for the determination of any payments and benefits the Participant upon the events described in Sections 4, 5 and 6. 7.2. Noncumulation of Benefits. Except as expressly provided in a written agreement between a Participant and the Company entered into after the date of such Participant's Participation Agreement and which expressly disclaims this Section 7.2 and is approved by the Board or the Committee, the total amount of payments and benefits that may be received by the Participant as a result of the events described in Sections 4, 5 and 6 pursuant to (a) the Plan, (b) any agreement between the Participant and the Company or (c) any other plan, practice or statutory obligation of the Company, shall not exceed the amount of payments and benefits provided by this Plan upon such events (plus any payments and benefits provided pursuant to an agreement evidencing a Prior Indemnity Agreement), and the aggregate amounts payable under this Plan shall be reduced to the extent of any excess (but not below zero). 8. EXCLUSIVE REMEDY The payments and benefits provided by Section 5 and Section 6 (plus any payments and benefits provided pursuant to an agreement evidencing a Prior Indemnity Agreement), if applicable, shall constitute the Participant's sole and exclusive remedy for any alleged injury or other damages arising out of the cessation of the employment relationship between the Participant and the Company in the event of the Participant's Termination upon a Change in Control. The Participant shall be entitled to no other compensation, benefits, or other payments from the Company as a result of any Termination upon a Change in Control with respect to which the payments and benefits described in Section 5 and Section 6 (plus any payments and benefits provided pursuant to an agreement evidencing a Prior Indemnity Agreement), if applicable, have been provided to the Participant, except as expressly set forth in this Plan or, subject to the provisions of Sections 7.2, in a duly executed employment agreement between Company and the Participant. 9. PROPRIETARY AND CONFIDENTIAL INFORMATION The Participant agrees to continue to abide by the terms and conditions of the confidentiality and/or proprietary rights agreement between the Participant and the Company. 10. NONSOLICITATION AND NONDISPARAGEMENT

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11 16123680.8 10.1. If the Company performs its obligations to deliver the payments and benefits set forth in Section 5 and Section 6 (plus any payments and benefits provided pursuant to an agreement evidencing an Equity Award or a Prior Indemnity Agreement), then for a period equal to the Benefit Period applicable to a Participant following the Participant's Termination upon a Change in Control, the Participant shall not, directly or indirectly, recruit, solicit or invite the solicitation of any employees of the Company or any other member of the Company Group to terminate their employment relationship with the Company. 10.2. If the Company performs its obligations to deliver the payments and benefits set forth in Section 5 and Section 6 (plus any payments and benefits provided pursuant to an agreement evidencing an Equity Award or a Prior Indemnity Agreement), then the Participant shall not at any time make, publish, or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Company Group or its businesses, or any of its employees, officers, or directors. 11. NO CONTRACT OF EMPLOYMENT Neither the establishment of the Plan, nor any amendment thereto, nor the payment of any benefits shall be construed as giving any person the right to be retained by the Company, a Successor or any other member of the Company Group. Except as otherwise established in an employment agreement between the Company and a Participant, the employment relationship between the Participant and the Company is an "at-will" relationship. Accordingly, either the Participant or the Company may terminate the relationship at any time, with or without cause, and with or without notice except as otherwise provided by Section 14. In addition, nothing in this Plan shall in any manner obligate any Successor or other member of the Company Group to offer employment to any Participant or to continue the employment of any Participant which it does hire for any specific duration of time. 12. ARBITRATION 12.1. Disputes Subject to Arbitration. Any claim, dispute or controversy arising out of this Plan, the interpretation, validity or enforceability of this Plan or the alleged breach thereof shall be submitted by the parties to binding arbitration by the American Arbitration Association; provided, however, that (a) the arbitrator shall have no authority to make any ruling or judgment that would confer any rights with respect to trade secrets, confidential and proprietary information or other intellectual property; and (b) this arbitration provision shall not preclude the parties from seeking legal and equitable relief from any court having jurisdiction with respect to any disputes or claims relating to or arising out of the misuse or misappropriation of intellectual property. Judgment may be entered on the award of the arbitrator in any court having jurisdiction. 12.2. Site of Arbitration. The site of the arbitration proceeding shall be in Santa Clara, California or any other site mutually agreed to by the Company and the Participant. 12.3. Costs and Expenses Borne by Company. All costs and expenses of arbitration, including but not limited to reasonable attorneys' fees and other costs reasonably incurred by the Participant in connection with an arbitration in accordance with this Section 12, shall be paid by the Company. Notwithstanding the foregoing, if the Participant initiates the arbitration, and the arbitrator finds that the Participant's claims were totally without merit or frivolous, then the Participant shall be responsible for the Participant's own attorneys' fees and costs.

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12 16123680.8 13. SUCCESSORS AND ASSIGNS 13.1. Successors of the Company. The Company shall require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, expressly, absolutely and unconditionally to assume and agree to perform this Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. 13.2. Acknowledgment by Company. If, after a Change in Control, the Company fails to reasonably confirm that it has performed the obligation described in Section 13.1 within twenty (20) business days after written notice from the Participant, such failure shall be a material breach of this Plan and shall entitle the Participant to resign for Good Reason and to receive the benefits provided under this Plan in the event of Termination upon a Change in Control. 13.3. Heirs and Representatives of Participant. This Plan shall inure to the benefit of and be enforceable by the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devises, legatees or other beneficiaries. If the Participant should die while any amount would still be payable to the Participant hereunder (other than amounts which, by their terms, terminate upon the death of the Participant) if the Participant had continued to live, then all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to the executors, personal representatives or administrators of the Participant's estate. 14. NOTICES 14.1. General. For purposes of this Plan, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States certified mail, return receipt requested, or by overnight courier, postage prepaid, as follows: (a) if to the Company: Granite Construction Incorporated 585 West Beach Street Watsonville CA 95076 Attention: General Counsel (b) if to the Participant, at the home address which the Participant most recently communicated to the Company in writing. Either party may provide the other with notices of change of address, which shall be effective upon receipt. 14.2. Notice of Termination. Any termination by the Company of the Participant's employment during the Change in Control Period or any resignation by the Participant during the Change in Control Period shall be communicated by a notice of termination or resignation to the other party hereto given in accordance with Section 14.1. Such notice shall indicate the specific termination provision in this Plan relied upon, shall set forth in reasonable

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13 16123680.8 detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and shall specify the termination date. 15. TERMINATION AND AMENDMENT OF PLAN The Committee may modify, amend or suspend the Plan and/or any Participation Agreement executed by such a Participant, including but not limited to terminating the Participant's participation in the Plan; provided, however, that such modification, amendment or suspension shall only be effective beginning 12-months following the Committee's decision to modify, amend, or suspend the Participant's participation in the Plan. Notwithstanding any other provision of the Plan to the contrary, the Board or the Committee may, in its sole and absolute discretion and without the consent of any Participant, amend the Plan or any Participation Agreement, to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Plan or such Participation Agreement to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder. 16. MISCELLANEOUS PROVISIONS 16.1. Unfunded Obligation. Any amounts payable to Participants pursuant to the Plan are unfunded obligations. The Company shall not be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Board or the Company and a Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of the Company. 16.2. No Duty to Mitigate; Obligations of Company. A Participant shall not be required to mitigate the amount of any payment or benefit contemplated by this Plan by seeking employment with a new employer or otherwise, nor shall any such payment or benefit be reduced by any compensation or benefits that the Participant may receive from employment by another employer. Except as otherwise provided by this Plan, the obligations of the Company to make payments to the Participant and to make the arrangements provided for herein are absolute and unconditional and may not be reduced by any circumstances, including without limitation any set- off, counterclaim, recoupment, defense or other right which the Company may have against the Participant or any third party at any time. 16.3. No Representations. By executing a Participation Agreement, the Participant acknowledges that in becoming a Participant in the Plan, the Participant is not relying and has not relied on any promise, representation or statement made by or on behalf of the Company which is not set forth in this Plan. 16.4. Waiver. No waiver by the Participant or the Company of any breach of, or of any lack of compliance with, any condition or provision of this Plan by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

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14 16123680.8 16.5. Choice of Law. The validity, interpretation, construction and performance of this Plan shall be governed by the substantive laws of the State of California, without regard to its conflict of law provisions. 16.6. Validity. The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which shall remain in full force and effect. 16.7. Benefits Not Assignable. Except as otherwise provided herein or by law, no right or interest of any Participant under the Plan shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including, without limitation, by execution, levy, garnishment, attachment, pledge or in any other manner, and no attempted transfer or assignment thereof shall be effective. No right or interest of any Participant under the Plan shall be liable for, or subject to, any obligation or liability of such Participant. 16.8. Tax Withholding. All payments made pursuant to this Plan will be subject to withholding of applicable income and employment taxes. 16.9. Consultation with Legal and Financial Advisors. By executing a Participation Agreement, the Participant acknowledges that this Plan confers significant legal rights, and may also involve the waiver of rights under other agreements; that the Company has encouraged the Participant to consult with the Participant's personal legal and financial advisors; and that the Participant has had adequate time to consult with the Participant's advisors before executing the Participation Agreement. 16.10. Further Assurances. From time to time, at the Company's request and without further consideration, the Participant shall execute and deliver such additional documents and take all such further action as reasonably requested by the Company to be necessary or desirable to make effective, in the most expeditious manner possible, the terms of the Plan, the Participant's Participation Agreement and the Release, and to provide adequate assurance of the Participant's due performance thereunder. 17. AGREEMENT By executing a Participation Agreement, the Participant acknowledges that the Participant has received a copy of this Plan and has read, understands and is familiar with the terms and provisions of this Plan. This Plan shall constitute an agreement between the Company and the Participant executing a Participation Agreement. IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing Plan was duly adopted by the Compensation Committee on March 31, 2021. M. Craig Hall

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16123680.8 EXHIBIT A FORM OF AGREEMENT TO PARTICIPATE IN THE GRANITE CONSTRUCTION INCORPORATED EXECUTIVE RETENTION AND SEVERANCE PLAN III

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16123680.8 AGREEMENT TO PARTICIPATE IN THE GRANITE CONSTRUCTION INCORPORATED EXECUTIVE RETENTION AND SEVERANCE PLAN III As Effective January 1, 2020 In consideration of the benefits provided by the Granite Construction Incorporated Executive Retention and Severance Plan III, as effective January 1, 2020 (the "Plan"), the undersigned employee of Granite Construction Incorporated (the "Company") or any of its subsidiaries and the Company agree that, as of the date written below, the undersigned shall become a Participant in the Plan and shall be fully bound by and subject to all of its provisions. All references to a "Participant" in the Plan shall be deemed to refer to the undersigned. The undersigned employee acknowledges that the Plan confers significant legal rights and may also constitute a waiver of rights under other agreements with the Company; that the Company has encouraged the undersigned to consult with the undersigned's personal legal and financial advisors; and that the undersigned has had adequate time to consult with the undersigned's advisors before executing this agreement. To the extent that the undersigned employee was a participant in the Granite Construction Incorporated Executive Retention and Severance Plan or the Granite Construction Incorporated Executive Retention and Severance Plan II, the undersigned employee acknowledges that his or her rights and benefits provided under the Plan supersede and replace any benefits under the Granite Construction Incorporated Executive Retention and Severance Plan and the Granite Construction Incorporated Executive Retention and Severance Plan II. The undersigned employee further agrees and acknowledges that he or she is waiving any provision of Section 15 of the Granite Construction Incorporated Executive Retention and Severance Plan or the Granite Construction Incorporated Executive Retention and Severance Plan II that would require consent to the adoption the Plan or a delayed effective date for the Plan. The undersigned employee acknowledges that he or she has received a copy of the Plan and has read, understands and is familiar with the terms and provisions of the Plan. The undersigned employee further acknowledges that (1) by accepting the arbitration provision set forth in Section 12 of the Plan, the undersigned is waiving any right to a jury trial in the event of any dispute covered by such provision and (2) except as otherwise established in an employment agreement between a member of the Company Group and the undersigned, the employment relationship between the undersigned and his or her employer is an "at-will" relationship. Executed on PARTICIPANT Signature Name Printed Address

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16123680.8 GRANITE CONSTRUCTION INCORPORATED By: Title:

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GENERAL RELEASE OF CLAIMS [Age 40 and over] This Agreement is by and between [Employee Name] (Employee") and [Granite Construction Incorporated or successor that agrees to assume the Executive Retention and Severance Plan III following a Change in Control] (the "Company"). This Agreement will become effective on the eighth (8th) day after it is signed by Employee (the "Effective Date"), provided that the Company has signed this Agreement and Employee has not revoked this Agreement (by written notice to [Company Contact Name] at the Company) prior to that date. RECITALS A. Employee was employed by the Company or its ________________ subsidiary as of ________________, _____. B. Employee and the Company entered into an Agreement to Participate in the Granite Construction Incorporated Executive Retention and Severance Plan III (such agreement and plan being referred to herein as the "Plan") effective as of ___________, _____wherein Employee is entitled to receive certain benefits in the event of a Termination upon a Change in Control (as defined by the Plan), provided Employee signs and does not revoke a Release (as defined by the Plan). C. A Change in Control (as defined by the Plan) has occurred as a result of [briefly describe change in control] D. Employee's employment is being terminated as a result of a Termination upon a Change in Control. Employee's last day of work and termination are effective as of ____________, ____. Employee desires to receive the payments and benefits provided by the Plan by executing this Release. NOW, THEREFORE, the parties agree as follows: 1. Commencing on the Effective Date, the Company shall provide Employee with the applicable payments and benefits set forth in the Plan in accordance with the terms of the Plan. Employee acknowledges that the payments and benefits made pursuant to this paragraph are made in full satisfaction of the Company's obligations under the Plan. Employee further acknowledges that Employee has been paid all wages and accrued, unused vacation that Employee earned during his or her employment with the Company or its subsidiary. 2. Employee and Employee's successors release the Company, its respective subsidiaries, stockholders, investors, directors, officers, employees, agents, attorneys, insurers, legal successors and assigns of and from any and all claims, actions and causes of action, whether now known or unknown, which Employee now has, or at any other time had, or shall or may have against those released parties based upon or arising out of any matter, cause, fact, thing, act or omission whatsoever directly related to Employee's employment by the Company or a subsidiary or the termination of such employment and occurring or existing at any time up to and including the Effective Date, including, but not limited to, any claims of breach of written contract, wrongful termination, retaliation, fraud, defamation, infliction of emotional distress, or national origin, race, age, sex, sexual orientation, disability or other discrimination or harassment under the Civil Rights Act of 1964, the Age Discrimination In Employment Act of 1967, the Americans with Disabilities Act, the Fair Employment and Housing Act or any other

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2 16123680.8 applicable law. Notwithstanding the foregoing, this release shall not apply to any right of the Employee pursuant to Section 5.3 of the Plan or pursuant to a Prior Indemnity Agreement (as such term is defined by the Plan); and this release shall not apply to any right or claim that cannot be waived as a matter of law, such as claims within the exclusive jurisdiction of the Workers' Compensation Appeals Board or claims under California Labor Code sections 2800, et seq. 3. Employee also agrees not to file, cause to be filed, or otherwise pursue any released claims against any released party. Notwithstanding the foregoing, nothing in this paragraph shall preclude Employee from filing a charge with the Equal Employment Opportunity Commission (the "EEOC") or from participating in the EEOC's investigation of a charge of discrimination, provided, however, that Employee waives any right to seek or receive any damages resulting from the prosecution or investigation of such charge. 4. Employee acknowledges that he or she has read Section 1542 of the Civil Code of the State of California, which states in full A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party. Employee waives any rights that Employee has or may have under Section 1542 and comparable or similar provisions of the laws of other states in the United States to the full extent that he or she may lawfully waive such rights pertaining to this general release of claims, and affirms that Employee is releasing all known and unknown claims that he or she has or may have against the parties listed above. 5. Employee and the Company acknowledge and agree that they shall continue to be bound by and comply with the terms and obligations under the following agreements: (i) any proprietary rights or confidentiality agreements between the Company or its subsidiary and Employee, (ii) the Plan, (iii) any Prior Indemnity Agreement (as such term is defined by the Plan) to which Employee is a party, and (iv) any agreement between the Company or its subsidiary and Employee evidencing an Equity Award (as such term is defined by the Plan), as modified by the Plan. 6. This Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective successors, assigns, heirs and personal representatives. 7. The parties agree that any and all disputes that both (i) arise out of the Plan, the interpretation, validity or enforceability of the Plan or the alleged breach thereof and (ii) relate to the enforceability of this Agreement or the interpretation of the terms of this Agreement shall be subject to binding arbitration pursuant to Section 12 of the Plan. 8. The parties agree that any and all disputes that (i) do not arise out of the Plan, the interpretation, validity or enforceability of the Plan or the alleged breach thereof and (ii) relate to the enforceability of this Agreement, the interpretation of the terms of this Agreement or any of the matters herein released or herein described shall be subject to binding arbitration, to the extent permitted by law, in Santa Clara, California or any other site mutually agreed to by the Company and Employee, before the American Arbitration Association, as provided in this paragraph. The parties agree to and hereby waive their rights to jury trial as to such matters to

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3 16123680.8 the extent permitted by law; provided however, that (a) the arbitrator shall have no authority to make any ruling or judgment that would confer any rights with respect to trade secrets, confidential and proprietary information or other intellectual property; and (b) this arbitration provision shall not preclude the parties from seeking legal and equitable relief from any court having jurisdiction with respect to any disputes or claims relating to or arising out of the misuse or misappropriation of intellectual property. The Company shall bear the costs of the arbitrator, forum and filing fees and each party shall bear its own respective attorney fees and all other costs, unless otherwise provided by law and awarded by the arbitrator. 9. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, with the exception of any agreements described in paragraph 4 of this Agreement. This Agreement may not be modified or amended except by a document signed by an authorized officer of the Company and Employee. If any provision of this Agreement is deemed invalid, illegal or unenforceable, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected. EMPLOYEE UNDERSTANDS THAT EMPLOYEE SHOULD CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT AND THAT EMPLOYEE IS GIVING UP ANY LEGAL CLAIMS EMPLOYEE HAS AGAINST THE PARTIES RELEASED ABOVE BY SIGNING THIS AGREEMENT. EMPLOYEE FURTHER UNDERSTANDS THAT EMPLOYEE MAY HAVE UP TO 45 DAYS TO CONSIDER THIS AGREEMENT, THAT EMPLOYEE MAY REVOKE IT AT ANY TIME DURING THE 7 DAYS AFTER EMPLOYEE SIGNS IT, AND THAT IT SHALL NOT BECOME EFFECTIVE UNTIL THAT 7-DAY PERIOD HAS PASSED. EMPLOYEE ACKNOWLEDGES THAT EMPLOYEE IS SIGNING THIS AGREEMENT KNOWINGLY, WILLINGLY AND VOLUNTARILY IN EXCHANGE FOR THE COMPENSATION AND BENEFITS DESCRIBED IN PARAGRAPH 1. Dated: [Employee Name] [Company] Dated: By:

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16123680.8 EXHIBIT C FORM OF GENERAL RELEASE OF CLAIMS [Under age 40]

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16123680.8 GENERAL RELEASE OF CLAIMS [Under age 40] This Agreement is by and between [Employee Name] ("Employee") and [Granite Construction Incorporated or successor that agrees to assume the Executive Retention and Severance Plan III following a Change in Control] (the "Company"). This Agreement is effective on the day it is signed by Employee (the "Effective Date"). RECITALS A. Employee was employed by the Company or its ____________ subsidiary as of ____________, _____. B. Employee and the Company entered into an Agreement to Participate in the Granite Construction Incorporated Executive Retention and Severance Plan III (such agreement and plan being referred to herein as the "Plan") effective as of ____________, _____ wherein Employee is entitled to receive certain benefits in the event of a Termination upon a Change in Control (as defined by the Plan), provided Employee signs a Release (as defined by the Plan). C. A Change in Control (as defined by the Plan) has occurred as a result of [briefly describe change in control] D. Employee's employment is being terminated as a result of a Termination upon a Change in Control. Employee's last day of work and termination are effective as of ____________, _____ (the "Termination Date"). Employee desires to receive the payments and benefits provided by the Plan by executing this Release. NOW, THEREFORE, the parties agree as follows: 1. Commencing on the Effective Date, the Company shall provide Employee with the applicable payments and benefits set forth in the Plan in accordance with the terms of the Plan. Employee acknowledges that the payments and benefits made pursuant to this paragraph are made in full satisfaction of the Company's obligations under the Plan. Employee further acknowledges that Employee has been paid all wages and accrued, unused vacation that Employee earned during his or her employment with the Company or its subsidiary. 2. Employee and Employee's successors release the Company, its respective subsidiaries, stockholders, investors, directors, officers, employees, agents, attorneys, insurers, legal successors and assigns of and from any and all claims, actions and causes of action, whether now known or unknown, which Employee now has, or at any other time had, or shall or may have against those released parties based upon or arising out of any matter, cause, fact, thing, act or omission whatsoever directly related to Employee's employment by the Company or a subsidiary or the termination of such employment and occurring or existing at any time up to and including the Termination Date, including, but not limited to, any claims of breach of written contract, wrongful termination, retaliation, fraud, defamation, infliction of emotional distress, or national origin, race, age, sex, sexual orientation, disability or other discrimination or harassment under the Civil Rights Act of 1964, the Age Discrimination In Employment Act of 1967, the Americans with Disabilities Act, the Fair Employment and Housing Act or any other applicable law. Notwithstanding the foregoing, this release shall not apply to any right of the Employee pursuant to Sections 5.3 of the Plan or pursuant to a Prior Indemnity Agreement (as

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2 16123680.8 such term is defined by the Plan); and this release shall not apply to any right or claim that cannot be waived as a matter of law, such as claims within the exclusive jurisdiction of the Workers' Compensation Appeals Board or claims under California Labor Code sections 2800, et seq. 3. Employee also agrees not to file, cause to be filed, or otherwise pursue any released claims against any released party. Notwithstanding the foregoing, nothing in this paragraph shall preclude Employee from filing a charge with the Equal Employment Opportunity Commission (the "EEOC") or from participating in the EEOC's investigation of a charge of discrimination, provided, however, that Employee waives any right to seek or receive any damages resulting from the prosecution or investigation of such charge. 4. Employee acknowledges that he or she has read Section 1542 of the Civil Code of the State of California, which states in full A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party. Employee waives any rights that Employee has or may have under Section 1542 and comparable or similar provisions of the laws of other states in the United States to the full extent that he or she may lawfully waive such rights pertaining to this general release of claims, and affirms that Employee is releasing all known and unknown claims that he or she has or may have against the parties listed above. 5. Employee and the Company acknowledge and agree that they shall continue to be bound by and comply with the terms and his obligations under the following agreements: (i) any proprietary rights or confidentiality agreements between the Company or its subsidiary and Employee, (ii) the Plan, (iii) any Prior Indemnity Agreement (as such term is defined by the Plan) to which Employee is a party, and (iv) any agreement between the Company or its subsidiary and Employee evidencing an Equity Award (as such term is defined by the Plan), as modified by the Plan. 6. This Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective successors, assigns, heirs and personal representatives. 7. The parties agree that any and all disputes that both (i) arise out of the Plan, the interpretation, validity or enforceability of the Plan or the alleged breach thereof and (ii) relate to the enforceability of this Agreement or the interpretation of the terms of this Agreement shall be subject to binding arbitration pursuant to Section 12 of the Plan. 8. The parties agree that any and all disputes that (i) do not arise out of the Plan, the interpretation, validity or enforceability of the Plan or the alleged breach thereof and (ii) relate to the enforceability of this Agreement, the interpretation of the terms of this Agreement or any of the matters herein released or herein described shall be subject to binding arbitration, to the extent permitted by law, in Santa Clara, California or any other site mutually agreed to by the Company and Employee, before the American Arbitration Association, as provided in this paragraph. The parties agree to and hereby waive their rights to jury trial as to such matters to the extent permitted by law; provided however, that (a) the arbitrator shall have no authority to make any ruling or judgment that would confer any rights with respect to trade secrets.

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3 16123680.8 confidential and proprietary information or other intellectual property; and (b) this arbitration provision shall not preclude the parties from seeking legal and equitable relief from any court having jurisdiction with respect to any disputes or claims relating to or arising out of the misuse or misappropriation of intellectual property. The Company shall bear the costs of the arbitrator, forum and filing fees and each party shall bear its own respective attorney fees and all other costs, unless otherwise provided by law and awarded by the arbitrator. 9. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, with the exception of any agreements described in paragraph 4 of this Agreement. This Agreement may not be modified or amended except by a document signed by an authorized officer of the Company and Employee. If any provision of this Agreement is deemed invalid, illegal or unenforceable, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected. EMPLOYEE UNDERSTANDS THAT EMPLOYEE SHOULD CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT AND THAT EMPLOYEE IS GIVING UP ANY LEGAL CLAIMS EMPLOYEE HAS AGAINST THE PARTIES RELEASED ABOVE BY SIGNING THIS AGREEMENT. EMPLOYEE ACKNOWLEDGES THAT EMPLOYEE IS SIGNING THIS AGREEMENT KNOWINGLY, WILLINGLY AND VOLUNTARILY IN EXCHANGE FOR THE COMPENSATION AND BENEFITS DESCRIBED IN PARAGRAPH 1. Dated: [Employee Name] [Company] Dated: By:

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Legal Policy Insider Trading Granite Management System (GMS) The printed version of this document is uncontrolled. The current version is stored in electronic format. Policy #: L-P-002 Effective Date: 04/05/23 Approved: Compliance Mgr.-Counsel; General Counsel; Exec. Team; Board Page 1 of 9 Version No.: 4 Purpose The Company regularly is involved in business and financial matters which are sensitive in nature and important to the Company, its employees and stockholders. Federal securities laws impose certain obligations on the Company regarding the disclosure of material information to the public and certain prohibitions on trading in the Company's securities by any person in possession of undisclosed material information. This Policy has been established to satisfy requirements of federal securities laws. Scope Scope of the Company's Insider Trading Policy This Policy applies to all Directors, Officers, employees and consultants of the Company and entities (such as trusts, limited partnerships and corporations) over which such individuals have or share voting or investment control. This Policy also applies to any other persons whom the Company's Securities Trading Compliance Officer ("Compliance Officer") may designate because they have access to material nonpublic information concerning the Company, as well as any person who receives material nonpublic information from any Company insider. Directors, Officers, employees and consultants of the Company are responsible for ensuring compliance by family members and members of their households and by entities over which they exercise voting or investment control. All Company personnel have the personal responsibility to comply with this Policy and applicable securities laws. Company personnel may, from time to time, have to forego trading in the Company's securities even if they planned to make the trade before learning of the material nonpublic information and even if they believe that they may suffer an economic loss or forego anticipated profit. Applicability of this Policy to Transactions in Company Securities As a general rule, this Policy applies to all transactions in the Company's securities, including common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants and bonds, as well as to derivative securities relating to the Company's stock, whether or not issued by the Company, such as exchange-traded options. For purposes of this Policy, the term "trade" includes any transaction in the Company's securities, including gifts and pledges, other than transactions directly with the Company. Employee Benefit Plans Company Stock Option Plans. The trading prohibitions and restrictions set forth in this Policy do not apply to the exercise of compensatory stock options granted by the Company, but do apply to all sales of securities acquired through the exercise of stock options. Employee Stock Purchase Plans. The trading prohibitions and restrictions set forth in this Policy do not apply to periodic contributions by the Company or employees to employee stock purchase plans or employee benefit plans (i.e., a 401(k) plan) which are used to purchase Company securities pursuant to the employee's advance instructions. However, no Officers or employees may alter their instructions regarding the level of withholding or the purchase of Company securities in such plans while in the possession of material nonpublic information. In addition, sales of securities acquired under employee stock purchase plans, and other transactions involving Company securities held in employee benefit plans (such as sales of Company securities or net income investment elections involving Company securities), are subject to the prohibitions and restrictions of this Policy.

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Legal Policy Insider Trading Granite Management System (GMS) The printed version of this document is uncontrolled. The current version is stored in electronic format. Policy #: L-P-002 Effective Date: 04/05/23 Approved: Compliance Mgr.-Counsel; General Counsel; Exec. Team; Board Page 2 of 9 Version No.: 4 Dividend Reinvestment Plan. This Policy does not apply to purchases of Company stock under the Company's dividend reinvestment plan resulting from your reinvestment of dividends paid on Company securities. This Policy does apply, however, to your election to participate or cease participating in the plan or increase or decrease your level of participation in the plan. This Policy also applies to your sale of any Company stock acquired pursuant to the plan. This Policy continues to apply to transactions in the Company's securities even after termination of employment or other separation from the Company. Company personnel who are in possession of material nonpublic information pertaining to the Company when they separate from the Company may not trade in the Company's securities, advise anyone else to do so, or communicate the information to anyone that is not subject to this Policy or otherwise subject to obligations of confidentiality and forbearance until after the information has been effectively disseminated to the public. Definitions/Background Affiliate An affiliate is a person, such as an executive officer, a Director or large shareholder, in a relationship of control with the issuer. Blackout Period A period which some or all Company personnel may not buy or sell each Company's securities. Control Control means the power to direct the management and policies interim periods within Company through nine months ended September 30, 2022. We have not included restated condensed consolidated statements ownership cash flows herein voting securities, by contract, or otherwise. Exchange Act The Securities Exchange Act of 1934. Executive Officer Generally defined Net cash provided by (used in) operating activities the president, principal financial officer, principal accounting officer or controller, any vice president each charge these interim periods is unchanged by a principal business unit, division or function or any other officer or person who performs a policy making function. Hedging Transactions, other than a current sale transaction, that are designed to protect a holder of securities from a possible decline in restatements. value of such securities including puts, options, swaps, zero-cost collars, forward sale contracts, or similar instruments or arrangements. Insider Employee errors offset within operating activities and none Company has designated those persons listed in Description Document L-DD-002 as members errors involved investing executive staff of the Company financing activities.

employees who, by virtue of their responsibilities, have frequent access to material nonpublic information concerning the Company ("Insider Employees"). following tables represent our restated unaudited condensed consolidated statements of operations and condensed consolidated balance sheets for each interim period within the nine months ended September 30, 2022. 2022 comparative amounts presented in our 2023 Quarterly Reports on Form 10-Q Company be changed retrospectively amend this list as necessary restatement addition recast. departure of Inside Employees. Margin Accounts Brokerage or similar accounts in which securities may be sold by the broker, or originator of the account, without the customer's consent if the customer fails to meet a margin call. A margin call occurs when an account needs to be brought up to a minimum maintenance value. Market-Maker A firm that stands ready to buy and sell a particular stock on a regular and continuous basis at a publicly quoted price.

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Legal Policy Insider Trading Granite Management System (GMS) The printed version of this document no impact uncontrolled. The current version is stored in electronic format. Policy #: L-P-002 Effective Date: 04/05/23 Approved: Compliance Mgr.-Counsel; General Counsel; Exec. Team; Board Page 3 of 9 Version No.: 4 Material Nonpublic Information Information about the Company that would be expected to affect the investment decisions of a reasonable shareholder or investor, or if the disclosure of the information would be expected to significantly alter the total mix of the information in the marketplace about the Company. In simple terms, material information includes any information which could reasonably be expected to affect the market price of the Company's securities. Both positive and negative information may be material. While it is not possible to identify all information that would be deemed material, information regarding the following matters could be considered material: 1. Financial performance, especially quarterly and annual earnings, and significant changes in financial performance or liquidity. 2. Financial projections and strategic plans. 3. Potential mergers or acquisitions, sales of assets or joint ventures or other strategic alliances. 4. Developments relating to major contracts or projects, significant customers and other significant business partners. 5. Stock splits, public or private securities/debt offerings, or changes in Company dividend policies or amounts. 6. Changes in senior management. 7. Significant labor disputes or negotiations. 8. Actual or threatened significant investigations or litigation, or the resolution of such litigation or investigations. 9. Cybersecurity attacks, breaches or other incidents. Nonpublic Information Information about the Company that has not been widely disseminated results reported general public through a report filed with the SEC or through major newswire services, national news services or financial news services is considered to be nonpublic information. For the purpose of this Policy, information will be considered public after the close of trading on the second full trading day following the Company's widespread public release of the information. Pledge Publicly Traded Options A transaction in which a holder of a security of the Company uses that security as collateral for a loan or other extension of credit. A transaction, which, in effect, is a bet on the short-term movement of the Company's stock and therefore can create the appearance that company personnel are trading on the basis of inside information. Transactions in options also may focus on the Director's or employee's attention on short- term performance at the expense of the Company's long-term objectives. Section 16 Insider Directors and Executive Officers who are subject to the reporting provisions and trading restrictions of Section 16 of the Exchange Act and the underlying rules and regulations thereunder promulgated by the SEC. Section 16 employees are listed by name in Description Document L-DD-001. Securities and Exchange Commission or SEC The federal agency responsible for overseeing the United States' securities markets.

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Legal Policy Insider Trading Granite Management System (GMS) The printed version of this document is uncontrolled. The current version is stored in electronic format. Policy #: L-P-002 Effective Date: 04/05/23 Approved: Compliance Mgr.-Counsel; General Counsel; Exec. Team; Board Page 4 of 9 Version No.: 4 Securities Trading Compliance Officer The Company has designated the General Counsel as its Securities Compliance Trading Officer. Short Sale A sale of a Company's security which the seller does not own, which may reflect an expectation that the value of the security will decline, and therefore signal to the market that the seller has no confidence 2022 annual financial statements Company or its short-term prospects. Trading Window Period of time beginning on the third full trading day following the issuance of the Company's earnings release for the most recent fiscal quarter and ending at the close of trading on the fifteenth day of the last month of a fiscal quarter. Responsibilities The duties and responsibilities of the Compliance Officer include the following: • Administering this Policy and monitoring and enforcing compliance with all policy provisions. • Responding to inquiries relating to this Policy. • Designating and announcing trading Blackout Periods during which specified persons (as determined by the Compliance Officer) may not trade in Company securities. • Providing copies of this Policy and other appropriate materials to Directors, Officers and employees of the Company, and to such other persons (such as consultants) errors originated Compliance Officer determines are subject to this Policy likely to have access to material nonpublic information concerning the Company. • Assisting Section 16 Insiders and Company personnel who being corrected within affiliates of annual period. There was no impact Company with the preparation and filing of all required SEC reports relating beneficial ownership of or transactions involving Company securities, including without limitation Forms 3, 4, 5 and 144 and Schedule 13D. • Recommending to the Nominating and Corporate Governance Committee of the Company's Board of Directors previously reported annual periods proposed revisions to this Policy that may be necessary to reflect changes in applicable laws and regulations quarterly results within are otherwise desirable. • Maintaining as Company records originals or copies of all documents required by this Policy set forth herein. • Maintaining the accuracy of the list of Section 16 Insiders as set forth in Description Document L-DD-001 and the list of Insider Employees as set forth in Description Document L-DD-002, and updating such lists periodically as necessary to reflect additions or deletions. • The Compliance Officer may designate one or more individuals who may perform some or all of the Compliance Officer's duties in the event that the Compliance Officer is unable or unavailable to perform such duties. In fulfilling her or his duties under this Policy, the Compliance Officer shall be authorized to consult with the Company's outside counsel. • Imposing a Blackout Period applicable to one or more persons subject to this Policy if, in his or her judgment, there exists nonpublic information that would make trades by such person or persons inappropriate in light of the risk that such trades could be viewed as violating applicable securities laws. • Advising Insider Employees and Section 16 Insiders when the Trading Window opens and closes.

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Legal Policy Insider Trading Granite Management System (GMS) The printed version of this document is uncontrolled. The current version is stored in electronic format. Policy #: L-P-002 Effective Date: 04/05/23 Approved: Compliance Mgr.-Counsel; General Counsel; Exec. Team; Board Page 5 of 9 Version No.: 4 • Reviewing at least annually. annual periods.

We have presented below individuals deemed to be Insider Employees. The Nominating and Corporate Governance Committee of the Company's Board of Directors is responsible for the following: • Monitoring and recommending any modification to the Policy, if necessary or advisable, to the Board of Directors. Policy 1. Prohibition Against Trading Company Securities While in Possession of Material Nonpublic Information 1.1. No Director, Officer, employee or consultant of the Company who is aware of material nonpublic information relating to the Company may, directly or through family members or other persons or entities: 1.1.1. Trade securities of the Company, except for with the Company or pursuant to reconciliation trading plan that complies with Rule 10b5-1; 1.1.2. Engage in any other action to take personal advantage of that information; 1.1.3. Or pass that information on to others outside the Company, including friends and family members, without authorization by or on behalf of the Company (a practice referred to as "tipping"). 1.2. In addition, it is the policy of the Company that no Director, Officer, employee or consultant who, in the course of working for the Company, learns of material nonpublic information regarding another company with which the Company does business, such as a customer or supplier, may trade in that company's securities until after that information has been effectively disseminated to the public or has ceased to be material. 2. Company Personnel May Not Disclose Company Information 2.1. Company personnel are prohibited from disclosing confidential information that belongs to the Company and material nonpublic information relative to the Company absent authorization previously Compliance Officer, including discussing the Company or its securities on the internet or social media. 3. Designated Company Spokespersons 3.1. Only designated Company spokespersons are authorized to disclose material nonpublic information to anyone outside the Company, including family members and friends, as the Company has established procedures for releasing material information in a manner designed to further corporate objectives in compliance with applicable law. Consult with the Compliance Officer or VP, Investor Relations prior to releasing any material nonpublic information. 3.2. Inquiries from outsiders regarding material nonpublic information about the Company should be forwarded to the VP, Investor Relations, any designated spokespersons, or the Compliance Officer. 4. Prohibited Transactions Involving Stock of the Company 4.1. Prohibited transactions involving securities of the Company include: 4.1.1. Short Sales; 4.1.2. Publicly Traded Options (puts, calls or other derivative securities); 4.1.3. Hedging Transactions; 4.1.4. Margin Accounts and Pledges.

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Legal Policy Insider Trading Granite Management System (GMS) The printed version of this document is uncontrolled. The current version is stored in electronic format. Policy #: L-P-002 Effective Date: 04/05/23 Approved: Compliance Mgr.-Counsel; General Counsel; Exec. Team; Board Page 6 of 9 Version No.: 4 5. Restrictions on Transactions in Company Securities by Directors, Executive Officers and Insider Employees 5.1. Trading Window 5.1.1. In addition to the restrictions that are applicable to all employees, any trade by an Insider Employee or Section 16 Insider that is subject to the Policy will be permitted only during an open "Trading Window". 5.1.2. Following termination of employment or other separation from the Company, Directors, Executive Officers, Insider Employees and Section 16 Insiders will be subject to the Trading Window, as well as any Blackout Period in effect at the time of termination or separation, for one full fiscal quarter thereafter. 5.1.3. During a Blackout Period, there is to be no trading of the Company's securities by any person that is subject to such Blackout Period. 5.2. Hardship and Other Exemptions 5.2.1. On a case-by-case basis, the Compliance Officer may authorize a transaction by an Insider Employee or Section 16 Insider in the Company's securities outside of the Trading Window due to a financial or other hardship or for another good reason if such authorization is consistent with the purposes of this Policy, but in no event during a Blackout Period to which such person is subject. 5.2.2. Any request for an exemption must be in writing and must describe the amount and nature of the proposed transaction and the relevant hardship or other good reason. The request may be made as part of a pre-clearance request, so long as it is in writing. 5.2.3. The Insider Employee or Section 16 Insider requesting the exemption must also certify to the Compliance Officer within two business days prior to the date of the proposed trade that he or she is not in possession of material nonpublic information concerning the Company. 5.3. Pre-Clearance of Trades 5.3.1. All trades of securities of the Company, other than transactions that expressly are not subject to the Policy or transactions pursuant to a Rule 10b5-1 Trading Plan, must be pre-cleared by the Compliance Officer. 5.3.2. Request for pre-clearance by Section 16 Insiders (Applies only to Directors and Executive Officers) must be submitted in writing on the transaction summary at least two business days in advance of each proposed transaction to the Compliance Officer. If the Section 16 Insider submits a request and does not receive a response from the Compliance Officer within 24 hours, the Section 16 Insider will be responsible for following up to ensure that the request was received. 5.3.3. Upon pre-clearance, the insider may proceed with the proposed transaction on the approved terms, as long as he or she complies with all other securities law requirements, such as Rule 144 and prohibitions regarding trading on the basis of material nonpublic information. The Section 16 Insider and his or her broker will be responsible for immediately reporting the results of the transaction as further described below. 5.3.4. Pre-clearance is required for a Rule 10b5-1 Trading Plan. 5.3.4.1. Pre-clearance is not required for individual transactions effected pursuant to a pre- cleared Rule 10b5-1 Trading Plan. 5.3.4.2. Results of transactions effected by Section 16 Insiders under a Rule 10b5-1 Trading Plan must be reported immediately to the Compliance Officer. 5.3.4.3. Results of transactions effected by Section 16 Insiders under a Rule 10b5-1 Trading Plan must be reported by the Company on Form 4 within two business days following the execution of the trade.

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Legal Policy Insider Trading Granite Management System (GMS) The printed version of this document is uncontrolled. The current version is stored in electronic format. Policy #: L-P-002 Effective Date: 04/05/23 Approved: Compliance Mgr.-Counsel; General Counsel; Exec. Team; Board Page 7 of 9 Version No.: 4 5.3.4.4. A Rule 10b5-1 Trading Plan must provide appropriate mechanisms to ensure that the Section 16 Insider complies with all rules and regulations, including Rule 144, applicable to securities transactions under the plan by the Section 16 Insider. 5.3.4.5. Each Rule 10b5-1 Trading Plan must be established and approved by the Compliance Officer when the Trading Window is open. The Company reserves the right to withhold approval of any Plan that the Compliance Officer determines, in his or her sole discretion: 5.3.4.5.1. Fails to comply with the applicable requirements of Rule 10b5-1; 5.3.4.5.2. Exposes the Company or the Section 16 Insider to liability under any other applicable state or federal rule, regulation, or law; 5.3.4.5.3. Creates any appearance of impropriety; 5.3.4.5.4. Fails to meet the guidelines established by the Company; or 5.3.4.5.5. Is otherwise inconsistent with the interests of the Company or its stockholders generally. 5.3.4.6. Any modifications to, deviation from or termination of a Rule 10b5-1 Trading Plan without approval of the Compliance Officer will result in a failure to comply with this Policy. Any such actions are subject to the approval of the Compliance Officer in accordance with Section 5.3.4.5. 5.3.4.7. None of the Company, the Compliance Officer or any of the Company's other Officers, employees or other representatives shall be deemed, solely by their approval of a Section 16 Insider's Rule 10b5-1 Trading Plan, to have represented that the trading plan complies with the Rule or to have assumed any liability or responsibility to the Section 16 Insider or any other party if such trading plan fails to comply with the rule. 5.4. Brokers (Section 16 Insider Responsibilities in Relation To Brokers) 5.4.1. Each Section 16 Insider will be required to enter into an agreement with any broker that handles the Section 16 Insider's transactions in the Company's stock whereby: 5.4.1.1. The Section 16 Insider authorizes the broker to immediately report directly to the Company the details of all transactions in Company securities executed by the broker in the Section 16 Insider's account and the accounts of all others designated by the Section 16 Insider whose transaction may be attributed to the Section 16 Insider. 5.4.1.2. The broker agrees not to execute any transaction involving securities of the Company for the Section 16 Insider or any of the foregoing designated persons (other than under a pre-approved Rule 10b5-1 Trading Plan) until the broker has verified with the Company that the transaction has been pre-cleared. 5.4.1.3. The broker agrees to immediately report the transaction details (including transactions under Rule 10b5-1 Trading Plans) directly to the Compliance Officer or his or her designee and to the Section 16 Insider in writing. 5.4.1.4. Upon election as a Director or appointment as an Executive Officer, and annually thereafter, each Section 16 Insider and any broker that handles such Section 16 Insider's transactions in the Company's stock are required to complete, sign, date and return to the Company the Broker Instruction/Representation Form provided or approved by the Company, certifying their compliance with the foregoing. 5.5. Reporting of Transactions (Applies only to Directors and Executive Officers) 5.5.1. Section 16 Insiders are required to file the following with the SEC pursuant to Section 16 of the Exchange Act:

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Legal Policy Insider Trading Granite Management System (GMS) The printed version of this document is uncontrolled. The current version is stored in electronic format. Policy #: L-P-002 Effective Date: 04/05/23 Approved: Compliance Mgr.-Counsel; General Counsel; Exec. Team; Board Page 8 of 9 Version No.: 4 5.5.1.1. Forms 3 and 4. Section 16 Insiders are required to file a Form 3 with the SEC within 10 days after first becoming a Section 16 Insider, regardless of whether such Section 16 Insider owns any Company securities. Generally, every purchase, sale or other change in beneficial ownership of Company securities must be restated amounts SEC on a Form 4 within two business days after the date the transaction is executed. 5.5.1.2. Form 5. Section 16 Insiders may also need to file with the SEC a Form 5 annually within 45 days after the end of the Company's fiscal year. This form is required if the Section 16 Insider has engaged in transactions that were exempt from current reporting during the fiscal year or if the insider failed to file a Form 3, 4 or 5 that was previously due. 5.5.2. To facilitate timely filing of such forms under Section 16 of the Exchange Act, Section 16 Insiders are required to do the following: 5.5.2.1. Report to the Company the details of each transaction on the same day as the trade date, or, with respect to transactions effected pursuant to a Rule 10b5-1 plan, on the day the Section 16 Insider is advised of the terms of the transactions. 5.5.2.2. Arrange with persons whose trades must be reported by the Section 16 Insider under Section 16 (such as immediate family members living in the Section 16 Insider's household or any trusts, partnerships or corporations in which the Section 16 Insider may have a reportable pecuniary interest) to report directly to the Company and to the Section 16 Insider the details of any transaction they have in the Company's stock on the same day as the trade date. 5.5.3. Transaction details to be reported include the following: 5.5.3.1. The transaction date (trade date); 5.5.3.2. The number of shares involved; 5.5.3.3. The price per share at which the transaction was executed (before addition or deduction of brokerage commission and other transaction fees); 5.5.3.4. If the transaction was a stock option exercise, the specific option exercised; 5.5.3.5. Contact information quarters ended September 30, 2022, June 30, 2022 broker who executed the transaction. 5.5.4. Company Facilitation of the Reporting of Transaction Details 5.5.4.1. All transaction details must be reported to the Compliance Officer. 5.5.4.2. The Compliance Officer will prepare March 31, 2022. file the Section 16 Insider's Form 3, 4 or 5 as applicable on behalf of the Section 16 Insider. 5.5.4.2.1. However, in order for the Compliance Officer to do the above, the Section 16 Insider must sign, date and return to the Company a Limited Power of Attorney for Section 16(a) Reporting, which will be provided to the Section 16 Insider by the Company. 5.5.4.3. While the Company intends to assist each Section 16 Insider in satisfying Section 16 reporting obligations, the Section 16 Insider remains legally responsible for reporting his or her transactions in the Company's securities under Section 16 of the Exchange Act. 5.6. Rule 144 and Restrictions on Transfer (Applies only to Directors and Executive Officers) 5.6.1. All Section 16 Insiders are deemed to be affiliates of the Company and therefore subject to certain restrictions on the sale of Company securities under Rule 144. amounts labeled "As Previously Reported" were derived from our Quarterly Reports restrictions Form 10-Q filed on October 27, 2022, July 28, 2022 and April 28, 2022, respectively. As discussed in Note 2, in September 2022, we announced our decision the sale of securities by Section 16 Insiders include the following regardless of how she or he obtained them: 5.6.1.1. Section 16 Insiders may sell Company securities into the public markets only through a broker or a market-maker. 5.6.1.1.1. Section 16 Insiders are required retain the Water Resources and Mineral Services ("WMS") businesses that were previously classified as held for sale and reported in discontinued operations. In connection file, concurrently reclassification placement of a sell order with the broker or executing a trade with a market-maker, a

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Legal Policy Insider Trading Granite Management System (GMS) The printed version of this document is uncontrolled. The current version is stored in electronic format. Policy #: L-P-002 Effective Date: 04/05/23 Approved: Compliance Mgr.-Counsel; General Counsel; Exec. Team; Board Page 9 of 9 Version No.: 4 completed Form 144 with the SEC, unless total sales during any three-month period will not exceed 5,000 shares and the aggregate proceeds of all sales do not exceed $50,000. 5.6.1.2. Section 16 Insiders are restricted in the number of shares that he or she may sell during any three-month period to the greater of: 5.6.1.2.1. 1% WMS businesses from discontinued operations to continuing operations, the condensed consolidated statements of income for the periods ended June 30, 2022 and March 31, 2022, as previously reported, have been recast to include Inliner through the date of sale, as well as the ongoing operations of Water Resources and Mineral Services in continuing operations.

The effects total outstanding shares prior-period errors same class that are being sold of the Company (as shown by the Company's most recent periodic report filed with the SEC); or 5.6.1.2.2. The average reported weekly trading volume during the four prior calendar weeks. 5.6.1.2.3. In determining the amount the Section 16 Insider is able to sell, in some instances he or she will be required to aggregate his or her sales with sales by other persons affiliated with the Section 16 Insider. Persons or entities with whom the Section 16 Insider may be required to aggregate sales would include a partnership of which he or she is a general partner, the other partners of such partnership, donors or donees (including trusts), certain family members other persons who might be acting in concert with recast Section 16 Insider. References Compliance Helpline (800) 211-4226 Sarbanes-Oxley Act our WMS businesses as continuing operations on our condensed consolidated financial statements are as follows: 2002 Securities Exchange Act of 1934 HROC-P-003 Discipline Policy L-DD-001 Section 16 Employees Description Document L-DD-002 Insider Employees Description Document L-GD-004 Checklist for Sale or Purchase of Company Stock Guidance L-P-004 Whistleblower Policy Forms L-F-008 Limited Power of Attorney for Section 16a Reporting L-F-009 Broker Instruction-Representation L-F-010 Securities Transaction Summary L-F-011 Stockholdings Appendix N/A

GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited - in thousands, except per share data)

	As Restated		As Restated and Recast		
	September 30, 2022		June 30, 2022		March 31, 2022
	Three months ended	Nine months ended	Three months ended	Six months ended	Three months ended
Revenue					
Construction	$ 847,371	$ 2,138,858	$ 713,221	$ 1,291,487	$ 578,266
Materials	161,539	373,185	136,026	211,646	75,620
Total revenue	1,008,910	2,512,043	849,247	1,503,133	653,886
Cost of revenue					
Construction	754,354	1,907,110	632,969	1,152,756	519,787
Materials	139,501	332,220	118,712	192,719	74,007
Total cost of revenue	893,855	2,239,330	751,681	1,345,475	593,794
Gross profit	115,055	272,713	97,566	157,658	60,092
Selling, general and administrative expenses	61,795	192,036	60,121	130,241	70,120
Other costs, net	(490)	22,401	16,612	22,891	6,279

Gain on sales of property and equipment, net	(949)	(10,462)	(8,915)	(9,513)	(598)
Operating income (loss)	54,699	68,738	29,748	14,039	(15,709)
Other (income) expense					
Interest income	(1,894)	(3,246)	(782)	(1,352)	(570)
Interest expense	2,519	10,003	3,899	7,484	3,585
Equity in income of affiliates	(3,491)	(9,656)	(4,876)	(6,165)	(1,289)
Other income, net	77	4,646	3,261	4,569	1,308
Total other (income) expense, net	(2,789)	1,747	1,502	4,536	3,034
Income (loss) before income taxes	57,488	66,991	28,246	9,503	(18,743)
Provision for (benefit from) income taxes	(7,710)	7,310	8,668	15,020	6,352
Net income (loss)	65,198	59,681	19,578	(5,517)	(25,095)
Amount attributable to non-controlling interests	4,104	1,569	(897)	(2,535)	(1,638)
Net income (loss) attributable to Granite Construction Incorporated	$ 69,302	$ 61,250	$ 18,681	$ (8,052)	$ (26,733)
Net income per share attributable to common shareholders					
Basic earnings (loss) per share	$ 1.58	$ 1.37	$ 0.42	$ (0.18)	$ (0.58)
Diluted earnings (loss) per share	$ 1.36	$ 1.25	$ 0.39	$ (0.18)	$ (0.58)
Weighted average shares outstanding:					
Basic	43,973	44,739	44,534	45,128	45,730
Diluted	51,863	52,613	52,295	45,128	45,730

GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands)

	As Restated		
	September 30, 2022	June 30, 2022	March 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	$ 255,084	$ 175,022	$ 360,911
Short-term marketable securities	39,873	45,000	14,953
Receivables, net	618,144	527,277	380,502
Contract asset	237,407	190,187	172,641
Inventories	81,296	78,634	74,356
Equity in construction joint ventures	185,343	187,028	191,183
Other current assets	157,231	160,923	167,679
Current assets held for sale	-	222,779	211,639
Total current assets	1,574,378	1,586,850	1,573,864
Property and equipment, net	500,827	464,593	450,250
Long-term marketable securities	21,575	21,675	21,775
Investment in affiliates	78,663	23,203	22,987
Goodwill	73,704	53,715	53,715
Right of use assets	49,590	45,404	48,920
Deferred income taxes, net	45,650	25,458	25,880
Other noncurrent assets	58,265	64,008	65,888
Total assets	$ 2,402,652	$ 2,284,906	$ 2,263,279
LIABILITIES AND EQUITY			

Current liabilities			
Current maturities of long-term debt	$ 1,438	$ 1,429	$ 8,735
Accounts payable	398,285	331,728	285,390
Contract liabilities	191,037	179,322	160,994
Accrued Expenses and other current liabilities	461,266	440,899	438,441
Current liabilities held for sale	-	46,706	42,106
Total current liabilities	1,052,026	1,000,084	935,666
Long-term debt	286,872	286,801	290,549
Lease liabilities	32,701	31,182	32,682
Other long-term liabilities	60,664	61,868	62,493
Commitments and contingencies			
Equity			
Preferred stock	-	-	-
Common stock	437	441	454
Additional Paid In Capital	468,662	467,159	515,262
Accumulated other comprehensive income	535	2,388	1,573
Retained Earnings	465,134	401,667	388,756
Total Granite Construction Incorporated shareholders' equity	934,768	871,655	906,045
Non-controlling interest	35,621	33,316	35,844
Total equity	970,389	904,971	941,889
Total liabilities and equity	$ 2,402,652	$ 2,284,906	$ 2,263,279

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GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited - in thousands, except per share data)

	Three months ended September 30, 2022		
	As Previously Reported	**Restatement Impacts**	**As Restated**
Revenue			
Construction	$ 848,267	$ (896)	$ 847,371
Materials	161,539	-	161,539
Total revenue	1,009,806	(896)	1,008,910
Cost of revenue			
Construction	749,938	4,416	754,354
Materials	139,501	-	139,501
Total cost of revenue	889,439	4,416	893,855
Gross profit	120,367	(5,312)	115,055
Selling, general and administrative expenses	61,795	-	61,795
Other costs, net	(490)	-	(490)
Gain on sales of property and equipment, net	(949)	-	(949)
Operating income	60,011	(5,312)	54,699
Other (income) expense			
Interest income	(1,894)	-	(1,894)
Interest expense	2,519	-	2,519
Equity in income of affiliates	(3,491)	-	(3,491)
Other income, net	77	-	77
Total other (income), net	(2,789)	-	(2,789)

Income before income taxes	62,800	(5,312)	57,488
Provision for (benefit from) income taxes	(6,489)	(1,221)	(7,710)
Net income	69,289	(4,091)	65,198
Amount attributable to non-controlling interests	4,104	-	4,104
Net income attributable to Granite Construction Incorporated	$ 73,393	$ (4,091)	$ 69,302
Net income per share attributable to common shareholders			
Basic earnings per share	$ 1.67	$ (0.09)	$ 1.58
Diluted earnings per share	$ 1.44	$ (0.08)	$ 1.36
Weighted average shares outstanding:			
Basic	43,973	-	43,973
Diluted	51,863	-	51,863

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GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited - in thousands, except per share data)

	Nine months ended September 30, 2022		
	As Previously Reported	**Restatement Impacts**	**As Restated**
Revenue			
Construction	$ 2,141,009	$ (2,151)	$ 2,138,858
Materials	373,185	-	373,185
Total revenue	2,514,194	(2,151)	2,512,043
Cost of revenue			
Construction	1,903,949	3,161	1,907,110
Materials	332,220	-	332,220
Total cost of revenue	2,236,169	3,161	2,239,330
Gross profit	278,025	(5,312)	272,713
Selling, general and administrative expenses	192,036	-	192,036
Other costs, net	19,445	2,956	22,401
Gain on sales of property and equipment, net	(10,462)	-	(10,462)
Operating income	77,006	(8,268)	68,738
Other (income) expense			
Interest income	(3,246)	-	(3,246)
Interest expense	10,003	-	10,003
Equity in income of affiliates	(9,656)	-	(9,656)
Other income, net	4,646	-	4,646
Total other expense, net	1,747	-	1,747
Income before income taxes	75,259	(8,268)	66,991
Provision for (benefit from) income taxes	(777)	8,087	7,310
Net income	76,036	(16,355)	59,681
Amount attributable to non-controlling interests	1,569	-	1,569
Net income attributable to Granite Construction Incorporated	$ 77,605	$ (16,355)	$ 61,250
Net income per share attributable to common shareholders			
Basic earnings per share	$ 1.73	$ (0.36)	$ 1.37
Diluted earnings per share	$ 1.56	$ (0.31)	$ 1.25
Weighted average shares outstanding:			

Basic	44,739	-	44,739
Diluted	52,613	-	52,613

GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited - in thousands, except per share data)

	Three months ended June 30, 2022				
	As Previously Reported	**Restatement Impacts**	**As Restated**	**Discontinued Operations Reclassification Impacts**	**As Restated and Recast**
Revenue					
Construction	$ 632,260	$ (1,893)	$ 630,367	$ 82,854	$ 713,221
Materials	136,026	-	136,026	-	136,026
Total revenue	768,286	(1,893)	766,393	82,854	849,247
Cost of revenue					
Construction	571,094	(6,018)	565,076	67,893	632,969
Materials	118,712	-	118,712	-	118,712
Total cost of revenue	689,806	(6,018)	683,788	67,893	751,681
Gross profit	78,480	4,125	82,605	14,961	97,566
Selling, general and administrative expenses	53,162	-	53,162	6,959	60,121
Other costs, net	20,177	-	20,177	(3,565)	16,612
Gain on sales of property and equipment, net	(385)	-	(385)	(8,530)	(8,915)
Operating income	5,526	4,125	9,651	20,097	29,748
Other (income) expense					
Interest income	(782)	-	(782)	-	(782)
Interest expense	3,896	-	3,896	3	3,899
Equity in income of affiliates	(541)	-	(541)	(4,335)	(4,876)
Other income, net	3,357	-	3,357	(96)	3,261
Total other expense, net	5,930	-	5,930	(4,428)	1,502
Income (loss) from continuing operations before income taxes	(404)	4,125	3,721	24,525	28,246
Provision for (benefit from) income taxes on continuing operations	2,549	911	3,460	5,208	8,668
Net income (loss) from continuing operations	(2,953)	3,214	261	19,317	19,578
Net Income (loss) from discontinued operations	19,521	(204)	19,317	(19,317)	-
Net income	16,568	3,010	19,578	-	19,578
Amount attributable to non-controlling interests	583	(1,480)	(897)	-	(897)
Net income (loss) attributable to Granite Construction Incorporated from continuing operations	(2,370)	1,734	(636)	19,317	18,681
Net income attributable to Granite Construction Incorporated from discontinued operations	19,521	(204)	19,317	(19,317)	-
Net income attributable to Granite Construction Incorporated	$ 17,151	$ 1,530	$ 18,681	$ -	$ 18,681
Net income (loss) per share attributable to common shareholders					
Basic continuing operations per share	$ (0.05)	$ 0.04	$ (0.01)	$ 0.43	$ 0.42
Basic discontinued operations per share	0.44	(0.01)	0.43	(0.43)	-
Basic earnings per share	$ 0.39	$ 0.03	$ 0.42	$ -	$ 0.42

Diluted continuing operations per share	$ (0.05)	$ 0.04	$ (0.01)	$ 0.40	$ 0.39
Diluted discontinued operations per share	0.44	(0.01)	0.43	(0.43)	-
Diluted earnings per share	$ 0.39	$ 0.03	$ 0.42	$ (0.03)	$ 0.39
Weighted average shares outstanding:					
Basic	44,534	-	44,534	-	44,534
Diluted	44,534	-	44,534	-	52,295

GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited - in thousands, except per share data)

	Six months ended June 30, 2022				
	As Previously Reported	Restatement Impacts	As Restated	Discontinued Operations Reclassification Impacts	As Restated and Recast
Revenue					
Construction	$ 1,107,195	$ -	$ 1,107,195	$ 184,292	$ 1,291,487
Materials	208,677	-	208,677	2,969	211,646
Total revenue	1,315,872	-	1,315,872	187,261	1,503,133
Cost of revenue					
Construction	997,837	-	997,837	154,919	1,152,756
Materials	189,780	-	189,780	2,939	192,719
Total cost of revenue	1,187,617	-	1,187,617	157,858	1,345,475
Gross profit	128,255	-	128,255	29,403	157,658
Selling, general and administrative expenses	111,663	-	111,663	18,578	130,241
Other costs, net	28,391	-	28,391	(5,500)	22,891
Gain on sales of property and equipment, net	(717)	-	(717)	(8,796)	(9,513)
Operating income (loss)	(11,082)	-	(11,082)	25,121	14,039
Other (income) expense					
Interest income	(1,405)	-	(1,405)	53	(1,352)
Interest expense	7,471	-	7,471	13	7,484
Equity in income of affiliates	(235)	-	(235)	(5,930)	(6,165)
Other income, net	4,739	-	4,739	(170)	4,569
Total other expense, net	10,570	-	10,570	(6,034)	4,536
Income (loss) from continuing operations before income taxes	(21,652)	-	(21,652)	31,155	9,503
Provision for (benefit from) income taxes on continuing operations	(2,782)	(48)	(2,830)	17,850	15,020
Net (loss) from continuing operations	(18,870)	48	(18,822)	13,305	(5,517)
Net Income from discontinued operations	25,617	(12,312)	13,305	(13,305)	-
Net income (loss)	6,747	(12,264)	(5,517)	-	(5,517)
Amount attributable to non-controlling interests	(2,535)	-	(2,535)	-	(2,535)
Net (loss) attributable to Granite Construction Incorporated from continuing operations	(21,405)	48	(21,357)	13,305	(8,052)
Net income attributable to Granite Construction Incorporated from discontinued operations	25,617	(12,312)	13,305	(13,305)	-
Net income (loss) attributable to Granite Construction Incorporated	$ 4,212	$ (12,264)	$ (8,052)	$ -	$ (8,052)

	As Previously Reported	Restatement Impacts	As Restated	Discontinued Operations Reclassification Impacts	As Restated and Recast
Net income (loss) per share attributable to common shareholders					
Basic continuing operations per share	$ (0.47)	$ -	$ (0.47)	$ 0.29	$ (0.18)
Basic discontinued operations per share	0.57	(0.28)	0.29	(0.29)	-
Basic earnings (loss) per share	$ 0.10	$ (0.28)	$ (0.18)	$ -	$ (0.18)
Diluted continuing operations per share	$ (0.47)	$ -	$ (0.47)	$ 0.29	$ (0.18)
Diluted discontinued operations per share	0.57	(0.28)	0.29	(0.29)	-
Diluted earnings (loss) per share	$ 0.10	$ (0.28)	$ (0.18)	$ -	$ (0.18)
Weighted average shares outstanding:					
Basic	45,128	-	45,128	-	45,128
Diluted	45,128	-	45,128	-	45,128

GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited - in thousands, except per share data)

	Three months ended March 31, 2022				
	As Previously Reported	Restatement Impacts	As Restated	Discontinued Operations Reclassification Impacts	As Restated and Recast
Revenue					
Construction	$ 474,935	$ 1,893	$ 476,828	$ 101,438	$ 578,266
Materials	72,651	-	72,651	2,969	75,620
Total revenue	547,586	1,893	549,479	104,407	653,886
Cost of revenue					
Construction	426,743	6,019	432,762	87,025	519,787
Materials	71,068	-	71,068	2,939	74,007
Total cost of revenue	497,811	6,019	503,830	89,964	593,794
Gross profit	49,775	(4,126)	45,649	14,443	60,092
Selling, general and administrative expenses	58,501	-	58,501	11,619	70,120
Other costs, net	8,214	-	8,214	(1,935)	6,279
Gain on sales of property and equipment, net	(332)	-	(332)	(266)	(598)
Operating loss	(16,608)	(4,126)	(20,734)	5,025	(15,709)
Other (income) expense					
Interest income	(623)	-	(623)	53	(570)
Interest expense	3,575	-	3,575	10	3,585
Equity in income (loss) of affiliates	306	-	306	(1,595)	(1,289)
Other income, net	1,382	-	1,382	(74)	1,308
Total other expense, net	4,640	-	4,640	(1,606)	3,034
Loss from continuing operations before income taxes	(21,248)	(4,126)	(25,374)	6,631	(18,743)
Provision for (benefit from) income taxes on continuing operations	(5,331)	(958)	(6,289)	12,641	6,352
Net loss from continuing operations	(15,917)	(3,168)	(19,085)	(6,010)	(25,095)
Net Income (loss) from discontinued operations	6,096	(12,106)	(6,010)	6,010	-
Net (loss)	(9,821)	(15,274)	(25,095)	-	(25,095)
Amount attributable to non-controlling interests	(3,118)	1,480	(1,638)	-	(1,638)
Net loss attributable to Granite Construction Incorporated from continuing operations	(19,035)	(1,688)	(20,723)	(6,010)	(26,733)

Net income (loss) attributable to Granite Construction Incorporated from discontinued operations	6,096	(12,106)	(6,010)	6,010	-
Net loss attributable to Granite Construction Incorporated	$ (12,939)	$ (13,794)	$ (26,733)	$ -	$ (26,733)
Net income (loss) per share attributable to common shareholders					
Basic continuing operations per share	$ (0.42)	$ (0.03)	$ (0.45)	$ (0.13)	$ (0.58)
Basic discontinued operations per share	0.13	(0.26)	(0.13)	0.13	-
Basic loss per share	$ (0.29)	$ (0.29)	$ (0.58)	$ -	$ (0.58)
Diluted continuing operations per share	$ (0.42)	$ (0.03)	$ (0.45)	$ (0.13)	$ (0.58)
Diluted discontinued operations per share	0.13	(0.26)	(0.13)	0.13	-
Diluted loss per share	$ (0.29)	$ (0.29)	$ (0.58)	$ -	$ (0.58)
Weighted average shares outstanding:					
Basic	45,730	-	45,730	-	45,730
Diluted	45,730	-	45,730	-	45,730

GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands, except share and per share data)

	September 30, 2022		
	As Previously Reported	Restatement Impacts	As Restated
ASSETS			
Current assets			
Cash and cash equivalents	$ 255,084	$ -	$ 255,084
Short-term marketable securities	39,873	-	39,873
Receivables, net	618,144	-	618,144
Contract asset	241,238	(3,831)	237,407
Inventories	81,296	-	81,296
Equity in construction joint ventures	186,824	(1,481)	185,343
Other current assets	157,231	-	157,231
Total current assets	1,579,690	(5,312)	1,574,378
Property and equipment, net	500,827	-	500,827
Long-term marketable securities	21,575	-	21,575
Investment in affiliates	78,663	-	78,663
Goodwill	73,704	-	73,704
Right of use assets	49,590	-	49,590
Deferred income taxes, net	45,650	-	45,650
Other noncurrent assets	58,265	-	58,265
Total assets	$ 2,407,964	$ (5,312)	$ 2,402,652
LIABILITIES AND EQUITY			
Current liabilities			
Current maturities of long-term debt	$ 1,438	$ -	$ 1,438
Accounts payable	398,285	-	398,285
Contract liabilities	191,037	-	191,037
Accrued Expenses and other current liabilities	450,223	11,043	461,266
Total current liabilities	1,040,983	11,043	1,052,026

Long-term debt	286,872	-	286,872
Lease liabilities	32,701	-	32,701
Other long-term liabilities	60,664	-	60,664
Commitments and contingencies			
Equity			
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding	-	-	-
Common stock, $0.01 par value, authorized 150,000,000 shares; issued and outstanding: 43,723,658 shares as of September 30, 2022	437	-	437
Additional Paid In Capital	468,662	-	468,662
Accumulated other comprehensive income	535	-	535
Retained Earnings	481,489	(16,355)	465,134
Total Granite Construction Incorporated shareholders' equity	951,123	(16,355)	934,768
Non-controlling interest	35,621	-	35,621
Total equity	986,744	(16,355)	970,389
Total liabilities and equity	$ 2,407,964	$ (5,312)	$ 2,402,652

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GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands, except share and per share data)

	June 30, 2022		
	As Previously Reported	**Restatement Impacts**	**As Restated**
ASSETS			
Current assets			
Cash and cash equivalents	$ 175,022	$ -	$ 175,022
Short-term marketable securities	45,000	-	45,000
Receivables, net	527,277	-	527,277
Contract asset	190,187	-	190,187
Inventories	78,634	-	78,634
Equity in construction joint ventures	187,028	-	187,028
Other current assets	167,349	(6,426)	160,923
Current assets held for sale	222,779	-	222,779
Total current assets	1,593,276	(6,426)	1,586,850
Property and equipment, net	464,593	-	464,593
Long-term marketable securities	21,675	-	21,675
Investment in affiliates	23,203	-	23,203
Goodwill	53,715	-	53,715
Right of use assets	45,404	-	45,404
Deferred income taxes, net	25,458	-	25,458
Other noncurrent assets	64,008	-	64,008
Total assets	$ 2,291,332	$ (6,426)	$ 2,284,906
LIABILITIES AND EQUITY			
Current liabilities			
Current maturities of long-term debt	$ 1,429	$ -	$ 1,429
Accounts payable	331,728	-	331,728
Contract liabilities	179,322	-	179,322
Accrued Expenses and other current liabilities	435,061	5,838	440,899

Current liabilities held for sale	46,706	-	46,706
Total current liabilities	994,246	5,838	1,000,084
Long-term debt	286,801	-	286,801
Lease liabilities	31,182	-	31,182
Other long-term liabilities	61,868	-	61,868
Commitments and contingencies			
Equity			
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding	-	-	-
Common stock, $0.01 par value, authorized 150,000,000 shares; issued and outstanding: 44,078,469 shares as of June 30, 2022	441	-	441
Additional Paid In Capital	467,159	-	467,159
Accumulated other comprehensive income	2,388	-	2,388
Retained Earnings	413,931	(12,264)	401,667
Total Granite Construction Incorporated shareholders' equity	883,919	(12,264)	871,655
Non-controlling interest	33,316	-	33,316
Total equity	917,235	(12,264)	904,971
Total liabilities and equity	$ 2,291,332	$ (6,426)	$ 2,284,906

GRANITE CONSTRUCTION INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands, except share and per share data)

	March 31, 2022		
	As Previously Reported	Restatement Impacts	As Restated
ASSETS			
Current assets			
Cash and cash equivalents	$ 360,911	$ -	$ 360,911
Short-term marketable securities	14,953	-	14,953
Receivables, net	380,502	-	380,502
Contract asset	180,023	(7,382)	172,641
Inventories	74,356	-	74,356
Equity in construction joint ventures	191,183	-	191,183
Other current assets	179,024	(11,345)	167,679
Current assets held for sale	211,774	(135)	211,639
Total current assets	1,592,726	(18,862)	1,573,864
Property and equipment, net	450,250	-	450,250
Long-term marketable securities	21,775	-	21,775
Investment in affiliates	22,987	-	22,987
Goodwill	53,715	-	53,715
Right of use assets	48,920	-	48,920
Deferred income taxes, net	25,880	-	25,880
Other noncurrent assets	65,888	-	65,888
Total assets	$ 2,282,141	$ (18,862)	$ 2,263,279
LIABILITIES AND EQUITY			
Current liabilities			
Current maturities of long-term debt	$ 8,735	$ -	$ 8,735
Accounts payable	285,390	-	285,390

Contract liabilities	165,358	(4,364)	160,994
Accrued Expenses and other current liabilities	439,525	(1,084)	438,441
Current liabilities held for sale	40,246	1,860	42,106
Total current liabilities	939,254	(3,588)	935,666
Long-term debt	290,549	-	290,549
Lease liabilities	32,682	-	32,682
Other long-term liabilities	62,493	-	62,493
Commitments and contingencies			
Equity			
Preferred stock, $0.01 par value, authorized 3,000,000 shares, none outstanding	-	-	-
Common stock, $0.01 par value, authorized 150,000,000 shares; issued and outstanding: 45,364,137 shares as of March 31, 2022	454	-	454
Additional Paid In Capital	515,262	-	515,262
Accumulated other comprehensive income	1,573	-	1,573
Retained Earnings	402,550	(13,794)	388,756
Total Granite Construction Incorporated shareholders' equity	919,839	(13,794)	906,045
Non-controlling interest	37,324	(1,480)	35,844
Total equity	957,163	(15,274)	941,889
Total liabilities and equity	$ 2,282,141	$ (18,862)	$ 2,263,279

Exhibit 21

List of Subsidiaries of Granite Construction Incorporated

Subsidiary

Subsidiary	State of Incorporation	Name Under Which Subsidiary Does Business
Granite Construction Company	California	Granite Construction Company California Granite Company California Granite Construction Company Garco Testing Laboratories Concrete Products Company Granite Granite Construction Company, Inc. Granite Construction Company (of California) Granite Construction Company of California Granite Construction Company of California (Granite Construction Company) Granite Construction Company of Connecticut Granite Construction Company of Nebraska Granite Construction Supply Kenny Construction Kenny Construction Company
Granite Construction Northeast, Inc Southeast Company	New York California	Granite Construction Northeast, Inc.
		Southeast Company
Layne Christensen Company	Delaware	Layne Christensen Company Layne Layne, A Granite Company

Exhibit 23.1

CONSENT

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-256719, 333-181642 and 333-170488) of Granite Construction Incorporated of our report dated February 21, 2023 February 22, 2024 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

February 21, 2023

22, 2024

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Kyle T. Larkin, certify that:

1. I have reviewed this Annual Report on Form 10-K of Granite Construction Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1. I have reviewed this Annual Report on Form 10-K of Granite Construction Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 21, 2023 22, 2024

/s/ Kyle T. Larkin

Kyle T. Larkin

President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Elizabeth L. Curtis, certify that:

1. I have reviewed this Annual Report on Form 10-K of Granite Construction Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1. I have reviewed this Annual Report on Form 10-K of Granite Construction Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 21, 2023 22, 2024

/s/ Elizabeth L. Curtis

Elizabeth L. Curtis

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND

CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Granite Construction Incorporated (the "Company") does hereby certify that, to such officers' knowledge:

(i) The Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and (ii) the information contained in the Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of the Company as of and for the periods expressed in the Annual Report on Form 10-K.

Dated: February 21, 2023 22, 2024

/s/ Kyle T. Larkin

Kyle T. Larkin

President and Chief Executive Officer
(Principal Executive Officer)

Dated: February 21, 2023 22, 2024

/s/ Elizabeth L. Curtis

Elizabeth L. Curtis

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Granite Construction Incorporated and will be retained by Granite Construction Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 95

MINE SAFETY DISCLOSURE

We operate surface mines in the western United States to produce construction aggregates. The operation of our mines is subject to regulation by the Federal Mine Safety and Health Administration (“MSHA”) under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”). MSHA conducted 73 inspections at 39 of our mines during the year ended December 31, 2022. There were four reportable citations following the 73 inspections during the year ended December 31, 2022.

The chart below contains information regarding certain reportable and non-reportable mining safety and health citations or orders that MSHA issued during the year ended December 31, 2022December 31, 2023 associated with our mining operations:

Name of Mine	MSHA ID	Number of Inspections	Section 104 Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Proposed Assessments	Total Number of Mining-related Fatalities	Received Notice of Pattern of Violation Under Section 104(e) (yes/no)	Received Notice of Potential to have Pattern under Section 104(e) (yes/no)	Pending Legal Actions as of Last Day of Period	Instituted Legal Actions During Period	Resolved Legal Actions During Period
Alaska Portable #1	50-01459	1	-	-	-	-	-	$ 133	-	No	No	-	-	-
Alaska Portable #2	50-01534	1	-	-	-	-	-	133	-	No	No	-	-	-
Arvin Pit	04-04360	-	-	-	-	-	-	-	-	No	No	-	-	-
B2413 - 20 Mile(1)	B2413	1	-	-	-	-	-	-	-	No	No	-	-	-
Bee Rock Quarry	04-04704	2	-	-	-	-	-	133	-	No	No	-	-	-
Big Rock	04-05946	2	-	-	-	-	-	399	-	No	No	-	-	-
Bishop	04-01869	-	-	-	-	-	-	-	-	No	No	-	-	-
Bradshaw	04-03107	4	-	-	-	-	-	399	-	No	No	-	-	-
Capay Plant Facility	04-05338	2	-	-	-	-	-	399	-	No	No	-	-	-

Circle T Ranch Pit	45-01882	-	-	-	-	-	-	-	-	No	No	-	-	-
Coalinga Pit	04-01879	3	-	-	-	-	-	-	-	No	No	-	-	-
Conrock	50-01282	1	-	-	-	-	-	-	-	No	No	-	-	-
Felton Quarry	04-00107	2	-	-	-	-	-	399	-	No	No	-	-	-
Freeman Quarry	04-05448	-	-	-	-	-	-	-	-	No	No	-	-	-
Gardner Pit	04-01683	-	-	-	-	-	-	-	-	No	No	-	-	-
Handley Ranch Quarry	04-05629	2	-	-	-	-	-	-	-	No	No	-	-	-
Highway 175	04-05336	2	-	-	-	-	-	133	-	No	No	-	-	-
Indio	04-01854	-	-	-	-	-	-	-	-	No	No	-	-	-
Kerley Pit	02-03375	-	-	-	-	-	-	-	-	No	No	-	-	-
Lee Vining	04-05234	-	-	-	-	-	-	-	-	No	No	-	-	-
Littlerock	04-04926	-	-	-	-	-	-	-	-	No	No	-	-	-
Lockwood Quarry	26-02204	2	-	-	-	-	-	133	-	No	No	-	-	-
Lucas Pit	50-01819	1	-	-	-	-	-	-	-	No	No	-	-	-
Mission	45-03718	2	-	-	-	-	-	266	-	No	No	-	-	-
Promontory	42-02541	-	-	-	-	-	-	-	-	No	No	-	-	-
N50 Alaska - Fort Knox(1)	N50	1	1	-	-	-	-	2,025	-	No	No	-	-	-
N50 Nevada - Couer Rochester(1)	N50	1	-	-	-	-	-	-	-	No	No	-	-	-
N50 Utah - KUCC BMP(1)	N50	1	-	-	-	-	-	-	-	No	No	-	-	-
N50 Utah - East Waste Rock Project(1)	N50	1	-	-	-	-	-	-	-	No	No	-	-	-
N50 Utah - KUCC N50(1)	N50	1	-	-	-	-	-	133	-	No	No	-	-	-
N50 Washington Granite Falls(1)	N50	1	-	-	-	-	-	-	-	No	No	-	-	-
PU3 Freeport McMoRan - Bagdad(1)	PU3	1	-	-	-	-	-	-	-	No	No	-	-	-
PU3 - Chino(1)	PU3	2	-	-	-	-	-	-	-	No	No	-	-	-
PU3 - Layne Capstone(1)	PU3	1	-	-	-	-	-	-	-	No	No	-	-	-
PU3 - Layne Cortez(1)	PU3	1	-	-	-	-	-	-	-	No	No	-	-	-

PU3 - Layne - Silver Bell(1)	PU3	1	-	-	-	-	-	-	-	No	No	-	-	-
PU3 - Safford(1)	PU3	7	-	-	-	-	-	-	-	No	No	-	-	-
PU3 - Tintric(1)	PU3	1	-	-	-	-	-	-	-	No	No	-	-	-
PU3 - Trixie(1)	PU3	1	-	-	-	-	-	-	-	No	No	-	-	-
PU3 - Tyrone(1)	PU3	2	-	-	-	-	-	133	-	No	No	-	-	-
PU3 - Lonestar(1)	PU3	2	-	-	-	-	-	-	-	No	No	-	-	-
Solari	04-05947	1	1	-	-	-	-	198	-	No	No	-	1 (2)	1
Swan Pit	02-02647	2	-	-	-	-	-	399	-	No	No	-	-	-
Tangerine Road Pit	02-00649	5	1	-	-	-	-	133	-	No	No	-	-	-
Utah Portable #4	42-01761	2	-	-	-	-	-	-	-	No	No	-	-	-
Vernalis	04-05783	3	-	-	-	-	-	798	-	No	No	-	-	-
Wade Sand Pit	26-02404	-	-	-	-	-	-	-	-	No	No	-	-	-
Washington Portable #1	45-03717	-	-	-	-	-	-	-	-	No	No	-	-	-
Washington Portable #2	45-03724	-	-	-	-	-	-	-	-	No	No	-	-	-
Walker Pit	42-01014	2	1	-	-	-	-	266	-	No	No	-	-	-
Wells Pit	42-02250	3	-	-	-	-	-	133	-	No	No	-	-	-
Whatcom Portable Mill	45-00975	2	-	-	-	-	-	-	-	No	No	-	-	-
Wolfe Pit	50-01816	-	-	-	-	-	-	-	-	No	No	-	-	-
Total		73	4	-	-	-	-	$ 6,745	-			-	1	1

Name of Mine	MSHA ID	Number of Inspections	Section 104 Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Proposed Assessments	Total Number of Mining-related Fatalities	Received Notice of Pattern of Violation Under Section 104(e) (yes/no)	Received Notice of Potential to have Pattern under Section 104(e) (yes/no)	Pending Legal Actions as of Last Day of Period	Instituted Legal Actions During Period	Resolved Legal Actions During Period
Alaska Portable #1(3)	50-01459	1	1	—	—	—	1	—	—	No	No	1	1	—
Alaska Portable #2	50-01534	1	—	—	—	—	—	—	—	No	No	—	—	—
Alaska Portable #3	50-01534	1	—	—	—	—	—	—	—	No	No	—	—	—
Arvin Pit	04-04360	—	—	—	—	—	—	—	—	No	No	—	—	—
B2413 - 20 Mile(1)	B2413	—	—	—	—	—	—	—	—	No	No	—	—	—
Bee Rock Quarry	04-04704	2	3	—	—	—	—	552	—	No	No	—	—	—
Big Rock	04-05946	3	1	—	—	—	—	562	—	No	No	—	—	—

Bishop	04-01869	—	—	—	—	—	—	—	—	No	No	—	—	—
Bradshaw	04-03107	6	—	—	—	—	—	266	—	No	No	—	—	—
Brunswick	26-02007	1	—	—	—	—	—	286	—	No	No	—	—	—
Bulldog(2)	22-00813	1	—	—	—	—	—	143	—	No	No	—	—	—
Capay Plant Facility	04-05338	1	—	—	—	—	—	858	—	No	No	—	—	—
Circle T Ranch Pit	45-01882	2	—	—	—	—	—	—	—	No	No	—	—	—
Coalinga Pit	04-01879	2	—	—	—	—	—	143	—	No	No	—	—	—
Conrock	50-01282	2	—	—	—	—	—	—	—	No	No	—	—	—
Desoto(2)	22-0068	1	—	—	—	—	—	429	—	No	No	—	—	—
Felton Quarry	04-00107	2	—	—	—	—	—	—	—	No	No	—	—	—

Name of Mine	MSHA ID	Number of Inspections	Section 104 Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Proposed Assessments	Total Number of Mining-related Fatalities	Received Notice of Pattern of Violation Under Section 104(e) (yes/no)	Received Notice of Potential to have Pattern under Section 104(e) (yes/no)	Pending Legal Actions as of Last Day of Period	Instituted Legal Actions During Period	Resolved Legal Actions During Period
Freeman Quarry	04-05448	—	—	—	—	—	—	—	—	No	No	—	—	—
Gardner Pit	04-01683	—	—	—	—	—	—	—	—	No	No	—	—	—
Handley Ranch Quarry	04-05629	2	—	—	—	—	—	—	—	No	No	—	—	—
Highway 175	04-05336	2	—	—	—	—	—	—	—	No	No	—	—	—
Indio	04-01854	—	—	—	—	—	—	—	—	No	No	—	—	—
Kerley Pit	02-03375	—	—	—	—	—	—	—	—	No	No	—	—	—
Lee Vining	04-05234	1	—	—	—	—	—	—	—	No	No	—	—	—
Littlerock	04-04926	—	—	—	—	—	—	—	—	No	No	—	—	—
Lockwood Quarry	26-02204	2	—	—	—	—	—	286	—	No	No	—	—	—
Love(2)	22-00389	—	—	—	—	—	—	—	—	No	No	—	—	—
Lucas Pit	50-01819	—	—	—	—	—	—	—	—	No	No	—	—	—

Name of Mine	MSHA ID	Number of Inspections	Section 104 Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Proposed Assessments	Total Number of Mining-related Fatalities	Received Notice of Pattern of Violation Under Section 104(e) (yes/no)	Received Notice of Potential to have Pattern under Section 104(e) (yes/no)	Pending Legal Actions as of Last Day of Period	Instituted Legal Actions During Period	Resolved Legal Actions During Period
Mission	45-03718	1	—	—	—	—	—	—	—	No	No	—	—	—
North Plant(2)	40-01635	—	—	—	—	—	—	—	—	No	No	—	—	—
Promontory	42-02541	—	—	—	—	—	—	—	—	No	No	—	—	—
N50 Alaska - Fort Knox(1)	N50	1	—	—	—	—	—	133	—	No	No	—	—	—
N50 Nevada - Couer Rochester(1)	N50	—	—	—	—	—	—	—	—	No	No	—	—	—
N50 Utah - KUCC BMP(1)	N50	—	—	—	—	—	—	—	—	No	No	—	—	—
N50 Utah - East Waste Rock Project(1)	N50	—	—	—	—	—	—	—	—	No	No	—	—	—
N50 Utah - KUCC N50(1)	N50	2	—	—	—	—	—	143	—	No	No	—	—	—
N50 Washington Granite Falls(1)	N50	—	—	—	—	—	—	—	—	No	No	—	—	—
Perry(2)	22-00763	—	—	—	—	—	—	—	—	No	No	—	—	—
PU3 Freeport McMoRan - Bagdad(1)	PU3	—	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Asarco(1)	PU3	2	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Chino(1)	PU3	—	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Layne Capstone(1)	PU3	—	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Layne Chandler(1)	PU3	1	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Layne Cortez(1)	PU3	—	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Layne - FMI (1)	PU3	2	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Layne - Silver Bell(1)	PU3	1	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Layne - Morenci(1)	PU3	1	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Safford(1)	PU3	5	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Tintric(1)	PU3	—	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Trixie(1)	PU3	—	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Tyrone(1)	PU3	—	—	—	—	—	—	—	—	No	No	—	—	—
PU3 - Lonestar(1)	PU3	4	—	—	—	—	—	—	—	No	No	—	—	—
Solari	04-05947	2	—	—	—	—	—	—	—	No	No	—	—	—
Swan Pit	02-02647	4	2	—	—	—	—	858	—	No	No	—	—	—
Tangerine Road Pit	02-00649	4	—	—	—	—	—	—	—	No	No	—	—	—
Tiger(2)	22-00828	—	—	—	—	—	—	—	—	No	No	—	—	—

Utah Portable #4	42-01761	—	—	—	—	—	—	—	—	No	No	—	—	—
Vernalis	04-05783	2	—	—	—	—	—	133	—	No	No	—	—	—
Wade Sand Pit	26-02404	2	—	—	—	—	—	—	—	No	No	—	—	—
Washington Portable #1	45-03717	—	—	—	—	—	—	—	—	No	No	—	—	—
Washington Portable #2	45-03724	—	—	—	—	—	—	—	—	No	No	—	—	—
Walker Pit	42-01014	3	—	—	—	—	—	533	—	No	No	—	—	—
Wells Pit	42-02250	1	—	—	—	—	—	266	—	No	No	—	—	—
Whatcom Portable Mill	45-00975	—	—	—	—	—	—	—	—	No	No	—	—	—
Wolfe Pit	50-01816	—	—	—	—	—	—	—	—	No	No	—	—	—
Total		71	7	—	—	—	1	$5,591	—			1	—	—

(1) Denotes where we are working as an "independent contractor" at another operator's mine.

(2) Denotes mines acquired on November 30, 2023 in connection with the acquisition of Memphis Stone and Gravel. For these mines, the chart includes information for the period between the acquisition date and December 31, 2023.

(3) The Instituted instituted legal action for our Solari Alaska Portable #1 plant was related to a contest of proposed penalties citations and orders referenced in Subpart C B of 29 CFR Part 2700.