

LICT CORPORATION

For Immediate Release

LICT CORPORATION REPORTS FIRST QUARTER RESULTS

- **Revenues increased to \$28.6 million from \$27.2 million.**
- **EBITDA grew to \$13.5 million from \$13.0 million.**
- **Earnings per share from operations climbed to \$266 per share from \$235 per share.**
- **CFO to retire.**

Rye, NY – April 18, 2019 – LICT Corporation (“LICT” or the “Company”; OTC Pink®: LICT) reports financial results for the quarter ending March 31, 2019.

FIRST QUARTER RESULTS – In 2019, LICT’s reported first quarter revenues increased \$1.4 million to \$28.6 million compared to \$27.2 million for the corresponding quarter in 2018. Reported EBITDA was \$13.5 million in the first quarter of 2019 as compared to \$13.0 million in the first quarter of 2018.

Non-regulated revenues gained 9.8%, to \$13.4 million from the prior year’s \$12.2 million due to increased broadband and competitive local exchange carrier (“CLEC”) revenues. Regulated revenues increased by 1.7%, to \$15.2 million in the first quarter of 2019 from the prior year’s \$15.0 million. Non-regulated EBITDA, including affiliate distributions, rose 9.0% to \$6.0 million, from \$5.5 million, while regulated EBITDA was unchanged at \$7.5 million.

EARNINGS PER SHARE – Diluted earnings per share during the first quarter were \$266 per share in 2019 as compared to \$235 per share in 2018. 2019’s earnings per share were \$358 after including the final non-recurring contingent gain stemming from the sale of an investment by a minority interest we own. Shares outstanding at March 31, 2019 were 19,704 versus 19,931 at December 31, 2018.

ALTERNATIVE – CONNECT AMERICA COST MODEL (“A-CAM”) PROGRAM – Effective January 1, 2017, ten of LICT’s rural telephone companies elected to participate in the Federal Communications Commission’s (FCC) A-CAM program. The A-CAM program is designed to increase speed and expand the deployment of broadband capabilities throughout the nation’s rural areas and replaced two prior Universal Service Fund mechanisms for companies electing A-CAM. During 2018, the FCC expanded the A-CAM program retroactive to January 1, 2017. Accordingly, in 2018, LICT recorded additional A-CAM revenues of \$5.8 million, of which \$2.9 million related to the year ended December 31, 2017. Funds from the 2017 increase, \$2.9 million, and the first half of 2018, \$1.5 million, were both received in the third quarter of 2018, which is when the Company recognized those revenues.

On February 25, 2019, the FCC again expanded the A-CAM program for those companies who support was initially capped and offered LICT companies \$4.6 million in annual A-CAM funding, which is retroactive to January 1, 2019. With this latest increase, these capped companies have now

been offered the fully funded support contemplated by the initial A-CAM program. In addition, the FCC extended the A-CAM annual support payments, for all A-CAM, capped and uncapped, for two additional years to December 31, 2028. Acceptance of these additions requires the companies to provide a threshold of speed to a greater number of locations. The Company's subsidiaries have accepted this A-CAM expansion program and are expecting to receive the year to date incremental funding in the second quarter of 2019, when the revenue will be recognized in the statement of operations.

FULL YEAR RESULTS – The company is estimating for 2019 full year revenues around \$121 million, and EBITDA approximately at \$59 million; these amounts include the \$4.6 million additional A-CAM funding that was discussed above.

SHAREHOLDER DESIGNATED CHARITABLE CONTRIBUTION PROGRAM – In 2016, the Company adopted a Shareholder Designated Charitable Contribution Program. Under the Program, all registered shareholders are eligible to designate charities and the company will make a contribution to that charity. In 2016, 2017 and 2018, the company made \$100 per share contribution on behalf of its shareholders to their designated charities. The LICT Board of Directors approved the 2019 contribution, also at \$100 per share, in December 2018, and the contributions were distributed to the charities in the first quarter of 2019.

CEO SEARCH – As previously announced, we are reviewing candidates to succeed Mario J. Gabelli as Chief Executive Officer of LICT. A CEO candidate should have knowledge of broadband and, in particular, to serve our rural communities, as well as opportunities to serve colleges, universities, hospitals, and small businesses. Mr. Gabelli will continue to serve as Executive Chairman upon the completion of the search.

More importantly, we note that Robert E. Dolan our Executive Vice President and Chief Financial Officer of 30 years, is retiring after our second quarter, but currently plans to remain on our Board of Directors.

FCC SPECTRUM AUCTIONS - LICT Wireless Broadband Company, LLC (“LICT Wireless”), a wholly owned subsidiary of the company, is participating in two ongoing FCC auctions for spectrum, Auction 101 – 28 GHz and Auction 102 – 24 GHz. These spectrum bands are designated to be used for provision of 5G wireless services. Auction 101 began on November 14, 2018 and ended on January 28, 2019 and Auction 102 began on March 14, 2019. Commensurate with previous spectrum auctions, LICT made upfront deposits to participate in these Auctions. FCC rules restrict information that bidders may disclose about their participation in these Auctions, including the amount of their upfront payment and any licenses acquired in Auction 101 until Auction 102 is completed.

GROWING THE COMPANY – The Board of Directors and management have implemented measures which have improved liquidity and reduced the Company's debt position. At this time, the Board continues to re-evaluate its acquisition activity and related refinancing alternatives.

CAPITAL EXPENDITURES – In the first quarter of 2019, capital expenditures were \$4.8 million, of which \$2.8 million was for non-regulated activities and \$2.0 million for regulated activities. In order to expand the Company's non-regulated fiber initiatives and provide a high level of broadband to our customers in the rural areas of the United States, our current plan calls for capital expenditures of \$23 million in 2019 about the same as 2018. This capital enables us to offer enhanced broadband speeds and will increase the overall fiber route miles in our network. As of March 31, 2019, LICT operations deployed 4,697 miles of fiber optic cable, 11,837 miles of copper cable, and 704 miles of coaxial cable.

SHARE REPURCHASES – During the three months ended March 31, 2019, the Company repurchased 227 shares for \$3.4 million, with an average price of \$14,960 per share. As of March 31, 2019, 19,704 shares were outstanding.

OPERATING STATISTICS – As of March 31, 2019, the Company’s DSL penetration in its franchised telephone service territories, based on its total Incumbent Local Exchange Carrier (“ILEC”) voice lines, was 81.1%, as compared to 80.2% at December 31, 2018. Our summary operating statistics are as follows:

	March 31, 2019	December 31, 2018	Increase (Decrease)	Percent Increase (Decrease)
Broadband lines	34,263	33,659	604	1.8%
Voice Lines				
ILEC	26,091	26,276	(185)	(0.7%)
CLEC	7,548	7,471	77	1.0%
Total	33,639	33,747	(108)	(0.3%)
Video Subscribers	5,516	5,669	(153)	(2.7%)
Revenue Generating Units	73,418	73,075	343	0.5%

This release contains certain forward-looking information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including without limitation anticipated financial results, financing, capital expenditures and corporate transactions. It should be recognized that such information is based upon certain assumptions, projections and forecasts, including without limitation, business conditions and financial markets, regulatory and other approvals, and the cautionary statements set forth in documents filed by LICT on its website, www.lictcorp.com. As a result, there can be no assurance that any possible transactions will be accomplished or be successful, or that financial targets will be met. Such forward-looking information is subject to uncertainties, risks and inaccuracies, which could be material.

LICT Corporation is a holding company with subsidiaries in broadband and other telecommunications services that actively seeks acquisitions, principally in its existing business areas.

LICT Corporation is listed on the OTC Pink® under the symbol LICT. For further information visit our website at <http://www.lictcorp.com>.

Contact: Robert E. Dolan
 Executive Vice President and Chief Financial Officer
 914/921-8821
 Release 19-3

LICT CORPORATION
Statements of Operations and Balance Sheet Data
(In Thousands, Except Per Share Data)

Exhibit A
Page 1 of 2

STATEMENTS OF OPERATIONS

	Three Months Ended	
	March 31,	
	2019	2018
Revenues	\$28,605	\$27,168
Cost and Expenses:		
Cost of revenue, excluding depreciation	12,784	11,933
Selling, general and administration	2,906	2,799
Corporate Office Expenses	1,022	982
Depreciation and amortization	4,978	5,064
Total Costs and Expenses	<u>21,690</u>	<u>20,778</u>
Operating profit	6,915	6,390
Other Income (Expense)		
Investment income	174	283
Interest expense	(432)	(493)
Equity in earnings of affiliated companies	503	345
Other	2,493	19
	<u>2,738</u>	<u>154</u>
Income Before Income Tax Provision	9,653	6,544
Provision for Income Taxes	(2,549)	(1,723)
Net Income	<u>\$7,104</u>	<u>\$4,821</u>
Capital Expenditures	\$4,834	\$5,089
Weighted Average Shares:		
Basic	19,765	20,459
Diluted	19,800	20,483
Actual shares outstanding at end of period	19,704	20,427
Earnings Per Share:		
Basic Net Income	\$359.42	\$235.64
Dilutive Earnings Per Share	\$358.79	\$235.37
Dilutive Earnings Per Share by Component:		
On-going operations	\$266.11	\$235.37
Gain on sale of an investment by a minority interest	92.68	--
Reported	<u>\$358.79</u>	<u>\$235.37</u>

See EBITDA on page 2

LICT Corporation
Statements of Operations and Selected Balance Sheet Data-Continued

(In Thousands, Except Per Share Data)

Exhibit A
Page 2 of 2

SELECTED BALANCE SHEET DATA	Mar. 31, 2019	Dec. 31, 2018
Cash and Cash Equivalents	\$8,896	\$7,732
Other short-term investments	16,000	20,000
Note receivable	2,850	2,850
Long-Term Debt (including current portion)	24,676	30,976
Liabilities, including taxes, other than debt	\$32,214	\$33,747
Shareholders' Equity	\$143,414	\$140,369
Shares Outstanding at Date	19,704	19,931

EBITDA

EBITDA is an established measure of operating performance and liquidity that is commonly reported and widely used by analysts, investors, and other interested parties in the telecommunications industry because it eliminates many differences in financial, capitalization, and tax structures, as well as non-cash and non-operating charges to earnings. We believe that EBITDA trends are a valuable indicator of whether our operations are able to produce sufficient operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

EBITDA equals net income (loss), before interest expense, income tax expense (benefit), depreciation and amortization expense, investment income, equity in earnings of affiliated companies, gain (loss) on sale of investment, impairment charges, and net income from discontinued operations. EBITDA also now includes the cash distributions we receive from the equity in earnings of affiliated companies. Although we do not have majority voting control of such companies, we have the ability to significantly influence financial and accounting policies. The inclusion of cash received from equity companies is a change from past practice.

	Three Months Ended March 31,	
	2019	2018
EBITDA		
Operating subsidiaries	\$12,915	\$12,436
Cash received from equity affiliates	563	538
On-going operating subsidiaries	13,478	12,974
Corporate Office Expense	(1,022)	(982)
EBITDA	12,456	11,992
Depreciation and amortization	(4,978)	(5,064)
Add out of period items	--	--
Deduct cash received from equity affiliates	(563)	(538)
Operating profit	\$6,915	\$6,390