LICT
Corporation

401 Theodore Fremd Avenue
Rye, N.Y. 10580
914-921-8821
www.lictcorp.com

For Immediate Release:

Contact: Stephen J. Moore
Vice President- Finance

LICT CORPORATION REPORTS PRELIMINARY UNAUDITED FOURTH QUARTER AND FULL YEAR 2024 RESULTS

Fourth Quarter and Full Year Highlights:

- **Revenue**: Fourth-quarter revenues increased 12.8% to $33.4 million, up from $29.6 million in the prior year. Revenues for the full year were $134.2 million, a year-over-year increase of $17.7 million, or 15.2%.
- **EBITDA**: Rose 11.2% to $12.9 million in the fourth quarter, compared to $11.6 million in the same period last year. EBITDA for the full year was $55.4 million, an increase of $9.8 million, or 21.5% from the prior year.
- **Earnings Per Share**: Fourth-quarter earnings from continuing operations, excluding one-time items, were $193 per share, up 14.2% from $169 per share in the same period last year. 2024 earnings were $1,007, an increase of $205 per share, or 25.6% from the prior year.
- **Shareholder Charitable Contribution Program:** Successfully completed at $100 per share for registered shareholders. LICT has contributed more than $10.2 million to charitable organizations through this program over the past nine years.

Rye, NY – February 20, 2025 – LICT Corporation (“LICT” or the “Company”; OTC Pink®: LICT) reports unaudited, preliminary financial results for the quarter ended December 31, 2024. Financial results for 2023 included MachTen (OTC Pink®: MACT) results which was spun off on August 31, 2023 and is presented as discontinued operations.

The unaudited results in this press release are preliminary and subject to the completion of final accounting procedures, including the evaluation of goodwill impairment, and annual audit completion and are therefore subject to adjustment.

Unaudited Results – Fourth Quarter

Total revenues in the fourth quarter of 2024 were $33.4 million from $29.6 million in 2023.

Non-regulated revenues increased 5.5% to $19.1 million from the prior year’s fourth quarter, $18.1 million, driven by sales of broadband services and high-speed data circuits. Further, our results for the fourth quarter of 2024 include $0.8 million in revenues from the Manti non-regulated entities (which were acquired on December 1, 2023) versus $0.3 million in 2023.

Regulated revenues were $14.3 million in the fourth quarter of 2024, reflecting an increase of $2.8 million (24.3%) compared to $11.5 million in the same period of the prior year. This growth was primarily attributable to the acceptance of Enhanced ACAM (E-ACAM), which contributed an incremental $3.5 million to regulated revenues for the quarter.

Total EBITDA was $12.9 million in the fourth quarter of 2024 as compared to $11.6 million in 2023, an increase of $1.3 million (11.2%). The increase in EBITDA was driven by the election of E-ACAM in our regulated business, which was offset by higher operating expenses, including labor and material costs, professional and engineering fee expenses.

Non-regulated EBITDA in the fourth quarter was $6.4 million compared to $7.7 million last year, a decrease of $1.3 million (16.9%). Regulated EBITDA in the fourth quarter of 2024 was $6.5 million compared to $3.8 million during the same period last year, an increase of $2.7 million (71.1%), driven by E-ACAM and partially offset by increases in operating expenses.

The fourth quarter of 2023 included a $3.5 million non-cash goodwill impairment charge related to the Iowa/Wisconsin subsidiaries.

Total other income increased by $6.4 million to $6.2 million in the fourth quarter of 2024, compared to a loss of $0.2 million in the same period of the prior year. This increase was due to a noncash one-time gain of $6.5 million for the revaluation of contingent consideration related to the Manti acquisition. As required by ASC 805, the contingent liability was revalued based on updated 2025 EBITDA projections.

Earnings per share excluding one-time events from continuing operations, namely, the gain from the revaluation of the Manti contingent liability, earnings per share for the fourth quarter of 2024 were $193 per share compared to $169 per share last year, an increase of $24 or (14.2%). The 2023 earnings per share also excludes the $3.5 million goodwill impairment charge.

Unaudited Results – Full Year 2024

Revenues in 2024 were $134.2 million, an increase of $17.7 million (15.2%), compared to $116.5 million in 2023.

Non-regulated revenues for the full-year 2024 rose $4.7 million (6.7%) to $75.1 million from the prior year's $70.4 million driven by sales of broadband services and high-speed data circuits. Further, our results for the full year of 2024 include $3.1 million in incremental revenues from the Manti non-regulated entities (which were acquired on December 1, 2023) versus $0.3 million in 2023.

Regulated revenues were $59.1 million in 2024, an increase of $13.0 million (28.2%) versus the prior year's total of $46.1 million. The acceptance of Enhanced ACAM (E-ACAM) accounted for a $14.0 million increase in regulated revenues for the full year.

EBITDA for 2024 totaled $55.4 million, compared to $45.5 million in 2023. The $9.9 million increase (29.8%) was primarily driven by the acceptance of Enhanced ACAM (E-ACAM), which was partially offset by inflationary pressures, leading to higher materials and labor costs.

Non-regulated EBITDA for the full year decreased by $1.3 million (4.5%) to $27.4 million in 2024 from $28.7 million in 2023, while regulated EBITDA increased by $11.2 million to $ 28.0 million compared to $16.8 million in 2023.

As mentioned previously, the full year 2023 results include a non-cash $3.5 million goodwill impairment charge.

Total other income for 2024 increased to $3.0 million, compared to a $1.1 million loss in the prior year, a $4.1 million improvement. The primary driver was a $6.5 million non-cash gain resulting from the revaluation of contingent consideration related to the Manti acquisition.

At the time of the acquisition, a contingent liability was recognized based on projected performance metrics. However, following ASC 805, this liability was revalued based on updated EBITDA projections for 2025. As a result, the revaluation gain was recorded under other income. This one-time gain was partially offset by $1.6 million in higher interest expenses and $0.8 million in unrealized losses on our investment in MachTen, Inc.

Excluding one-time items from continuing operations—specifically the $6.5 million gain from the reversal of the Manti contingent liability —earnings per share for 2024 were $1,007 per share, compared to $802 per share in 2023, representing an increase of $205 or (25.6%). The 2023 earnings per share also excludes the $3.5 million goodwill impairment charge.

Non-Recurring Items

2024 EARNOUT REMEASUREMENT – In December 2023, the Company completed the acquisition of Manti Tele Communications Co., Inc. (MTCC) and American Fiber, Inc. (AFI) The AFI earnout liability was recorded as a component of other liabilities in the Company's 2023 consolidated balance sheet.

In late 2024, based on revised 2025 EBITDA projections, the Company determined that the EBITDA targets for the earnout would not be met. As a result, in accordance with ASC 805, the Company remeasured the contingent liability and recorded a corresponding noncash, one-time gain of $6.5 million in other income.

2023 GOODWILL IMPAIRMENT – In 2023, the Company recorded a $3.5 million goodwill impairment related to its combined Wisconsin/Iowa operations. The annual impairment analysis determined that the fair value of this reporting unit's net equity did not exceed its carrying value.

Since 2021, both the Iowa and Wisconsin operations have been undergoing a transition from copper infrastructure to fiber, a multi-year initiative requiring substantial capital investment. The fiber build-out in Wisconsin was completed in 2023, while the Iowa deployment is expected to continue through early 2026. As these markets shift from construction to deployment, the Company is now focused on expanding its customer base and offering additional services.

No goodwill impairment was recorded in 2024.

2023 DISCONTINUED OPERATIONS – On August 31, 2023, LICT completed the spin-off of its Michigan subsidiary, MachTen. As part of the transaction, each LICT shareholder received 150 shares of MachTen for every LICT share owned, while LICT retained a 19% ownership stake, equivalent to 605,980 shares.

The financial results of the Michigan subsidiary for the period prior to the spin-off in 2023 are presented as discontinued operations in the Company's financial statements.

Shareholder Designated Charitable Contribution Program

LICT Corporation (OTC Pink: LICT) has successfully completed its 2024 Shareholder Charitable Contribution Program, enabling all registered shareholders to support charitable causes. Shareholders of record as of November 15, 2024, were eligible to designate a 501(c)(3) nonprofit organization, to which LICT donated $100 per share on their behalf.

At LICT, we believe that charitable giving is a fundamental responsibility and a powerful way to make a meaningful impact. While the company does not influence how donations are allocated, we are proud to facilitate this initiative, allowing our shareholders to support causes that matter to them.

Over the past nine years, LICT has contributed more than $10.2 million to charitable organizations through this program.

Share Repurchase Program

During the fourth quarter of 2024, LICT repurchased 367 shares for a total of $5.1 million, at an average price of $14,011 per share.

For 2024, the Company repurchased 798 shares for $11.7 million, at an average price of $14,666 per share.

As of December 31, 2024, LICT had 16,173 shares outstanding.

FCC Programs, Regulatory Matters & Other Capital Expenditures

SATELLITE SERVICE – Starlink, a satellite-based internet service, has rapidly expanded, boasting nearly 7,000 satellites and 4.6 million subscribers by the end of 2024. This growth poses a competitive challenge to traditional broadband providers, especially in underserved rural areas. The company is closely monitoring Starlink's progress, including examining the possibility of offering its service to more difficult to reach rural locations.

Along these lines, and to reduce costs, future government grant and loan programs established to encourage the construction of rural broadband networks may encourage technologies to provide broadband access, opening up opportunities for satellite and other technologies.

ENHANCED ALTERNATIVE CONNECT AMERICA COST MODEL (E-ACAM) PROGRAM - Effective January 1, 2024, all of LICT's Rural Local Exchange Carriers (RLECs) voluntarily opted into the Federal Communications Commission's (FCC) Enhanced Alternative Connect America Model (E-ACAM) program. This initiative provides funding to support the deployment of broadband infrastructure, requiring the build-out of at least 100/20 Mbps service to nearly 20,000 designated E-ACAM locations currently lacking such speeds by December 31, 2028.

In alignment with this commitment, LICT's RLECs are actively engaged in designing, engineering, and constructing the necessary facilities to ensure compliance with the FCC's program requirements. As a result of E-ACAM participation, the company's annual federal Universal Service Fund (USF) revenue has increased by $14 million, or $3.5 million per quarter, bringing total annual USF revenue to $37.2 million through 2038—subject to a 2025 true-up for refined E-ACAM location counts. This compares to the $23.2 million in annual USF revenue received in both 2023 and 2022 under the previous ACAM program, which was set to expire on December 31, 2028.

To meet the E-ACAM buildout requirements, the remaining total gross capital expenditures, including federal and state grants, are estimated at $435 million, with a net capital investment of $283 million after grant funding. The company remains focused on these projects, seeking operational efficiencies to control costs while ensuring compliance with program requirements and achieving required deployment targets.

LICT EXTENDED THE FCC'S AFFORDABLE CONNECTIVITY PROGRAM (ACP) - ACP was terminated in May 2024. LICT informed its ACP customers that the Company will continue an equivalent credit through June, 30, 2025, at LICT's cost. Eligible ACP customers received a continuation of their broadband credit of up to $30 per month (up to $75 for households on Tribal Lands) towards their qualifying internet plan. During the fourth quarter of 2024, LICT provided approximately 1,544 ACP eligible customers with the same credits for which they were previously eligible, at the Company's expense.

SUPREME COURT ENDS THE CHEVRON DEFERENCE DOCTRINE - On June 28, 2024, the U.S. Supreme Court ended the Chevron deference doctrine. With this ruling, the Supreme Court cut back sharply on the power of federal agencies to interpret the laws they administer and ruled that courts should rely on their own interpretation of ambiguous laws. Management will continue to monitor the impacts of this ruling on the business of the company and specifically any funding provided by government programs.

PETITIONS TO SUPREME COURT TO REVIEW FIFTH CIRCUIT USF DECISION - The Department of Justice, FCC, various industry associations and public interest groups filed petitions before the Supreme Court requesting it review the decision by the U.S. Court of Appeals for the Fifth Circuit that found the Universal Service Fund (USF) contribution mechanism to be unconstitutional related to delegation to the FCC and sub-delegation to the USF Administrator. The ruling of the full Fifth Circuit that the program was unconstitutional differs from the rulings of the Sixth and Eleventh Circuits, which ruled in favor of the USF. Management is monitoring the impacts of this the Fifth Circuit ruling on the business of the company and USF funding.

Strategic Initiatives

LICT Corporation, a holding company with subsidiaries in broadband and telecommunications services, actively pursues acquisitions, primarily within its core business areas.

The company successfully completed the acquisitions of Manti Telephone Communications Company and AFConnect. The non-regulated portion of the Manti transaction closed on December 1, 2023, while the regulated segment, Manti Telephone Company, was finalized on January 1, 2025, following regulatory approval.

Additionally, on August 31, 2024, LICT completed the sale of its remaining 12% ownership stake in Brick Skirt, receiving 450 shares of CIBL, Inc. in exchange.

LICT executed the spin-off of its Michigan subsidiary, MachTen, on August 31, 2023. As part of the transaction, each LICT shareholder received 150 shares of MachTen per LICT share, while LICT retained a 19% ownership stake (605,980 shares). In August 2024, MachTen repaid LICT a $15 million note.

FIXED WIRELESS/5G -Sound Broadband LLC, the wireless subsidiary of LICT Corporation, has completed 5G deployments in its existing markets and expanded into new regions, including New Mexico, California, Kansas, and Utah.

In addition to expanding Fixed Wireless 5G services, Sound Broadband is growing its private 5G portfolio to meet the unique needs of businesses, government, and other organizations seeking secure, high-performance wireless networks. To support both public and private 5G growth, the company is applying for federal funding, including the BEAD program, to extend coverage into more remote areas. Sound Broadband remains committed to bridging the digital divide and delivering next-generation connectivity across diverse sectors and underserved regions.

OPERATING STATISTICS/BROADBAND DEPLOYMENT

LICT owns and operates 6,868 miles of fiber optic cable, 8,950 miles of copper cable, 844 miles of coaxial cable and 100 towers. These numbers do not include the Michigan entity that was spun-off in 2023.

	December 31, 2024	December 31, 2023	Increase (Decrease)	Percent Increase (Decrease)
Broadband lines	49,497	47,635	1,862	3.9%
Voice Lines				
ILEC	15,871	17,549	(1,678)	(9.6%)
Out of franchise	6,113	6,287	(174)	(2.8%)
Total	21,984	23,836	(1,852)	(7.8%)
Video Subscribers	3,467	3,341	126	3.8%
Revenue Generating Units	74,948	74,812	136	0.2%

****

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
Consolidated Statements of Operations
(In Thousands, Except Per Share Data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024 (Unaudited)	**2023 (Unaudited)**	**2024 (Unaudited)**	**2023 (Audited)**
Revenues	$33,378	$29,601	$134,241	$116,509
Cost and Expenses:				
Cost of revenue	17,810	15,155	67,959	59,914
General and administrative costs at operations	2,709	2,895	10,883	11,041
Corporate office expenses	1,278	1,305	4,756	4,922
Goodwill impairment	-	3,500	-	3,500
Charitable contributions	543	1,161	543	1,161
Depreciation and amortization	6,543	5,460	23,913	20,115
Total Costs and Expenses	28,883	29,476	108,054	100,653
Operating profit	4,495	125	26,187	15,856
Other Income (Expense)				
Investment income	55	314	1,528	1,438
Interest expense	(945)	(734)	(4,188)	(2,629)
Unrealized gain (loss) on investment	333	297	(454)	297
Equity in earnings of affiliated companies	(183)	-	42	74
Other	6,899	(118)	6,071	(322)
Total Other Income (Expense)	6,159	(241)	2,999	(1,142)
Income from continuing operations before taxes	10,654	(116)	29,186	14,714
Provision for Income Taxes from continued ops	(972)	(503)	(5,870)	(4,454)
Income (Loss) from continuing operations	9,682	(619)	23,316	10,260
Income from discontinued operations before taxes	-	-	-	4,473
Provision for income taxes from discontinued operations	-	-	-	(1,345)
Income from discontinued operations	-	-	-	3,128
Net Income (Loss)	$9,682	($619)	$23,316	$13,388
Capital Expenditures	$8,425	$7,503	$51,915	$37,408
Earnings Per Share **(Excluding one-time events)**	$193	$169	$1,007	$984
From continuing operations **(Excluding one-time events)**	$193	$169	$1,007	$802
From discontinued operations **(Excluding one-time events)**	$ -	$ -	$ -	$182
Weighted Average Shares Basic/Diluted	16,400	17,021	16,686	17,165
Actual shares outstanding at end of period	16,173	16,971	16,173	16,971

LICT Corporation
Consolidated Balance Sheet
(In Thousands, Except Per Share Data)

	December 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$11,380	$11,545
Accounts receivable, less allowances of $190 and $140, respectively	7,835	7,123
Grant receivable	12,758	1,390
Note receivable	-	15,345
Material and supplies	12,581	16,825
Prepaid expenses, and other current assets	4,704	4,417
Total current assets	49,258	56,645
Property, plant, and equipment	179,910	150,112
Goodwill	48,251	48,251
Other intangibles	34,100	34,590
Investments in and advances to affiliated entities	6,723	7,396
Other assets	10,216	10,046
Total assets	$328,458	$307,040
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	$8,908	$7,773
Accrued interest payable	105	272
Accrued liabilities	9,035	7,696
Current maturities of long-term debt	80	3,876
Total current liabilities	18,128	19,617
Long-term debt	66,556	49,576
Deferred income taxes	28,779	28,898
Other liabilities	8,704	14,261
Total liabilities	122,167	112,352
Total shareholders' equity	206,291	194,688
Total liabilities and shareholders' equity	$328,458	$307,040

EBITDA

EBITDA is a widely recognized measure of operating performance and liquidity, commonly used by analysts, investors, and other stakeholders in the telecommunications industry. It provides a useful benchmark by removing variations in financial, capitalization, and tax structures, allowing for better comparability across companies.

We consider EBITDA trends to be a key indicator of our ability to generate sufficient operating cash flow to support working capital needs, service debt obligations, and fund capital expenditures.

EBITDA is calculated as Operating Profit from Continuing Operations, adjusted to include corporate expenses, depreciation and amortization, charitable contributions, and impairment losses.

	Three Months Ended December 31,		**Twelve Months Ended December 31,**	
	2024 (Unaudited)	**2023 (Unaudited)**	**2024 (Unaudited)**	**2023 (Audited)**
EBITDA Reconciliation:				
Operating Profit from Continuing Operations	**$4,495**	**$125**	**$26,187**	**$15,856**
Additions:				
Corporate expenses	1,278	1,305	4,756	4,922
Charitable contributions	543	1,161	543	1,161
Depreciation and amortization	6,543	5,460	23,913	20,115
Impairment loss	-	3,500	-	3,500
EBITDA from Operations	**$12,859**	**$11,551**	**$55,399**	**$45,544**

LICT Corporation
Cash Flow Statement
(In Thousands, Except Per Share Data)

	(Unaudited) December 31, 2024	
	Fourth Quarter	**Year End**
Net Income	**$9,682**	**$23,316**
Adjustments to reconcile net income to net cash provided by operating activities		
Non-cash Activity (Depreciation, amortization & other activity)	(95)	18,070
Cash Activity (Net Use of Cash)	(4,295)	(6,170)
Total Net Cash provided by Operating Activities	**5,292**	**35,216**
Cash Flows from Investing Activities		
Capital Expenditures	(8,425)	(51,915)
Other Investing Activities - Net	(12)	69
Total Net Cash Used in Investing Activities	**(8,437)**	**(51,846)**
Cash Flows from Financing Activities		
Borrowing from line of credit, net	5,250	5,250
Proceeds from repayment of affiliate notes receivable	-	15,000
Purchase of treasury stock	(5,143)	(11,713)
Proceeds from promissory note	-	8,003
Other Financing Activities	(24)	(75)
Total Net Cash Provided by Financing Activities	**83**	**16,465**
Net Decrease in Cash and Cash Equivalents	(3,062)	(165)
Cash & Cash Equivalents at the beginning of the period	14,442	11,545
Cash & Cash Equivalents at the end of the period	**$11,380**	**$11,380**

Liquidity and Balance Sheet Highlights

LIQUIDITY – In October 2024, the Company secured a new $100 million revolving credit facility with CoBank, extending the term for five years. This facility provides an additional $50 million in available liquidity under terms similar to the Company's previous $50 million revolving credit facility. As of December 31, 2024, the Company had drawn $38.8 million on the facility. The average interest rate for the year ended 2024 was 7.11%, while the average rate for the fourth quarter was 6.83%.

Additionally, as previously disclosed, in August 2024, the Company secured an $11 million credit facility with First Central State Bank (FCSB) to finance its Iowa Notice of Funding Availability (NOFA) 6 build project. As of December 31, 2024, $8.0 million remained outstanding on this facility at an interest rate of 6.98%. With the build project nearing completion, the Company expects to submit all required documentation to release $7.2 million of NOFA grant funds from the state of Iowa in the first quarter of 2025.

The Company's net debt balance (debt less cash and cash equivalents and notes receivable) as of December 31, 2024 is $55.3 million as compared to $26.9 million on December 31, 2023. The increase in the balance of net debt of $28.4 million (105.6%) is due to the repayment of the $15 million note receivable by MachTen in August 2024 and the increase in the company's debt balance by $13.2 million ($5.3 million increase in CoBank debt and $8.0 million drawn on the FCSB facility). The increase in the debt balance reflects the increase in capital expenditures related to the company's active EACAM projects.

CAPITAL EXPENDITURES – In the fourth quarter of 2024, capital expenditures totaled $8.4 million, up $0.9 million (12.0%) compared to $7.5 million in the same period of 2023. For the full year 2024, capital expenditures reached $51.9 million, up $14.5 million (38.8%) from $37.4 million in 2023. This substantial increase was primarily driven by the build-out requirements associated with the E-ACAM program.

GRANTS RECEIVABLE – Grants receivable increased by $11.4 million year-over-year, rising to $12.8 million at year-end 2024 from $1.4 million (10.9%) at year-end 2023. This balance includes a $7.2 million receivable from the state of Iowa related to the NOFA 6 build project, which is expected to be paid out in late Q1 2025. The remaining $5.6 million represents amounts incurred for environmental clearances and other project work associated with grant-funded initiatives in the Company's Western New Mexico and Cal-Ore operations. These funds are expected to be reimbursed in the first half of 2025.

NOTE RECEIVABLE – The note receivable balance declined by $15.3 million year-over-year, primarily reflecting the repayment by MachTen of a $15 million one-year note issued to MachTen by the Company at the time of its spin-off.

OTHER LIABILITIES – Other liabilities decreased by $5.6 million (39.2%), from $14.3 million at year-end 2023 to $8.7 million at year-end 2024. This reduction was primarily due to the $6.5 million revaluation of the earnout liability, as detailed in the Non-Recurring Items section. This decrease was partially offset by $0.9 million in additional liabilities incurred through normal business operations.