

IQSTEL**Earnings Conference Q1 2026**

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CONFERENCE CALL PARTICIPANTS

Barry Sine

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PRESENTATION

Operator

Good day, everyone, and thank you all for joining us for this IQSTEL Earnings Conference Q1 2026.

As a reminder, all phone participants are in a muted or listen-only mode to prevent any background noise. But later, you will have the opportunity to ask questions during our question-and-answer session. To signal for a question, simply press *, and 1 on your telephone keypad.

As a reminder, today's session is being recorded.

To get us started with opening remarks and introductions, it is my pleasure to turn the floor over to Head of Investor Relations, Mr. Ethan Walfish. Welcome, sir.

Ethan Walfish — Head of Investor Relations, SW Investor Relations

Good morning and thank you for joining IQSTEL's first quarter 2026 earnings call.

Joining me today, I'm pleased to have Leandro Iglesias, Chief Executive Officer, and Alvaro Quintana, Chief Financial Officer.

The recording of today's call will be archived and available in the Investor Relations portion of our website for a minimum of 30 days.

During the call, we will make forward-looking statements such as dialogue regarding our revenue expectations or forecasts for remaining quarters and the full fiscal year of 2026 and 2027. These statements are based on our current expectation and information available as of today and are subject to a variety of risks, uncertainties, and assumptions. Actual results may differ materially as a result of various risk factors that have been described in our periodic filings with the SEC. As a result, we caution you against

placing undue reliance on these forward-looking statements. We assume no obligations to update any forward-looking statements as a result of new information or future events, except as required by law.

In addition, other risks are more fully described in IQSTEL's public filings with the US Securities and Exchange Commission, which can be reviewed at www.sec.gov.

Yesterday, May 20, 2026, the Company filed with the SEC its Form 10-Q for Q1 2026 and, afterwards, issued a press release announcing those financial results. So participants of this call who may not have already done so may wish to look at those documents as we provide a summary of the results on this call.

With that, I will now turn the call over to our CEO, Leandro Iglesias.

Leandro Iglesias — Chief Executive Officer, IQSTEL

Thank you, Ethan. Thank you very much. Good morning, everyone, and thank you for joining us.

Q1 2026 was a very important quarter for IQSTEL, not only because we delivered strong financial growth with revenue increasing nearly 70 percent year over year, but because this quarter clearly demonstrates the strategic evolution of IQSTEL.

For years, investors have known us primarily as a telecommunications company. Today, that description is not longer complete. IQSTEL has evolved into something much, much more valuable: a global commercial platform capable of distributing advanced digital services at scale.

That distinction is extremely important because many companies can build innovative products. Very few companies have already built the trusted infrastructure, commercial relationships, operational footprint, and distribution access required to commercialize those products globally. That is what IQSTEL has built.

I want to spend a moment on what I believe is the most important investment thesis for IQSTEL. That is, the true value of IQSTEL is not just our current Telecom revenue. It's the business platform that we have built.

Today, IQSTEL has commercial relationships with more than 600 telecom operators worldwide, operations in 21 countries across four continents, six strategic commercial offices globally, potential commercial reach to approximately 2.3 billion end users, a business operating nearly a \$400 million annual revenue run rate.

And listen, this platform took years to build. It required disciplined execution, strategic acquisitions, operational expertise, and trusted long-term commercial relationships. Replicating this would require years, significant capital, and deep industry execution capability. That is our moat. That is our competitive advantage.

Historically, this infrastructure was built to support telecommunications services. But now, it serves a much larger strategic purpose. It gives IQSTEL the ability to commercialize high-margin digital services globally. This is where the transformation becomes compelling.

Instead of building a new customer acquisition engine from scratch, we can leverage existing trusted relationships. That dramatically reduces the go-to-market timelines, the customer acquisition cost, execution risk, and significantly improves scalability. This is why IQSTEL is evolving from a telecom operator into a global digital services distribution powerhouse.

Now we are entering the monetization phase of this strategy. Our growth priorities include AI-powered solutions, fintech, cybersecurity, digital health, enterprise communications, advanced digital business services too.

Our advantage is not merely product innovation. Our advantage is our commercialization. We already own the hardest asset: trusted commercial distribution. That creates a very powerful economical model, and execution is already underway.

We just launched IQSTEL Digital Services, a dedicated subsidiary focused exclusively on accelerated commercialization of high-margin digital offerings. We just appointed Jose (sic) [Jorge] Enrique Becerra to lead this effort.

And we are also seeing early commercial validation through our growing partnership with Alhambra IT, which demonstrates market demand for our enterprise digital capabilities.

So, looking ahead, our priorities remain clear. We remain committed to our previously announced of \$430 million revenue target for 2026. And historically, the Q1 has been one of our softer seasonal quarters. Even with that seasonality, our current performance reinforces our confidence in achieving our annual objectives.

Long term, our strategic vision remains building a \$1 billion annual revenue business, supported by a stronger mix of high-margin digital services. IQSTEL's competitive advantage is not simple our ability to develop innovative products. It is our ability to commercialize innovation globally through an already established distribution ecosystem that would take years of substantial investment to replicate it.

To summarize, we have spent years building the platform. Now we are monetizing. This is the transformation of IQSTEL. A company once defined primarily by telecom connectivity is now evolving into a scalable global digital services distribution business. We believe that transformation creates a compelling long-term value opportunity for shareholders. Thank you very much.

I will turn the call over to our CFO, Alvaro Quintana.

Alvaro Quintana — Chief Financial Officer, IQSTEL

Thank you, Leandro. Thanks, everybody, for joining us.

From a financial perspective, our first quarter reflects continued momentum in the business and disciplined financial execution.

Our consolidated revenue grew 70 percent year over year, reaching \$97.9 million, compared to \$57.6 million in the same quarter last year, driving by strong organic expansion and the successful integration of GlobeTopper.

The organic growth was 87 percent of the total revenue with our (unintelligible) subsidiaries. ETELIX, IoT Labs, QXTEL, SmartViz, SWISSLINK, Q-global, and Whisl delivered the majority of the increase. Gross revenue, before eliminations, reached \$98.6 million, highlighting the scale of commercial activity.

Gross profit reached over \$2 million, up 7.8 percent year over year.

As we explained in our earnings release, current gross profit reflects the existing business mix. Telecom divisions delivered 87 percent of the total revenue, while FinTech, through GlobeTopper, contributed 13 percent of revenue, adding almost \$13 million in its first full comparable quarter. GlobeTopper alone added \$829,000 in gross profit, represented 43 percent of consolidated gross profit.

This result reinforces our business diversification strategy. However, our strategy focus is not simple volume growth. It is the expansion of high-margin digital services that we expect to progressively improve EBITDA generation, operating leverage, and profitability.

Adjusted EBITDA for our operating subsidiaries remained strongly positive, confirming the division's profitability, while consolidated adjusted EBITDA was nearly break-even, showing the Company is close to turning positive.

Our book equity per share is nearly \$3. While the stock trades around \$1.30, the market is currently valuing IQSTEL at less than half of its net asset value. That disconnect is not aligned with our

fundamentals, our growth trajectory, or our balance sheet strength. Closing that valuation gap is a priority for us. We believe continued execution and improved visibility will drive a re-rating.

Equally important, IQSTEL today operates with a very clean capital structure, no convertible debts, and no one (phon) outstanding. That financial discipline gives us flexibility to focus entirely on execution and growth.

In addition, it is important to highlight that the primary factor affecting net income at the operating subsidiaries level this quarter is the increase in technology expenses. These investments are directly tied to the development of our AI-driven solutions and the finalization of our combined switching platform.

While these initiatives elevate our operating cost base, they are strategic in nature and directly support the expansion of our artificial intelligence as a new high-margin revenue source for the Company. As these platforms are completed and commercialized, we expect them to generate meaningful efficiencies, reduce operating costs, and contribute positively to profitability in the very near future.

As we move through 2026, our financial priorities remain focused on improving EBITDA performance, enhancing operating leverage, supporting commercialization of high-margin digital service, and maintaining a disciplined capital allocation.

We believe IQSTEL is positioned to continue strengthening both scale and profitability.

Thank you.

Ethan, we are ready to open the line for questions.

Ethan Walfish

Thank you, Alvaro. Operator, we are now ready to open the line for questions.

Q&A

Operator

Mr. Walfish, thank you, and thank you to all of the IQSTEL leadership team.

Ladies and gentlemen, at this time, if you would like to ask a question, simply press *, and the digit 1 on your telephone keypad. Pressing *, and 1 will place your line into a queue, and I will open your lines one at a time, and you will be invited to pose your question.

Once again, ladies and gentlemen, that is *, and 1.

We'll hear first today from the line of Barry Sine at Litchfield Hills Research.

Barry Sine — Litchfield Hills Research

Hey. Good morning, gentlemen, and congratulations on the very, very strong revenue growth.

Alvaro, you talked about strategic priorities, and one of those was increased sales of digital services. And there's so many now: fintech, AI, cybersecurity. Digital healthcare, I guess, is the most recent one.

Could management talk, please, about your progress to date, starting this year? I know you have 600 global telecom carriers around the world to sell those services into on a wholesale basis. Could you talk about the progress that you've made so far this year? And what investors are likely to see for the rest of the year on that particular strategic initiative? Thank you.

Leandro Iglesias

Thank you very much for the question, Barry. This is Leandro.

Well, listen, we have been working over the last months in a very strong marketing launch of our products. We are right now in Washington, D.C., attending to the International Telecoms Week. It's the

largest telecom event for the wholesale carrier services, and we are here. We successfully launched the cybersecurity services, as well as the internal (phon) services and our fintech services.

We have had like four, five—four, and today, we are going to have the fifth meeting with the large telecommunications carriers introducing our digital services. And all of them have shown, really, interest to start exploring what the services are and what the potential and the differentiation of our products. And more important than this, they reinforce that they feel really comfortable that we are introducing those products in our portfolio because all of them, large telecommunications companies that we have met, we do business in very size—in very big size, all of them, seven days per year (sic).

So they believe that having a partner like us, that's introducing a new service, is a very good starting point because they give us—they give them confidence about the quality and the service that we already have. And it's a trustworthy relation that we have built over the years.

So we are really excited about this process. The cybersecurity team, supported with (unintelligible) been with us in those meetings, also Jorge Enrique Becerra and Jose Enrique Puente, our leaders in digital services and in AI services.

So we're really excited about the opportunities. We are starting working on that. And I don't want to be super optimist, but I'm pretty sure that the results are going to come very soon, sooner than we expected initially for the—being the reception that we got.

Barry Sine

And then, as that occurs, as though we see those revenues grow, what is the impact on profitability? It's my understanding that those services are very high—carry very high margins.

Alvaro Quintana

Yes, Barry. Those—yes. It's Alvaro talking right now.

Those services have margins over 25 percent. For example, in artificial intelligence, we are expecting gross margin close to 40 percent. And that's why the inclusion of those services is going to impact so importantly to our EBITDA, net income, and the profitability of the Company. And that's why we are putting so much effort in having those services on the Street but, of course, with the quality that our customers expect.

And it takes time. We have been developing some of these services for the last two years, investing in research and development. But they are already on the Street. We have done, as Leandro mentioned it before, a presentation of those services here in Washington. And people is exciting and expecting good things from this.

Leandro Iglesias

Just taking advantage to add in a couple of things.

One of the things that we were drawing for the plan is to include digital services that is going to become an early winning because the introduction of the services is going to be very, very easy.

In this process, you remember that Jorge Enrique Becerra has sold digital services over 100 million end users past year. So we are taking advantage of his knowledge, his experience, to start delivering a service very compelling in order to start gaining traction.

So I believe that we are going to see very good news over the next quarter. And we are really excited about the future that the Company is—when the Company's turning into.

Barry Sine

Okay. That's great. Thank you very much.

Leandro Iglesias

Thank you, Barry.

Operator

And we'll allow another moment for our audience to press *, and 1 if you have a question.

Ladies and gentlemen, we thank you all for your questions today. We have no further signals from our audience.

Mr. Iglesias, I'd like to turn the call back to you for any closing or additional remarks that you have.

Leandro Iglesias

Yes. Thank you very much.

This is a final message to our shareholders. I know that all this process to build the business platform that we have built has been taking years. And but right now in this process is something that we needed for this transformation into a digital powerhouse because we need to have the revenue. We need to have the relationships. We need to have the trust worth of our customers.

So this is the pivotal moment for the Company because we are taking advantage of all the things that we already built, and keeping improving our telecom services, but at the same time, we start selling very compelling digital services to our customers.

And this process arrived here, being here, has taken years but, right now, is a really explosive expansion of our business digital health. And those services, with the team that we have built, of the resources that we have invested over the years is going to turn out in results very positive for the Company, high-margin services. And we are really excited about the future that we have ahead.

Thank you very much for the supporting of our company. And I'm waiting for this compelling year that we are running in 2026. Thank you.

Operator

Ladies and gentlemen, this does conclude today's teleconference, and we thank you all for your participation. You may now disconnect your lines, and we hope that you enjoy the rest of your day.