



CoreCivic Acquires 28 Property, 445,000 SF Portfolio of GSA Leased Assets

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NASHVILLE, Tenn., Jan. 06, 2020 (GLOBE NEWSWIRE) -- **CoreCivic, Inc. (NYSE: CXW)** (the "Company") announced today that it has completed the acquisition of a portfolio of 28 properties, 24 of which the counter-party contributed to a newly formed partnership of the Company's, for total consideration of \$83.2 million, excluding transaction-related expenses. All of the properties are leased to the federal government through the General Services Administration (GSA). The 445,000 square foot portfolio serves numerous federal agencies, including primarily the Social Security Administration, the Department of Homeland Security, and the Office of Hearings Operations.

The 28-property portfolio is strategically located throughout the Mid-South, complementing CoreCivic's existing real estate footprint, and each property was built-to-suit for its federal tenant. The buildings have been continuously owned and professionally managed by the original developer since construction. The portfolio-average property age is 15 years and the portfolio's weighted average remaining lease term is 5.6 years.

CoreCivic financed the acquisition with \$7.7 million of cash, assumed debt of \$52.2 million and the issuance of 1.3 million limited partnership units that are convertible after two years into cash or shares of our common stock. The assumed debt carries a fixed interest rate of 4.9%, with fixed monthly payments extending through November 2025, and a balloon payment of \$46.2 million due at maturity. The acquisition is expected to contribute \$0.01 to \$0.02 of Funds From Operations per share on an annualized basis.

"We are excited to announce the acquisition of this 28-property portfolio, which highlights our ability to source transactions and execute our acquisition strategy to further expand our portfolio of government-lease real estate assets," said Damon Hininger, CoreCivic's President and Chief Executive Officer. "Utilizing a 'DownREIT' partnership structure provides us with another form of capital outside our traditional debt and equity securities, which provided us with the flexibility to complete an accretive transaction at an above average cap rate despite an equity price that we believe currently undervalues the Company's real estate assets and cash flows, while limiting the cash required to complete the acquisition."

Including the acquisition announced today, the Company owns 56 properties representing nearly 2.9 million square feet of real estate within its CoreCivic Properties portfolio, all used by government agencies. This portfolio complements the Company's portfolio of 50 correctional and detention facilities within its CoreCivic Safety segment and 29 residential reentry centers within its CoreCivic Community segment, with an aggregate design capacity of approximately 78,000 beds and 15.2 million square feet of real estate. We believe the transaction further solidifies our place as the largest private owner of real estate used by U.S. government agencies and elevates our ranking to a top-15 owner of GSA-leased assets.

CoreCivic completed this off-market transaction following introduction to the portfolio's ownership group by Colliers International's Rossi-Campton team.

About CoreCivic

The Company is a diversified government solutions company with the scale and experience needed to solve tough government challenges in flexible, cost-effective ways. We provide a broad range of solutions to government partners that serve the public good through corrections and detention management, a growing network of residential reentry centers to help address America's recidivism crisis, and government real estate solutions. We are a publicly traded real estate investment trust (REIT) and the nation's largest owner of partnership correctional, detention and residential reentry facilities. We also believe we are the largest private owner of real estate used by U.S. government agencies. The Company has been a flexible and dependable partner for government for more than 35 years. Our employees are driven by a deep sense of service, high standards of professionalism and a responsibility to help government better the public good. Learn more at <http://www.corecivic.com/>.

Forward-Looking Statements

This press release contains statements as to our beliefs and expectations of the outcome of future events that are "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. These include, but are not limited to, the risks and uncertainties associated with: (i) general economic and market conditions, including, but not limited to, the impact governmental budgets can have on our contract renewals and renegotiations, per diem rates, and occupancy; (ii) fluctuations in our operating results because of, among other things, changes in occupancy levels, competition, contract renegotiations or terminations, increases in costs of operations, fluctuations in interest rates and risks of operations; (iii) our ability to obtain and maintain correctional, detention, and residential reentry facility management contracts because of reasons including, but not limited to, sufficient governmental appropriations, contract compliance, negative publicity, and effects of inmate disturbances; (iv) changes in the privatization of the corrections and detention industry, the acceptance of our services, the timing of the opening of new facilities and the commencement of new management contracts (including the extent and pace at which new contracts are utilized), as well as our ability to utilize current available beds; (v) changes in government policy, legislation and regulations that affect utilization of the private sector for corrections, detention, and residential reentry services, in general, or our business, in particular, including but not limited to, the continued utilization of the South Texas Family Residential Center (STFRC) by U.S. Immigration & Customs Enforcement under terms of the current contract, and the impact of any changes to immigration reform and sentencing laws (Our company does not, under longstanding policy, lobby for or against policies or legislation that would determine the basis for, or duration of, an individual's incarceration or detention.); (vi) our ability to successfully identify and consummate future acquisitions and our ability to successfully integrate the operations of completed acquisitions and realize projected returns resulting therefrom; (vii) increases in costs to develop or expand real estate properties that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond our control, such as weather, labor conditions, cost inflation, and material shortages, resulting in increased construction costs; (viii) our ability to meet and maintain qualification for taxation as a REIT; and (ix) the availability of debt and equity financing on terms that are favorable to us, or at all. Other factors that could cause operating and financial results to differ are described in the filings we make from time to time with the Securities and Exchange Commission.

CoreCivic takes no responsibility for updating the information contained in this press release following the date hereof to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events or for any changes or modifications made to this press release or the information contained herein by any third-parties, including, but not limited to, any wire or internet services.

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