

LICT Corporation

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For Immediate Release:

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LICT CORPORATION REPORTS SECOND QUARTER 2021 RESULTS

- **Revenues increased 5.8% to \$32.3 from \$30.5 million.**
- **EBITDA from operations was \$14.8 versus \$13.8 million.**
- **EPS from operations rose 13% to \$346 from \$307 per share.**
- **Capital Expenditure increases accelerate our broadband deployment**

Rye, NY – August 4, 2021 – LICT Corporation (“LICT” or the “Company”; OTC Pink®: LICT) reports unaudited, financial results for the quarter ended June 30, 2021.

COVID-19 - LICT continues to closely monitor developments of the new variants of COVID -19. We continue to take steps to mitigate the potential risks related to the COVID-19 pandemic to our teammates and customers.

SECOND QUARTER – In 2021, LICT’s second quarter revenues were \$32.3 million compared to \$30.5 million for the corresponding quarter in 2020. EBITDA was \$14.8 million in the second quarter of 2021 as compared to \$13.8 million in 2020.

Non-regulated revenues increased 12%, or \$1.8 million, to \$16.8 million from the prior year’s second quarter \$15.0 million, driven by broadband and cable modem sales. Non-regulated EBITDA rose just over 12% to \$7.3 million, from \$6.5 million.

Regulated revenues totaled \$15.5 million in the second quarter of both 2021 and 2020. Regulated EBITDA was \$7.5 million compared to \$7.3 million last year.

In April 2021, CentraCom, the Company’s Utah operation, closed on the acquisition of assets and operations of NeboNet, a fixed wireless Internet Service Provider located in Nephi, Utah. NeboNet offered high speed wireless Internet service in the counties of Juab and Boxer Elder, Utah. CentraCom will expand and enhance the bandwidth capabilities of the network throughout these communities.

OTHER INCOME – Other income/(expense) for the second quarter of 2021 and 2020 totaled \$0.3 million, mostly due to the \$50 million drawdown from CoBank in the prior year, which we have reduced to \$10 million.

EARNINGS PER SHARE – Earnings per share from operations for the second quarter of 2021 were \$346 per share as compared to \$307 per share in the prior year’s second quarter.

ALTERNATIVE – CONNECT AMERICA COST MODEL (“A-CAM”) PROGRAM – LICT included \$8.0 million in the second quarter of 2021 for A-CAM and A-CAM II revenues, about the same as the \$8.1 million in the second quarter of 2020.

All LICT telephone companies have elected to participate in the Federal Communications Commission's ("FCC") A-CAM and A-CAM II programs. The A-CAM program commenced January 1, 2017, with revisions in 2018 and 2019. A-CAM II was implemented by the FCC in 2019, which LICT adopted in Wisconsin. The A-CAM program is designed to accelerate and expand the deployment of broadband capabilities throughout the nation's rural areas with mandatory build-out requirements for receipt of support. LICT is actively building and expanding broadband facilities. A-CAM and A-CAM II replaced two prior USF mechanisms for companies electing A-CAM.

EMERGENCY BROADBAND BENEFIT ("EBB") PROGRAM – LICT is actively participating in the FCC's \$3.2 billion EBB Program to support our ongoing commitment to provide affordable broadband to the rural communities we serve and help close the digital divide. This program provides consumers who are eligible with a broadband credit of up to \$50 per month (up to \$75 for households on Tribal Lands) towards their qualifying internet plan for the duration of the program.

FCC AUCTIONS – During the second quarter of 2021 we continued our efforts to deploy the spectrum licenses we were awarded in Auction 105 of last year which will enable us to reach some of our more remote customers with increased speeds. In addition, we are engaged in the filing process required by the FCC for the markets we were awarded in Auction 904, the Rural Digital Opportunities Fund auction, as well as planning to participate in the upcoming Auction 110.

2021 OUTLOOK – LICT's guidance for 2021 revenue and EBITDA remains unchanged with revenues of \$127 - \$131 million and EBITDA in the range of \$58 to \$60 million. LICT's guidance on capital expenditures is increasing to a range of \$31 and \$33 million as we have increased deployment of fiber in the communities we serve. The effect of the COVID-19 pandemic may impact revenue growth, in the second half of 2021.

STRATEGIC REVIEW - As previously stated, the Company continues to systematically seek, analyze and evaluate a full range of means to expand the scope and scale of its businesses to accelerate growth across all of them, and thereby enhance our shareholders' value.

CAPITAL EXPENDITURES – In the second quarter of 2021, capital expenditures were \$7.5 million, of which \$4.1 million was for non-regulated activities and \$3.4 million for regulated activities. Our capital spending will enable us to meet and exceed our A-CAM requirements, offer enhanced broadband speeds, and increase the overall fiber route miles in our network.

As of June 30, 2021, LICT owns and operates 5,325 miles of fiber optic cable, 11,494 miles of copper cable, 770 miles of coaxial cable and 83 towers. During the quarter, we added 26 towers as a result of our acquisition of NeboNet in Utah.

SHARE REPURCHASES – During the six months ended June 30, 2021, the Company repurchased 453 shares for \$10.1 million, with an average price of \$22,200 per share. On June 30, 2021, 18,080 shares were outstanding.

OPERATING STATISTICS / BROADBAND DEPLOYMENT - As of June 30, 2021, the Company's broadband penetration in its franchised telephone service territories, based on

its total Incumbent Local Exchange Carrier (“ILEC”) voice lines, was 93.3%, as compared to 90.8% at December 31, 2020.

| | June 30, | December 31, | Increase | Percent |
|--------------------------|-----------------|---------------------|-------------------|-------------------|
| | 2021 | 2020 | (Decrease) | Increase |
| | | | (Decrease) | (Decrease) |
| Broadband lines | 40,607 | 39,825 | 782 | 2.0% |
| Voice Lines | | | | |
| ILEC | 23,957 | 24,005 | (48) | (0.2%) |
| Out of franchise | 6,897 | 7,456 | (559) | (7.5%) |
| Total | 30,854 | 31,461 | (607) | (1.9%) |
| Video Subscribers | 4,307 | 4,406 | (99) | (2.2%) |
| Revenue Generating Units | 75,768 | 75,692 | 76 | 0.1% |

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>.

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

Exhibit A
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STATEMENTS OF OPERATIONS

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|----------------|-------------------------|-----------------|
| | June 30, | | June 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| Revenues | \$32,287 | \$30,507 | \$64,302 | \$60,553 |
| Cost and Expenses: | | | | |
| Cost of revenue, excluding depreciation | 14,519 | 13,550 | 28,998 | 26,748 |
| Selling, general and administration | 3,016 | 3,176 | 6,189 | 6,275 |
| Corporate Office Expenses | 917 | 1,063 | 1,863 | 2,013 |
| Charitable Contributions | 183 | 247 | 183 | 247 |
| Depreciation and amortization | 4,655 | 4,074 | 9,291 | 8,414 |
| Total Costs and Expenses | 23,290 | 22,110 | 46,524 | 43,697 |
| Operating profit | 8,997 | 8,397 | 17,778 | 16,856 |
| Other Income (Expense) | | | | |
| Investment income | 22 | 154 | 784 | 267 |
| Interest expense | (319) | (486) | (704) | (788) |
| Equity in earnings of affiliated companies | 21 | -- | 206 | 53 |
| Gain from the sale of investment ^(a) | -- | -- | -- | 13,071 |
| Other | (22) | 25 | 36 | (4) |
| | (298) | (307) | 322 | 12,599 |
| Income Before Income Tax Provision | 8,699 | 8,090 | 18,100 | 29,455 |
| Provision for income taxes | (2,413) | (2,323) | (4,840) | (7,877) |
| Net Income | \$6,286 | \$5,767 | \$13,260 | \$21,578 |
| Capital Expenditures | \$7,566 | \$7,852 | \$14,689 | 12,915 |
| Weighted Average Shares- Basic and Diluted | 18,185 | 18,803 | 18,318 | 18,953 |
| Actual shares outstanding at end of period | 18,080 | 18,719 | 18,080 | 18,719 |
| Earnings Per Share: | \$346 | \$307 | \$724 | \$1,139 |
| Earnings Per Share excluding the gain from the sale of an investment^(a) | \$346 | \$307 | \$724 | \$631 |

^(a) Please note for the six months ended June 30, 2020, includes the gain of \$13.1 million stemming from the sale of MODOC which added \$508 to earnings per share.

See EBITDA on page 2

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

Exhibit A
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| SELECTED BALANCE SHEET DATA | June 30, 2021 | December 31, 2020 |
|--|--------------------------|------------------------------|
| Cash and Cash Equivalents | \$36,488 | \$67,324 |
| Other short-term investments | - | \$20,000 |
| Long-Term Debt (including current portion) | 22,325 | \$63,176 |
| Net Cash | \$14,163 | \$24,148 |
| Shareholders' Equity | \$183,795 | \$180,595 |
| Shares Outstanding | 18,080 | 18,533 |

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. We believe that EBITDA trends are a valuable indicator of whether our operations can produce sufficient operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures.

EBITDA is calculated as Operating Profit from Continuing Operations plus depreciation and amortization expense and charitable contributions.

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--|------------------|--------------------------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| EBITDA Reconciliation: | | | | |
| Operating Profit from Continuing Operations | \$ 8,997 | \$ 8,397 | \$ 17,778 | \$16,856 |
| Additions: | | | | |
| Corporate expenses | 917 | 1,063 | 1,863 | 2,013 |
| Charitable contributions | 183 | 247 | 183 | 247 |
| Depreciation and amortization | 4,655 | 4,074 | 9,291 | 8,414 |
| EBITDA from Operations Before Corporate Expenses | 14,752 | 13,781 | 29,115 | 27,530 |
| Corporate Expenses | (917) | (1,063) | (1,863) | (2,013) |
| EBITDA | \$ 13,835 | \$ 12,718 | \$ 27,252 | \$ 25,517 |