LICT
CORPORATION

For Immediate Release

LICT CORPORATION REPORTS FIRST QUARTER RESULTS

- **Revenues increased to $30.0 million from $28.2 million**
- **EBITDA grew to $14.3 million from $13.3 million**
- **Earnings per share from operations climbed to $324 per share from $264 per share**
- **Sale of wireless partnership interest**

Rye, NY – May 22, 2020 – LICT Corporation ("LICT" or the "Company"; OTC Pink®: LICT) reports financial results for the quarter ending March 31, 2020.

COVID-19 RESPONSE – During the first quarter, LICT companies each responded to the COVID-19 pandemic by:

- Committing not to disconnect customers that are unable to pay their bills because of the economic effects of the pandemic;
- Providing free or discounted services to families to support remote learning;
- Setting up community Wi-Fi hotspots so community members can stay connected to family, work, and learning; and
- Initiated charitable contributions to support members of our community that have been impacted by the economic fallout from the pandemic. In particular, each of LICT's 338 teammates have initiated contributions to help schools and local charitable organizations support community members effected by COVID-19.

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 through 2019, the company made $100 per share contribution on behalf of its shareholders to their designated charities.

LICT is committed to giving back to our communities and, over the past four years, LICT has made over $5.5 million in charitable contributions.

FIRST QUARTER RESULTS – In 2020, LICT's reported first quarter revenues increased $1.8 million to $30.0 million compared to $28.2 million for the corresponding quarter in 2019. Reported EBITDA was $13.7 million in the first quarter of 2020, as compared to $12.8 million in the first quarter of 2019.

Non-regulated revenues gained 10.4%, to $14.6 million from the prior year's $13.2 million due to increased broadband and competitive local exchange carrier ("CLEC") revenues. Regulated revenues increased by 3.3%, to $15.5 million in the first quarter of 2020, from the prior year's $15.0 million. This was in large part due to the original A-CAM companies who were below the cap not receiving the incremental A-CAM funding until May of 2019 and by the conversion of LICT's Wisconsin properties to A-CAM II for an annual increase of $.7 million, which was not received until the third quarter of 2019. Non-regulated EBITDA 15.1% to $6.2 million, from $5.4 million, while regulated EBITDA increase by $0.2 million to $7.6 million from $7.4 million in 2019.

EARNINGS PER SHARE – Diluted earnings per share during the first quarter were $324 per share, excluding the gain on the sale of Modoc in 2020, as compared to $265 per share, excluding gain on sale of equity interest in 2019. The gain stemming from the sale of Modoc added $504 of earnings per share after-tax in the first quarter. Shares outstanding at March 31, 2020 were 19,008 versus 19,188 at December 31, 2019.

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 ("USF") mechanisms for companies electing A-CAM. In May 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, 2018 and the other half related to 2017.

On February 25, 2019, the FCC further expanded the A-CAM program for those companies whose support was initially capped and offered LICT companies an additional $4.6 million in annual A-CAM funding, 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 companies, capped and uncapped, for two additional years to December 31, 2028. Acceptance of these additional years requires the companies to provide a higher threshold of speed to a greater number of locations. The Company's subsidiaries have accepted this A-CAM expansion program and are building out and upgrading their networks to meet the additional requirements.

On May 2, 2019, the FCC further expanded the A-CAM program, referred to as A-CAM II, to companies still receiving legacy USF support, HCLS and ICLS, in their service territories. LICT's two Wisconsin companies elected to participate and received $1.1 million in annual A-CAM II funding for the full year ending December 31, 2019. The Company's subsidiaries received the 2019 year to date incremental funding in the 3rd quarter of 2019. As of 2019, all of LICT's rural telephone companies have elected A-CAM or A-CAM II regulation and all will receive the support through 2028. A-CAM and A-CAM II revenues were $32.3 million in 2019.

Key Events during the first quarter:

- $50 MILLION UNSECURED REVOLVING CREDIT FACILITY – LICT closed on a new 5-year, $50 million unsecured Revolving Credit Facility with CoBank. In addition to extending the Revolving Credit Facility through 2025, the new loan facility is unsecured, provides for lower borrowing rates, and has more flexible terms. In March, LICT borrowed the entire $50 million to enhance financial flexibility.

- FCC SPECTRUM AUCTIONS – LICT Wireless Broadband Company, LLC ("LICT Wireless"), a wholly owned subsidiary of the Company, was a qualified bidder in the FCC auction for spectrum, Auction 103 – 37 GHz, 39 GHz, 47.2 GHz. These spectrum bands are designated to be used for provision of 5G wireless services. This auction began on December 10, 2019 and concluded on March 5, 2020. There are three FCC auctions scheduled for 2020.

- SALE OF NEW HAMPSHIRE OPERATION TO CIBL – LICT completed the sale of its New Hampshire operation to CIBL, a publicly traded company that was spun- off by LICT in 2007.

The transaction was announced in August of 2019 and closed at year end 2019. The New Hampshire operation consists of the Bretton Woods Telephone Company, a Rural Local Exchange Carrier serving the Mt. Washington/Carroll, NH area, and World Surfer, Inc., a Competitive Local Exchange Carrier serving the same area. These companies are leading providers of broadband and communications services to an approximately 35 square-mile area in northern New Hampshire, including the Omni Mount Washington Hotel and Resort, and The Mount Washington Cog Railway. LICT now owns approximately 6% of CIBL's outstanding common stock.

LICT is treating the New Hampshire operations as discontinued operations for comparison purposes so the 2019 and 2020 operating results exclude New Hampshire.

- SALE OF MODOC PARTNERSHIP – The Company completed the sale of its minority interest in the MODOC RSA Limited Partnership. The sale closed on January 2, 2020. In the first quarter, the company received its final dividend from the partnership in the amount of $563,000.

2020 OUTLOOK – In spite of the COVID-19 pandemic impact on economic conditions in our service areas, LICT is maintaining its guidance for 2020. The company expects to continue its strong financial performance in 2020 with total revenues of $120 to $124 million, EBITDA in the range of $54 to $56 million, and total capital expenditures between $25 and $27 million. The balance sheet is expected to continue to improve throughout 2020 as a result of solid cash generation from operations and cash proceeds from the MODOC Partnership sale. The effect of the COVID-19 pandemic may impact non-regulated revenue growth and potentially impact bad debt expense as the economic contraction may impair customers' ability to purchase and pay for service.

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 2020, capital expenditures were $5.0 million, of which $2.2 million was for non-regulated activities and $2.8 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 between $25 and $27 million in 2020. This capital investment enables us to offer enhanced broadband speeds and increase the overall fiber route miles in our network. As of March 31, 2020, 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, 2020, the Company repurchased 180 shares for $3.1 million, with an average price of $17,241 per share. As of March 31, 2020, 19,008 shares were outstanding.

OPERATING STATISTICS – As of March 31, 2020, the Company's DSL penetration in its franchised telephone service territories, based on its total Incumbent Local Exchange Carrier ("ILEC") voice lines, was 86.0%, as compared to 80.3% at December 31, 2019. Our summary operating statistics are as follows:

	March 31, 2020	December 31, 2019	Increase (Decrease)	Percent Increase (Decrease)
Broadband lines	34,725	33,893	832	2.5%
Voice Lines				
ILEC	24,372	25,535	(1,163)	(4.6%)
CLEC	7,536	7,388	148	2.0%
Total	31,908	32,923	(1,015)	(3.1%)
Video Subscribers	4,545	4,884	(339)	(6.9%)
Revenue Generating Units	71,178	71,700	(522)	(0.7%)

****

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.

Contacts: Dan Hopkins, President and CFO
Stephen Moore, Vice President of Finance
914/921-8821

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

STATEMENTS OF OPERATIONS

	Three Months Ended March 31,		
	As Reported 2019	As Restated 2019 (a)	2020
Revenues	$28,605	$28,153	$30,046
Cost and Expenses:			
Cost of revenue, excluding depreciation	12,784	12,548	13,198
Selling, general and administration	2,906	2,818	3,099
Corporate office expenses	1,022	1,022	959
Depreciation and amortization	4,978	4,878	4,340
Total Costs and Expenses	21,690	21,267	21,596
Operating profit	6,915	6,886	8,450
Other Income (Expense)			
Investment income	174	174	113
Interest expense	(432)	(432)	(302)
Equity in earnings of affiliated companies	503	503	53
Other	2,493	2,493	13,042
	2,738	2,738	12,906
Income Before Income Tax Provision	9,653	9,624	21,356
Provision for Income Taxes	(2,549)	(2,549)	(5,554)
Income from continuing operations	7,104	7,075	15,802
Income from discontinued operations before taxes	--	39	--
Provision for income taxes	--	(10)	--
Income from discontinued operations after taxes	--	29	--
Net Income	$7,104	$7,104	$15,802
Capital Expenditures	$4,834	$4,772	$4,996
Weighted Average Shares:			
Basic	19,765	19,765	19,102
Diluted	19,800	19,800	19,102
Actual shares outstanding at end of period	19,704	19,704	19,008
Earnings Per Share:			
Basic	$359	$358	$827
Dilutive	$359	$357	$827
Dilutive Earnings Per Share by Component:			
On-going operations	$358	$356	$829
Gain on sale of an investment	--	--	504
Gain on sale of an investment by a minority interest	93	93	--
Reported	$265	$263	$324

(a) Excludes New Hampshire Operations

See EBITDA on page 2

LICT Corporation
Statements of Operations and Selected Balance Sheet Data-Continued
(In Thousands, Except Per Share Data)

SELECTED BALANCE SHEET DATA	Dec. 31, 2019	Mar. 31, 2020
Cash and Cash Equivalents	$8,415	$88,823
Other short-term investments	20,000	--
Long-Term Debt (including current portion)	24,678	64,357
Liabilities, including taxes, other than debt	$35,386	$40,030
Shareholders' Equity	$154,345	$167,053
Shares Outstanding at Date	19,188	19,008

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 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	**2020**
EBITDA		
Operating subsidiaries	12,786	13,748
Cash received from equity affiliates	563	542
On-going operating subsidiaries	13,349	14,290
Corporate Office Expense	(1.022)	(959)
EBITDA	**12,327**	**13,331**
Depreciation and amortization	(4,878)	(4,340)
Deduct cash received from equity affiliates	(563)	(542)
Operating profit	$6,886	$8,449