

ICTC GROUP, INC.

For Immediate Release

ICTC Group, Inc. Reports First Quarter 2018 Results

Nome, ND – May 23, 2018 – ICTC Group, Inc. (“ICTC”; OTC Pink ®: ICTG) today reported results for the quarter ending March 31, 2018.

Operating revenues from our telephone and broadband businesses were \$1,447,000 compared to \$1,365,000 in the first quarter of 2017. Regulated revenues increased to \$1,201,000 from \$1,135,000 in the prior year due to a NECA cost study true-up in the first quarter of 2018 and a local rate increase effective January 1, 2018. Non-regulated revenues increased to \$247,000 from \$231,000 in 2017.

EBITDA from operations during the first quarter increased to \$767,000 from \$696,000 in the prior year.

Investment income primarily from our stakes in the Dakota Carrier Network (DCN) and two RSA partnerships was \$298,000 in the first quarter on a pre-tax basis, compared to \$202,000 in 2017.

Net income in the first quarter of 2018 was \$456,000 compared to \$376,000 in 2017. Earnings per share were \$1.19 compared \$0.99 in 2017.

Capital Expenditures – Total capital expenditures were \$70,000 in the first quarter of 2018, representing continued investment in our network infrastructure, including the expansion of our fiber optic and broadband facilities.

Balance Sheet – As of March 31, 2018, ICTC had approximately \$6.9 million in cash and marketable securities, and \$2.7 million in total debt.

Share Repurchases – The Board of Directors previously authorized a share repurchase program totaling 74,037 shares of the Company’s stock. Through March 31, 2018, the Company has repurchased a total of 27,292 shares under this program at an average price of \$21.84. The Company did not repurchase any shares in the first quarter.

Business Initiatives – While ICTC continues to enhance its communication platform in North Dakota, the Company is also seeking growth initiatives outside its core business, and is evaluating a variety of opportunities for surfacing value.

As previously disclosed, the Company is in receipt of an unsolicited non-binding proposal from an unaffiliated entity to acquire all the shares of ICTC Group, Inc. The Company continues to evaluate this offer and will communicate updates as appropriate.

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	
	2018	2017
Revenues	\$1,447,338	\$1,365,323
Costs and expenses:		
Cost of revenue, excluding depreciation	480,916	486,881
General and administrative costs at operations	199,502	182,483
Corporate office expense	135,803	89,289
Depreciation	262,485	251,460
Total Expenses	<u>1,078,705</u>	<u>1,010,113</u>
Operating Profit	<u>368,633</u>	<u>355,210</u>
Other income(expense):		
Dividend income	195,642	100,868
Other Income (Loss)	(70,864)	21,124
Interest expense	(22,384)	(22,332)
Equity in earnings of investee	102,620	100,858
Total Other Income	<u>205,014</u>	<u>200,518</u>
Income before income taxes	573,647	555,728
Income tax provision	<u>(117,803)</u>	<u>(179,573)</u>
Net Income	<u>\$455,844</u>	<u>\$376,155</u>
Average Shares Outstanding	383,134	380,976
Earnings Per Share	\$1.19	\$0.99
Actual Shares Outstanding	383,134	380,884

ICTC Group, Inc.
Condensed Consolidated Balance Sheet

Attachment B

	March 31,	December 31,
	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$5,603,164	\$5,047,378
Accounts receivable	496,029	511,571
Materials and supplies	395,997	143,808
Deferred income taxes	47,758	47,758
Prepayments	147,204	188,829
Total Current Assets	<u>6,690,154</u>	<u>5,939,344</u>
Telecommunications Plant & Equipment		
Cost	22,882,572	22,891,589
Accumulated depreciation	16,518,477	16,334,687
	<u>6,364,095</u>	<u>6,556,902</u>
Other Assets:		
Investments in affiliate	2,258,055	2,155,435
Other investments	1,541,614	1,616,082
Goodwill	1,772,179	1,772,179
	<u>5,571,848</u>	<u>5,543,696</u>
Total Assets	<u>\$18,626,097</u>	<u>\$18,039,943</u>
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable	\$71,941	\$55,975
Accrued Income Taxes	484,244	345,591
Other current liabilities	294,872	344,807
Current maturities of long-term debt	28,200	27,200
Total current liabilities	<u>879,256</u>	<u>773,573</u>
Long-Term Debt	<u>2,654,931</u>	<u>2,662,774</u>
Other Liabilities		
Deferred income taxes	1,884,973	1,902,503
Total other liabilities	<u>1,884,973</u>	<u>1,902,503</u>
	<u>5,419,161</u>	<u>5,338,850</u>
Stockholders' Equity:		
Preferred stock	--	--
Common stock	41	41
Treasury Stock at cost	(596,190)	(596,190)
Additional paid in capital	2,524,372	2,528,673
Retained earnings	11,278,714	10,768,569
Total stockholders' equity	<u>13,206,937</u>	<u>12,701,093</u>
Total liabilities and stockholders' equity	<u>\$18,626,097</u>	<u>\$18,039,943</u>

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,	
	2018	2017
EBITDA		
Operations	\$766,920	\$695,958
Corporate Office Expense	(135,803)	(89,289)
Total EBITDA	631,118	606,670
Depreciation and amortization	(262,485)	(251,460)
Operating profit	\$368,633	\$355,210