CISION

FINAL TRANSCRIPT

IQSTEL Inc.

Second Quarter 2026 Earnings Call

Event Date/Time: August 19, 2026 — 8:00 a.m. E.T.

Length: 32 minutes

CORPORATE PARTICIPANTS

Ethan Walfish
IQSTEL Inc. — Head of Investor Relations

Leandro Iglesias
IQSTEL Inc. — President and Chief Executive Officer

Alvaro Quintana
IQSTEL Inc. — Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Barry Sine
Litchfield Hills Research — Analyst

Ralph Shepherd
Craft & Moore — Analyst

PRESENTATION

Operator

Thank you for standing by. At this time, I would like to welcome everyone to the IQSTEL Second Quarter 2026 Earnings Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press *, followed by the number 1 on your telephone keypad.

I would now like to turn the conference over to Ethan Walfish, Head of Investor Relations.

The floor is yours.

Ethan Walfish — Head of Investor Relations, IQSTEL Inc.

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

Joining me today, I am pleased to have Leandro Iglesias, President and Chief Executive Officer; and Alvaro Quintana, Chief Financial Officer.

During the call, we will make forward-looking statements such as dialogue regarding our revenue expectations or forecast for remaining quarters in the full fiscal year of 2026 and 2027.

These statements are based on our current expectations 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 obligation 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 the IQSTEL's public filing with the US Securities and Exchange Commission, which can be reviewed at www.sec.gov.

Yesterday, August 18, 2026, the Company filed with the SEC its Form 10-Q for Q2 2026 and, this morning 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 — President and Chief Executive Officer, IQSTEL Inc.

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

I'm Leandro Iglesias, CEO of IQSTEL, and joining me today is our CFO, Alvaro Quintana.

I want to begin by thanking our shareholders and various customers and partners for their continued support.

Today, I want to focus on one central message: IQSTEL has spent years building scale. We believe we are now entering the next major phase of our evolution: the EBITDA expansion.

During the first six months of 2026, IQSTEL generated approximately $207 million in revenue compared with approximately $130 million during the same period last year, representing growth of approximately 59 percent.

That puts IQSTEL at an annualized revenue level of approximately $414 million. This is a significant milestone, but our story is not longer only about growing revenue.

Our focus is increasingly on converting this scale into stronger gross profit, adjusted EBITDA, cash generation, and ultimately shareholders' value.

Today, we increasingly see IQSTEL having two complementary business pillars: our Telecom business and our Digital Services business.

Our Telecom division is the foundation of the Company. Over nearly two decades, we have built a global telecommunications platform with more than 600 telecom operator relationships and a potential commercial reach through our customers to approximately 2.3 billion end users.

This platform gives us scale, infrastructure, international relationships, and importantly a global distribution network.

Our strategy is now to leverage that platform to accelerate our higher-margin Digital Service business.

Digital Service already represents approximately 12.5 percent of IQSTEL's revenue, currently driven by our subsidiary, GlobeTopper. We believe this percentage can continue to grow as we commercialize additional fintech, AI-powered communications, cybersecurity, and other digital solutions through our existing global network.

And this is important because Digital Services has the potential to contribute exponentially to gross profit and adjusted EBITDA.

The upcoming Ultranet acquisition is another important step in this strategy. Ultranet will expand our international telecom footprint and, more importantly, it's expected to significantly strengthen profitability.

Following the acquisition, we expect IQSTEL's adjusted EBITDA run rate to increase to approximately $8 million to $9 million. This is exactly the direction that we want to take the Company.

Going forward, our focus is not simply on acquisition that adds revenue. We are increasingly focused on opportunities that can add gross profit, EBITDA, cash generation, and strategic value.

For the remainder of 2026, we continue pursuing our previously announced $430 million revenue objective. With $207 million generated during the first half, we need approximately $223 million during the second half to achieve that objective.

We believe we remain on track, particularly because, historically, the second half of the year has been stronger for IQSTEL than the first half.

But again, revenue is only part of the story. We are increasingly focused on adjusted EBITDA, operating leverage, cash generation, and the growth of higher-margin Digital Services.

Our long-term vision remains to build IQSTEL into a company capable of reaching $1 billion in annual revenue. But our objective is not simply to become larger. Our objective is to become larger and significantly more profitable.

We are also increasing our efforts to communicate the IQSTEL story to a broader investment audience. Our recent CNBC interview with Seth Farbman and the launch of our new corporate telecom digital services and investor websites are part of this effort.

We believe there continues to be significant disconnect between IQSTEL's operating scale and the valuation currently being assigned to the Company by the public market.

The truth is that we cannot control the stock price, but we can control the execution. We can continue growing business, expanding EBITDA, strengthening our balance sheet, growing Digital Services, completing strategic acquisitions, and communicating our progress more efficiently. And we believe consistent execution is ultimately the best way to close that valuation gap.

So if there is one message I would like shareholders to take from today's call, it is this. We have built the scale. We are operating at more than $400 million in annualized revenue. We have built a global platform with more than 600 telecom operator relationships. Data Service already represents 12.5

percent of our revenue and, with Ultranet, we expect to move toward approximately $8 million to $9 million in adjusted EBITDA run rate.

The next chapter of IQSTEL is about turning that scale into profitability and long-term shareholder value. We believe this is an important inflection point for IQSTEL, and we are very excited about what comes next.

Thank you, again, to our shareholders and to our entire team around the world.

With that, I'll turn the call over to our CFO, Alvaro Quintana, to discuss our first half financial results in greater detail.

Alvaro, please, go ahead.

Alvaro Quintana — Chief Financial Officer, IQSTEL Inc.

Thank you, Leandro. Good morning, everyone.

From a financial perspective, our first half results reflect continued strong growth, improving gross profit, and a strengthening balance sheet.

For the first six months of 2026, IQSTEL generated approximately $207 million in revenue compared with approximately $130 million during the same period last year, representing growth of approximately 59 percent year over year.

Gross profit increased to approximately $4.8 million compared with approximately $3.8 million during the first half of 2025, representing growth of approximately 26 percent.

The second quarter also demonstrated continued commercial momentum, with approximately $109 million in revenue compared with $97.9 million in the first quarter.

As Leandro explained, we have spent years building revenue scale. From a financial perspective, our priority now is to increasingly convert that scale into gross profit, adjusted EBITDA, operating leverage, and cash generation.

Our first half revenue of $207 million represents approximately $414 million on an annualized basis. To be clear, this annualized figure is simple, the mathematical equivalent of multiplying our first half results by 2, and should not be considered as a forecast.

Based on approximately 10 million shares used for our per share calculation, first half revenue represents approximately $20.59 per share, or approximately $41.18 in annualized revenue per share.

Our balance sheet also continued to strengthen. As of June 30, IQSTEL reported approximately $48.2 million in total assets, $31 million in total liabilities, and $17.2 million in stockholders' equity.

Stockholders' equity increased approximately 5 percent, representing approximately $1.71 in equity per share, where total assets represent approximately $4.79 per share.

Equally important, IQSTEL maintains a clear capital structure with no convertible notes and no warrants outstanding. We believe this is particularly important for our shareholders, maintaining a disciplined capital structure, reduce potential sources of dilution, and provides the Company with greater flexibility as we execute our growth strategy.

Our objective is to continue funding growth in a disciplined manner while carefully considering the long-term interests of our shareholders.

We believe these financials and per share metrics provide shareholders with another useful perspective on the financial scale and underlying balance sheet value of IQSTEL.

I also want to highlight an important point regarding valuation.

At current market levels, our approximately $17.2 million in stockholders' equity is more than 50 percent greater than IQSTEL's current market capitalization. In other words, the market is currently valuating the entire Company at a substantial discount to its reported stockholders' equity.

And that comparison does not assign additional value to a business generating more than $400 million in annualized revenue, our global telecom infrastructure, our more than 600 carrier relationships, our Digital Services business, and our future earnings potential.

We believe this represents a significant disconnect between IQSTEL's current public market valuation and the underlying financials and operating value of the Company.

Of course, our responsibility is not simple (sic) [simply] to point out that disconnect. Our responsibility is to continue improving the fundamentals of the business.

That means increasing gross profit, expanding adjusted EBITDA, improving operating leverage, strengthening cash generation, and maintaining disciplined capital allocation.

As we move through the second half of 2026, our financial priorities remain very clear: improve EBITDA performance, expand gross profit, enhance operating leverage and cash generation, support the growth of higher-margin Digital Services, maintain a disciplined and clean capital structure, and continue strengthening our balance sheet.

With $207 million in first half revenue, $48.2 million in assets, $17.2 million in stockholders' equity, no convertible notes, and no warrants outstanding, we believe IQSTEL enters the second half of 2026 with a strong financial foundation for the next phase to growth.

Our objective now is to convert that scale into stronger profitability and long-term shareholders' value.

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

Thank you. We will now begin the question-and-answer session.

If you would like to ask a question, please press *, then the number 1 on your telephone keypad to raise your hand and join the queue.

If you would like to withdraw your question, simply press *, 1 again.

Your first question comes from Barry Sine with Litchfield Hills Research. Your line is open.

Barry Sine — Litchfield Hills Research

Hey. Good morning, gentlemen, and congratulations on the quarter. I want to ask about organic growth.

If I look at the quarterly results, that looks to me like it's all organic. The GlobeTopper didn't close until July 1 of '25, so that wasn't in the year-ago quarter. Ultranet is still pending. So it looks like, I think it's about 50 percent revenue growth, was all organic growth—and correct me if I'm wrong—what is driving that?

And then, most importantly, the drivers of that growth, can they continue into the second half of the year to continue to drive organic growth? Thank you.

Leandro Iglesias

Thank you, Barry. Thank you very much for these questions.

Listen, we have been working over the last months with our team in the way to maximize our current technological platform and our current business relations with our customers. In that sense, we are in the process to reorganize the Telecom business in one single subsidiary. That was announced that we create an IQSTEL operating holding, and we move all of our subsidiaries' telecommunications there.

So our next move is to create a corporation with all the Telecom businesses, and our idea is to keep increasing the synergies between the organizations and increasing the—we have been moving all the technological and switching platforms to one single platform. So in this process, we have been accelerating and expanding the organic growth is part of our strategy, and this is like a process.

We start like a holding company operating different subsidiaries and, right now, we are moving into a corporation. So this is a process that will unlock the potential, the real potential that the Company has, and the real potential that our technological platform advantage that we have and the business relations that we have.

So as you have seen, the organic growth has been important, and it's going to even accelerate over the next months.

Barry Sine

That's very helpful, so. But a lot of that sounds like it's forward-looking. It's actions that you expect to take, but the last three—the three months ended June 30th were very, very strong growth. Did you add more salespeople? Did you change their compensation? Did you just see more demand? Did you see competitive factors change? What drove the competitive growth in the quarter ended June 30th?

Leandro Iglesias

Yeah. Well, in two of our subsidiaries, like QXTEL and Q-global, we have been making some changes at the commercial side and the reorganization, hiring new sales divisions. And this is a process, but this is like a standard, regular process. We need to keep improving our sales teams and giving them training and explaining them the potential of the Company.

But at the same time with our customers happens something really interesting to point out, that in the process that we have been becoming in a larger company, they trust more in us and selecting us to increase the amount of business that we have been doing with them. So it’s like a vicious circle where, as long as we grow the Company, as long as we are in a better shape of the Company, they are choosing us for doing more business with us, so.

But basically, we have been improving our sales teams in two of our divisions, but this is just the starting point of the things that we are going to do. We have plans to start moving toward create a corporation. And we are really excited about the future, about the—complete the acquisition of Ultranet because it’s going to increase our international footprint in a very attractive region of growth like Africa is. And that’s the process.

Our Telecom business keeps representing the majority percentage of our revenue stream, and we keep improving the business and the potential for the Telecom business division.

Barry Sine

Yeah. That’s very helpful. And the last thing I wanted to ask about was EBITDA.

What was the number for the quarter? And then two drivers. One, you just mentioned the integration of all the divisions, and I know you’ve been routing traffic between your operating subsidiaries to take advantage of least-cost routing and improve margins that way. How much more margin lift is there once you integrate—once you’ve finished integrating all the divisions?

And then the other thing, I think—and correct me if I’m wrong—you said with Ultranet, you’ll be at an $8 million to $9 million annual EBITDA run rate. Is that all from Ultranet? Does that include some of the organic? And then, I believe you've said that that'll close around end of third quarter. So that would be effective for fourth quarter results?

Leandro Iglesias

Okay.

Alvaro Quintana

Well, let me have—

Leandro Iglesias

Let me handle this—let me—let us split this answer in two parts. Let's start Alvaro talking about EBITDA and all the things and, finally, I'm going to talk about the Ultranet acquisition. Thank you.

Alvaro?

Alvaro Quintana

Yes. Sure. Yes. As Leandro remarked during the presentation, we have been focused on increasing our EBITDA. If you compare, we usually show a table in our Ks and Qs showing the EBITDA of our operating entities and then the consolidated figures.

If you focus your attention in the operating side of the business, so the consolidated figures of our subsidiaries, you will see that the EBITDA in the first quarter of this year was close to $190,000. And in the second quarter, so just for the three months of between April, May, and June, we increased that EBITDA to over $700,000 for the operating company.

So that's an increase of more than 285 percent, and that is basically impacted by the increase in the gross margin. The gross margin increased 18 percent comparing first quarter with second quarter. So this is a result of the integration of the subsidiaries, and there is more room to grow in that regard, which was one of your questions, Barry.

Now, Leandro, you can comment about Ultranet—

Leandro Iglesias

Yeah. So I think—

Alvaro Quintana

—and how that—

Leandro Iglesias

—yes

Alvaro Quintana

—will impact the Company.

Leandro Iglesias

Yes. Thank you. Thank you. Just to point out that Alvaro was talking about EBITDA, and you asking us about adjusted EBITDA. Our adjusted EBITDA run rate is around $2.7 million and growing, the adjusted EBITDA run rate.

And the consolidation process and the process to moving every single operation into a corporation, we believe that the EBITDA expansion is going to affect around 20 percent just with that measure, reducing costs and increasing the efficiencies and everything. So with that base and adding the Ultranet is how we are going to jump to $8 million to $9 million EBITDA, adjusted EBITDA run rate.

So about the timing, right now we are in the final stage of the due diligence of Ultranet and completing everything about the documents and everything. We are really excited about this process. Our intention is to execute the agreement this quarter, and that's the idea, and we are still on track for this.

I think we already—something important to remark is that we already got the financial statements from Ultranet of the first half of the year, and they are growing with respect to the 2025 that we filed in the 8-K. So the Company keeps in excellent shape. It's increasing regions on marketing, so they have been doing an amazing job this year.

So we truly believe that one IQSTEL plus IQSTEL is going to be more than 1 plus 1. It's going to be 3. It's going to be a fantastic process of synergy. And Ultranet has an incredible plan to penetrate the Middle East and Asia markets, and we are going to work together hand by (sic) [in] hand. So that's basically where we stand with Ultranet and the EBITDA contribution.

Barry Sine

Thank you very much.

Leandro Iglesias

You're welcome.

Operator

Your next question comes from Ralph Shepherd with Craft & Moore. Your line is open.

Ralph Shepherd — Craft & Moore

Yes. Thank you so much. Are you ever concerned about your hostile takeover because the market cap is so low, and yet you have revenues of over $400 million?

Leandro Iglesias

Yes. Thank you, Ralph, for coming and this question, giving us the chance to say something that, listen, we have been this year giving presentations to several family offices and to several investment banks talking about the Company. And in a private session with them, we explained that, basically, we did something really good last year when we got listed in a direct listed without an investment bank. And then that point was a very good idea doing that.

But to be completely honest, one of the consequences of doing that is that we haven't had retail support from investment banks. So this is one of the things that we decided to change this year and start talking and attending to investors' events. We have attended to three, four—sorry, four investors' events so far, we have had like four webinars to family offices, and we are explaining to the market the reason why of our company market cap is because in all this process, getting in NASDAQ, we haven't had retail support from an investment bank.

It's something that we need to improve. The way that we are working and addressing this is increasing the presentation, explaining the plans of the Company, and this is the process that we truly believe that is going to impact our market cap.

But at the same time, something that we need to explain that we can keep talking here about our Telecom business and everything, but the really potential that the Company has to unlock the market cap of the Company is explaining to the market that we could reach 2.3 billion end users, and our Digital Services strategy is the tip of the arrow of this strategy because we are going to start, and we are right now knocking at the doors of the telecom operators and the mobile operators offering Digital Services in order to increase our revenue, selling more than telecommunication services, selling digital services.

Right now, we are starting this process with content, something that we are going to be announcing over the next weeks. We have been—we have had a very successful process about this with our great products and everything. So that's the real potential that the Company has. Not only the revenue; looking at how can we reach 2.3 billion users and start selling them products and services through our customers is the real potential that the Company has.

I don't know, Alvaro, if you want to round up something at this point.

Alvaro Quintana

No. I think you summarized very well the thing. So we are, as Leandro said in the presentation, we cannot control the stock price, but we can control the execution and, whereas, we are focused right now on delivering our targets and developing all the potential of our business.

Operator

That concludes the Q&A session and our call. Thank you for your participation.

You may now disconnect, and have a wonderful rest of your day.