

LICT Corporation

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For Immediate Release:

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LICT CORPORATION REPORTS Solid Second Quarter 2025

- Leadership strengthened with the appointment of Joe Cecin as COO
- Supreme Court ruled in favor of the current universal service fund - and the new tax bill provides for enhanced cash flow
- Advancing our multi-year, government-supported network expansion to bring broadband to unserved and underserved areas, supporting nationally significant infrastructure growth and long-term value creation.
- Revenue increased 2%, to \$34.4 million versus \$33.7 million in the second quarter of 2024
- Non-regulated is 56% of total revenue, increasing 2% to \$19.2 million from \$18.8 million in the prior year
- Broadband and Voice lines increased year-over-year due to Manti Telephone Company acquisition
- Fixed Wireless ready for significant growth

Rye, NY – August 14, 2025 – LICT Corporation (“LICIT” or the “Company”; OTC Pink®: LICIT), an integrated provider of broadband and voice services, today announced its financial results for the quarter ended June 30, 2025, and also welcomed Joe Cecin as Chief Operating Officer. Joe is an engineering graduate of the U.S. Military Academy at West Point, has earned an MBA from Stanford University and brings over 30 years of telecommunications industry experience spanning operations, infrastructure development, and leadership in private equity-backed businesses.

Shareholder Designated Charitable Contribution Program

In 2016, the Company established the Shareholder Designated Charitable Contribution Program. Under this initiative, all registered shareholders were eligible to designate a qualified 501(c)(3) charitable organization, and the Company made contributions of \$100 per share on their behalf.

From 2016 through 2024, LICIT donated more than \$10 million to shareholder-designated charities nationwide, reflecting the generosity of our shareholder base and the Company’s ongoing commitment to social responsibility.

Pending Board of Director approval, the program will continue with a \$100 per share shareholder designated charitable contribution, commencing December 2025.

LICT believes that charitable giving is a fundamental obligation for those with the means to make a meaningful impact. By empowering shareholders to direct contributions to causes they value, the program has extended LICT's commitment to community engagement and philanthropy.

Results from Operations

Revenues

Second Quarter 2025

Total revenues were \$34.4 million in the second quarter of 2025 compared with \$33.7 million in the second quarter of 2024.

Non-regulated revenues were \$19.2 million, 56% of total revenues, compared with \$18.8 million in the second quarter of 2024. The increase was primarily due to higher sales of broadband services and high-speed data circuits, mostly in Utah, Kansas and California.

Regulated revenues were \$15.2 million, representing an increase of \$0.3 million, or 2.0%, compared to \$14.9 million in the second quarter of 2024. Second quarter 2025 results also include regulated revenues from Manti Telephone Company (MTC), which was acquired on January 1, 2025; MTC contributed \$0.9 million in regulated revenue this quarter. This acquisition supports our continued strategic expansion in rural markets. This was offset by reductions in voice service revenues consistent with broader industry trends. Additionally, interstate access revenues declined due to a drop in special access circuits which have been replaced with lower cost broadband services.

Six Months ended June 30, 2025

Total revenues were \$69.0 million for the six months ended June 30, 2025 compared with \$67.2 million for the six months ended June 30, 2024.

Non-regulated revenues were \$38.6 million for the six months ended June 30, 2025 compared with \$37.2 million for the six months ended June 30, 2024, an increase of \$1.4 million, or 3.8%, driven by higher sales of broadband services and high-speed data circuits while at the same time encountering increased competition and pricing pressures in our expansion markets.

Regulated revenues were \$30.4 million for the six months ended June 30, 2025, compared with \$29.9 million for the six months ended June 30, 2024. These results also include regulated revenues of \$1.7 million from the Manti Telephone Company (MTC), which was acquired on January 1, 2025. This was offset by reductions in voice service revenues consistent with broader industry trends. Additionally, interstate access revenues declined due to a drop in special access circuits which have been replaced with lower cost broadband services.

EBITDA

Second Quarter 2025

EBITDA for the second quarter of 2025 was \$13.5 million compared to \$14.2 million for the same period in 2024, representing a decrease of \$0.7 million, or 4.9%. The year-over-year decline primarily reflects higher operating expenses, particularly in labor, professional services, and maintenance activities supporting our ongoing network expansion. Importantly, as a greater number of capital expenditure projects transition from planning to execution in the second half of the year, a larger portion of labor and professional services expenses is expected to be capitalized. This shift is anticipated to reduce the impact of these costs on operating expenses going forward, supporting improved EBITDA margins in future periods.

Non-regulated EBITDA for the second quarter of 2025 was \$7.1 million, unchanged from the same period in 2024. Regulated EBITDA for the second quarter of 2025 was \$6.4 million, compared to \$7.2 million in the same period of 2024, reflecting a decrease of \$0.8 million, or 11.1%. The decline was primarily driven by lower regulated revenues due to mandated pricing adjustments and by higher operating expenses.

Six Months Ended June 30, 2025

EBITDA for the six months ended June 30, 2025 was \$27.3 million, compared to \$28.9 million for the same period in 2024, representing a decrease of \$1.6 million, or 5.5%. The decline in EBITDA is consistent with the increase in operating costs, particularly higher personnel-related and professional service expenses tied to operational expansion. Although revenue growth in certain markets provided a partial offset, the net impact of these cost pressures resulted in a modest decline in EBITDA, which, along with higher depreciation and amortization expense, contributed to the overall decrease in net income.

Non-regulated EBITDA for the first six months of 2025 was \$14.4 million, compared to \$14.4 million in the first six months 2024. Regulated EBITDA for the first six months of 2025 was \$12.9 million, compared to \$14.5 million in the same period of 2024, reflecting a decrease of \$1.6 million, or 11.0%. The decline was primarily driven by increased operating costs, including higher expenses for expanded staffing and professional services related to our operational expansion, as well as elevated repair and maintenance activity in the Company's New Mexico and Utah operations.

The following table is a reconciliation of EBITDA to Operating profit from operations:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating profit from operations	\$ 5,616	\$ 7,230	\$ 11,196	\$ 14,627
Adjustments:				
Corporate expenses	1,439	1,158	2,852	2,437
Depreciation and amortization	6,418	5,803	13,245	11,807
Total adjustments	7,857	6,961	16,097	14,244
EBITDA from operations	\$ 13,473	\$ 14,191	\$ 27,293	\$ 28,871

Net income and Earnings per Share

Second Quarter 2025

Net income for the second quarter of 2025 was \$3.2 million, or \$198 per share, compared to \$4.9 million, or \$293 per share, for the same period in 2024. The \$1.7 million, or 34.7%, year-over-year decrease in net income was primarily driven by higher operating and non-operating expenses. Total costs and expenses increased by \$2.3 million, largely due to a \$1.1 million rise in cost of revenue, which reflected expanded staffing, increased use of professional services, and higher repair and maintenance activity, particularly in the Company's New Mexico and Utah operations. Depreciation expense also increased by \$0.6 million, driven by recent investments in network infrastructure.

Six Months Ended June 30, 2025

Net income for the six months ended June 30, 2025 was \$7.3 million, or \$453 per share, compared to \$9.9 million, or \$586 per share, for the same period in 2024. The \$2.6 million, or 26.3%, decrease in net income was primarily driven by a \$5.2 million increase in total costs and expenses. This increase was largely due to a \$2.6 million rise in cost of revenue—reflecting expanded staffing, professional services, and increased repair and maintenance activity in the Company's New Mexico and Utah operations—as well as a \$1.4 million increase in depreciation and amortization expense associated with recent infrastructure investments. These higher operating and non-cash expenses were partially offset by a \$1.8 million increase in revenue, driven by continued growth in broadband services in the Utah and Kansas markets.

Leadership Additions Strengthen Operational and Strategic Capabilities

During the quarter, LICT materially strengthened its leadership team. Joe Cecin joined LICT as Chief Operating Officer to support the company's continued network and geographical expansion and the execution of its long-term strategy.

Additionally, Christopher Nossokoff joined us to support and accelerate our interest in non-organic growth. With a background in finance, accounting, and transaction due diligence—including roles at LGL Group and PricewaterhouseCoopers—Mr. Nossokoff enhances LICT's ability to evaluate strategic opportunities and support disciplined capital deployment.

These appointments further bolster LICT's management team as the company continues to scale its broadband footprint and pursue long-term value creation.

Tax Reform Bill Enlarges LICT's Cash Flow

On July 4, 2025, the new tax bill was signed into law, delivering several key tax reforms with positive implications for LICT's financial position, notably 100% bonus depreciation, changes in R&D expensing and interest deductions.

The legislation reinstates 100% bonus depreciation for qualified property placed in service after January 19, 2025. This provision is expected to meaningfully reduce near-term cash tax obligations and enhance after-tax returns on our broadband infrastructure investments, mostly through the capital expenditures planned through 2028.

While we are still evaluating the full financial statement impact of these provisions, the enactment of the new tax bill strengthens LICT's ability to invest in network expansion, manage capital efficiently, and deliver long-term value to our shareholders. In addition, the continuation of lower corporate tax rates under the Act supports stronger after-tax cash flow, further enhancing our financial flexibility.

Government Programs & Funding Update: Momentum Accelerates for Rural Broadband Expansion

LICT continues to benefit from federal and regulatory momentum supporting rural broadband deployment. Recent developments across the Universal Service Fund (USF) and the Broadband Equity, Access, and Deployment (BEAD) program are removing barriers, streamlining funding mechanisms, and creating new opportunities for providers like us to expand high-quality, cost-effective service across our footprint.

U.S. Supreme Court Decision on Universal Service Fund

On June 27, 2025, the U.S. Supreme Court issued a decisive 6–3 ruling in *FCC v. Consumers' Research*, affirming the constitutionality of the USF under Section 254 of the Telecommunications Act. This long-awaited clarity secures the foundation for key programs, including High-Cost and Enhanced ACAM, providing uninterrupted support for rural broadband initiatives.

For LICT, the decision directly supports our long-term capital plans and commitment to deliver at least 100/20 Mbps service in our RLEC territory. The plan calls for 50% of locations completed by December 31, 2026 and 100% by December 31, 2028.

The ruling also reaffirmed the FCC's oversight of USF contributions and fund allocation, bringing regulatory consistency that allows rural carriers, like LICT, to invest. A newly reactivated bipartisan USF Working Group in Congress is driving efforts to modernize the contribution system and broaden the funding base—efforts we actively support through our leadership in USTelecom and WTA - Advocates for Rural Broadband (formerly known as Western Telecommunications Alliance).

Broadband Equity, Access, and Deployment ("BEAD") Program

We're encouraged by the recent "Benefit of the Bargain" reforms to the BEAD program, which represent a welcome shift toward greater practicality and provider participation. These updates eliminate several non-statutory requirements—such as labor mandates, climate reporting, and net neutrality rules—that previously increased complexity and risk for rural projects. The revised framework also introduces a simplified Low-Cost Service Option ("LCSO") to ease compliance for low-income offerings, and a streamlined environmental review process aimed at achieving two-week NEPA approvals. Most importantly, the new rules emphasize lowest-cost, performance-sufficient solutions, providing greater flexibility for providers like LICT to leverage technologies such as fixed wireless, often the most efficient and economical option for reaching remote areas.

With these improvements in place, we are actively re-engaging in BEAD applications. Together with the strengthened USF platform, these updates enhance our ability to expand affordable, high-speed broadband in underserved areas—delivering lasting value to our customers and our communities.

Government Grants and Capital Expenditures

Enhanced Alternative Connect America Cost Model ("E-ACAM") Program

LICT's voluntary participation in the E-ACAM program became effective on January 1, 2024. The program aims to accelerate broadband deployment and improve speeds in rural areas across the U.S. Under this initiative, LICT entities will receive a total of \$37.2 million annually through 2038, subject to a one-time true-up determination by the FCC by December 31, 2025.

Reconnect III and Reconnect IV

As previously announced, LICT has been awarded \$157.5 million for seven United States Department of Agriculture ("USDA") ReConnect III and ReConnect IV grants awarded in Kansas, California and New Mexico with a total project cost of \$171.2 million, of which our share of cost will be approximately \$13.7 million. These grants require us to provide 1 Gig of fiber broadband speed. Fiber construction is already underway for the Kansas grant and the New Mexico ReConnect projects. The five remaining grants—three in New Mexico and two in California—have also secured environmental clearance and are currently in the pre-construction phase, pending commencement of build-out activities.

Strategic Initiatives

The Company continues to implement strategic measures aimed at lowering the cost structure of its capital investment programs. By leveraging fixed wireless solutions and alternative access technologies, the Company is focused on achieving more capital-efficient network deployments while maintaining service quality and coverage targets.

FIXED WIRELESS/5G – Under the leadership of Dylan Larmore, Sound Broadband LLC, the wireless subsidiary of LICT Corporation, has completed several 5G deployments in its existing markets and is expanding into new regions, including New Mexico, California, Kansas, and Utah. The company is currently identifying sites in California, Iowa and Kansas for new expansion markets, with the plan to deliver the highest speeds at the best possible cost to customers. Sound Broadband remains committed to bridging the digital divide and delivering next-generation connectivity across diverse sectors and underserved regions, both in our existing operations as well as outside of our historical territories.

Operating Statistics / Broadband Deployment

LICT owns and operates 7,483 miles of fiber optic cable, 8,945 miles of copper cable, 847 miles of coaxial cable, 103 towers and 301 spectrum licenses (1,216 million MHZPoP).

The table below provides a comparative summary of the Company’s subscriber and line metrics as of June 30, 2025, versus December 31, 2024.

	June 30, 2025	December 31, 2024	Increase (Decrease)	% Increase (Decrease)
Broadband lines	49,867	49,497	370	0.7%
Voice lines				
ILEC	16,923	15,871	1,052	6.6%
Out of franchise	5,665	6,113	(448)	-7.3%
Total	22,588	21,984	604	2.7%
Video subscribers	3,287	3,467	(180)	-5.2%
Fixed Wireless	7,457	7,349	108	1.5 %
Total revenue generating units	83,199	82,297	902	1.1 %

Liquidity and Balance Sheet Highlights

Liquidity

In October 2024, the Company enhanced its financial flexibility by securing a \$100 million five-year term revolving credit facility with CoBank. As of June 30, 2025, the Company had drawn \$53.8 million under this facility, with an average interest rate of 6.4%.

As previously disclosed, in August 2024, the Company entered into an \$11 million credit facility with First Central State Bank ("FCSB") to support construction of its Iowa NOFA 6 project. The project was successfully completed in March 2025, and on March 31, 2025, the Company received \$7.2 million in grant funding from the State of Iowa. The FCSB facility was fully repaid in early May 2025.

As of June 30, 2025, the Company’s net debt balance was \$67.7 million, compared to \$57.1 million as of December 31, 2024.

The Company maintains sufficient liquidity under its \$100 million credit facility, allowing it to balance strategic investments, acquisitions, and return of capital to shareholders.

Capital Expenditures

In the second quarter of 2025, capital expenditures totaled \$17.6 million, up from \$11.8 million in the second quarter of 2024. Spending this quarter was primarily directed toward the continued build-out of E-ACAM broadband infrastructure and early-phase ReConnect III and IV initiatives. The Company also allocated capital to fixed wireless and 5G network expansion under the direction of its Sound Broadband subsidiary. Capital investments remain integral to achieving regulatory commitments and expanding high-speed broadband services across LICT's rural markets.

Share Repurchase Program

For the three months ended June 30, 2025, the Company repurchased 275 shares of its common stock for a total of \$3.5 million.

For the six months ended June 30, 2025, the Company repurchased 441 shares of its common stock, totaling \$6.1 million.

On July 1, 2025, the Company's Board of Directors authorized the repurchase of an additional 250 shares, reflecting the Company's continued commitment to enhancing long-term shareholder value. As of June 30, 2025, LICT had 15,732 shares outstanding.

About LICT Corporation

LICT Corporation (OTC Pink®: LICT) is a holding company with subsidiaries in broadband and other telecommunications services that actively seeks acquisitions, principally in its existing business. LICT has operations in California, Kansas, Iowa, New Mexico, Oregon, Utah, and Wisconsin. Additionally, the company holds investments in wireless spectrum, MachTen Inc., Aureon Network Services, CVIN LLC, and the Kansas Fiber Network.

Cautionary Note Concerning Forward Looking Statements

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.

LICT Corporation
Statements of Operations
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
<i>(in thousands, except share data)</i>	2025	2024	2025	2024
Revenues	\$ 34,378	\$ 33,684	\$ 68,987	\$ 67,183
Cost and expenses:				
Cost of revenue, excluding depreciation and amort.	17,867	16,763	35,461	32,836
General and administrative costs at operations	3,038	2,730	6,233	5,476
Corporate office expenses	1,439	1,158	2,852	2,437
Depreciation and amortization	6,418	5,803	13,245	11,807
Total costs and expenses	28,762	26,454	57,791	52,556
Operating profit	5,616	7,230	11,196	14,627
Other income (expense)				
Investment income	58	315	842	1,208
Interest expense	(1,248)	(1,096)	(2,395)	(2,066)
Unrealized gain/(loss) on investment	—	(42)	424	(636)
Equity in earnings of affiliated companies	—	252	(66)	225
Other	(108)	28	(97)	67
Total other income (expense)	(1,298)	(543)	(1,292)	(1,202)
Income from operations before income taxes	4,318	6,687	9,904	13,425
Provision for income taxes	(1,168)	(1,780)	(2,638)	(3,541)
Net income	\$ 3,150	\$ 4,907	\$ 7,266	\$ 9,884
Capital expenditures	\$ 17,623	\$ 11,761	\$ 33,108	\$ 28,115
Government grants received	\$ 6,087	\$ —	\$ 13,305	\$ —
Basic and Diluted Weighted-Average Shares	15,940	16,775	16,027	16,859
Earnings Per Share	\$ 198	\$ 293	\$ 453	\$ 586
Actual shares outstanding at end of period	15,732	16,674	15,732	16,674

LICT Corporation
Balance Sheet
(Unaudited)

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 14,149	\$ 9,546
Restricted cash	1,244	1,835
Accounts receivable, less allowances of \$196 and \$190, respectively	8,507	7,834
Grants receivable	7,836	12,759
Materials and supplies	12,429	12,581
Prepaid expenses, and other current assets	4,418	4,681
Total current assets	48,583	49,236
Property, plant, and equipment, net	196,133	179,910
Goodwill	48,501	48,251
Other intangibles	34,371	34,100
Investments in affiliated companies	6,293	6,723
Other assets	11,029	10,836
Total assets	\$ 344,910	\$ 329,056
Liabilities:		
Current liabilities:		
Accounts payable	\$ 6,193	\$ 8,908
Accrued interest payable	351	105
Accrued liabilities	9,547	9,227
Current maturities of long-term debt	7,727	80
Total current liabilities	23,818	18,320
Long-term debt	74,146	66,556
Deferred income taxes	31,913	31,289
Other liabilities	10,239	9,301
Total liabilities	140,116	125,466
Total shareholders' equity	204,794	203,590
Total liabilities and shareholders' equity	\$ 344,910	\$ 329,056