

ICTC GROUP, INC.

For Immediate Release

ICTC Group, Inc. Reports First Quarter 2017 Results

Nome, ND – May 9, 2017 – ICTC Group, Inc. (“ICTC”; OTC Pink ®: ICTG) today reported results for the quarter ending March 31, 2017.

Operating revenues were \$1,365,000 compared to \$973,000 in the first quarter of 2016. Regulated revenues were \$1,135,000 compared with \$804,000 last year, due to the company electing to adopt A-CAM funding which started in January 2017. In the first quarter of 2017, ICTC received \$774,000 in A-CAM support as compared to \$346,000 from the prior regulatory programs in the first quarter of 2016. Non-regulated revenues increased to \$231,000 from \$169,000 in 2016, due to an increase in DSL subscribers and a promotional free month of internet service in January 2016.

EBITDA from the company’s operations increased to \$607,000 from \$292,000 in the prior year period.

Investment income in the first quarter was \$200,000 on a pre-tax basis, compared to \$243,000 in 2016. Investment income in the first quarter of 2016 included an additional \$65,000 of distributions from our investments in cellular partnerships due to the timing.

Net income in the first quarter of 2017 was \$376,000 compared to \$217,000 in 2016. Earnings per share were \$0.99 during the first quarter versus \$0.57 in 2016.

Capital Expenditures – Total capital expenditures were \$63,000 in the first quarter of 2017 compared to \$171,000 for the first quarter of 2016. Our capital expenditures represent continued investment in our network infrastructure, primarily focused on expanding our fiber optic and other broadband facilities. By extending fiber optic cable further throughout our network and installing upgraded electronics, we are rapidly improving the speed and reliability of our broadband network.

Federal Regulation – In December 2016, the company accepted the revised A-CAM model of the Universal Service Fund (USF), and will receive support for a period of ten years in exchange for meeting defined broadband build-out obligations. The company will receive annual A-CAM revenues of \$3,098,000 beginning January 2017. The amount will replace the Company’s former support payments of \$1,387,000 annually.

Balance Sheet – As of March 31, 2017, ICTC had approximately \$4,223,000 in cash and marketable securities, and \$2,711,000 in total debt. The strength of our balance sheet will allow the Company to pursue investments and acquisitions that align with our goal of allocating capital to surface shareholder value.

Repurchase Authorization – The Board of Directors has authorized a share repurchase program totaling 74,037 shares of the Company’s stock. Through March 31, 2017, the Company has repurchased a total of 27,292 shares under this program at an average price of \$21.84. The Company will continue to repurchase stock in the open market on an opportunistic basis.

Business Initiatives for 2017 – ICTC actively seeks to expand its broadband capacities and further enhance the communication services offered to our valued customers. The Company is currently planning the extension of its fiber optic facilities and the associated electronics to support enhanced communications services both within and outside its franchised telephone service territory, in growing North Dakota markets nearby.

Strategic Initiatives – The Company’s Board of Directors believes that the market is currently undervaluing shares at recent prices. The Board intends to consider measures to address the current difference between our market value and our intrinsic value. Strategic options to do so could potentially include the acquisition of a related business, including one materially larger than ICTC, or obtaining a strategic partner to acquire or invest in ICTC in order to surface its full value. The Board may also consider an expanded stock repurchase program in order to provide greater liquidity to any ICTC stockholders who wish to sell their shares. The Company has no agreements, commitments or understandings with respect to any strategic option. The Company intends to disclose developments regarding any strategic options only when or if the Board has approved a specific transaction.

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, 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 ICTC on its website, www.ictcgroup.net. 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, and such information is subject to uncertainties, risks and inaccuracies that could be material.

ICTC is a holding company with subsidiaries in voice, broadband and other telecommunications services that may seek acquisitions, principally in its existing business areas.

ICTC is listed on OTC Pink[®] under the symbol ICTG. Its website address is <http://www.ictcgroup.net>.

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ICTC Group Inc.
Condensed Consolidated Income
Statement

| | Three Months Ended | |
|--|---------------------------|------------------|
| | March 31 | |
| | 2017 | 2016 |
| Revenues | \$1,365,323 | \$973,313 |
| Costs and expenses: | | |
| Cost of revenue, excluding depreciation | 486,881 | 423,093 |
| General and administrative costs at operations | 182,483 | 181,956 |
| Corporate office expense | 89,289 | 75,939 |
| Depreciation | 251,460 | 226,996 |
| Total Expenses | <u>1,010,113</u> | <u>907,983</u> |
| Operating Profit | <u>355,210</u> | <u>65,330</u> |
| Other income(expense): | | |
| Dividend income | 100,868 | 140,390 |
| Other Income (Loss) | 21,124 | -- |
| Interest expense | (22,332) | (22,545) |
| Equity in earnings of investee | 100,858 | 104,414 |
| Total Other Income | <u>200,518</u> | <u>222,260</u> |
| Income before income taxes | 555,728 | 287,590 |
| Income tax provision | <u>(179,573)</u> | <u>(70,244)</u> |
| Net Income | <u>\$376,155</u> | <u>\$217,346</u> |
| Average Shares Outstanding | 380,976 | 382,757 |
| Earnings Per Share | \$0.99 | \$0.57 |
| Actual Shares Outstanding | 380,884 | 383,288 |

ICTC Group, Inc.
Condensed Consolidated Balance Sheet

Attachment B

| | March 31, | December 31, |
|---|---------------------|---------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$3,428,918 | \$3,071,376 |
| Accounts receivable | 498,270 | 443,664 |
| Materials and supplies | 322,835 | 225,011 |
| Deferred income taxes | 75,453 | 75,453 |
| Prepayments | 183,688 | 221,551 |
| Total Current Assets | 4,509,164 | 4,037,055 |
| Telecommunications Plant & Equipment | | |
| Cost | 22,461,066 | 22,508,137 |
| Accumulated depreciation | 16,036,347 | 15,895,330 |
| | 6,424,718 | 6,612,807 |
| Other Assets: | | |
| Investments in affiliate | 2,141,560 | 2,040,702 |
| Other investments | 1,040,132 | 903,978 |
| Goodwill | 1,772,179 | 1,772,179 |
| | 4,953,871 | 4,716,859 |
| Total Assets | \$15,887,753 | \$15,366,721 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| Current Liabilities | | |
| Accounts payable | \$61,392 | \$70,319 |
| Accrued Income Taxes | 185,728 | 6,155 |
| Other current liabilities | 335,604 | 297,722 |
| Current maturities of long-term debt | 27,200 | 27,200 |
| Total current liabilities | 609,924 | 401,396 |
| Long-Term Debt | 2,683,341 | 2,690,236 |
| Other Liabilities | | |
| Deferred income taxes | 2,552,057 | 2,558,319 |
| Total other liabilities | 2,552,057 | 2,558,319 |
| | 5,845,322 | 5,649,951 |
| Stockholders' Equity: | | |
| Preferred stock | -- | -- |
| Common stock | 41 | 41 |
| Treasury Stock at cost | (596,190) | (532,348) |
| Additional paid in capital | 1,851,241 | 1,827,241 |
| Comprehensive Income/(Loss) | 76,890 | 87,542 |
| Retained earnings | 8,710,449 | 8,334,294 |
| Total stockholders' equity | 10,042,431 | 9,716,770 |
| Total liabilities and stockholders' equity | \$15,887,753 | \$15,366,721 |

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 investments, impairment charges and net income from discontinued operations.

| | Three Months Ended | |
|-------------------------------|---------------------------|-------------|
| | March 31, | |
| | 2017 | 2016 |
| EBITDA | | |
| Operations | \$695,958 | \$368,265 |
| Corporate Office Expense | (89,289) | (75,939) |
| Total EBITDA | 606,670 | 292,326 |
| Depreciation and amortization | (251,460) | (226,996) |
| Operating profit | \$355,210 | \$65,330 |