Risk Factors Comparison 2024-02-29 to 2023-02-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The risk factors summarized and detailed below could materially adversely affect our business, financial condition, or results of operations, impair our future prospects and / or cause the price of our common stock to decline. Additional risks not currently known to us or those we currently deem to be immaterial may also materially and adversely affect our business operations. Material risks that may affect our business, operating results and financial condition include, but are not necessarily limited to, those relating to: Risks Related to Public- Private Partnerships • Public and political opposition to the use of public- private partnerships could have a material adverse effect on our business. Risks Related to Our High Level of Indebtedness • Our level of indebtedness could adversely affect our financial condition and prevent us from fulfilling our debt service obligations. • We may still incur more indebtedness which could further exacerbate the risks we face. • Our borrowing costs and access to capital and credit markets could be adversely affected by a downgrade or potential downgrade of our credit ratings. • The covenants in the indentures governing our outstanding second lien notes, senior notes and our exchange credit agreement impose significant operating and financial restrictions. • Servicing our indebtedness will require a significant amount of cash. • An increase in interest rates would adversely affect cash flows. • We depend on distributions from our subsidiaries to make payments on our indebtedness. Risks Related to ~~COVID- 19 and its Impact on our Business • COVID- 19 has and we expect it will continue to have an impact on our business. Risks Related to~~ Our Business and Services • The loss of, or a significant decrease in revenues from, our limited number of customers could seriously harm our financial condition and results of operations. • Fluctuations in occupancy levels **or participation in ISAP** could cause a decrease in revenues and profitability. • State budgetary constraints may have a material adverse impact on us. • Loss of our facility management contracts could adversely affect our results of operations and liquidity. • Our growth depends on our ability to secure contracts to develop and manage new secure facilities, processing centers, and community based facilities and to secure contracts to provide electronic monitoring services, community based reentry services and monitoring and supervisions services, the demand for which is outside our control. • Competition for contracts may adversely affect the profitability of our business. • We are dependent on government appropriations. • Adverse publicity may negatively impact our ability to retain existing contracts and obtain new contracts. • We may incur significant start- up and operating costs on new contracts before receiving related revenues. • Catastrophic events could disrupt operations and otherwise materially adversely affect our business. • Our international operations expose us to risks that could materially adversely affect our financial conditions and results of operations. • We are dependent upon our senior management and our ability to attract and retain sufficient qualified personnel. • Adverse developments in our relationship with our employees could adversely affect our business, financial condition or results of operations. • Our profitability may be adversely affected by inflation. Risks Related to **Taxes and** our Corporate Tax Structure • Our obligations to pay income taxes have increased beginning with our income taxes for the year ended December 31, 2021. • We may fail to realize the anticipated benefits of terminating our REIT election and becoming a taxable C Corporation for our fiscal year ended December 31, 2021 or those benefits may take longer to realize than expected **. • Federal, state and local tax rules can adversely impact our results of operations and financial position**. Risks Related to Real Estate and Construction Matters • Various risks associated with the ownership of real estate may adversely affect our results of operations. • Risks related to facility construction and development activities may increase our costs. Risks Related to the Capital Markets and its Impact on our Business • Negative conditions in the capital markets could prevent us from obtaining financing. Risks Related to our Electronic Monitoring Products and Technology • Technological changes could cause our electronic monitoring products and technology to become obsolete or require a redesign. • Any negative changes in the level of acceptance of or resistance to the use of electronic monitoring products and services by government customers could have a material adverse effect on our business, financial condition and results of operations. • Our electronic monitoring products and services could be harmed due to our dependence on a limited number of third- party suppliers. • An inability to acquire, protect or maintain our intellectual property could harm our ability to compete or grow. • Our electronic monitoring products could infringe on the intellectual property rights of others. • We may be subject to costly product liability claims from the use of our electronic monitoring products. Risks Related to Information Technology and Cybersecurity • The interruption, delay or failure of the provision of our services or information systems could adversely affect our business. Risks Related to Acquisitions and Dispositions • We may not be able to successfully identify or consummate acquisitions or dispositions. • Our goodwill or other intangible assets may become impaired. Risks Related to Legal, Regulatory and Compliance Matters • Failure to comply with regulations and contractual requirements could have a material adverse effect. **• Our business operations expose us to various liabilities for which we may not have adequate insurance, including legal claims and proceedings, and may have a material adverse effect on our business, financial condition or results of operations.** Risks Related to Corporate Social Responsibility • We are subject to risks related to corporate social responsibility. Risks Related to Our Common Stock • The market price of our common stock may vary substantially. • Future sales or issuances of shares of our common stock could adversely affect the market price of our common stock and may be dilutive to current shareholders. • Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes- Oxley Act of 2002 could have an adverse effect on our business and the trading price **of our common stock. • The Company could be negatively affected as a result of the actions of activist or hostile shareholders. • A " short squeeze " due to a sudden increase in demand for shares of our common stock that largely exceeds supply has led to, and may continue to lead to, extreme price volatility in shares** of our common stock. The following are certain risks to which our business operations are subject. Any of these risks could materially adversely affect our business, financial condition, or results of operations. These risks could also cause our actual results to differ materially from those indicated in the forward- looking statements contained herein and elsewhere. The risks described below are not the only risks we face. Additional risks not currently known to us or those we currently deem to be immaterial may also materially and adversely affect our business operations. Risks Relating to Public- Private Partnerships Public and political opposition to the use of public- private partnerships for secure facilities, processing centers and community reentry centers could result in our inability to obtain new contracts or the loss of existing contracts, impact our ability to obtain or refinance debt financing or enter into commercial arrangements, which could have a material adverse effect on our business, financial condition, results of operations and the market price of our securities. The management and operation of secure facilities, processing centers and community reentry centers under public- private partnerships has not achieved complete acceptance by either government agencies or the public. Some governmental agencies have limitations on their ability to delegate their traditional management responsibilities for such facilities and centers to private sector companies or they may be instructed by a governmental agency or authority overseeing them to reduce their utilization or scope of public- private partnerships or undertake additional reviews of their public- private partnerships. Any report prepared by or requested by a governmental agency or public official, investigation or inquiry, public statement by any governmental agency or public official, policy or legislative change by any federal, state or local government, or other similar occurrence or action, that seeks to, or purports to, prohibit, eliminate, or otherwise restrict or limit in any way, the federal government' s (or any state or local government' s) ability to contract with private sector companies for the operation of these facilities and centers, could adversely impact our ability to maintain or renew existing contracts or to obtain new contracts. On January 26, 2021, President Biden signed an Executive Order directing the United States Attorney General not to renew Department of Justice contracts with privately operated criminal detention facilities. Two agencies of the DOJ, the BOP and USMS, utilize our services. The BOP houses inmates who have been convicted, and the USMS is generally responsible for detainees who are awaiting trial. As a result of the Executive Order, the majority of our contracts with the BOP have not been renewed. With respect to the USMS, it may determine to conduct a review of the possible application of the Executive Order on their facilities acquired primarily through intergovernmental agreements, and to a lesser extent, direct contracts. President Biden' s administration **or a future administration** may implement further executive orders or directives relating to federal criminal justice policies and immigration policies which may impact the federal government' s use of public- private partnerships with respect to correctional and detention needs, including with respect to our contracts, and / or may impact the budget and spending priorities of federal agencies, including ICE. Various state partners have or may choose in the future to undertake a review of their utilization of public- private partnerships. For example, California enacted legislation aimed at phasing out public- private partnership contracts for the operation of secure facilities within California and facilities outside of the state of California housing state of California inmates. We have public- private partnership contracts in place with ICE and the U. S. Marshals Service relating to facilities located in California. **Also** ~~Additionally, we and the U. S. Department of Justice filed separate legal actions challenging the constitutionality of the attempted ban on new federal contracts entered into after the effective date of the California law. On September 26, 2022, in an 8- 3 en banc decision, the Ninth Circuit Court of Appeals held that AB- 32 violates the U. S. Constitution Supremacy Clause and that AB- 32 is preempted. Currently~~ , the State of Washington has enacted legislation similar to the California law. **Although** GEO **was able to prevail** ~~' s contract for the company- owned 1, 575- bed Northwest ICE Processing Center~~ in **legal actions challenging the constitutionality of such laws in California and** Washington **, these** ~~has a renewal option period that expires in 2025. The facility generated approximately $ 66 million in annualized revenues for~~ - **or** ~~GEO in fiscal year 2022. On April 29, 2021, we filed a lawsuit in the~~ **other states may propose** ~~U. S. District Court for~~ - **or adopt similar** ~~the Western District of Washington against the State of Washington for declaratory and injunctive relief challenging the State of Washington' s law~~ **laws** ~~. The court has entered a stay~~ in ~~this action pending~~ the **future** ~~final resolution of the AB- 32 appeal~~ . In addition, the movement toward using public- private partnerships for such facilities and centers has encountered resistance from groups which believe that such facilities and centers should only be operated by governmental agencies. For example, several financial institutions, including some of our lenders, had announced that they will not be renewing existing agreements or entering into new agreements with companies that operate such facilities and centers pursuant to public- private partnerships. Some of these same institutions have ceased their equity analyst coverage of our company. Proposed and future legislation could indirectly impose additional financial restrictions with respect to our business. As an example, the New York State Legislation is considering a proposed bill that prohibits New York state chartered banking institutions from investing in and providing financing for privately operated secure facilities. If this bill is ultimately signed into law by the New York governor, certain banks may be restricted from conducting financing activities with us and the secure services sector generally. This bill or any similar bills, regulations and laws that may be proposed in the future may be subject to legal actions and the resolution of such legal actions may take several years, making it difficult to anticipate the overall financial impact on us, our business, financial condition or results of operations. If other financial institutions or third parties that currently provide us with financing or that we do business with decide in the future to cease providing us with financing or doing business with us, such determinations could have a material adverse effect on our business, financial condition and results of operations. Increased public and political opposition to the use of public- private partnerships for our facilities and centers in any of the markets in which we operate, as a result of these or other factors, could have a material adverse effect on our business, financial condition, results of operations and the market price of our securities. We have a significant amount of indebtedness. Our total consolidated indebtedness as of December 31, **2023 and** 2022 ~~and 2021~~ was approximately $ **1. 8 billion and $** 2. 0 billion ~~and $ 2. 7 billion~~ , respectively, excluding ~~non- recourse debt of $ 310. 0 million for the year ended December 31, 2021, and~~ finance lease obligations of $ **1. 3 million and $** 2. 0 ~~million and $ 3. 8~~ million, for the years ended December 31, **2023 and** 2022 ~~and 2021~~ , respectively. **As** ~~We had no non- recourse debt as~~ of December 31, **2023 and** 2022 ~~. As of December 31, 2022 and 2021~~ , we had $ **75. 8 million and $** 77. 6 million ~~and $ 95. 8 million~~ , respectively, outstanding in letters of credit **and zero** and $ 30. 0 ~~million and $ 784. 9~~ million, respectively, in borrowings outstanding under our revolver. As of December 31, ~~2022~~

2023 , we had the ability to borrow $ ~~226~~ **189** . ~~4~~ **2** million under our revolver, after applying the limitations and restrictions in our debt covenants and subject to our satisfying the relevant borrowing conditions under our senior credit facility with respect to the incurrence of additional indebtedness. At December 31, ~~2022~~ **2023** , we also had approximately AUD 53 million (or $ 36. 1 million based on exchange rates at December 31, ~~2022~~ **2023**) in letters of credit outstanding under our Australian letter of credit facility in connection with certain performance guarantees related to the Ravenhall Prison Project. Our substantial indebtedness could have important consequences. For example, it could: • make it more difficult for us to satisfy our obligations with respect to our senior notes and our other debt and liabilities; • require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, and other general corporate purposes; • limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; • increase our vulnerability to adverse economic and industry conditions; • place us at a competitive disadvantage compared to competitors that may be less leveraged; • restrict us from pursuing strategic acquisitions or exploiting certain business opportunities; • limit our ability to borrow additional funds or refinance existing indebtedness on favorable terms; and • require us to sell assets or take other actions to service our debt obligations. If we are unable to meet our debt service obligations, we may need to reduce capital expenditures, restructure or refinance our indebtedness, obtain additional equity financing or sell assets. The term loans and revolving credit commitments under our exchange credit agreement mature in March 2027 ~~and the revolver under our senior credit facility matures in May 2024~~ . Our 10. 500 % Public Second Lien Notes and our 9. 500 % Private Second Lien Notes mature in June 2028 and December 2028, respectively. Additionally, our outstanding three series of senior notes mature in October 2024 **(these notes will be redeemed in March 2024)** , February 2026 and April 2026. Beginning in 2019, several financial institutions, including some of our lenders under our senior credit facility, announced that they will not be renewing existing agreements or entering into new agreements with companies that operate secure services facilities and centers pursuant to public- private partnerships. We may not continue to have access to the debt and capital markets on a cost- effective basis, or at all ~~. For example, certain lenders in our lending syndicate under our senior credit facility have indicated that they will not renew their lending commitments to us when such commitments expire in 2024 because we are a private operator of secure correctional and detention facilities, processing centers, and reentry centers~~ . Certain lenders also have publicly disclosed that they will no longer loan money to one of our key competitors. Although we successfully closed on a debt restructuring transaction that resulted in entering into our exchange credit agreement and the issuance of the second lien notes, financial institutions may be unwilling to engage with us in the future and this may restrict our access to the debt and capital markets to support our operations or refinance our indebtedness, including by obtaining debt financing, equity financing or selling assets on satisfactory terms, or at all. This could materially increase the cost of capital and as a result have a material adverse effect on our business, financial condition and results of operations. In addition, our ability to incur additional indebtedness will be restricted by the terms of our exchange credit agreement, and the indentures governing our 10. 500 % Public Second Lien Notes due 2028, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes ~~,~~ **and** the 6. 00 ~~% Senior Notes, and the 5. 875~~ % Senior Notes. We are incurring significant indebtedness in connection with substantial ongoing capital expenditures. Capital expenditures for existing and future projects may materially strain our liquidity. We currently have several active projects that we anticipate spending approximately $ ~~77~~ **70** to $ ~~88~~ **80** million on capital expenditures in ~~2023~~ **2024** . Included in these projects are planned expenditures in our Electronic Monitoring and Supervision Services segment related to technology ~~including approximately $ 7 million for the transition from Code Division Multiple Access (CDMA) to Long Term Evolution (LTE) technology~~ . Of these projects, we estimate that $ ~~45~~ **48** to $ ~~48~~ **52** million are related to facility maintenance costs. We intend to finance these and future projects using our own funds, including cash on hand, cash flow from operations and borrowings under the revolver. In addition to these current estimated capital requirements for ~~2023~~ **2024** , we are currently in the process of bidding on, or evaluating potential bids for the design, construction and management of a number of new projects. In the event that we win bids for these projects and decide to self- finance their construction, our capital requirements in ~~2023~~ **2024** could materially increase. As of December 31, ~~2022~~ **2023** , we had the ability to borrow $ ~~226~~ **189** . ~~4~~ **2** million under the revolver after applying the limitations and restrictions in our debt covenants and subject to our satisfying the relevant borrowing conditions under the senior credit facility. In addition, we have the ability to increase the senior credit facility by an additional $ 450 million, subject to lender demand and prevailing market conditions and satisfying the relevant borrowing conditions thereunder. While we believe we currently have adequate borrowing capacity under our senior credit facility to fund our operations and all of our committed capital expenditure projects, we may need additional borrowings or financing from other sources in order to complete potential capital expenditures related to new projects in the future. We cannot assure you that such borrowings or financing will be made available to us on satisfactory terms, or at all. In addition, the large capital commitments that these projects will require over the next 12- 18 month period may materially strain our liquidity and our borrowing capacity for other purposes. Capital constraints caused by these projects may also cause us to have to entirely refinance our existing indebtedness or incur more indebtedness. Such financing may have terms less favorable than those we currently have in place, or not be available to us at all. In addition, the concurrent development of these and other large capital projects exposes us to material risks. For example, we may not complete some or all of the projects on time or on budget, which could cause us to absorb any losses associated with any delays. Despite current indebtedness levels, we may still incur more indebtedness, which could further exacerbate the risks described above. The terms of the indentures governing the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes ~~,~~ **and** the 6. 00 % Senior Notes, and ~~the 5. 875 % Senior Notes and~~ our exchange credit agreement ~~and our senior credit facility restrict~~ **restricts** our ability to incur, but do not prohibit us from incurring, significant additional indebtedness in the future. As of December 31, ~~2022~~ **2023** , we had the ability to borrow an additional $ ~~226~~ **189** . ~~4~~ **2** million under the revolver portion of our exchange credit agreement after applying the limitations and restrictions in our debt covenants and subject to our satisfying the relevant borrowing conditions under the senior credit facility. Also, we may refinance all or a portion of our indebtedness, including borrowings under our exchange credit agreement, the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes ~~,~~ **and** the 6. 00 ~~% Senior Notes, and the 5. 875~~ % Senior Notes. The terms of such refinancing may be less restrictive and permit us to incur more indebtedness than we can now. If new indebtedness is added to our and our subsidiaries' current debt levels, the related risks that we and they now face related to our significant level of indebtedness could intensify. Rating agencies routinely evaluate us, and their ratings of our long- term and short- term debt are based upon a number of factors, including our cash generating capability, levels of indebtedness, policies with respect to shareholder distributions and financial strength generally, as well as factors beyond our control, such as the then- current state of the economy and our industry generally. Any downgrade of our credit ratings by a credit rating agency, whether as a result of our actions or factors which are beyond our control, can increase our future borrowing costs, impair our ability to access capital and credit markets on terms commercially acceptable to us or at all and result in a reduction in our liquidity. Our borrowing costs and access to capital markets also can be adversely affected if a credit rating agency announces that our ratings are under review for a potential downgrade. An increase in our borrowing costs, limitations on our ability to access the global capital and credit markets or a reduction in our liquidity can adversely affect our financial condition, results of operations and cash flows. The covenants in the indentures governing the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes, **and** the 6. 00 % Senior Notes ~~, and the 5. 875 % Senior Notes~~ and the covenants in our Exchange Credit Agreement ~~and our senior credit facility~~ impose significant operating and financial restrictions which may adversely affect our ability to operate our business. The indentures governing the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes, **and** the 6. 00 % Senior Notes ~~, and the 5. 875 % Senior Notes~~ and our Exchange Credit Agreement ~~and our senior credit facility~~ impose significant operating and financial restrictions on us and certain of our subsidiaries, which we refer to as restricted subsidiaries. These restrictions limit our ability to, among other things: • incur additional indebtedness; • pay dividends and or distributions on our capital stock, repurchase, redeem or retire our capital stock, prepay subordinated indebtedness, make investments; • issue preferred stock of subsidiaries; • guarantee other indebtedness; • create liens on our assets; • transfer and sell assets; • make capital expenditures above certain limits; • create or permit restrictions on the ability of our restricted subsidiaries to pay dividends or make other distributions to us; • enter into sale / leaseback transactions; • enter into transactions with affiliates; and • merge or consolidate with another company or sell all or substantially all of our assets. These restrictions could limit our ability to finance our future operations or capital needs, make acquisitions or pursue available business opportunities. In addition, our Exchange Credit Agreement requires us to maintain specified financial ratios and satisfy certain financial covenants, including maintaining a maximum total leverage ratio, a maximum first lien coverage ratio, a minimum interest coverage ratio and a cap on the amount of unrestricted cash that our foreign subsidiaries may hold as of the last day of any fiscal quarter. We may be required to take action to reduce our indebtedness or to act in a manner contrary to our business objectives to meet these ratios and satisfy these covenants. We could also incur additional indebtedness having even more restrictive covenants. Our failure to comply with any of the covenants under our Exchange Credit Agreement, our senior credit facility, the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes, the 6. 00 % Senior Notes, the 5. 875 % Senior Notes, or any other indebtedness could prevent us from being able to draw on the Revolver, cause an event of default under such documents and result in an acceleration of all of our outstanding indebtedness. If all of our outstanding indebtedness were to be accelerated, we likely would not be able to simultaneously satisfy all of our obligations under such indebtedness, which would materially adversely affect our financial condition and results of operations. Servicing our indebtedness will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control and we may not be able to generate the cash required to service our indebtedness. Our ability to make payments on our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Our business may not be able to generate sufficient cash flow from operations or future borrowings may not be available to us under our Exchange Credit Agreement or senior credit facility or otherwise in an amount sufficient to enable us to pay our indebtedness or debt securities, including the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes ~~,~~ **and** the 6. 00 ~~% Senior Notes, and the 5. 875~~ % Senior Notes, or to fund our other liquidity needs. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. However, we may not be able to complete such refinancing on commercially reasonable terms or at all. If for any reason we are unable to meet our debt service obligations, we would be in default under the terms of the agreements governing our outstanding debt. If such a default were to occur, the lenders under the Exchange Credit Agreement ~~and senior credit facility~~ , and holders of the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes ~~,~~ **and** the 6. 00 ~~% Senior Notes, and the 5. 875~~ % Senior Notes could elect to declare all amounts outstanding immediately due and payable, and the lenders would not be obligated to continue to advance funds under the Exchange Credit Agreement or senior credit facility. If the amounts outstanding under the Exchange Credit Agreement, the senior credit facility or other agreements governing our outstanding debt, were accelerated, our assets may not be sufficient to repay in full the money owed to our lenders and holders of the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes ~~,~~ **and** the 6. 00 ~~% Senior Notes, and the 5. 875~~ % Senior Notes and any other debt holders. Because portions of our senior indebtedness have floating interest rates, an increase in interest rates would adversely affect cash flows. Borrowings under our Exchange Credit Agreement bear interest at a variable rate using a spread over SOFR. As a result, to the extent our exposure to increases in interest rates is not eliminated through interest rate protection agreements, such increases will result in higher debt service costs which will adversely affect our cash flows. We currently do not have interest rate protection agreements in place to protect against interest rate fluctuations on borrowings under our Exchange Credit Agreement. As of December 31, ~~2022~~ **2023** , we had $ **906** ~~1, 113~~ . ~~2~~ **7** million of indebtedness outstanding under our Exchange Credit Agreement, and a one percent increase in the interest rate applicable to our Exchange Credit

Agreement would increase our annual interest expense by approximately $ ~~11~~ **9** million ~~. Additionally, on July 27, 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021 and it is unclear whether new methods of calculating LIBOR will be established. If LIBOR ceases to exist, our borrowings will bear interest at an alternative base rate plus a spread, and our ability to borrow in currencies other than U. S. dollars will be limited, in each case until such a time as a comparable or successor reference rate for LIBOR is approved by the administrative agent, or agreed to by the Company and the lenders under our Senior Credit Facility. However, for U. S. dollar LIBOR, the relevant date was deferred to June 30, 2023 for certain tenors (including overnight and one, three, six and 12 months), at which time the LIBOR administrator will cease publication of U. S. dollar LIBOR. Despite this deferral, the LIBOR administrator has advised that no new contracts using U. S. dollar LIBOR should be entered into after December 31, 2021. These actions indicate that the continuation of U. S. LIBOR on the current basis cannot be guaranteed after June 30, 2023. Moreover, it is possible that U. S. LIBOR will be discontinued or modified prior to June 30, 2023. The U. S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee consisting of large U. S. financial institutions, is considering replacing U. S. dollar LIBOR with the Secured Overnight Financing Rate (SOFR), a new index calculated with a broad set of short- term repurchase agreements backed by treasury securities. It is not possible to predict the effect of these changes, other reforms or the establishment of alternative reference rates in the United States or elsewhere. To the extent these interest rates increase, our interest expense will increase, which could adversely affect our financial condition, operating results and cash flows~~ . We depend on distributions from our subsidiaries to make payments on our indebtedness. These distributions may not be made. A substantial portion of our business is conducted by our subsidiaries. Therefore, our ability to meet our payment obligations on our indebtedness is substantially dependent on the earnings of certain of our subsidiaries and the payment of funds to us by our subsidiaries as dividends, loans, advances or other payments. Our subsidiaries are separate and distinct legal entities and, unless they expressly guarantee any indebtedness of ours, they are not obligated to make funds available for payment of our indebtedness in the form of loans, distributions or otherwise. Our subsidiaries' ability to make any such loans, distributions or other payments to us will depend on their earnings, business results, the terms of their existing and any future indebtedness, tax considerations and legal or contractual restrictions to which they may be subject. If our subsidiaries do not make such payments to us, our ability to repay our indebtedness may be materially adversely affected. For the year ended December 31, ~~2022~~ **2023** , our subsidiaries accounted for 57. ~~1~~ **3** % of our consolidated revenues, and as of December 31, ~~2022~~ **2023** , our subsidiaries accounted for ~~91~~ **92** . ~~6~~ **5** % of our total assets. We may not be able to satisfy our repurchase obligations in the event of a change of control or fundamental change because the terms of our indebtedness or lack of funds may prevent us from doing so. Upon a change of control as specified in the indentures governing the terms of our second lien notes and senior notes, each holder of the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes ~~,~~ **and** the 6. 00 ~~% Senior Notes, and the 5. 875~~ % Senior Notes will have the right to require us to repurchase their notes at 101 % of their principal amount, plus accrued and unpaid interest, and liquidated damages, if any, to the date of repurchase. Upon a fundamental change as specified in the indenture governing the terms of the 6. 50 % Exchangeable Senior Notes, each holder of the 6. 50 % Exchangeable Senior Notes will have the right to require us to purchase for cash any or all of their notes at a purchase price equal to 100 % of the principal amount of the notes to be purchased, plus accrued and unpaid interest. In addition, upon exchange of the 6. 50 % Exchangeable Senior Notes, we may be required to make cash payments in respect of the notes being exchanged. The terms of the Exchange Credit Agreement ~~and senior credit facility~~ limit our ability to repurchase the notes in the event of a change of control or fundamental change. Any future agreement governing any of our indebtedness may contain similar restrictions and provisions. Accordingly, it is possible that restrictions in the Exchange Credit Agreement and senior credit facility or other indebtedness that may be incurred in the future will not allow the required repurchase of the 10. 500 % Public Second Lien Notes, 9. 500 % Second Lien Notes, 6. 50 % Exchangeable Senior Notes ~~,~~ **and** the 6. 00 ~~% Senior Notes, and the 5. 875~~ % Senior Notes upon a change of control or fundamental change. Even if such repurchase is permitted by the terms of our then existing indebtedness, we may not have sufficient funds available to satisfy our repurchase obligations. Our failure to purchase any of the second lien notes and senior notes would be a default under the indenture governing such notes, which in turn would trigger a default under the Exchange Credit Agreement and the indentures governing the other second lien notes and senior notes. The conditional exchange features of the 6. ~~5~~ **50** % Exchangeable Senior Notes, if triggered, may adversely affect our financial condition. If one of the exchange contingencies of the 6. ~~5~~ **50** % Exchangeable Senior Notes is triggered, holders of the 6. ~~5~~ **50** % Exchangeable Senior Notes will be entitled to exchange the 6. ~~5~~ **50** % Exchangeable Senior Notes at any time during specified periods. If one or more holders elect to exchange their 6. ~~5~~ **50** % Exchangeable Senior Notes, we would be required to settle a portion of or all of our exchange obligation through the payment of cash, which could adversely affect our liquidity and various aspects of our business (including our credit ratings and the trading price of the 6. ~~5~~ **50** % Exchangeable Senior Notes). In addition, even if holders do not elect to exchange their 6. ~~5~~ **50** % Exchangeable Senior Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 6. ~~5~~ **50** % Exchangeable Senior Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital. The second lien notes and the related guarantees are effectively subordinated to our and our subsidiary guarantors' current senior secured indebtedness that is secured by a first- priority lien on the collateral to the extent of the value of the collateral and structurally subordinated to the indebtedness of our subsidiaries that do not guarantee the second lien notes. The second lien notes and the related guarantees are secured on a second- priority basis by the collateral and therefore will be effectively subordinated to our current secured indebtedness that is secured by first- priority liens on the collateral to the extent of the value of the collateral. Such indebtedness includes the loans and other obligations incurred under the Exchange Credit Agreement, which are secured by first- priority liens on the same collateral that secures the second lien notes. In addition, a portion of the collateral that secures the second lien notes also secures the loans and other obligations under the senior credit facility on a first- priority basis. As such, the second lien notes are effectively subordinated to the loans and other obligations under the senior credit facility to the extent of the value of that portion of the collateral. As of December 31, ~~2022~~ **2023** , the Company and the Initial Guarantors would have had total consolidated indebtedness of approximately $ ~~2~~ **1** , ~~046~~ **782** million, (excluding $ ~~77~~ **75** . ~~6~~ **8** million of existing letters of credit, but including Capital Lease Obligations of $ ~~2~~ **1** . ~~0~~ **3** million and other debt of $ ~~40~~ **39** . ~~9~~ **7** million) primarily consisting of $ ~~1, 113~~ **906. 7** million of secured indebtedness under the Exchange Credit Agreement with $ ~~226~~ **189** . ~~4~~ **2** million of additional availability, no secured indebtedness under the senior credit facility, $ 23. 2 million of the 5. 875 % Senior Notes, $ 110. 9 million of the 6. 00 % Senior Notes, $ 230. 0 million of the 6. 5 % Exchangeable Senior Notes, $ 239. 1 million of the 9. 500 % Private Second Lien Notes, and $ 286. 5 million of the 10. 500 % Public Second Lien Notes. In addition, the indentures governing the outstanding notes, the Exchange Credit Agreement and the senior credit facility will allow us and our subsidiary guarantors to incur a significant amount of additional indebtedness, including indebtedness secured by a first- priority lien on the collateral. In the event we or the guarantors become the subject of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, our assets and the assets of the guarantors securing indebtedness on a first- priority basis could not be used to pay you until after all such first- lien secured claims against us and the guarantors have been fully paid. In addition, the second lien notes and the related guarantees are structurally subordinated to all existing and future liabilities of our subsidiaries that do not guarantee the second lien notes, including the trade payables of such subsidiaries. It may be difficult to realize the value of the collateral securing the second lien notes and related guarantees. No appraisal of the value of the collateral securing the second lien ~~noes~~ **notes** and the related guarantees was made in connection with the exchange offers the Company completed in August 2022 and the fair market value of the collateral is subject to fluctuations based on factors that include, among others, market and other economic conditions, including the availability of suitable buyers. By its nature, some or all of the collateral may be illiquid and may have no readily ascertainable market value. We cannot assure you that the fair market value of the collateral as of December 31, ~~2022~~ **2023** , exceeds, or at any other point in time will exceed, the principal amount of the debt secured thereby. The value of the collateral and the guarantees could be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy, competition, liabilities and other future events. Accordingly, there may not be sufficient collateral to pay all or any of the amounts due on the second lien notes or the other debt secured by the collateral, including the obligations under the Exchange Credit Agreement and senior credit facility. Any claim for the difference between the amount, if any, realized by holders of first- priority liens or holders of the second lien notes from the sale of the collateral and the obligations of the Company and guarantors under the second lien notes will rank equally in right of payment with all of our other unsecured unsubordinated indebtedness and other obligations, including trade payables, the 5. 875 % Senior Notes and the 6. 00 % Senior Notes. Additionally, in the event that a bankruptcy or insolvency proceeding is commenced by or against us, if the value of the collateral is less than the amount of principal and accrued and unpaid interest on the applicable second lien notes and all other obligations secured by a lien of equal or higher priority to the lien securing the second lien notes, interest may cease to accrue on such second lien notes from and after the date such proceedings are commenced or initiated. Also, any disposition of the collateral during a bankruptcy or insolvency proceeding outside of the ordinary course of our business would require approval from the bankruptcy court (which may not be given under certain circumstances). To the extent that third parties enjoy prior liens on any of the collateral or are able to attach liens to any of the collateral, such third parties may have rights and remedies with respect to the collateral that, if exercised, could adversely affect the value of the collateral. Additionally, the terms of the indentures governing the second lien notes allow us to (i) issue additional secured indebtedness, including additional debt that may rank pari passu in right of payment with and secured on an equal and ratable basis with the Company' s first lien secured obligations or pari passu in right of payment with and secured on an equal and ratable basis with the second lien notes, and (ii) to incur refinancing indebtedness in certain circumstances. The indentures governing the second lien notes do not require that we maintain the current level of collateral value or maintain a specific ratio of indebtedness to asset values. Thus, the issuance of any such additional debt and refinancing indebtedness may have the effect of significantly diluting the ability of noteholders to recover payment in full of the second lien notes from the then- existing pool of collateral. Releases of collateral from the liens securing the second lien notes will be permitted under certain circumstances. In the future, the obligation to grant additional security over assets, or a particular type or class of assets, whether as a result of the acquisition or creation of future assets or subsidiaries, the designation of a previously unrestricted subsidiary or otherwise, will be subject to the provisions of the applicable indentures governing the second lien notes and related security documents. Furthermore, upon enforcement against any collateral or during a bankruptcy insolvency proceeding, the claims of the holders of the second lien notes, to the proceeds thereof will rank junior to any first- priority liens on such collateral, including those securing the obligations under the Exchange Credit Agreement and the senior credit facility. Enforcement of the security interests in the collateral is subject to practical problems generally associated with the realization of security interests in collateral. For example, the consent of a third party may be necessary to obtain or enforce a security interest in a contract and such consent may not be provided. Also, the consents of any third parties may not necessarily be given when required to facilitate a foreclosure or realization on the collateral. Accordingly, the Second Lien Collateral Trustee may not have the ability to foreclose or realize upon those assets and the value of the collateral may significantly decrease. ~~The current pandemic of the novel coronavirus, or COVID- 19, has and we expect it will continue to adversely impact and disrupt our business, and such impacts may have a material adverse effect on our results of operations, financial condition and liquidity. Most of our facilities have experienced cases of COVID- 19 in both our staff and individuals entrusted to our care. We have taken a number of comprehensive steps and measures to mitigate the transmission and risks of COVID- 19 which we have outlined in our annual report on Form 10- K for the year ended December 31, 2022. This includes issuing guidance to all of our facilities that is consistent with the guidance issued for correctional and detention facilities by the Centers for Disease Control and Prevention; as the guidance has evolved updating our policies and procedures to include best practices for the prevention, assessment, and management of COVID- 19, the implementation of quarantine and cohorting procedures to isolate confirmed~~

~~and presumptive cases of COVID- 19; ordering and receiving COVID- 19 swab kits; purchasing and distributing personal protective equipment, including facemasks to all staff and individuals in our care at our facilities; increasing the frequency of distribution of personal hygiene products, including soap, shampoo and body wash and tissue paper; and administering COVID- 19 vaccines and boosters in accordance with applicable guidelines on vaccine and booster distribution. We will continue to evaluate and refine these steps and measures as appropriate and necessary based on updated guidance by the CDC and best practices. Additionally, we have increased our spending on personal protective equipment, diagnostic testing, medical expenses, temperature scanners, protective plexiglass barriers and increased sanitation as a result of COVID- 19. However, these steps and measures as well as the implementation of the COVID- 19 vaccine and booster roll - out in the jurisdictions we operate in and the ultimate effectiveness of the COVID- 19 vaccine and boosters may prove to be insufficient in stopping or slowing the transmission of COVID- 19 and the risks it poses to our staff and individuals entrusted to our care or may result in us spending more in additional expenditures than currently contemplated. If we were to be unable to fully staff our secure facilities, processing centers and community reentry centers due to confirmed or suspected COVID- 19 cases, it could result in negative consequences, including fines, other penalties, or contract cancellations. Additionally, our government partners could require us to transfer inmates or detainees to other facilities in the event of a COVID- 19 outbreak at one of our facilities. Certain states and cities in the U. S. have also responded to COVID- 19 by instituting quarantines, restrictions on travel, " shelter in place " rules, and restrictions on types of businesses that may continue to operate. As a result, the COVID- 19 pandemic has negatively impacted almost every industry directly or indirectly. Even though we have continued our operations as an essential government service provider, in early 2020, we began to observe negative impacts from the pandemic on our performance in our secure services business as a result of declines in crossings and apprehensions along the Southwest border, a decrease in court sentencing at the federal level and reduced operational capacity to promote social distancing protocols. In addition to court mandates related to COVID- 19 that limit capacity utilization at certain facilities, a driver of low utilization across ICE facilities have been the Title 42 COVID- 19 related restrictions that have been in place at the Southwest border since March 2020. Additionally, our reentry services business conducted through our Reentry Services business segment has also been negatively impacted, specifically our residential reentry centers were impacted due to lower levels of referrals by federal, state and local agencies. Throughout the pandemic, new intake at residential reentry centers have significantly slowed down as governmental agencies across the country have opted for non- residential alternatives, including furloughs, home confinement and day reporting. We expect that the COVID- 19 pandemic will continue to have an impact on our populations for at least part of 2023, depending on various factors. While we experienced a significant increase in COVID- 19 cases in 2022, consistent with the spread of the Omicron variant across the country, we are currently seeing a significant decline in cases among our staff and the individuals in our care. The effects of COVID- 19 on our business, as well as actions we have taken or may take, or decisions we have made or may make, as a consequence of COVID- 19, may result in legal claims or litigation against us. Litigation can be costly, regardless of the outcome. Any financial liability, litigation costs or reputational damage caused by COVID- 19 related litigation could have a material adverse impact on our business, financial condition and results of operations. The COVID- 19 pandemic has had repercussions across regional and global economies and financial markets. The outbreak of COVID- 19 in many countries, including the United States, has significantly adversely impacted global economic activity and has contributed to significant volatility and negative pressure in financial markets. Depending on the magnitude and duration of the COVID- 19 pandemic, the adverse impact of the COVID- 19 pandemic on our business, results of operations, financial condition and liquidity could be material. Even when the COVID- 19 pandemic has subsided, we may continue to experience significant adverse effects to our business as a result of its global economic impact, including any economic recession or downturn and the possibility this will result in government budgetary constraints or any changes to a government' s willingness to maintain or grow public- private partnerships in the future.~~ We partner with a limited number of governmental customers who account for a significant portion of our revenues. The loss of, or a significant decrease in revenues from, these customers could seriously harm our financial condition and results of operations. We currently derive, and expect to continue to derive, a significant portion of our revenues from a limited number of governmental agencies. Of our governmental partners, three federal governmental agencies with correctional and detention responsibilities, the BOP, ICE, and the U. S. Marshals Service, accounted for **62. 2 % and** 63. 9 ~~% and 57. 5~~ % of our total consolidated revenues for the year ended December 31, **2023 and** 2022 ~~and 2021~~, respectively, through multiple individual contracts, with the BOP accounting for **2. 9 % and** 3. 8 ~~% and 8. 6~~ % of our total consolidated revenues for **2023 and** 2022 ~~and 2021~~, respectively, ICE accounting for **42. 7 % and** 43. 9 ~~% and 33. 1~~ % of our total consolidated revenues for **2023 and** 2022 ~~and 2021~~, respectively, and the U. S. Marshals Service accounting for 16. **7 % and 16.** 2 ~~% and 15. 9~~ % of our total consolidated revenues for **2023 and** 2022 ~~and 2021~~, respectively. However, no individual contract with these clients accounted for more than 10. 0 % of our total consolidated revenues for **2023 and** 2022 except for our **ISAP** contract ~~with ISAP~~ that accounted for ~~17~~ **14** . 0 % **and 17 %** of our consolidated revenues **, respectively. Our ISAP contract may be subject to competitive re- bid in 2025** . As of December 31, ~~2022~~ **2023** , GEO has no company- owned facilities under direct contract with the BOP for secure services. GEO has three company- owned / company leased facilities under direct contracts with USMS, which have current contract option periods that expire between ~~February 28, 2023 and~~ September ~~30, 2023~~ **2025 and September 2028** . These facilities combined represented approximately 6 % of our revenues for the year ended December 31, ~~2022~~ **2023** . Our revenues depend on our governmental customers receiving sufficient funding and providing us with timely payment under the terms of our contracts. If the applicable governmental customers do not receive sufficient appropriations to cover their contractual obligations, they may delay or reduce payment to us or terminate their contracts with us. With respect to our federal government customers, any future impasse or struggle impacting the federal government' s ability to reach agreement on the federal budget, debt ceiling or any future federal government shut- downs could result in material payment delays, payment reductions or contract terminations. Additionally, our governmental customers may request in the future that we reduce our per diem contract rates or forego increases to those rates as a way for those governmental customers to control their spending and address their budgetary shortfalls. Our governmental customers may also from time to time adopt, implement or modify certain policies or directives that may adversely affect our business. Our federal, state or local governmental partners may in the future choose to undertake a review of their utilization of public- private partnerships, or may re- negotiate, cancel or decide not to renew our existing contracts with them. For example, on January 26, 2021, President Biden signed an Executive Order directing the United States Attorney General not to renew Department of Justice contracts with privately operated criminal detention facilities. President Biden' s administration **or a future administration** may implement further executive orders or directives relating to federal criminal justice policies and immigration policies which may impact the federal government' s use of public- private partnerships with respect to correctional and detention needs, including with respect to our contracts, and / or may impact the budget and spending priorities of federal agencies, including ICE. Various state partners have or may choose in the future to undertake a review of their utilization of public- private partnerships ~~. For example, California enacted legislation aimed at phasing out public- private partnership contracts for the operation of secure facilities within California and facilities outside of the state of California housing state of California inmates. We have public- private partnership contracts in place with ICE and the U. S. Marshals Service relating to facilities located in California. Additionally, we and the U. S. Department of Justice filed separate legal actions challenging the constitutionality of the attempted ban on new federal contracts entered into after the effective date of the California law. On September 26, 2022, in an 8- 3 en banc decision, the Ninth Circuit Court of Appeals held that AB- 32 violates the U. S. Constitution Supremacy Clause and that AB- 32 is preempted. Currently, the State of Arizona, the State of New Mexico have proposed, and the State of Washington has enacted legislation similar to the California law. Delaware County, Pennsylvania took over the management of GEO' s managed- only contract for the 1, 883- bed George W. Hill Correctional facility located in Thornton, Pennsylvania effective April 2022. The Pennsylvania facility generated approximately $ 47 million in annualized revenue for GEO during the year ended December 31, 2021~~ . The loss of, or a significant decrease in, our current contracts with the ICE, the U. S. Marshals Service or any other significant customers could seriously harm our financial condition and results of operations. We expect these federal and state agencies and a relatively small group of other governmental customers to continue to account for a significant percentage of our revenues. While a substantial portion of our cost structure is generally fixed, most of our revenues are generated under facility management contracts which provide for per diem payments based upon daily occupancy. Several of these contracts provide fixed- price payments that cover a portion, or all of our fixed costs based on a guaranteed minimum level of occupancy regardless of the actual level of occupancy. During the pandemic, we ~~have~~ received these fixed- price payments at a number of our facilities where the actual level of occupancy was below the guaranteed minimum level of occupancy and as a result those facilities experienced a greater amount of profitability. If the levels of occupancy at the facilities subject to a guaranteed minimum level of occupancy were to increase, our costs may increase and therefore result in a decreased amount of profitability at these facilities ~~with guaranteed minimum level of occupancy~~ . However, many of our contracts have no fixed- price payments and simply provide for a per diem payment based on actual occupancy. As a result, with respect to our contracts that have no fixed- price payments, we are highly dependent upon the governmental agencies with which we have contracts to utilize our facilities. Under a per diem rate structure, a decrease in our utilization rates could cause a decrease in revenues and profitability. When combined with relatively fixed costs for operating each facility, regardless of the occupancy level, material fluctuations in occupancy levels at one or more of our facilities could have a material adverse effect on our revenues and profitability, and consequently, on our financial condition and / or results of operations. **In addition material fluctuations in participation in ISAP could have a material adverse effect on our revenues and profitability, and consequently, on our financial condition and / or results of operations.** Long- running pressure on state budgets had eased in prior years amid widespread economic growth and tax revenue gains that resulted in the first budget surpluses in years for many states. The COVID- 19 pandemic adversely impacted the economic expansion and budget surpluses enjoyed by numerous states. Still, some states were in a stronger position than others as they began to experience a public health emergency and their greatest fiscal and economic tests since the Great Recession of 2007- 09. As of December 31, ~~2022~~ **2023** , GEO had the following state clients: Florida, Georgia, Virginia, Indiana, Oklahoma, Alabama, New Jersey, New Mexico, Alaska, Arizona, Pennsylvania, Wyoming, California, Idaho, Illinois, Tennessee, Louisiana, Maryland, North Carolina and Texas. If state budgetary conditions deteriorate, our 20 state customers' ability to pay us may be impaired and / or we may be forced to renegotiate our management contracts with those customers on less favorable terms and our financial condition, results of operations or cash flows could be materially adversely impacted. In addition, budgetary constraints in states that are not our current customers could prevent those states from using public- private partnerships for secure facilities, processing centers or community based service opportunities that we otherwise could have pursued. From time to time, we may not have a management contract with a client to operate existing beds at a facility or new beds at a facility that we are expanding and we cannot assure you that such a contract will be obtained. Failure to obtain a management contract for these beds will subject us to carrying costs with no corresponding management revenue. From time to time, we may not have a management contract with a customer to operate existing beds or new beds at facilities that we are currently in the process of renovating and expanding. While we will always strive to work diligently with a number of different customers for the use of these beds, we cannot assure you that a contract for the beds will be secured on a timely basis, or at all. While a facility or new beds at a facility are vacant, we incur carrying costs. In our U. S. Secure Services segment, as of December 31, ~~2022~~ **2023** , we were marketing ~~10~~ **9** , ~~922~~ **732** vacant beds with a net book value of approximately $ ~~305~~ **251** . ~~6~~ **2** million at seven of our idle facilities to potential customers. In our Reentry Services segment, as of December 31, ~~2022~~ **2023** , we were marketing ~~2~~ **1** , ~~139~~ **689** vacant beds with a net book value of approximately $ ~~43~~ **37** . 2 million at ~~four~~ **three** of our idle facilities to potential customers. The combined annual carrying cost of these idle facilities in ~~2023~~ **2024** is estimated to be $ ~~32~~ **26** . ~~8~~ **2** million, including depreciation expense of $ ~~16~~ **17** . ~~5~~ **9** million. Failure to secure a management contract for a facility or expansion project could have a material adverse impact on our financial condition, results of operations and / or cash flows. We review our facilities for impairment whenever events or changes in circumstances indicate the net book value of the facility may not be recoverable. Impairment charges taken on our facilities could require material charges to our results of operations. In addition, in order to secure a management contract for these beds, we may need to incur significant capital expenditures to renovate or further expand the facility to meet potential clients' needs. We are subject to the loss of our facility management contracts, due to terminations, non- renewals or competitive re- bids, which could adversely affect our results of operations and liquidity, including our ability to secure new facility management contracts from other government customers. We are exposed to the risk that we may lose our facility management contracts primarily due to one of three reasons: (i) the termination by a government customer with or without cause at any time; (ii) the failure by a customer to exercise its unilateral option to renew a contract with us upon the expiration of the then current term; or (iii) our failure to win the right to continue to operate under a contract that has been competitively re- bid in a procurement process upon its termination or expiration. Our facility management contracts typically allow a contracting governmental agency to terminate a contract with or without cause at any time by giving us written notice ranging from 30 to 180 days. If government agencies were to use these provisions to terminate, or renegotiate the terms of their agreements with us, our financial condition and results of operations could be materially adversely affected. As of December 31, ~~2022~~ **2023** , ~~17~~ **26** of our facility management contracts ~~were~~ **may be** subject to competitive re- bid in ~~2023~~ **2024** . These contracts in the aggregate represented ~~6~~ **9** % and approximately $ ~~139~~ **200** million of our ~~2022~~ **2023** consolidated revenues. We cannot in fact assure you that we will prevail in future re- bid situations or that any competitive re- bids we win will be on terms more favorable to us than those in existence with respect to the applicable expiring contract ~~. Our federal, state or local governmental partners may in the future choose to undertake a review of their utilization of public- private partnerships, or may re- negotiate, cancel or decide not to renew our existing contracts with them. For example, on January 26, 2021, President Biden signed an Executive Order directing the United States Attorney General not to renew Department of Justice contracts with privately operated criminal detention facilities. President Biden' s administration or a future administration may implement further executive orders or directives relating to federal criminal justice policies and immigration policies which may impact the federal government' s use of public- private partnerships with respect to correctional and detention needs, including with respect to our contracts, and / or may impact the budget and spending priorities of federal agencies, including ICE~~ . For additional information on facility management contracts that we currently believe will be competitively re- bid during each of the next five years and thereafter, please see " Business — Government Contracts — Terminations, Renewals and Competitive Re- bids ". The loss by us of facility management contracts due to terminations, non- renewals or competitive re- bids could materially adversely affect our financial condition, results of operations and / or liquidity, including our ability to secure new facility management contracts from other government customers. Our growth depends on our ability to secure contracts to develop and manage new secure facilities, processing centers and community based facilities and to secure contracts to provide electronic monitoring services, community- based reentry services and monitoring and supervision services, the demand for which is outside our control. Our growth is primarily dependent upon our ability to obtain new contracts to develop and / or manage secure, processing, and community based facilities under public- private partnerships. Additionally, our growth is generally dependent upon our ability to obtain new contracts to offer electronic monitoring services, provide community- based reentry services and provide monitoring and supervision services. Demand for new public- private partnership facilities in our areas of operation may decrease and our potential for growth will depend on a number of factors we cannot control, including overall economic conditions, governmental and public acceptance of public- private partnerships, government budgetary constraints, and the number of facilities available for public- private partnerships. In particular, the demand for our secure facility and processing center services, electronic monitoring services, community- based reentry services and monitoring and supervision services could be affected by changes in existing policies which adversely impact the need for and acceptance of public- private partnerships across the spectrum of services we provide. Various factors outside our control could adversely impact the growth of our Reentry Services business, including government customer resistance to the public- private partnerships for residential community based facilities, and changes to Medicaid and similar reimbursement programs. We may not be able to meet state requirements for capital investment or locate land for the development of new facilities, which could adversely affect our results of operations and future growth. Certain jurisdictions have in the past required successful bidders to make a significant capital investment in connection with the financing of a particular project. If this trend were to continue in the future, we may not be able to obtain sufficient capital resources when needed to compete effectively for facility management contracts. Additionally, our success in obtaining new awards and contracts may depend, in part, upon our ability to locate land that can be leased or acquired under favorable terms. Our inability to secure financing and desirable locations for new facilities could adversely affect our results of operations and future growth. We compete with government entities and other public- private partnership operators on the basis of cost, bed availability, location of facility, quality and range of services offered, experience in managing facilities, and reputation of management and personnel. Barriers to entering the market for the management of secure and processing facilities and the provision of community reentry programs may not be sufficient to limit additional competition in our industry. In addition, some of our government customers may assume the management of a facility currently managed by us upon the termination of the corresponding management contract or, if such customers have capacity at the facilities which they operate, they may choose to use less capacity at our facilities. Since we are paid on a per diem basis based on actual occupancy under some of our contracts, a decrease in occupancy could cause a decrease in both our revenues and our profitability. We are dependent on government appropriations, which may not be made on a timely basis or at all and may be adversely impacted by budgetary constraints at the federal, state, local and foreign government levels. Our cash flow is subject to the receipt of sufficient funding of and timely payment by contracting governmental entities. If the contracting governmental agency does not receive sufficient appropriations to cover its contractual obligations, it may terminate our contract or delay or reduce payment to us. Any delays in payment, or the termination of a contract, could have a material adverse effect on our cash flow and financial condition, which may make it difficult to satisfy our payment obligations on our indebtedness, including the 10. 500 % Public

Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes, **and** the 6. 00 % Senior Notes ~~,~~ ~~the 5. 875 % Senior Notes~~ and the Exchange Credit Agreement ~~and senior credit facility~~ , in a timely manner. In addition, as a result of, among other things, recent economic developments caused by the COVID- 19 pandemic, domestically, federal, state and local governments have encountered, and may continue to encounter, unusual budgetary constraints. As a result, a number of state and local governments may be under pressure to control additional spending or reduce current levels of spending which could limit or eliminate appropriations for the facilities that we operate. Additionally, as a result of these factors, we may be requested in the future to reduce our existing per diem contract rates or forego prospective increases to those rates. Budgetary limitations may also make it more difficult for us to renew our existing contracts on favorable terms or at all. Further, a number of states and foreign governments in which we operate may experience budget constraints for fiscal year ~~2023~~ **2024** . We cannot assure you that these constraints would not result in reductions in per diems, delays in payment for services rendered or unilateral termination of contracts. Any negative publicity about an escape, riot, other disturbance, pandemic outbreak, death or injury of a detainee, or perceived conditions and access to health care and other services at a facility, including any work program at a facility, under a public- private partnership, any failures experienced by our electronic monitoring services and any negative publicity about a crime or disturbance occurring during a failure of service or the loss or unauthorized access to any of the data we maintain in the course of providing our services may result in publicity adverse to us and public- private partnerships in general. Any of these occurrences or continued trends may make it more difficult for us to renew existing contracts or to obtain new contracts or could result in the termination of an existing contract or the closure of one or more of our facilities, which could have a material adverse effect on our business. Such negative events may also result in a significant increase in our liability insurance costs. We may incur significant start- up and operating costs on new contracts before receiving related revenues, which may impact our cash flows and not be recouped. When we are awarded a contract to manage a facility, we may incur significant start- up and operating expenses, including the cost of constructing the facility, purchasing equipment and staffing the facility, before we receive any payments under the contract. These expenditures could result in a significant reduction in our cash reserves and may make it more difficult for us to meet other cash obligations, including our payment obligations on the 10. 500 % Public Second Lien Notes, 9. 500 % Private Second Lien Notes, 6. 50 % Exchangeable Senior Notes, the 6. 00 % Senior Notes ~~, the 5. 875 % Senior Notes~~ and the Exchange Credit Agreement ~~and senior credit facility~~ . In addition, a contract may be terminated prior to its scheduled expiration and as a result we may not recover these expenditures or realize any return on our investment. We may face community opposition to facility locations, which may adversely affect our ability to obtain new contracts. Our success in obtaining new awards and contracts sometimes depends, in part, upon our ability to locate land that can be leased or acquired, on economically favorable terms, by us or other entities working with us in conjunction with our proposal to construct and / or manage a facility. Some locations may be in or near populous areas and, therefore, may generate legal action or other forms of opposition from residents in areas surrounding a proposed site. When we select the intended project site, we attempt to conduct business in communities where local leaders and residents generally support the establishment of a new project. Future efforts to find suitable host communities may not be successful. In many cases, the site selection is made by the contracting governmental entity. In such cases, site selection may be made for reasons related to economic development interests. Natural disasters, pandemic outbreaks, global political events and other serious catastrophic events could disrupt operations and otherwise materially adversely affect our business and financial condition. As an owner and operator of secure facilities, processing centers and community reentry centers with operations in many states throughout the United States and multiple foreign countries, we are subject to numerous risks outside of our control, including risks arising from natural disasters, pandemic outbreaks, such as the COVID- 19 pandemic, and other global health emergencies or disruptive global political events, including terrorist activity and war, or similar disruptions that could materially adversely affect our business and financial performance. Such occurrences can result in destruction or damage to our secure facilities, processing centers and community reentry centers and our information systems, disruption of our operations, require the evacuation of detainees or our personnel, and require the adoption of specific health protocols or treatments to safeguard the health of our detainees or personnel. Although it is not possible to predict such events or their consequences, these events could materially adversely affect our reputation, business and financial condition. Our international operations expose us to risks that could materially adversely affect our financial condition and results of operations. For **each of** the years ended December 31, **2023 and** 2022 ~~and 2021~~ , our international operations ~~, including facility design and construction,~~ accounted for approximately 8 % ~~and 9 %, respectively,~~ of our consolidated revenues from operations. We face risks associated with our operations outside the United States. These risks include, among others, political and economic instability, exchange rate fluctuations, taxes, duties and the laws or regulations in those foreign jurisdictions in which we operate. In the event that we experience any difficulties arising from our operations in foreign markets, our business, financial condition and results of operations may be materially adversely affected. We conduct certain of our operations through joint ventures or consortiums, which may lead to disagreements with our joint venture partners or business partners and adversely affect our interest in the joint ventures or consortiums. We conduct our operations in South Africa through our consolidated joint venture, SACM, and through our 50 % owned and unconsolidated joint venture South African Custodial Services Pty. Limited, referred to as SACS. We conduct our escort and related custody services in the United Kingdom through our 50 % owned and unconsolidated joint venture in GEOAmey ~~PECS~~ Limited, which we refer to as GEOAmey. We may enter into additional joint ventures in the future. Although we have the majority vote in our consolidated joint venture, SACM, through our ownership of 62. 5 % of the voting shares, we share equal voting control on all significant matters to come before SACS. We also share equal voting control on all significant matters to come before GEOAmey. ~~We are conducting certain operations in Victoria, Australia through a consortium comprised of our wholly owned subsidiary, GEO Australia, Forensic Care and Honeywell. The consortium is managing a 1, 300- bed facility in Ravenhall, a location near Melbourne, Australia which was completed in November 2017.~~ These joint venture partners, as well as any future partners, may have interests that are different from ours which may result in conflicting views as to the conduct of the business of the joint venture or consortium. In the event that we have a disagreement with a joint venture partner or consortium business partner as to the resolution of a particular issue to come before the joint venture or consortium, or as to the management or conduct of the business of the joint venture or consortium in general, we may not be able to resolve such disagreement in our favor and such disagreement could have a material adverse effect on our interest in the joint venture or consortium or the business of the joint venture or consortium in general. The rising cost and increasing difficulty of obtaining adequate levels of surety credit on favorable terms could adversely affect our operating results. We are often required to post performance bonds issued by a surety company as a condition to bidding on or being awarded a facility development contract. Availability and pricing of these surety commitments is subject to general market and industry conditions, among other factors. If we are unable to effectively pass along surety costs to our customers, any increase in surety costs could adversely affect our operating results. In addition, we may not continue to have access to surety credit or be able to secure bonds economically, without additional collateral, or at the levels required for any potential facility development or contract bids. If we are unable to obtain adequate levels of surety credit on favorable terms, we would have to rely upon letters of credit under our ~~Senior~~ **Exchange** Credit ~~Facility~~ **Agreement** , which would entail higher costs even if such borrowing capacity was available when desired, and our ability to bid for or obtain new contracts could be impaired. We are dependent upon the continued service of each member of our senior management team, including George C. Zoley, Ph. D., our Executive Chairman, ~~Jose Gordo~~ **Brian R. Evans** , our Chief Executive Officer, ~~Brian R~~ **Shayn P** . ~~Evans~~ **March, our Acting Chief Financial Officer, Wayne Calabrese, our President and Chief Operating Officer, James H. Black** , our Senior Vice President and **President** ~~Chief Financial Officer~~ , ~~James H. Black~~ **Secure Services, Matthew Albence** , our Senior Vice President ~~and President, Secure Services, Wayne Calabrese, our Senior Vice President and Chief Operating Officer, Matthew Albence, our Senior Vice President~~ , Client Relations and also our other executive officers. The unexpected loss of Dr. Zoley, Mr. ~~Gordo~~ **Evans** , Mr. ~~Evans~~ **March** or any other key member of our senior management team could materially adversely affect our business, financial condition or results of operations. In addition, the services we provide are labor- intensive. When we are awarded a facility management contract or open a new facility, depending on the service we have been contracted to provide, we may need to hire operating, management, correctional officers, security staff, physicians, nurses and other qualified personnel. Our business is labor intensive, and some of our operations may experience a high rate of employee turnover from time to time. We believe there is currently a labor shortage impacting both publicly operated and privately operated secure facilities, processing centers and community reentry centers. It can be challenging for us to find appropriately skilled and qualified personnel at affordable rates. We may be unable to hire and retain a sufficiently skilled labor force to support our operating needs, our contractual requirements and our growth strategy. A labor shortage could negatively affect our ability to efficiently operate our facilities and our overall business. Any such shortage may adversely impact our ability to serve our customers effectively. Our labor and training expenses could increase as a result of a shortage in the supply of skilled personnel and an increase in the compensation we will need to pay to attract and retain such personnel and such compensation expenses may not be covered by our governmental customers, which could adversely affect our profitability. The success of our business requires that we attract, develop and retain our personnel. Our inability to hire sufficient qualified personnel on a timely basis or the loss of significant numbers of personnel at existing facilities could have a material effect on our business, financial condition or results of operations. If we were to be unable to fully staff or fill vacancies on a timely basis in our secure facilities, processing centers and community reentry centers, it could result in negative consequences, including requests by our government customers to provide a plan of correction, assessments of fines or other penalties under our contracts, or contract cancellations or non- renewals. At December 31, ~~2022~~ **2023** , approximately ~~47~~ **49** % of our workforce was covered by collective bargaining agreements and, as of such date, collective bargaining agreements with approximately ~~9~~ **27** % of our employees were set to expire in less than one year. While approximately ~~47~~ **49** % of our workforce is covered by collective bargaining agreements, increases in organizational activity or any future work stoppages could have a material adverse effect on our business, financial condition, or results of operations. Our profitability may be materially adversely affected by inflation. Many of our facility management contracts provide for fixed management fees or fees that increase by only small amounts during their terms. While a substantial portion of our cost structure is generally fixed, if, due to inflation or other causes, our operating expenses, such as costs relating to personnel, utilities, insurance, medical and food, increase at rates faster than increases, if any, in our facility management fees, then our profitability could be materially adversely affected. Our obligation to pay income taxes increased beginning with our taxable year ended December 31, 2021, which will result in a reduction to our earnings, and could have negative consequences to us. We terminated our REIT election and became a taxable C corporation effective for the taxable year ended December 31, 2021. As a result, we will not be allowed a deduction for dividends paid to our stockholders in computing our taxable income and will be subject to U. S. federal and state income tax on our taxable income at corporate tax rates. This could impair our ability to satisfy our financial obligations and negatively impact the price of our securities. This treatment could also reduce our net earnings available for investment or distribution to our stockholders because of the additional tax liability to us. Further, federal and state income tax rates could increase in the future, exacerbating these risks. We also will be disqualified from electing REIT status under the Internal Revenue Code of 1986, as amended, or the Code, through December 31, 2025. We may fail to realize the anticipated benefits of terminating our REIT election and becoming a taxable C corporation effective for our fiscal year ended December 31, 2021, or those benefits may take longer to realize than expected, if at all, or may not offset the costs of terminating our REIT election and becoming a taxable C Corporation. We believe that terminating our REIT election and becoming a taxable C corporation will, among other things, provide us with greater flexibility to use our free cash flows as we will no longer be required to operate under the REIT rules, including the requirement to distribute at least 90 % of our taxable income to our stockholders. However, the amount of our free cash flows may not meet our expectations, which may reduce, or eliminate, the anticipated benefits of the transition from a REIT to a taxable C corporation. For example, if our cash flows do not meet our expectations, we may be unable to deleverage as quickly as we desire. Moreover, there can be no assurance that the anticipated benefits of the transition from a REIT to a taxable C corporation will offset its costs, which could be greater than we expect. Our failure to achieve the anticipated benefits of the transition from a REIT to a taxable C corporation at all, or in a timely manner, or a failure of any benefits realized to offset the costs, could negatively affect our business, financial condition, results of operations or the market price of our common stock. If we failed to qualify as a REIT for those years for which we elected REIT status, we would be subject to corporate income taxes and would not be able to deduct distributions to stockholders when computing our taxable income for those years. We operated in a manner that was intended to allow us to qualify as a REIT for federal income tax purposes during those years we elected REIT status, the fiscal years ended December 1, 2013 through December 31, 2020. However, we cannot assure you that we qualified as a REIT during those years. Qualification as a REIT required us to satisfy numerous requirements established under highly technical and complex sections of the Code for which there are only limited judicial and administrative interpretations, and involved the determination of various factual matters and circumstances not entirely within our control. For example, to qualify as a REIT, the REIT must derive at least 95 % of its gross income in any year from qualifying sources. In addition, a REIT is required to distribute annually to its stockholders at least 90 % of its REIT taxable income (determined without regard to the dividends paid deduction and by excluding capital gains) and must satisfy specified asset tests on a quarterly basis. We received a favorable private letter ruling from the Internal Revenue Service, or (" IRS"), with respect to certain issues relevant to our qualification as a REIT. Although we may generally rely upon the ruling, no assurance can be given that the IRS will not challenge our qualification as a REIT during those taxable years in which we elected REIT status on the basis of other issues or facts outside the scope of the ruling. If we failed to qualify as a REIT in any taxable year we elected REIT status, we would be subject to federal income tax (including any applicable alternative minimum tax for years before 2018) on our taxable income computed in the usual manner for regular corporate taxpayers without deduction for distributions to our shareholders, and we may need to borrow additional funds or issue securities to pay such additional tax liability. Any such corporate income tax liability could be substantial and would reduce the amount of cash available for other purposes, because, unless we are entitled to relief under certain statutory provisions, we would be taxable as a C Corporation, beginning in the year in which the failure occurred. Even if we qualified as a REIT for those years for which we elected REIT status, we may owe taxes under certain circumstances. Even if we qualified as a REIT for those years we elected REIT status, we were subject to certain U. S. federal, state and local taxes on our income and property, including on taxable income that we did not distribute to our shareholders, and on net income from certain" prohibited transactions". In addition, the REIT provisions of the Code are complex and are not always subject to clear interpretation. For example, a REIT must derive at least 95 % of its gross income in any year from qualifying sources, including rents from real property. Rents from real property include amounts received for the use of limited amounts of personal property and for certain services. Whether amounts constitute rents from real property or other qualifying income may not be entirely clear in all cases. We may fail to qualify as a REIT for those years we elected REIT status if we exceeded the permissible amounts of non- qualifying income unless such failures qualify for relief under certain statutory relief provisions. Even if we qualify for statutory relief, we may be required to pay an excise or penalty tax (which could be significant in amount) in order to utilize one or more such relief provisions under the Code to maintain our qualification as a REIT for those years we elected REIT status. Performing services through our TRSs during those years we elected REIT status may increase our overall tax liability or subject us to certain excise taxes. A TRS may hold assets and earn income, including income earned from the performance of correctional services, that would not be qualifying assets or income if held or earned directly by a REIT. During those years for which we elected REIT status, we conducted a significant portion of our business activities through our TRSs. Our TRSs were subject to federal, foreign, state and local income tax on their taxable income, and their after- tax net income generally was available for distribution to us but was not required to be distributed to us. The TRS rules also impose a 100 % excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm' s- length basis. We believe our arrangements with our TRSs were on arm' s- length terms. If it is determined that our arrangements with our TRSs were not on an arm' s- length terms, we would be subject to the 100 % excise tax on applicable transactions. The value of the securities we owned in our TRSs during those years for which we elected REIT status was limited under the REIT asset tests. Under the Code, no more than 20 % of the value of the gross assets of a REIT may be represented by securities of one or more TRSs. This limitation affected our ability to increase the size of our TRSs' operations and assets during those years that we elected REIT status, and there can be no assurance that we were able to comply with this limitation. If it is determined that we were unable to comply with this limitation, we would fail to qualify as a REIT for those years for which we elected REIT status. The tax imposed on REITs engaging in" prohibited transactions" limited our ability to engage in transactions which would be treated as sales for federal income tax purposes during those years for which we elected REIT status. A REIT' s net income from prohibited transactions is subject to a 100 % penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. Although we do not believe that we held any properties that would be characterized as held for sale to customers in the ordinary course of our business during those years for which we elected REIT status, unless the sale or disposition qualified under certain statutory safe harbors, such characterization is a factual determination and no guarantee can be given that the IRS would agree with our characterization of our properties. **We are subject to federal, state and local taxes in the United States, as well as in Australia, Canada, South Africa and the UK. Significant judgment is required in determining the provision for income taxes. We believe our income tax estimates are reasonable, but such estimates assume no changes in current tax rates. In addition, if the Internal Revenue Service or other taxing authority disagrees on a tax position we have taken and upon final adjudication we are required to change such position, we could incur additional tax liability, including interest and penalties. Such costs and expenses could have a material adverse impact on our financial condition, results of operations, and cash flows. Additionally, the taxability of our services is subject to various interpretations within the taxing jurisdictions in which we operate. Consequently, in the ordinary course of business, a jurisdiction may contest our**

reporting positions with respect to the application of its tax code to our operations. A conflicting position taken by a state or local taxation authority on the taxability of our operations could result in additional tax liabilities and could negatively impact our competitive position in that jurisdiction. If we fail to comply with applicable tax laws and regulations, we could suffer civil or criminal penalties in addition to the delinquent tax assessment. In the taxing jurisdictions where our services have been determined to be subject to tax, the jurisdiction may increase the tax rate assessed on such operations. We seek to pass- through to our customers such tax increases. In the event we are not able to pass- through any portion of the tax increase, our results of operations, financial condition and cash flows could be adversely impacted. Various risks associated with the ownership of real estate may increase costs, expose us to uninsured losses and adversely affect our financial condition and results of operations. Our ownership of secure and processing facilities subjects us to risks typically associated with investments in real estate. Investments in real estate, and in particular, secure and processing facilities, are relatively illiquid and, therefore, our ability to divest ourselves of one or more of our facilities promptly in response to changed conditions is limited. Investments in secure and processing facilities, in particular, subject us to risks involving potential exposure to environmental liability and uninsured loss. Our operating costs may be affected by the obligation to pay for the cost of complying with existing environmental laws, ordinances and regulations, as well as the cost of complying with future legislation. In addition, although we maintain insurance for many types of losses, there are certain types of losses, such as losses from hurricanes, earthquakes, riots and acts of terrorism, which may be either uninsurable or for which it may not be economically feasible to obtain insurance coverage, in light of the substantial costs associated with such insurance. As a result, we could lose both our capital invested in, and anticipated profits from, one or more of the facilities we own. Further, even if we have insurance for a particular loss, we may experience losses that may exceed the limits of our coverage. Risks related to facility construction and development activities may increase our costs related to such activities. When we are engaged to perform construction and design services for a facility, we typically act as the primary contractor and subcontract with other companies who act as the general contractors. As primary contractor, we are subject to the various risks associated with construction (including, without limitation, shortages of labor and materials, work stoppages, labor disputes and weather interference) which could cause construction delays. In addition, we are subject to the risk that the general contractor will be unable to complete construction within the level of budgeted costs or be unable to fund any excess construction costs, even though we typically require general contractors to post construction bonds and insurance. Under such contracts, we are ultimately liable for all late delivery penalties and cost overruns. Negative conditions in the capital markets could prevent us from obtaining financing, which could materially harm our business. Our ability to obtain additional financing is highly dependent on the conditions of the capital markets, among other things. The capital and credit markets have experienced significant periods of volatility and disruption since the Great Recession of 2007- 2009, and more recently during 2020 and 2021 due to the impact of the COVID- 19 pandemic. During this time period, the economic impacts observed have included a downturn in the equity and debt markets, a tightening of the credit markets, a general economic slowdown and other macroeconomic conditions, volatility in stock prices and currency exchange rates, inflation, concerns over sovereign debt levels abroad and in the U. S. and concerns over the failure to adequately address the federal deficit and the debt ceiling. If those macroeconomic conditions continue or worsen in the future, we could be prevented from raising additional capital or obtaining additional financing on satisfactory terms, or at all. If we need, but cannot obtain, adequate capital as a result of negative conditions in the capital markets or otherwise, our business, results of operations and / or financial condition could be materially adversely affected. Additionally, such inability to obtain capital could prevent us from pursuing attractive business development opportunities, including new facility constructions or expansions of existing facilities, and business or asset acquisitions. Technological changes could cause our electronic monitoring products and technology to become obsolete or require the redesign of our electronic monitoring products, which could have a material adverse effect on our business. Technological changes within the electronic monitoring business in which we conduct business ~~, such as the conversion from Code Division Multiple Access (CDMA) to Long Term Evolution (LTE) technology for cellular network connectivity in the near future,~~ may require us to expend substantial resources in an effort to develop and / or utilize new electronic monitoring products and technology. We may not be able to anticipate or respond to technological changes in a timely manner, and our response may not result in successful electronic monitoring product development and timely product introductions. If we are unable to anticipate or timely respond to technological changes, our business could be adversely affected and could compromise our competitive position, particularly if our competitors announce or introduce new electronic monitoring products and services in advance of us. Additionally, new electronic monitoring products and technology face the uncertainty of customer acceptance and reaction from competitors. Any negative changes in the level of acceptance of or resistance to the use of electronic monitoring products and services by governmental customers could have a material adverse effect on our business, financial condition and results of operations. Governmental customers use electronic monitoring products and services to monitor low risk offenders as a way to help reduce overcrowding in secure facilities, as a monitoring tool, and to promote public safety by imposing restrictions on movement and serving as a deterrent for alcohol usage. If the level of acceptance of or resistance to the use of electronic monitoring products and services by governmental customers were to change over time in a negative manner so that governmental customers decide to decrease their usage levels and contracting for electronic monitoring products and services, this could have a material adverse effect on our business, financial condition and results of operations. We depend on a limited number of third parties to manufacture and supply quality infrastructure components for our electronic monitoring products. If our suppliers cannot provide the components or services we require and with such quality as we expect, our ability to market and sell our electronic monitoring products and services could be harmed. If our suppliers fail to supply components in a timely manner that meets our quantity, quality, cost requirements, or technical specifications, we may not be able to access alternative sources of these components within a reasonable period of time or at commercially reasonable rates. Recently we have been affected by the current microchip shortage which has caused us to pivot to other technology solutions. A reduction or interruption in the supply of components, or a significant increase in the price of components, could have a material adverse effect on our marketing and sales initiatives, which could adversely affect our financial condition and results of operations. An inability to acquire, protect or maintain our intellectual property and patents in the electronic monitoring space could harm our ability to compete or grow. We have numerous United States and foreign patents issued as well as a number of United States patents pending in the electronic monitoring space. There can be no assurance that the protection afforded by these patents will provide us with a competitive advantage, prevent our competitors from duplicating our products, or that we will be able to assert our intellectual property rights in infringement actions. In addition, any of our patents may be challenged, invalidated, circumvented or rendered unenforceable. There can be no assurance that we will be successful should one or more of our patents be challenged for any reason. If our patent claims are rendered invalid or unenforceable, or narrowed in scope, the patent coverage afforded to our products could be impaired, which could significantly impede our ability to market our products, negatively affect our competitive position and harm our business and operating results. There can be no assurance that any pending or future patent applications held by us will result in an issued patent, or that if patents are issued to us, that such patents will provide meaningful protection against competitors or against competitive technologies. The issuance of a patent is not conclusive as to its validity or its enforceability. The United States federal courts or equivalent national courts or patent offices elsewhere may invalidate our patents or find them unenforceable. Competitors may also be able to design around our patents. Our patents and patent applications cover particular aspects of our products. Other parties may develop and obtain patent protection for more effective technologies, designs or methods. If these developments were to occur, it could have an adverse effect on our sales. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets by consultants, vendors, former employees and current employees, despite the existence of nondisclosure and confidentiality agreements and other contractual restrictions. Furthermore, the laws of foreign countries may not protect our intellectual property rights effectively or to the same extent as the laws of the United States. If our intellectual property rights are not adequately protected, we may not be able to commercialize our technologies, products or services and our competitors could commercialize our technologies, which could result in a decrease in our sales and market share that would harm our business and operating results. Additionally, the expiration of any of our patents may reduce the barriers to entry into our electronic monitoring line of business and may result in loss of market share and a decrease in our competitive abilities, thus having a potential adverse effect on our financial condition, results of operations and cash flows. Our electronic monitoring products could infringe on the intellectual property rights of others, which may lead to litigation that could itself be costly, could result in the payment of substantial damages or royalties, and / or prevent us from using technology that is essential to our products. There can be no assurance that our current products or products under development will not infringe any patent or other intellectual property rights of third parties. If infringement claims are brought against us, whether successfully or not, these assertions could distract management from other tasks important to the success of our business, necessitate us expending potentially significant funds and resources to defend or settle such claims and harm our reputation. We cannot be certain that we will have the financial resources to defend ourselves against any patent or other intellectual property litigation. In addition, intellectual property litigation or claims could force us to do one or more of the following: • cease selling or using any products that incorporate the asserted intellectual property, which would adversely affect our revenue; • pay substantial damages for past use of the asserted intellectual property; • obtain a license from the holder of the asserted intellectual property, which license may not be available on reasonable terms, if at all; or • redesign or rename, in the case of trademark claims, our products to avoid infringing the intellectual property rights of third parties, which may not be possible and could be costly and time-consuming if it is possible to do. In the event of an adverse determination in an intellectual property suit or proceeding, or our failure to license essential technology, our sales could be harmed and / or our costs could increase, which would harm our financial condition. We license intellectual property rights in the electronic monitoring space, including patents, from third party owners. If such owners do not properly maintain or enforce the intellectual property underlying such licenses, our competitive position and business prospects could be harmed. Our licensors may also seek to terminate our license. We are a party to a number of licenses that give us rights to third- party intellectual property that is necessary or useful to our business. Our success will depend in part on the ability of our licensors to obtain, maintain and enforce our licensed intellectual property. Our licensors may not successfully prosecute any applications for or maintain intellectual property to which we have licenses, may determine not to pursue litigation against other companies that are infringing such intellectual property, or may pursue such litigation less aggressively than we would. Without protection for the intellectual property we license, other companies might be able to offer similar products for sale, which could adversely affect our competitive business position and harm our business prospects. If we lose any of our rights to use third- party intellectual property, it could adversely affect our ability to commercialize our technologies, products or services, as well as harm our competitive business position and our business prospects. We may be subject to costly product liability claims from the use of our electronic monitoring products, which could damage our reputation, impair the marketability of our products and services and force us to pay costs and damages that may not be covered by adequate insurance. Manufacturing, marketing, selling, testing and the operation of our electronic monitoring products and services entail a risk of product liability. We could be subject to product liability claims to the extent our electronic monitoring products fail to perform as intended. Even unsuccessful claims against us could result in the expenditure of funds in litigation, the diversion of management time and resources, damage to our reputation and impairment in the marketability of our electronic monitoring products and services. While we maintain liability insurance, it is possible that a successful claim could be made against us, that the amount of our insurance coverage would not be adequate to cover the costs of defending against or paying such a claim, or that damages payable by us would harm our business. Certain segments of our business depend significantly on effective information systems. As with all companies that utilize information technology, we are vulnerable to negative impacts if information is inadvertently interrupted, delayed, compromised or lost. **A significant disruption or failure of our information technology systems may have a significant impact on our operations, potentially resulting in service**

interruptions, security violations, regulatory compliance failures and other operational difficulties. We routinely process, store and transmit large amounts of data for our clients. We continually work to update and maintain effective information systems. Despite the security measures we have in place and any additional measures we may implement in the future, our facilities and systems, and those of our third- party service providers, could be vulnerable to security breaches, computer viruses, lost or misplaced data, programming errors, human errors, acts of vandalism, or other events. For example, we disclosed in November 2020 that we had begun the process of notifying current and former employees and would provide additional notifications as required by applicable state and federal law regarding a ransomware attack that impacted a portion of our information technology systems and a limited amount of data that contained personally identifiable information and protected health information. Any security breach or event resulting in the interruption, delay or failure of our services or information systems, or the misappropriation, loss, or other unauthorized disclosure of client data, employee and former employee data or confidential information, whether by us directly or our third- party service providers, could damage our reputation, expose us to the risks of litigation and liability, disrupt our business, result in lost business or otherwise adversely affect our results of operations. We pursue select acquisitions that meet our criteria for growth and profitability when market opportunities arise. We pursue select dispositions of assets and businesses that meet our criteria for maximizing the realization of value for such assets or businesses and for furthering our goal of deleveraging our balance sheet and reducing funded recourse debt. The pursuit of acquisitions or dispositions may pose certain risks to us. We may not be able to identify acquisition candidates that fit our criteria for growth and profitability. We may not be able to identify purchasers for the sale of any of our assets or businesses or we may not be able to obtain a purchase price for such assets or businesses that we feel is reflective of the quality of such assets or businesses. Even if we are able to identify such candidates or purchasers, we may not be able to acquire such targets or dispose of such assets or businesses on terms satisfactory to us. We will incur expenses and dedicate attention and resources associated with the review of acquisition or disposition opportunities, whether or not we consummate such acquisitions or dispositions. Additionally, even if we are able to acquire suitable targets on agreeable terms, we may not be able to successfully integrate their operations with ours. Achieving the anticipated benefits of any acquisition will depend in significant part upon whether we integrate such acquired businesses in an efficient and effective manner. We may not be able to achieve the anticipated operating and cost synergies or long- term strategic benefits of our acquisitions within the anticipated timing or at all. For example, elimination of duplicative costs may not be fully achieved or may take longer than anticipated. For at least the first year after a substantial acquisition, and possibly longer, the benefits from the acquisition will be offset by the costs incurred in integrating the businesses and operations. We may also assume liabilities in connection with acquisitions that we would otherwise not be exposed to. An inability to realize the full extent of, or any of, the anticipated synergies or other benefits of an acquisition as well as any delays that may be encountered in the integration process, which may delay the timing of such synergies or other benefits, could have an adverse effect on our business and results of operations. Additionally, even if we are able to dispose of any assets or businesses on agreeable terms, we may not achieve the anticipated benefits of such disposition within the contemplated timing or at all. A disposition of any assets or businesses may result in decreased earnings, revenue, or cash flow. We may also be subject to claims from the purchasers of such assets or businesses relating to liabilities or indemnification obligations in connection with such dispositions. An inability to realize the full extent of, or any of, the anticipated benefits of a disposition as well as any delays that may be encountered in the disposition process, could have an adverse effect on our business, results of operations and our ability to deleverage our balance sheet and reduce funded recourse debt. As a result of our acquisitions, we have recorded and will continue to record a significant amount of goodwill and other intangible assets. In the future, our goodwill or other intangible assets may become impaired, which could result in material non- cash charges to our results of operations. We have a substantial amount of goodwill and other intangible assets resulting from business acquisitions. As of December 31, ~~2022~~ **2023** , we had $ ~~902~~ **891** . ~~9~~ **1** million of goodwill and other intangible assets. At least annually, or whenever events or changes in circumstances indicate a potential impairment in the carrying value (as defined by Generally Accepted Accounting Principles in the United States of America, or U. S. GAAP), we will evaluate this goodwill for impairment by first assessing qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of the reporting unit is less than the carrying amount. Estimated fair values could change and / or decline if there are changes in our capital structure, cost of debt, interest rates, capital expenditure levels, operating cash flows, market capitalization, **and** the political and regulatory environment ~~and the effects of the COVID- 19 pandemic~~ . For example, our stock price has experienced **volatility and periods of** a significant decline over the course of the last several years. A ~~further~~ **future** decline or prolonged decline in the value of our stock price may result in material impairment charges. Impairments of goodwill or other intangible assets could require material non- cash charges to our results of operations. Failure to comply with extensive government regulation and applicable contractual requirements could have a material adverse effect on our business, financial condition or results of operations. The sector in which we operate is subject to extensive federal, state and local regulation, including educational, environmental, health care and safety laws, rules and regulations, which are administered by many regulatory authorities. Some of the regulations are unique to the sector, and the combination of regulations affects all areas of our operations. Corrections officers are customarily required to meet certain training standards, and, in some instances, facility personnel are required to be licensed and are subject to background investigations. Certain jurisdictions also require us to award subcontracts on a competitive basis or to subcontract with businesses owned by members of minority groups. We may not always successfully comply with these and other regulations to which we are subject and failure to comply can result in material penalties or the non- renewal or termination of facility management contracts. In addition, changes in existing regulations could require us to substantially modify the manner in which we conduct our business and, therefore, could have a material adverse effect on us. In addition, public- private partnerships are increasingly subject to government legislation and regulation attempting to restrict the ability of private sector companies to operate facilities housing certain classifications of individuals, such as individuals from other jurisdictions or individuals at higher security levels. Legislation has been enacted in several states and has previously been proposed in the United States House of Representatives, containing such restrictions. Governmental agencies may investigate and audit our contracts and, if any improprieties are found, we may be required to refund amounts we have received, to forego anticipated revenues and we may be subject to penalties and sanctions, including prohibitions on our bidding in response to RFPs from governmental agencies to manage secure facilities. Governmental agencies we contract with have the authority to audit and investigate our contracts with them. As part of that process, governmental agencies may review our performance of the contract, our pricing practices, our cost structure and our compliance with applicable laws, regulations and standards. For contracts that actually or effectively provide for certain reimbursement of expenses, if an agency determines that we have improperly allocated costs to a specific contract, we may not be reimbursed for those costs, and we could be required to refund the amount of any such costs that have been reimbursed. If we are found to have engaged in improper or illegal activities, including under the United States False Claims Act, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines and suspension or disqualification from doing business with certain governmental entities. An adverse determination in an action alleging improper or illegal activities by us could also adversely impact our ability to bid in response to RFPs in one or more jurisdictions. In addition to compliance with applicable laws and regulations, our facility management contracts typically have numerous requirements addressing all aspects of our operations which we may not be able to satisfy. For example, our contracts require us to maintain certain levels of coverage for general liability, workers' compensation, vehicle liability, and property loss or damage. If we do not maintain the required categories and levels of coverage, the contracting governmental agency may be permitted to terminate the contract. In addition, we are required under our contracts to indemnify the contracting governmental agency for all claims and costs arising out of our management of facilities and, in some instances, we are required to maintain performance bonds relating to the construction, development and operation of facilities. Facility management contracts also typically include reporting requirements, supervision and on- site monitoring by representatives of the contracting governmental agencies. Failure to properly adhere to the various terms of our customer contracts could expose us to liability for damages relating to any breaches as well as the loss of such contracts, which could materially adversely impact us. Our business operations expose us to various liabilities for which we may not have adequate insurance and may have a material adverse effect on our business, financial condition or results of operations. The nature of our services exposes us to various types of third- party allegations and legal claims, including, but not limited to, civil rights claims relating to conditions of confinement and / or mistreatment, sexual misconduct claims brought by individuals within our care, medical malpractice claims, claims relating to the federal Trafficking and Victims Protection Act, claims relating to our COVID- 19 response procedures, breach of fiduciary duty claims, shareholder derivative claims, product liability claims, intellectual property infringement claims, claims relating to employment matters (including, but not limited to, employment discrimination claims, union grievances and wage and hour claims), property loss claims, environmental claims, automobile liability claims, contractual claims and claims for personal injury or other damages resulting from contact with our facilities, programs, electronic monitoring products, personnel or detainees, including damages arising from an inmate' s escape or from a disturbance or riot at a facility. In addition, our management contracts generally require us to indemnify the governmental agency against any damages to which the governmental agency may be subject in connection with such claims or litigation. We maintain insurance coverage for these general types of claims, except for claims relating to employment matters, for which we carry no insurance. However, we generally have high deductible payment requirements on our primary insurance policies, including our general liability insurance, and there are also varying limits on the maximum amount of our overall coverage. As a result, the insurance we maintain to cover the various liabilities to which we are exposed may not be adequate. Any losses relating to matters for which we are either uninsured or for which we do not have adequate insurance could have a material adverse effect on our business, financial condition or results of operations. In addition, any losses relating to employment matters could have a material adverse effect on our business, financial condition or results of operations. To the extent the events serving as a basis for any potential claims are alleged or determined to constitute illegal or criminal activity, we could also be subject to criminal liability. Such liability could result in significant monetary fines and could affect our ability to bid on future contracts and / or retain our existing contracts. During the third quarter of 2021, the court hearing the previously disclosed shareholder class action filed against GEO and certain of its officers granted in part and denied in part the defendants' motion to dismiss. As set forth more fully in Note ~~17~~ **16** – Commitments, Contingencies and Other Matters of the Notes to the audited consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10- K, the ~~court allowed narrowed claims~~ **parties resolved this matter following mediation for a payment** to ~~proceed against GEO and Mr. Zoley~~ **a settlement class of $ 3 million paid by the Company' s insurance carrier** . Also during the third quarter of 2021, as set forth more fully in Note ~~17~~ **16** – Commitments, Contingencies and Other Matters of the Notes to the audited consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10- K, a putative shareholder derivative complaint was filed in state court against GEO and its directors and certain of its officers. **These actions are still pending.** During the fourth quarter of 2021, we received an 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, in U. S. District Court for the Western District of Washington **, which judgment amounts were subsequently increased by a further award against the Company of attorney' s fees, costs, and pre- judgment interest in the amount of $ 14. 4 million** . While we strongly disagree with the verdict and judgments in these two cases and ~~has~~ **have** appealed to the U. S. Court of Appeals for the Ninth Circuit, we cannot make any assurances that we will prevail on appeal. At this time, GEO has not recorded an accrual relating to these two cases because a loss, following the appeals process, is not considered probable. If we are required to record an accrual with regard to these cases or other similar cases, that may have a material adverse effect on our business, financial condition or results of operations **. A state non- income tax audit completed in 2016 included tax periods for which the state tax authority had previously processed a substantial tax refund. At the completion of the audit fieldwork, the Company received a notice**

of audit findings disallowing deductions that were previously claimed by the Company, approved by the state tax authority and served as the basis for the approved refund claim. In early January 2017, the Company received a formal Notice of Assessment of Taxes and Demand for Payment from the taxing authority disallowing the deductions. The total tax, penalty and interest related to the assessment is approximately $ 21. 1 million. The Company appealed the administrative ruling. In February 2024, the Company received notice that the New Mexico Court of Appeals had ruled against its appeal. The Company plans to appeal this ruling to the State Supreme Court by timely filing a Petition for Writ of Certiorari. The Company disagrees with the assessment and intends to take all necessary steps to vigorously defend its position. The Company has established an estimated liability based on its estimate of the most probable loss based on the facts and circumstances known to date and the advice of outside counsel in connection with this matter . The results of these claims or proceedings, or other litigation matters, cannot be predicted with certainty, and an unfavorable resolution of one or more of these claims or proceedings could have a material adverse effect on the Company' s financial condition, results of operations or cash flows. The Company' s accruals for loss contingencies are reviewed quarterly and adjusted as additional information becomes available. The Company establishes accruals for specific legal proceedings when it is considered probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company does not accrue for anticipated legal fees and costs but expenses those items as incurred. We may not be able to obtain or maintain the insurance levels required by our government contracts. Our government contracts require us to obtain and maintain specified insurance levels. The occurrence of any events specific to our company or to our industry, or a general rise in insurance rates, could substantially increase our costs of obtaining or maintaining the levels of insurance required under our government contracts, or prevent us from obtaining or maintaining such insurance altogether. If we are unable to obtain or maintain the required insurance levels, our ability to win new government contracts, renew government contracts that have expired and retain existing government contracts could be significantly impaired, which could have a material adverse effect on our business, financial condition and / or results of operations. Failure to comply with anti- bribery and anti- corruption laws could subject us to penalties and other adverse consequences. As we operate both domestically and abroad, we are subject to the United States Foreign Corrupt Practices Act (“ FCPA ”), the U. K. Bribery Act, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, and other anti- corruption and anti- bribery laws and regulations in the jurisdictions in which we do business, both domestic and abroad. These laws and regulations generally prohibit improper payments or offers of improper payments to government officials, political parties, or commercial partners for the purpose of obtaining or retaining business or securing an improper business advantage. We have operations, deal with and enter into contracts with governmental or quasi- governmental entities in the United States and in non- U. S. countries, including Australia, the U. K. and South Africa, and further expansion of our services abroad may involve additional regions. Corruption issues pose a risk in every country and jurisdiction, but in many countries, particularly in countries with developing economies, it may be more common for businesses to engage in practices that are prohibited by the FCPA or other applicable laws and regulations, and our activities in these countries pose a heightened risk of unauthorized payments or offers of payments by one of our employees or third- party business partners, representatives, and agents that could be in violation of various laws including the FCPA. The FCPA, U. K. Bribery Act and other applicable anti- bribery and anti- corruption laws also may hold us liable for acts of corruption and bribery committed by our third- party business partners, representatives, and agents. We and our third- party business partners, representatives, and agents may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of our employees or such third parties even if we do not explicitly authorize such activities. The FCPA or other applicable laws and regulations also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have implemented policies and procedures to address compliance with such laws, we cannot ensure that our employees or other third parties working on our behalf will not engage in conduct in violation of our policies or applicable law for which we might ultimately be held responsible. Violations of the FCPA, the U. K. Bribery Act, and other laws may result in whistleblower complaints, adverse media coverage, investigations, imposition of significant legal fees, as well as severe criminal or civil sanctions, including suspension or debarment from U. S. government contracting, and we may be subject to other liabilities and adverse effects on our reputation, which could negatively affect our business, results of operations, financial condition, and growth prospects. In addition, responding to any enforcement action may result in a significant diversion of management' s attention and resources and significant defense costs and other professional fees. Our exposure for violating these laws increases as our non- U. S. presence expands and as we increase operations in foreign jurisdictions. The consideration of ESG factors in making investment and voting decisions is relatively new, and frameworks and methods used by investors for assessing ESG policies are not fully developed and vary considerably among the investment community. In ~~September~~ **October** ~~2022~~ **2023** , we issued our ~~fourth~~ **fifth** Human Rights and ESG report. The publication of our ~~fourth~~ **fifth** annual Human Rights and ESG report highlights our continued commitment to respecting the human rights and improving the lives of those entrusted to our care. This important report includes enhanced disclosures related to our Board oversight of human rights and ESG matters, employee diversity and training programs, corporate governance, and environmental sustainability, including updated metrics and statistics for the calendar year ~~2021~~ **2022** , in accordance with the new Universal Standards of the Global Reporting Initiative (GRI). Our ~~fourth~~ **fifth** annual ESG report also reinforces our commitment to providing enhanced rehabilitation and post- release support services through our award- winning GEO Continuum of Care ® (CoC) program. Additionally, the Company undertook a Human Rights Risk Assessment and Due Diligence process. This process focused on identifying salient human rights and included interviews with and feedback from a diverse group of internal and external GEO stakeholders. The results of this due diligence process have been incorporated into the fourth annual Human Rights and ESG report. We also publish an annual Political Activity and Lobbying Report providing information on political contributions and our lobbying activities, including disclosure relating to political contributions at the corporate and GEO Political Action Committee level, contributions by recipient category of federal candidates, parties and committees and state / local candidates, parties and committees, amounts paid for lobbying activities and information relating to memberships in trade and membership associations, chambers of commerce and other groups where the annual membership fee is in excess of $ 25, 000. These policies, practices and reports, whether it be the standards we set for ourselves or ESG criteria established by third parties, whether or not we meet such standards, and the level of disclosure we provide in our reports may influence our reputation. For example, the perception held by our governmental partners, vendors, suppliers, shareholders, other stakeholders, the communities in which we do business or the general public may depend, in part, on the standards we have chosen to aspire to meet, whether or not we meet these standards on a timely basis or at all, whether or not we meet external ESG factors they deem relevant and the level of disclosure we provide relating to human rights, ESG, and our political and lobbying activities. The subjective nature and wide variety of frameworks and methods used by various stakeholders, including investors, to assess a company with respect to ESG criteria can result in the application or perception of negative ESG factors or a misrepresentation of our ESG policies and practices. Our failure to achieve progress on our human rights and ESG policies and practices on a timely basis, or at all, meet human rights or ESG criteria set by third parties, or provide the disclosure relating to human rights, ESG, political and lobbying activities which any third parties may believe is necessary or appropriate could adversely affect our business, financial condition and / or results of operations. By electing to publicly share our Human Rights and ESG report and our Political Activity and Lobbying Report, our business may face increased scrutiny related to our human rights and ESG activities and our political contributions and lobbying activities. As a result, our reputation could be adversely impacted if we fail to act responsibly in the areas in which we report, such as human rights, the development of our workforce, safety and security, addressing recidivism, engaging with our stakeholders, ethics and governance, oversight and contract compliance, energy and environmental sustainability, financial management and performance and political contributions and lobbying activities. Any harm to our reputation resulting from setting these standards or our failure or perceived failure to meet such standards or resulting from the reporting of our political contributions and lobbying activities could impact: the willingness of our governmental partners, vendors and suppliers to do business with us or the quality of our relationships with our governmental partners, vendors and suppliers; our ability to access capital in the debt or equity markets; our investors willingness or ability to purchase or hold our securities; and employee retention and the quality of relations with our employees, any of which could adversely affect our business, financial condition and / or results of operations. Certain states have proposed legislation to direct or prevent pension investments and financial institutions from basing their investment decisions on ESG standards and ratings. To the extent that we are performing favorably measured against a pension investment' s or financial institution' s ESG standards and ratings, the enactment of such legislation could have an adverse effect on us and impact an investor' s ability to purchase or hold our securities. The market price of our common stock may vary substantially. If the market price of our common stock were to decline further in the future at a specific measurement time period that impacts our public float calculation, we could potentially lose our status as a well- known seasoned issuer and / or large accelerated filer. The market price of our common stock may vary substantially. Factors that could affect the market price of our common stock include the following: • actual or anticipated variations in our quarterly results of operations; • changes in market valuations of companies in our industry; • announcements by us or our competitors of changes to capital allocation strategy, acquisitions, dispositions, investments or strategic alliances; • changes in expectations of future financial performance or changes in estimates of securities analysts; • fluctuations in stock market prices and volumes; • issuances of common stock or other securities convertible into common stock in the future; • the addition or departure of key personnel; and • changes in the prospects of public- private partnerships. If the market price of our common stock were to decline further in the future at a specific measurement time period that impacts our public float calculation, we could potentially lose our status as a well- known seasoned issuer and / or large accelerated filer and suffer negative consequences. If we do not qualify as a well- known seasoned issuer, we will not be able to file automatic shelf registration statements on Form S- 3ASR and enjoy the benefits associated with such registration statements, including that they become effective immediately upon filing, they permit companies to omit more information from the base prospectus than permitted for other shelf registration statements; they allow companies to register unspecified amounts of securities and do so without allocating among securities or between primary and secondary offerings, and they permit companies to pay filing fees on a" pay- as- you- go" basis at the time of each takedown from the shelf registration statement. The loss of status as a well- known seasoned issuer and large accelerated filer may impact the views or perceptions of investors and analysts and may influence investors' willingness to purchase or hold our securities or analysts' recommendations regarding our securities. Sales or issuances of shares of our common stock, or the perception that such sales or issuances could occur, could adversely affect the price for our common stock. As of December 31, ~~2022~~ **2023** , there were 187, 500, 000 shares of common stock authorized under our Articles of Incorporation, of which ~~124~~ **126** , ~~060~~ **087** , ~~038~~ **401** shares were outstanding. Our Board of Directors may authorize the issuance of additional authorized but unissued shares of our common stock or other authorized but unissued securities of ours at any time, including pursuant to our equity incentive plan and our employee stock purchase plan. On October 30, ~~2020~~ **2023** , the Company filed an automatic shelf registration statement on Form S- 3ASR with the SEC that enables the Company to offer for sale, from time to time and as the capital markets permit, an unspecified amount of common stock, preferred stock, debt securities, guarantees of debt securities, warrants and units. Each time the Company offers to sell securities under the registration statement, the Company will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities being offered. The shelf registration statement became automatically effective upon filing and is valid for three years. We are not restricted from issuing additional shares of our common stock or other instruments exchangeable or convertible into our common stock. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common stock. If we issue more of our common stock or additional instruments exchangeable or convertible into or exercisable for our common stock, it may materially and adversely affect the price of our common stock and, in turn, the price of the Convertible Notes. Furthermore, the exchange, conversion or exercise of some or all of the Convertible Notes or such other instruments may dilute the ownership interests of existing shareholders, and any sales in the public market of shares of our common stock issuable upon any such exchange, conversion or exercise could adversely affect prevailing market prices of our common stock or the Convertible Notes. An offering or issuance of shares of our common stock may have a dilutive effect on our earnings per share and funds from operations per share after giving effect to the issuance of such shares of common stock and the receipt of the expected net proceeds. The actual amount of dilution from any offering of our equity securities cannot be determined at this time. The market price of our common stock, Convertible Notes or other such instruments could decline as a result of sales of a large number of shares of our common stock in the market pursuant to an offering, or otherwise, or as a result of the perception or expectation that such sales or issuances could occur. Various anti- takeover protections applicable to us may make an acquisition of us more difficult and reduce the market value of our common stock. We are a Florida corporation and the anti- takeover provisions of Florida law impose various impediments to the ability of a third party to acquire control of our company, even if a change of control would be beneficial to our shareholders. In addition, provisions of our articles of incorporation may make an acquisition of our company more difficult. Our articles of incorporation authorize the issuance by our Board of Directors of " blank check " preferred stock without shareholder approval. Such shares of preferred stock could be given voting rights, dividend rights, liquidation rights or other similar rights superior to those of our common stock, making a takeover of our company more difficult and expensive. In addition to discouraging takeovers, the anti- takeover provisions of Florida law and our articles of incorporation may have the impact of reducing the market value of our common stock. If we fail to maintain the adequacy of our internal controls, in accordance with the requirements of Section 404 of the Sarbanes- Oxley Act of 2002, as such standards are modified, supplemented or amended from time to time, our exposure to fraud and errors in accounting and financial reporting could materially increase. Also, inadequate internal controls would likely prevent us from concluding on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act of 2002. Such failure to achieve and maintain effective internal controls could adversely impact our business and the price of our common stock. We may issue additional debt securities that could limit our operating flexibility and negatively affect the value of our common stock. In the future, we may issue additional debt securities which may be governed by an indenture or other instrument containing covenants that could place restrictions on the operation of our business and the execution of our business strategy in addition to the restrictions on our business already contained in the agreements governing our existing debt. In addition, we may choose to issue additional debt that is convertible or exchangeable for other securities, including our common stock, or that has rights, preferences and privileges senior to our common stock. Because any decision to issue debt securities will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future debt financings and we may be required to accept unfavorable terms for any such financings. Accordingly, any future issuance of debt could dilute the interest of holders of our common stock and reduce the value of our common stock. **Shareholder activism, which could take many forms and arise in a variety of situations, has been increasing among publicly traded companies. Shareholder activism, including potential proxy contests, requires significant time and attention by management and the Board of Directors, potentially hindering the Company' s ability to execute its strategic plan and negatively affecting the trading value of our common stock. Additionally, shareholder activism could give rise to perceived uncertainties as to the Company' s future direction, adversely affect its relationships with key executives, customers and other business partners, or make it more difficult to attract and retain qualified personnel. Also, the Company may in the future be required to incur significant legal fees and other expenses related to activist shareholder matters. Any of these impacts could materially and adversely affect the Company and operating results. Investors may purchase shares of our common stock to hedge existing exposure or to speculate on the price of our common stock. Speculation on the price of our common stock may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of our common stock available for purchase on the open market, investors with short exposure may have to pay a premium to repurchase shares of our common stock for delivery to lenders of our common stock. Those repurchases may in turn, dramatically increase the price of shares of our common stock until additional shares of our common stock are available for trading or borrowing. This is often referred to as a " short squeeze. " A large proportion of our common stock has been in the past and may continue to be traded by short sellers which may increase the likelihood that our common stock will be the target of a short squeeze. A short squeeze has led and could continue to lead to volatile price movements in shares of our common stock that are unrelated or disproportionate to our operating performance or prospects and, once investors purchase the shares of our common stock necessary to cover their short positions, the price of our common stock may rapidly decline. Investors that purchase shares of our common stock during a short squeeze may lose a significant portion of their investment.**