

PRESS RELEASE

GRANITE CONSTRUCTION INCORPORATED ANNOUNCES REDEMPTION OF OUTSTANDING 2.75% CONVERTIBLE SENIOR NOTES DUE 2024

Jun 06, 2024

WATSONVILLE, Calif.--(BUSINESS WIRE)--Granite Construction Incorporated (NYSE: GVA) ("Granite") today announced that it has called all of its outstanding 2.75% convertible senior notes due 2024 (the "Convertible Notes") (CUSIP No. 387328 AB3) for redemption on August 19, 2024 (the "Redemption Date").

The redemption price will be an amount in cash equal to 100% of the principal amount of each Convertible Note called for redemption, plus accrued and unpaid interest on such Convertible Note to, but excluding, the Redemption Date (the "Redemption Price").

To receive payment of the Redemption Price, any certificated Convertible Notes and any other required documents must be surrendered to Wilmington Trust, National Association, as paying agent, on or prior to the Redemption Date. Convertible Notes held through the Depository Trust Company ("DTC") should be presented for redemption in accordance with the applicable procedures of DTC.

Convertible Notes called for redemption may be converted at the election of the applicable holder at any time before the close of business on August 15, 2024.

As a result of sending the notice of redemption, the current conversion rate has been increased for all conversions of Convertible Notes on or after today and through the close of business on August 15, 2024 by 0.0139 shares. The conversion rate (including the additional shares) for all conversions of Convertible Notes on or after today and through the close of business on August 15, 2024 is 31.7915 shares of Granite's common stock per \$1,000 principal amount of Convertible Notes. This conversion rate will remain subject to adjustment in accordance with the indenture from time to time for certain events.

Granite has elected to settle conversions of Convertible Notes on or after today and through the close of business on August 15, 2024 by paying cash up to the aggregate principal amount of the Convertible Notes to be converted and delivering shares of Granite's common stock in respect of the remainder, if any, of the conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted.

In connection with the issuance of the Convertible Notes, Granite entered into convertible note hedge transactions (the "existing convertible note hedge transactions") with certain financial institutions (the "existing counterparties"), and Granite also entered into separate warrant transactions (the "existing warrant transactions") with the existing counterparties. To the extent Granite redeems any Convertible Notes, Granite intends to unwind a corresponding portion of the existing convertible note hedge transactions and a corresponding portion of the existing warrant transactions (collectively, the "Unwind Transactions"). In connection with the Unwind Transactions, Granite expects to enter into agreements with the existing counterparties and receive a number of shares of Granite's 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 Convertible Notes redeemed and make payments in cash or issue shares of Granite's common stock in respect of the unwind of the portion of the existing warrant transactions that correspond to the Convertible Notes redeemed.

In connection with the Unwind Transactions, the existing counterparties and/or their respective affiliates may enter into or unwind various derivative transactions with respect to Granite's common stock and/or purchase or sell shares of Granite's common stock or other securities of Granite in secondary market transactions concurrently with or shortly after the redemption of the Convertible Notes. This activity may affect the price of Granite's common stock.

Forward-looking Statements

Any statements contained in this news release that are not based on historical facts, including statements about the redemption of the Convertible Notes, the Unwind Transactions, third parties entering into or unwinding derivative transactions with respect to Granite's common stock and/or purchasing or selling Granite's common stock, and the potential impact of the foregoing on the market price of Granite's common stock, 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 "expects," "estimates," "intends," "plans," "potential," "may," "will," "could," "would" and the negatives thereof or other comparable terminology or by the context in which they are made. These forward-looking statements are predictions reflecting the best judgment of senior management and reflect our current expectations regarding the redemption of the Convertible Notes, the Unwind Transactions, third parties entering into or unwinding derivative transactions with respect to Granite's common stock and/or purchasing or selling Granite's common stock, and the potential impact of the foregoing on the market price of Granite's common stock. These expectations may or may not be realized. Some of these expectations may be based on beliefs, assumptions or predictions 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, the risks related to the anticipated terms of, and the effects of entering into, the Unwind Transactions and third parties entering into or unwinding derivative transactions with respect to Granite's common stock and/or purchasing or selling Granite's common stock, market and general conditions, and those described in greater detail in our filings with the Securities and Exchange Commission, particularly those described in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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 news release and, except as required by law; we undertake no obligation to revise or update any forward-looking statements for any reason.

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Source: Granite Construction Incorporated