The GEO Group Comments on Unfavorable Jury Verdict and Judgments in the U.S. District Court for the Western District of Washington

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BOCA RATON, Fla.--(BUSINESS WIRE)-- **The GEO Group (NYSE: GEO)** ("GEO") commented today on the recent unfavorable jury verdict and combined $23.2 million judgments in the retrial of two cases, State of Washington v. GEO Group and Nwauzor et al. v. GEO Group (the "lawsuits"), in U.S. District Court for the Western District of Washington. The original trial of the lawsuits resulted in a mistrial in June 2021 as that jury was unable to reach a unanimous verdict. GEO will address the need for a bond for the combined judgments and will request a stay of enforcement of the verdict and judgments while its appeal to the U.S. Court of Appeals for the Ninth Circuit is pending.

GEO strongly disagrees with the verdict and judgments in the retrial of the lawsuits. GEO intends to raise several issues on appeal to the U.S. Court of Appeals for the Ninth Circuit, including the applicability of the state of Washington's Minimum Wage Act to detainees who participate in the federally-mandated Voluntary Work Program at the Northwest ICE Processing Center (the "Center"), and the affirmative defenses that GEO believes were wrongly dismissed in these cases. GEO looks forward to having those and other related issues heard on appeal based on GEO's belief that the cases were wrongly decided. GEO intends to take all necessary steps to vigorously defend itself.

The lawsuits were filed by the State of Washington Attorney General and a private class of detainee plaintiffs. The plaintiffs claimed that Washington State minimum wage laws should be enforced with respect to detainees who volunteer to participate in a Voluntary Work Program administered by GEO at the Center as required by the U.S. Department of Homeland Security under the terms of GEO's contract. The Center houses persons in the custody of federal immigration authorities while their immigration status is being determined by the federal government.

In a similar lawsuit involving a Voluntary Work Program administered by CoreCivic at an ICE Processing Center in New Mexico, Ndambi et al. v. CoreCivic, the U.S. Court of Appeals for the Fourth Circuit ruled in favor of CoreCivic in March 2021. In a unanimous decision in that case, the U.S. Court of Appeals for the Fourth Circuit affirmed a U.S. District Court ruling which dismissed the case and found that detainees who volunteer to participate in the Voluntary Work Program in immigration processing centers are not employees and are not owed wages under the Fair Labor Standards Act and New Mexico's minimum wage law.

At this time, GEO has not recorded an accrual relating to the lawsuits because a loss, following the appeals process, is not considered probable.

Safe-Harbor Statement

This press release contains forward-looking statements regarding future events and future performance of GEO that involve risks and uncertainties that could materially affect actual results, including statements regarding the recent unfavorable verdict and combined $23.2 million judgments in the retrial of the lawsuits. Risks and uncertainties that could cause actual results to vary from current expectations and forward-looking statements contained in this press release include, but are not limited to: (1) GEO's ability to successfully pursue an appeal to reverse the recent unfavorable verdict and judgments in the retrial of the lawsuits or GEO being required to record an accrual for the judgments in the future; (2) GEO's ability to defend similar other pending litigation and the effect such other litigation may have on the Company; (3) GEO's ability to meet its financial guidance for 2021 given the various risks to which its business is exposed; (4) GEO's ability to deleverage and repay, refinance or otherwise address its debt maturities in an amount or on the timeline it expects, or at all; (5) changes in federal and state government policy, orders, directives, legislation and regulations that affect public-private partnerships with respect to secure correctional and detention facilities, processing centers, and reentry centers, including the timing and scope of implementation of the January 2021 Presidential Executive Order to not renew U.S. Department of Justice contracts with privately-operated criminal detention facilities; (6) changes in federal immigration policy; (7) public and political opposition to the use of public-private partnerships with respect to secure correctional and detention facilities, processing centers and reentry centers; (8) the magnitude, severity, and duration of the current COVID-19 global pandemic, its impact on GEO, GEO's ability to mitigate the risks associated with COVID-19, and the efficacy and distribution of COVID-19 vaccines; (9) GEO's ability to sustain or improve company-wide occupancy rates at its facilities in light of the COVID-19 global pandemic and policy and contract announcements impacting GEO's federal facilities in the United States; (10) fluctuations in our operating results, including as a result of contract terminations, contract renegotiations, changes in occupancy levels and increases in our operating costs; (11) general economic and market conditions, including changes to governmental budgets and its impact on new contract terms, contract renewals, renegotiations, per diem rates, fixed payment provisions, and occupancy levels; (12) GEO's ability to timely open facilities as planned, profitably manage such facilities and successfully integrate such facilities into GEO's operations without substantial costs; (13) GEO's ability to win management contracts for which it has submitted proposals and to retain existing management contracts; (14) risks associated with GEO's ability to control operating costs associated with contract start-ups; (15) GEO's ability to successfully pursue growth and continue to create shareholder value; (16) GEO's ability to obtain financing or access the capital markets in the future on acceptable terms or at all; (17) other factors contained in GEO's Securities and Exchange Commission periodic filings, including its Form 10-K, 10-Q and 8-K reports.

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