

iQSTEL, Inc.

NASDAQ-IQST

July 2, 2025

Unlocking Global Telecom Value Through Innovation, Relationships, and Acquisitions – Initiating Coverage of iQSTEL With a Buy Rating and \$18 Price Target

Analyst: Barry M. Sine, CFA, CMT

- **Robust Telecom Operations** - iQSTEL provides international wholesale voice and SMS transport for more than 35 leading telecom operators—including Verizon, Vodafone, and China Mobile— and hundreds of Tier 2 carriers via interconnects with over 600 carriers across 20+ countries. In the past year, voice traffic volume increased 24% and SMS traffic rose 23%, underscoring growing demand and customer satisfaction.
- **Relationship-Driven Industry, Relationship-Driven Company** - Success in international telecom hinges on experience, trust, and network reach. iQSTEL's core competitive edge lies in management's extensive global relationships. CEO Leandro Iglesias and his executive team bring decades of deep industry expertise, which they've used to convert personal contacts into longstanding commercial relationships and favorable interconnection agreements.
- **Asset-Light Model = High Returns** - Rather than investing in capital-intensive infrastructure, iQSTEL leases capacity in an oversupplied global telecom market. This asset-light approach significantly enhances return on investment and operational flexibility, enabling the company to scale rapidly and pivot as market opportunities arise.
- **Disciplined, Strategic M&A Platform** - iQSTEL has completed nine acquisitions since going public in 2018. These deals have been carefully sourced through existing industry relationships—every acquired CEO was personally known to Mr. Iglesias. Post-acquisition, these founders remain in place under earn-out agreements, preserving operational continuity and customer relationships. The company's strategy of acquiring an initial 51% stake enables efficient capital allocation while maintaining majority control.
- **Accelerating Revenue, Near-Term Profitability** - Revenue grew 96% last year to \$283 million, and we estimate that it is on the cusp of generating positive EBITDA. Management guides to a \$400 million annualized revenue run rate by year-end, including a recent acquisition expected to contribute approximately \$85 million in additional annual revenue. The longer-term goal is \$1 billion in revenue, positioning iQSTEL alongside peer leaders such as IDT (NYSE-IDT) and Cogent (NASDAQ-CCOI).
- **Attractive Valuation with Significant Upside** - Telecom comparables trade at an average EV/EBITDA multiple of 9.2x 2026E, with iQSTEL's closest comps (IDT and Cogent) trading at a 15% premium. We value iQSTEL at 9.2x our 2026E EBITDA estimate, yielding a 12-month price target of \$18.

Rating	BUY	Earnings Per Share			
Target Price	\$18.00	Normalized to exclude unusual items			
Ticker Symbol	IQST	FYE - December	2024	2025E	2026E
Market	NASDAQ	1Q - March	(\$0.37)	(\$0.44) A	(\$0.09)
Stock Price	\$9.88	2Q - June	(\$0.90)	(\$0.49)	(\$0.08)
52 wk High	\$32.68	3Q - September	(\$0.40)	(\$0.45)	(\$0.07)
52 wk Low	\$5.22	4Q - December	(\$0.57)	\$0.05	\$0.02
		Year	(\$2.63)	(\$1.30)	(\$0.21)
Shares Outstanding:	2.9 M	Revenue (\$mm)	\$283.2	\$355.2	\$429.8
Public Market Float:	2.9 M	EV/Rev	0.1X	0.1X	0.1X
Avg. Daily Volume	97,436	EBITDA (\$mm)	(\$0.0)	\$0.2	\$6.7
Market Capitalization:	\$29 M	EV/EBITDA	NM	147.0X	5.5X
Institutional Holdings:	0.0%				
Dividend Yield:	0.0%				

Risks/Valuation

- The key risk factors we see are execution risk related to customer acquisition and traffic volume growth, vendor dependence and platform consolidation, and the complexity of integrating partially owned subsidiaries.
- We utilize an EV/EBITDA valuation method and compare it to telecom comps to value IQST shares.

Company description: iQSTEL is a Miami-based, international wholesale telecom carrier founded in 2008 (as Etelix). The company went public in 2018 via a reverse merger. It offers a comprehensive suite of services including international voice and SMS termination, DID and toll-free numbers, PBX services, and SIP trunking. Through nine acquisitions, iQSTEL now operates five voice subsidiaries, two SMS subsidiaries, two fintech ventures, and one metaverse joint venture. Revenue is currently split approximately 66% voice and 34% SMS.

iQSTEL, Inc.
NASDAQ- IQST

Unlocking Global Telecom Value Through Innovation, Relationships, and Acquisitions

iQSTEL is a Miami-based telecom services company providing international services under a unique asset-light model. The business was founded by the former head of CANTV's international business in 2008 as Etelix and then merged with a public shell company to go public in 2018. Since then, the company has completed nine acquisitions, with revenue growing rapidly, and more growth is expected. This year, it is consolidating acquisitions, moving both voice and SMS traffic to its operating subsidiaries with the lowest cost routing via international agreements. It is also working with its vendor to consolidate its operations onto a single platform.

In our opinion, the company has four key competitive advantages.

- **Exceptional Industry Relationships** - CEO Leandro Iglesias brings 27 years of telecom experience, including leadership at CANTV—formerly Venezuela's top-tier national carrier and once partly owned by Verizon and Telefónica. His personal network spans the globe and includes current executives at many of the world's largest carriers.
- **Strategic Customer Acquisition** - Management has leveraged its relationships to secure over 35 major international telecom customers and hundreds of tier 2 customers. These are high-volume, recurring relationships that drive consistent growth and reduce churn risk.
- **Buyer Advantage in Oversupplied Market** - Management also utilizes the same connections to secure the lowest-cost routing and termination agreements with global telecom carriers. Telecom is an opaque industry, and personal connections are important in negotiating favorable terms. The company benefits because the telecom industry has overbuilt, deploying too many network assets, so negotiations favor buyers like iQSTEL.
- **Proven Acquisition Strategy** - Every acquisition the company has completed has been of a company founded and run by an entrepreneur that Mr. Iglesias has known personally for many years. His modus operandi is to acquire an initial 51% stake, keep management on board, and give them earnouts for continuing to perform after the acquisition.

We initiate coverage with a Buy rating and an \$18 12-month price target. Our valuation is based on an EV/EBITDA multiple of 9.2x our 2026 EBITDA estimate, in line with the average multiple of eight comparable publicly traded telecom companies listed later in this report. However, its two closest comparables, Cogent and IDT, trade at a multiple of 10.5x EBITDA, which would suggest a \$22 price target for IQST shares. One admitted flaw in our methodology is that it includes the full consolidated EBITDA for each operating subsidiary, while most are not wholly owned. Based on the implied \$11.3 million to bring its stakes up to 100% (based on the original purchase prices), this would bring our price target down to \$14 or \$18 based on the two close comps. But we don't know what the company will pay to bring its stakes up to 100%, or if it will do so, so this is speculative. We also note that the company is moving traffic from three 51% owned subsidiaries to other business units with better economics and higher ownership, so it may not need to acquire the remaining 49% of those businesses.

The company provides the following services:

- Wholesale Telecom Services (66% of 2024 revenue)
 - International voice termination for carriers
 - US/Canada inbound/origination calling
 - Global DIDs (direct inward dialing)
 - Global toll-free numbers
 - PBX (private branch exchange)
 - SIP (session initiated protocol) trunking
- Wholesale SMS termination (34% of 2024 revenue)

iQSTEL, Inc. NASDAQ- IQST

iQSTEL At-a-Glance



iQSTEL, Inc.
300 Aragon Avenue
Coral Gables, FL 33134
+1.954.951.8191
<http://www.iqstel.com>

2008 Founded as Etelix LLC

2018 Went public via merger with shell company

2025 Uplisted to NASDAQ

\$283.2 2024 revenue in millions
\$363.3 2025E revenue in millions
\$438.9 2026E revenue in millions
\$482.4 2027E revenue in millions
\$1 billion Management 2027 revenue target incl acquisitions

35 Blue chip international telecom customers
20 Countries served
6 Offices
603 Network connections
120,000 concurrent calls
375,000 SMS messages per minute

Source: Company reports and Litchfield Hills Research estimates

The Founder and CEO's Connections are the Secrets to iQSTEL's Success

The key to the company's success is its CEO, Leandro Jose Iglesias. We have spent hours in in-depth conversations with him on every aspect of the business, as well as his vision for the future. In our opinion, the keys to his success are his extensive contacts from his 27 years in the international telecom industry and his ability to attract and work with talented executives. He has a vision for success, and to date, has executed this well.

Mr. Iglesias is a dual Venezuelan and Spanish citizen now living in Spain. His first job in telecom was as Latin American marketing manager for American Internet Communications for four years from 1998 to 2002. From 2003 to 2008, he was the international manager for Venezuelan telecom carrier CANTV (La Compañía Anónima Nacional Teléfonos de Venezuela). In this role, he made countless global telecom contacts, which he is leveraging for the benefit of iQSTEL shareholders. Venezuela has had a tumultuous history since socialist President Hugo Chavez was elected in 1998, but the country has a much longer history prior to that of being one of the most affluent, best-run countries in the region. CANTV had an excellent record after being privatized in 1991 with U.S. carrier GTE, which is now Verizon, acquiring a 51% stake in the controlling consortium, Telefonica, another 16% and AT&T 5%, along with local investors. It went public in a successful IPO in November 1996 at a time when the government was instituting economic reforms. With the benefit of its U.S. and European parents, CANTV invested extensively in its network and was a well-run, well-regarded international telecom carrier. The newly elected socialist government largely left it alone to run its business until it was renationalized in 2007. Today, investors may think poorly of Venezuela, but when Mr. Iglesias and the rest of the management team were running the company, CANTV was a well-run business. It is this experience that he is leveraging to create and grow iQSTEL.

The chief financial officer is Alvaro Quintana. He is also Venezuelan and works out of his home there. He has known Mr. Iglesias since both were telecom executives in Venezuela, with Mr. Quintana working for the cellular telecom company Digitel. He left Digitel in 2013 to join Mr. Iglesias at Etelix, which was then a small, privately held company. The two appear to be good partners, and they often pursue a good cop/bad cop strategy in negotiations. The other key executive we spoke with in the preparation of this report is the vice president of technology, Eykis Sambrano. She works from home in Spain. Later in this report, we discuss the unique, asset-light network architecture that Ms. Sambrano is responsible for.



iQSTEL, Inc. NASDAQ- IQST

iQSTEL is the Combination of Nine Acquisitions

As noted, acquisitions are a key to the company's growth strategy. To date, it has completed nine acquisitions to get the company to its present state of five operating voice telecom subsidiaries, two operating SMS subsidiaries, two fintech subsidiaries, and one metaverse joint venture.

Consideration paid for the eleven acquisitions has totaled \$17.57 million, including the reverse merger of the CEO's original business into a shell company. By comparison, the company has a roughly \$30 million market cap, and our \$18 per share price target implies a \$52 million market cap. This is not a fully accurate comparison as the company only owns 51% stakes in six business units and a 75% stake in one, with 100% stakes in only the original Etelix and QGlobal SMS acquired in 2020. To bring its stake up to 100% in each of its business units would require an estimated \$11.3 million at the original purchase prices; however, we expect much of this to be paid in shares.

The company has a recognizable, consistent acquisition strategy:

- Founders have been known professionally to the CEO for several years and are willing to stay on and run the business with earnouts for performance. The fact that so many founders are willing to cede their independence and work under Mr. Iglesias is an important indicator to us of his management style. Keeping the founders in place is important because they have personal relationships with the customers.
- iQSTEL originally buys 51% stakes and the rest over time. This allows the company to acquire more businesses with less capital quickly. Under accounting rules, its financial statements reflect 100% of each subsidiary, with an offset to net income in the minority interest line.
- It looks for a combination of three things in acquisitions: entry into new markets, addition of new or more favorable termination contracts, and/or new services.

Since Inception, iQSTEL Has Completed Nine Acquisitions

Closed	Stake	Company	Cash	Debt	Equity	Total
06/25/18	100%	Etelix			171,875 \$40.00	
					6,875,000	6,875,000
08/07/19	51%	SwissLink			449,895 \$105.00	
			50,000		450,000	500,000
		Purchase agreement in place to acquire remaining 49% for \$750k				
02/24/20	75%	ITSBchain	130,000		0	130,000
		Sale pending for \$1 million				
05/06/20	51%	IoT Labs			50,000 \$1.00	
			680,000		0	730,000
04/28/20	100%	QGlobal SMS	35,000		0	35,000
05/12/22	51%	Whisl	1,250,000		0	1,800,000
07/13/22	51%	Smartbiz	800,000		0	1,800,000
04/01/24	51%	Qxtel	3,000,000	2,000,000		5,000,000
07/01/25	51%	Globe Topper			64,103 \$7.80	
			200,000		500,000	700,000
						\$17,570,000

Source: Company reports and Litchfield Hills Research estimates

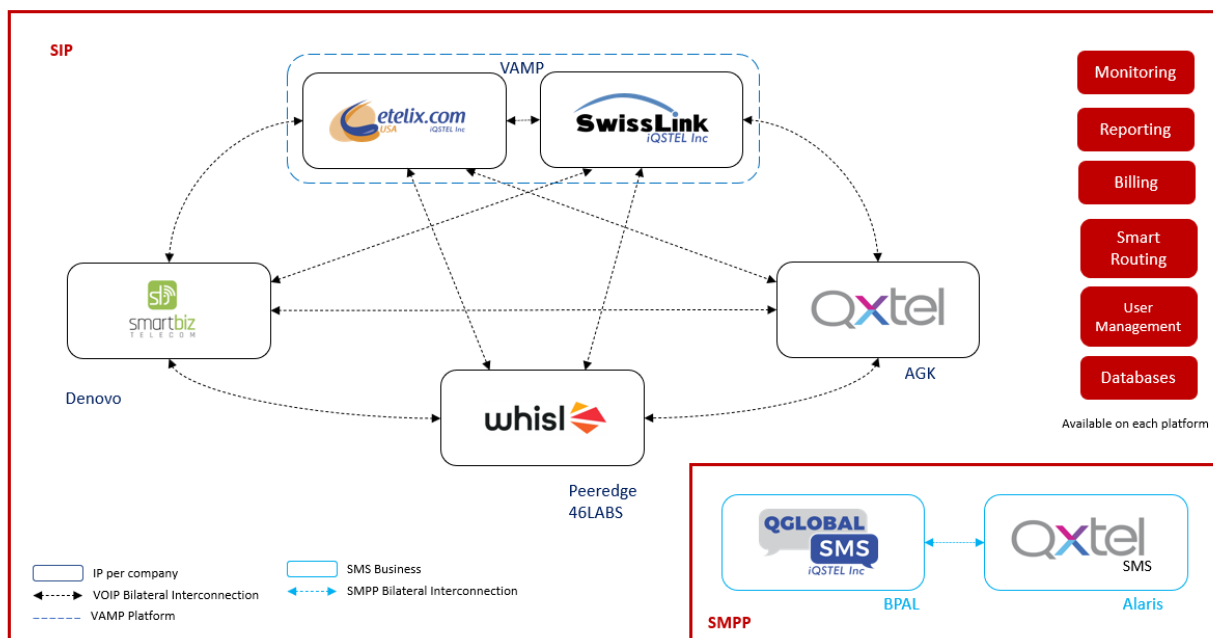
iQSTEL, Inc. NASDAQ- IQST

Asset-Light Network Strategy Offers a Competitive Advantage and Higher Returns for Investors

We recently spoke with Eykis Sambrano, the company's Vice President of Technology. Its network is outsourced to third parties running on voice softswitches and SMS servers that run on either Linux or Windows. As noted, we see its network strategy as a key competitive and financial advantage. In a world with a glut of telecom capacity, iQSTEL is a buyer of the lowest-cost capacity. It has not made any bets on where it will win customer business and can go after customers anywhere in the world. If it loses a customer, it just reduces traffic on its wholesale providers' network. Without an expensive multi-billion-dollar network, its return on assets can become incredibly high.

Its traffic is carried on private network connections, not the public internet, so its business is not open to hackers. It carries 120,000 calls concurrently and 375 SMS messages every minute. Last year, it carried 5.2 billion voice calls, up 24% earning 3.6 cents per call. It also carried 13.9 billion SMS messages, up 23% earning 0.7 cents per message. It utilizes a blue-chip list of network hardware vendors, including Dell, HPE, and IBM for servers and Ubiquiti and Netgear for routers via its service provider AGK, with monitoring tools from Zabbix and Grafana. It does not have any Chinese equipment in its network. It has multiple, redundant network operations centers around the world where it monitors traffic. We visited one of these at Qxtel's offices in Hollywood, Florida, and we will discuss this later in this report.

Current Network Architecture Uses Myriad Vendors



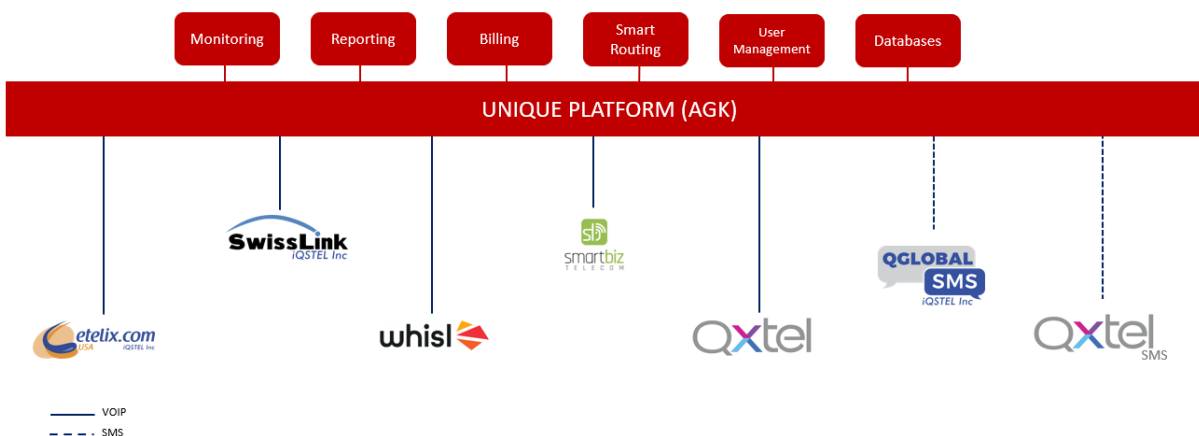
Source: Company reports

We note that today, each operating business is using a different set of vendors. AGK Consulting of Dania Beach, Florida, is the company's key vendor. It presently provides the operating software for Qxtel, and will be standardized for all business units with voice services cut over this year and SMS added in early 2026. AGK is owned by founder Ali Guven Kivilcim. He is a sole proprietor living in Miami Beach, and his company has an office in Dania Beach. In 2019, he sold his prior business to Canadian carrier Phonetime, which is now part of Italian carrier Mexedia for C\$2 million in stock. We expect that iQSTEL will eventually acquire its current business.

iQSTEL, Inc. NASDAQ- IQST

Fortunately, each business unit utilizes the professional version of QuickBooks for accounting. While they are not integrated, creating consolidated results can be done by manually uploading the financial statements from each. The CEO receives updated consolidated financials within 15 days after the end of each month.

New Network Architecture Standardizes on Software by AGK



Source: Company reports

iQSTEL Provides Services to Most of the Major Telecom Carriers Globally


The company lists the names of its major customers in its financial reports and investor presentation. The table on the following page provides data on these companies. There are two important things to note. First, its customer list is highly diversified, so we see no customer concentration risk. Second, its customer list includes nearly every major global telecom carrier. We think this speaks to the quality of the service iQSTEL provides. Larger carriers also tend to be more creditworthy, reducing iQSTEL's credit risk. It also serves hundreds of Tier 2 telecom carriers globally.

At the bottom of the table, we sum up the collective market caps and revenue of its 26 named publicly-traded customers. Collectively, they had a \$424 billion market value and generated \$690 billion in revenue last year. PwC estimates that global telecom revenue was \$1.1 trillion in 2023, growing at 4%. This implies that the company serves customers representing over 60% of the world's telecom revenue. Globally, it has connections with 603 telecom carriers, so it can originate and terminate traffic from almost anywhere to almost anywhere.

iQSTEL, Inc.

NASDAQ- IQST

iQSTEL's Customer List Includes the World's Largest Telecom Carriers

Public Companies					Public Companies						
	Company	Country	Market Cap \$ millions	Annual Revenue \$ millions		Company	Country	Market Cap \$ millions	Annual Revenue \$ millions		
	IDT	IDT Corporation www.idt.net	United States	783	1,206		MTN-ZA	MTN Group Limited www.mtn.com	South Africa	7,933	10,255
	LUMN	Lumen Technologies, Inc. www.lumen.com	United States	4,975	13,108		ZAIN-KW	Mobile Telecommunications Company K.S.C.P www.zain.com	Kuwait	3,762	6,425
	VOD-GB	Vodafone Group www.vodafone.com	United Kingdom	17,576	40,203		600941-CN	China Mobile Limited www.chinamobiletd.com	Hong Kong	12,281	144,614
	DTE-DE	Deutsche Telekom AG www.telekom.com	Germany	97,756	125,226		500483-IN	Tata Communications Limited www.tatacommunications.com	India	2,080	2,733
	BCE	BCE Inc. www.bce.ca	Canada	21,117	17,817		8-HK	PCCW Limited www.pccw.com	Hong Kong	2,231	4,813
	VZ	Verizon Communications Inc. www.verizon.com	United States	168,237	134,788		BEYON-BH	Beyon B.S.C www.batelco.com	Bahrain	939	1,220
	ENTEL-CL	Empresa Nacional de Telecomunicaciones S.A. www.entel.cl	Chile	405	2,863		OTEL-OM	Oman Telecommunications Co. www.omantel.om	Oman	787	7,870
	TEF-ES	Telefonica SA www.telefonica.com	Spain	15,946	44,690		030200-KR	KT Corporation corp.kt.com	South Korea	6,543	19,382
	TIGO	Millicom International Cellular SA www.millicom.com	Luxembourg	2,491	5,804		CENT-ID	PT Centratama Telekomunikasi Indonesia Tbk www.telkom.co.id	Indonesia	7	156
	HTO-GR	Hellenic Telecommunications Organization SA www.cosmote.gr	Greece	2,319	3,884		EAND-AE	Emirates Telecommunications Group Company PJSC www.eand.com	United Arab Emirates	15,457	16,119
	ORA-FR	Orange SA www.orange.com	France	20,402	43,549					Total	\$423,677
	PROX-BE	Proximus SA www.proximus.com	Belgium	603	6,897					\$690,177	
	TEL-NO	Telenor ASA www.telenor.com	Norway	7,032	7,432						
	TCELL-E-TR	Turkcell Iletisim Hizmetleri A.S. www.turkcell.com.tr	Turkey	3,088	5,071						
	TELIA-SE	Telia Company AB www.teliacompany.com	Sweden	6,429	8,430						
	TIT-IT	Telecom Italia S.p.A. www.gruppotim.it	Italy	2,499	15,622						
					Private Companies						



iQSTEL, Inc. NASDAQ- IQST

Etelix: iQSTEL's Foundational Business

iQSTEL's roots trace back to 2008, when founder and CEO Leandro Iglesias launched Etelix following his departure from CANTV after its nationalization. Iglesias funded the business with personal capital and private investments, initially operating through a leased international gateway. The company signed its first customer that year, and by 2018, it had grown to 180 customers and \$9.6 million in annual revenue.

That same year, Etelix executed a reverse merger with a public shell company, issuing \$6.875 million in equity to existing shareholders. This transaction provided a platform for future investments and acquisitions and marked the beginning of iQSTEL as a public entity. By 2024, Etelix's revenue had expanded to \$68.9 million.

Etelix provides wholesale international long-distance voice services, primarily in Asia and Latin America, and maintains interconnections with 20 major global telecom carriers. As part of a broader operational shift, iQSTEL is migrating traffic from Etelix to subsidiaries with more cost-efficient termination agreements. Consequently, Etelix's revenue declined by 71% in Q1, but this reflects an internal reallocation of revenue—not a loss in business—and results in improved overall profitability.

SwissLink: iQSTEL's Entry Into Europe

In 2019, iQSTEL completed its first acquisition by purchasing a 51% stake in SwissLink for \$500,000, funded with \$50,000 in cash and the remainder in stock. SwissLink, founded by Ralf Kohler and headquartered in Horgen, Switzerland, marked iQSTEL's strategic expansion into Europe. It added seven major carrier interconnections and new traffic corridors between Europe, Asia, and Africa.

In 2023, iQSTEL began consolidating its voice operations under SwissLink, with Etelix CEO Juan Carlos Lopez taking the helm. Last year, SwissLink generated \$8.5 million in revenue. iQSTEL has agreed to acquire the remaining 49% equity stake for \$750,000 over five years.

ITSBchain: High-Return Investment in Blockchain

In 2020, the company branched out from telecom services, paying \$130k in cash to acquire 75% of ITSBchain, which uses novel blockchain technology for telephone number portability. In recognition of its unique technology, it was selected as a member of the IBM startup accelerator program. This business has not yet generated revenue. iQSTEL has announced an agreement to sell this business to Accredited Solutions (OTC: ASII) for \$1 million in ASII shares or 8x its original investment, so while it has not proven to be a strategic fit, it has been an excellent investment. The company plans to distribute \$500k worth of ASII common shares to its shareholders after the deal has closed, or about 17 cents per IQST share.

IoT Labs: Launching the SMS Business

Also in 2020, iQSTEL entered the SMS market with the acquisition of a 51% stake in IoT Labs of Austin, TX, for \$730,000 (\$680,000 in cash). Specializing in SMS traffic between the U.S. and Mexico, IoT Labs generated \$94.2 million in revenue last year—nearly one-third of total company revenue. However, the business operates at a slim 2.1% gross margin.

QGlobal: A High-Margin SMS Complement

Later in 2020, iQSTEL acquired QGlobal SMS for just \$35,000 in cash. While QGlobal only contributed \$1.6 million in revenue (1% of total), it achieved a healthy 28% gross margin. With operations across the U.S., Latin America, and Europe, QGlobal complements IoT Labs by targeting higher-margin opportunities.

Whisl Telecom: Expanding Tier 1 Network Capacity

After a brief acquisition pause, iQSTEL resumed M&A activity in 2022 by acquiring a 51% stake in Garland, TX-based Whisl Telecom for \$1.8 million (\$1.25 million in cash). Whisl, a wholesale and retail voice carrier, provided iQSTEL with Tier 1 network access. It posted \$3.2 million in revenue last year with a 32% gross margin.

Whisl is now one of the three business units being de-emphasized, with traffic being redirected to more cost-efficient platforms. Consequently, revenue declined 81% last year and another 30% in Q1.

Smartbiz Telecom: Niche Market Penetration

Also in 2022, iQSTEL acquired 51% of Miami-based Smartbiz Telecom for \$1.8 million. Smartbiz added strategic interconnections with Telefonica and IDT and expanded the company's presence in niche wholesale voice markets. The unit generated \$21 million in revenue with a 6% gross margin in 2024 but saw a 45% revenue decline in Q1 2025 due to the ongoing traffic migration strategy.

Qxtel: The Crown Jewel

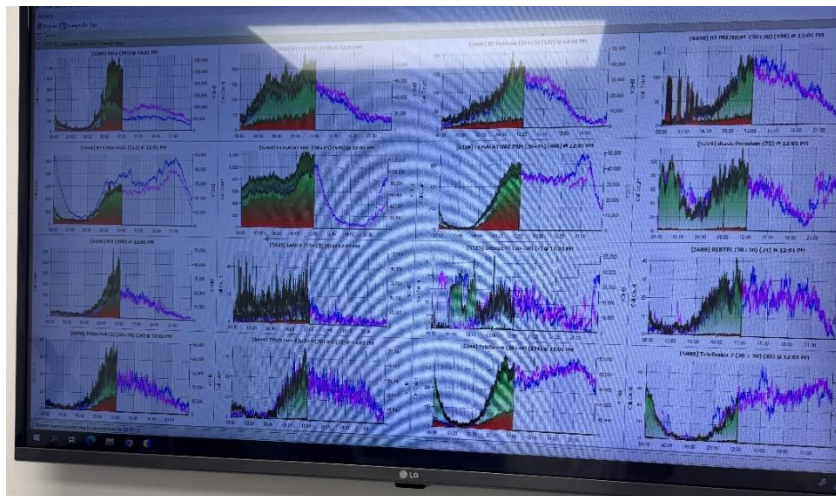
After taking another break from acquisitions in 2023, the company stepped up in a major way in 2024, acquiring a 51% stake in Qxtel for \$5 million, \$3 million in cash, and \$2 million in debt. Last year, for the three quarters that iQSTEL owned it, it generated \$86 million in revenue, or 30% of total revenue, with a 3.6% gross margin. It is unique in the portfolio in that it offers both voice and SMS services. Qxtel already uses software provider AGK Consulting, which the company is standardizing around. We expect it to pick up much of the revenue from the business units that are being de-emphasized. Qxtel is itself relatively sizable with 22 employees and offices in Florida (where its CEO is located), Buenos Aires (where two of its partners live), London (where its fourth partner, who is also its CFO, lives), Dubai, Belgrade, and Istanbul.

The CEO, Tolga Alemdar, is Turkish with extensive connections in that country and a family history linking him to modern Turkey's founder and first president, Mustafa Atatürk. Mr. Alemdar has known Leandro Iglesias from his time at CANTV and when he ran Etelix as a private company. In our conversation with him, he seemed fully in tune with the company's strategy, particularly its investments in new services. He still owns 30% of the company, and he and his team are on an earn-out agreement. They hit their targets in 2024, the first year of the earnout period. Eventually, we expect Qxtel to be fully owned by iQSTEL, likely in a stock swap transaction.

Qxtel's offices are also one of the company's network operations centers (NOCs), and we saw how it monitors global traffic. There were no red alerts on the board when we visited. We also noticed a traffic monitoring screen on the wall showing traffic from 16 major international telecom carriers, including BT, Telefonica, IDT, T-Mobile, iBasis, and Etisalat. The chart was overlaid with lines showing traffic from a week ago and a day ago, so the company can monitor to see if a customer is using less capacity and needs to be contacted to resolve pricing or quality issues. However, Qxtel has a reputation among its customers for its quality of service, but it is not generally the cheapest provider. The company was founded in 2000. It has over 200 network connections and has carried over 5 billion voice and SMS transactions. It boasts a list of 150 customers, including 45 mobile network operators, 15 tier 1 telecom companies, and 25 smaller tier 2 companies.

iQSTEL, Inc. NASDAQ- IQST

Qxtel Constantly Monitors Traffic From Its Major Customers



Source: Litchfield Hills Research

Globe Topper: Expanding into Fintech and eSIM

On July 1, the company completed the acquisition of a 51% stake in Globe Topper. The transaction had been announced in May, and the company filed an 8-K, which included Globe Topper's monthly revenue projections for the remainder of 2025, for 2026, and the first half of 2027. The company is paying \$700k for the 51% stake. Globe Topper projects \$85 million in revenue and \$621k in EBITDA for 2026. Thus, the purchase price works out to a very attractive 2.2x forward EBITDA. We note that, like the rest of the company's business units, Globe Topper generates significant revenue but very small profit margins, with an EBITDA margin of less than 1% in this case.

Globe Topper lists approximately 50 major customers for its digital gift card service, including Uber, Amazon, Target, Walmart, Microsoft, Spotify, and Airbnb. Of particular note is the fact that it lists a deal signed with iQSTEL comparable IDT in 2023 as one of its major milestones. As is common in the telecom industry, IDT is a customer, vendor, and competitor to the company, so we don't see a conflict with the acquisition.

While Globe Topper's business today is mainly digital gift cards, in 2024, it introduced its own eSIM program. We believe that this will be a major growth driver for iQSTEL for a number of reasons. First, the SIM business is still largely physical, with hordes of SIM card vendors operating sales booths at the international arrivals halls of most major airports. But phones are going digital, and industry leader Apple does not even support physical SIM cards in its phones anymore. So instead of waiting until they arrive at an airport, customers can buy an eSIM before they leave home, and their phone will work when they land. This analyst has done this dozens of times. The second part of the opportunity is that the industry is crowded with numerous eSIM vendors selling products that work poorly or don't work at all. The customer has no way of knowing until they arrive at their destination. So if iQSTEL can distinguish itself as a quality provider, as it has done in its wholesale telecom business, it should see success. The third challenge and opportunity is that the eSIM business is highly fragmented today, with multiple websites selling eSIM service acquired wholesale from providers such as BICS. This presents an opportunity for telecom providers respected for their known quality, to take share. Thus, we expect iQSTEL to leverage its existing customer relationships to sell eSIM services, with this business rapidly taking off.

We have factored in the revenue from Globe Topper into our forecasts (detailed model at the end of this report). For each quarter from 3Q25 through 2Q27, where we have published projections, we use an estimate of 90% of its projected revenue out of conservatism. Management gave projections for Globe Topper in the press release announcing the closing that are essentially the projections previously published, rounded down to the nearest million. In the longer term, they issued new guidance that Globe Topper can achieve \$100 million in revenue and \$1 million in EBITDA, which we view as achievable given new cross-selling opportunities and the planned launch of eSIM products.

iQSTEL, Inc.

NASDAQ- IQST

iQSTEL Business Units

Telecom Voice Services

66% of revenue

Etelix.com USA LLC



www.etelix.com

Coral Gables, Florida

Founded 2008

IQSTel acquired 2018 \$6.9 mm

International long distance

Owns 10% of Maya-1 undersea fiber cable

Ownership

100%

CEO Juan Carlos López Silva

2024 Rev. \$69.8 mm

Pct. of total 24.3%

2024 GM -0.7%

Telecom SMS Services

34% of revenue

QGlobal SMS LLC



www.qglobalsms.com

Austin, Texas and Miami, Florida

Founded 2020

IQSTel acquired 2020 \$35k

International and domestic SMS termination

IoT Labs LLC

Ownership

CEO

Leandro Igl

2024 Rev. \$1.5 mm

Pct. of total 1%

2024 GM 28.3%

SwissLink Carrier AG



www.swisslink-carrier.com

Horgen, Switzerland

Founded 2015

IQSTel acquired 2019 \$500 k

International VoIP connectivity

Targets Asian and African traffic to/from Europe

Ownership

51%

CEO Juan Carlos López Silva

2024 Rev. \$8.3 mm

Pct. of total 3.0%

2024 GM 10%



www.iotlabs.mx

Austin, Texas

Founded 2020

IQSTel acquired 2020 \$680k

SMS traffic exchange between the U.S. and Mexico

Developing SmartGas and SmartTank devices

Ownership

CEO

Francisco I

2024 Rev. \$94.2 mm

Pct. of total 24.6%

2024 GM 2.1%

Whisl Telecom LLC



www.whisl.com

Garland, Texas

Founded 2015

IQSTel acquired 2022 \$1.8 mm

Provides carrier-to-carrier services

Owns some network infrastructure

Ownership

51%

CEO Omar Luna

2024 Rev. \$2.8 mm

Pct. of total 1.1%

2024 GM 32.5%



www.globalmoneyone.com

Coral Gables, Florida

Founded as a joint venture 2020

Service launched 2021

Visa and MasterCard debit cards

U.S. bank account - no SSN needed

Ownership

75%

GlobeTopper



GlobeTopper

www.globetopper.com

Maple Glen, PA

Founded 2015

IQSTel acquired 2025 \$700k

Digital gift card provider

Ownership

51%

CEO

Craig Spar

2026P rev. \$85.126 m

2026P EBITDA \$621k

Smartbiz Telecom LLC



www.smartbiztel.com

Miami, Florida

Founded 2016

IQSTel acquired 2022 \$1.8 mm

International voice termination to niche markets

Ownership

51%

CEO José Ramon Oliver

2024 Rev. \$20.5 mm

Pct. of total 7%

2024 GM 6.3%

ItsBchain LLC

sale pending



www.itsbchain.com

Coral Gables, Florida

Founded 2019

IQSTel acquired 2020

Number portability management platform

Settlement and payment marketplace in development

Member IBM startup program

Ownership

75%

QXTEL Limited



www.qxTEL.com

London, England

Founded 2000

IQSTel acquired 2024 \$5 mm

Wholesale carrier messaging

Ownership

51%

CEO Tolga Alemdar

2024 Rev. \$86.0 mm

Pct. of total 30%

2024 GM 3.6%

Intelligence

Reality Border LLC



REALITY BORDER

GOTMY & IQSTEL

Joint venture formed in 2023 with GOTMY

Coral Gables, Florida

White label metaverse app

Launched IOS and Android apps in June 2023

Source: Company reports



iQSTEL, Inc. NASDAQ- IQST

The company also owns stakes in two pre-revenue business units. Both look intriguing, but we don't have enough visibility on either to ascribe them a valuation. Global Money One is 75% owned by iQSTEL and plans to offer Visa and Mastercard debit cards and U.S. bank accounts that can be opened without a Social Security number. These services would seem to fit well into the portfolio of services offered to international telecom carriers. The other business, Reality Border, is also a joint venture, and it plans to offer a metaverse app.

Cycurion Partnership Provides Mission-Critical Cybersecurity Services for Carriers

iQSTEL recently issued a joint press release with cybersecurity company Cycurion (NASDAQ-CYCU). Cycurion is a beltway-based network communications and information technology security services provider that customizes its offering for each customer's unique requirements. Cybersecurity is a critical requirement for iQSTEL's customers, and Cycurion brings a specialized offering. According to the press release, there are six aspects to the new relationship:

1. Cybersecurity for Telecom Carrier Infrastructure – services will include protection for:
 - Destination rates
 - Routing engine rules
 - Billing and accounting systems
 - CRM and ERP platforms
 - Sensitive customer and vendor financial information
2. White-Label Cybersecurity Services for Telecom Operators – telecom operators can brand the offering under their own name and offer it to enterprises, small and mid-sized businesses, and consumers, giving them a new, high-margin revenue stream.
3. AI-Driven Operational Optimization for Cycurion – the partners will work to incorporate iQSTEL Intelligence, which is the company's proprietary AI platform, to optimize internal operations, reduce costs, and accelerate execution of high-value contracts.
4. AI-Powered Next-Generation Cybersecurity Platform – They are also working to develop a next-generation cybersecurity platform to deliver a proactive threat identification and response capability to neutralize threats before any damage can be done.
5. They plan to bring their solutions to market in the second half of 2025.
6. The global cybersecurity market is expected to exceed \$500 billion by 2030, giving it an enormous market opportunity.

We Forecast Revenue of \$355 Million This Year, With Profitability by Year End

We forecast that the company will generate \$355 million in revenue this year, becoming EBITDA and EPS positive in the fourth quarter. Management expects that it will end 2025 on a \$400 million revenue run rate, including the acquisition of Globe Topper. The company reports revenue for each of its eight operating subsidiaries, and we follow this convention, but this is becoming less relevant as it de-emphasizes three voice telecom business units and moves traffic to others, mainly Qxtel.

Longer term, management expects to drive revenue to \$1 billion by 2027 with an eight-figure EBITDA (e.g., at least \$10 million), which equates to a 1% EBITDA margin. Our 2027 estimate is for revenue of \$472 million and EBITDA of \$8.5 million. We are likely conservative in these numbers, but the company will also likely continue to pursue acquisitions. We note that the scale of acquired companies has been trending larger, so it should not take too many to get to \$1 billion in revenue. There are hundreds of small telecom carriers it could acquire, and most are subscale, so iQSTEL could improve its profitability by integrating them. There are an even greater number of fintech and other companies it could acquire, which would be synergistic with its core wholesale telecom business, as is the case with Globe Topper.



iQSTEL, Inc. NASDAQ- IQST

We see two major drivers of increased profitability. Wholesale telecom is a high-volume, low-margin business with traffic moving via routers and servers without intervention. By moving traffic to the lowest-cost routing business unit, the company can increase profitability. The other driver of profitability is moving its operations onto the same software platform provided by AGK Consulting. As noted, this is planned to be completed by year-end for voice and mid-2026 for SMS as AGK builds this functionality into its software. Both revenue and cost of goods sold are driven by personal relationships among carriers, and this is one of the company's strengths. Practically every major telecom carrier globally is both a customer and a vendor.

Taking the \$6.7 million in EBITDA we forecast for next year, and plugging it into the company's cap table, the stock currently trades at an EV/EBITDA multiple of 5.7x. Telecom comps trade at an average of 9.2x, implying a valuation of \$18 per share. At the 10.5x average multiple of close comps IDT and Cogent, IQST shares would be worth \$22 per share.

We Value IQST Shares at \$18 Using the Same 9x EV/EBITDA Multiple as Telecom Comps

Balance sheet data as of 3/31/25	Current	At Target
Share Price	\$9.88	\$18.00
Shares outstanding	2,899	2,899
Fully Diluted Market Cap	28,641	52,180
+ Total Debt (excl Leases)	9,033	9,033
- In-the-Money Convertible Debt	(3,556)	(3,556)
- Cash & Equivalents	(1,085)	(1,085)
+ Non-Controlling Interest	4,696	4,696
Enterprise Value	37,730	61,269
2026E EBITDA	6,652	6,652
EV/EBITDA	5.7x	9.2x

Source: Litchfield Hills Research

IQST Shares Performing Well After Uplist and Reverse Split

At the beginning of May, the company executed an 80:1 reverse stock split and uplisted to NASDAQ. It did so directly, with a dilutive capital raise transaction, as is common. These actions resolved two issues that made the shares unattractive to investors – it was a penny stock and traded on the OTCQX. Since then, it has seen higher volume (which is also a prerequisite for investors) and a good performance. The shares have seen some volatility, briefly trading above \$18, but have now settled in, making this a good entry point.

iQSTEL, Inc.

NASDAQ- IQST



Source: Factset Research Systems



iQSTEL, Inc.

NASDAQ - IQST

iQSTEL Income Forecast

Dollars in thousands		2025E					2026E					2027E				
Fiscal years ended December 31		1QA	2Q	3Q	4Q	2025	1Q	2Q	3Q	4Q	2026	1Q	2Q	3Q	4Q	2027
Telecom																
Voice Services																
Etelix revenue		5,427	5,000	5,000	5,000	20,427	5,000	5,000	5,000	8,800	23,800	5,000	5,000	5,000	5,000	20,000
YoY growth		-70.9%	-65.2%	-48.6%	-80.9%	-70.3%	-7.9%	0.0%	0.0%	76.0%	16.5%	0.0%	0.0%	0.0%	-43.2%	-16.0%
Percent of total revenue		9%	7%	6%	4%	6%	6%	5%	5%	6%	6%	6%	5%	4%	3%	4%
Cost of revenue		2,220	4,915	4,915	4,915	16,965	4,915	4,915	4,915	8,650	23,395	4,915	4,915	4,915	4,915	19,660
Gross profit		3,206	85	85	85	3,461	85	85	85	150	405	85	85	85	85	340
Gross margin		59.1%	1.7%	1.7%	1.7%	16.9%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
SwissLink revenue		1,137	1,036	1,031	4,327	7,531	1,478	1,347	1,340	5,625	9,791	1,922	1,751	1,742	7,312	12,728
YoY growth		16.6%	15.0%	15.0%	-25.0%	-11.8%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Percent of total revenue		2%	1%	1%	3%	2%	2%	1%	1%	4%	2%	2%	2%	2%	4%	3%
Cost of revenue		(2,497)	829	825	3,461	2,619	1,182	1,078	1,072	4,500	7,833	1,537	1,401	1,394	5,850	10,182
Gross profit		3,634	207	206	865	4,913	296	269	268	1,125	1,958	384	350	348	1,462	2,546
Gross margin		319.6%	20.0%	20.0%	20.0%	65.2%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Smartbiz revenue		3,427	3,726	2,420	3,340	12,913	3,770	4,099	2,662	3,674	14,205	4,147	4,509	2,928	4,042	15,625
YoY growth		-44.6%	-40.0%	-40.0%	-25.0%	-38.1%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Percent of total revenue		6%	5%	3%	3%	4%	5%	4%	3%	2%	3%	5%	4%	3%	2%	3%
Cost of revenue		3,162	2,981	1,936	2,672	10,751	3,016	3,279	2,129	2,939	11,364	3,317	3,607	2,342	3,233	12,500
Gross profit		265	745	484	668	2,162	754	820	532	735	2,841	829	902	586	808	3,125
Gross margin		7.7%	20.0%	20.0%	20.0%	16.7%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Whisl revenue		651	480	290	1,186	2,606	716	528	319	1,304	2,867	787	581	351	1,435	3,153
YoY growth		-29.5%	-40.0%	-40.0%	25.0%	-17.4%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Percent of total revenue		1%	1%	0%	1%	1%	1%	1%	0%	1%	1%	1%	1%	0%	1%	1%
Cost of revenue		498	360	217	889	1,964	537	396	239	978	2,150	590	436	263	1,076	2,365
Gross profit		153	120	72	296	642	179	132	80	326	717	197	145	88	359	788
Gross margin		23.5%	25.0%	25.0%	25.0%	24.6%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
QXTEL revenue		21,473	39,340	42,994	74,719	178,527	23,621	43,274	47,294	82,191	196,379	25,983	47,601	52,023	90,410	216,017
YoY growth			25.0%	150.0%	100.0%	107.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Percent of total revenue		37%	52%	48%	57%	50%	30%	44%	47%	55%	46%	30%	43%	46%	56%	46%
Cost of revenue		27,060	38,160	41,704	72,478	179,402	22,912	41,976	45,875	79,725	190,488	25,203	46,173	50,462	87,698	209,537
Gross profit		(5,587)	1,180	1,290	2,242	(876)	709	1,298	1,419	2,466	5,891	779	1,428	1,561	2,712	6,481
Gross margin		-26.0%	3.0%	3.0%	3.0%	-0.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Voice Services Revenue		32,115	49,582	51,735	88,572	222,004	34,584	54,248	56,614	101,595	247,041	37,838	59,442	62,044	108,199	267,523
YoY growth		20.2%	-7.8%	60.0%	18.7%	18.4%	7.7%	9.4%	9.4%	14.7%	11.3%	9.4%	9.6%	9.6%	6.5%	8.3%
Percent of total revenue		55.7%	66.0%	57.2%	67.1%	62.5%	43.5%	54.6%	56.0%	67.8%	57.5%	43.0%	54.1%	55.5%	66.6%	56.6%

Source: Company reports and Litchfield Hills Research



iQSTEL, Inc.

NASDAQ - IQST

iQSTEL Income Forecast

Dollars in thousands															
Fiscal years ended December 31	1QA	2Q	2025E	4Q	2025	1Q	2Q	2026E	4Q	2026	1Q	2Q	2027E	4Q	2027
Telecom															
SMS Services															
QGlobal revenue	614	634	335	873	2,457	920	952	503	1,310	3,685	1,380	1,428	755	1,965	5,528
YoY grow th	67.1%	50.0%	50.0%	50.0%	53.9%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Percent of total revenue	1%	1%	0%	1%	1%	1%	1%	0%	1%	1%	2%	1%	1%	1%	1%
Cost of revenue	444	457	242	629	1,771	663	685	362	943	2,653	994	1,028	543	1,415	3,980
Gross profit	170	178	94	245	686	258	266	141	367	1,032	387	400	211	550	1,548
Gross margin	27.6%	28.0%	28.0%	28.0%	27.9%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%	28.0%
IoT Labs revenue	24,904	24,937	23,913	26,009	99,764	26,150	25,436	24,391	26,529	102,506	27,457	26,708	25,611	27,856	107,631
YoY grow th	2.3%	2.0%	10.0%	10.0%	5.9%	5.0%	2.0%	2.0%	2.0%	2.7%	5.0%	5.0%	5.0%	5.0%	5.0%
Percent of total revenue	43%	33%	26%	20%	28%	33%	26%	24%	18%	24%	31%	24%	23%	17%	23%
Cost of revenue	24,810	24,813	23,793	25,879	99,295	26,019	25,309	24,269	26,397	101,993	27,183	26,441	25,354	27,577	106,555
Gross profit	95	125	120	130	469	131	127	122	133	513	275	267	256	279	1,076
Gross margin	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%	1.0%	1.0%	1.0%
SMS Services Revenue	25,518	25,572	24,248	26,882	102,220	27,070	26,388	24,894	27,839	106,191	28,838	28,135	26,365	29,821	113,159
YoY grow th	3.3%	2.8%	10.4%	11.0%	6.7%	6.1%	3.2%	2.7%	3.6%	3.9%	6.5%	6.6%	5.9%	7.1%	6.6%
Percent of total revenue	44%	34%	27%	20%	29%	34%	27%	25%	19%	25%	33%	26%	24%	18%	24%
Cost of revenue	25,254	25,269	24,035	26,508	101,066	26,682	25,994	24,631	27,340	104,647	28,177	27,469	25,898	28,992	110,535
Gross profit	264	302	213	375	1,154	388	394	263	499	1,544	661	667	467	829	2,624
Gross margin	1.0%	1.2%	0.9%	1.4%	1.1%	1.4%	1.5%	1.1%	1.8%	1.5%	2.3%	2.4%	1.8%	2.8%	2.3%
Total Telecom Revenue	57,633	75,154	75,983	115,454	324,224	61,654	80,636	81,509	129,434	353,232	66,676	87,577	88,409	138,020	380,682
YoY grow th	12.1%	-4.4%	39.9%	16.8%	14.5%	7.0%	7.3%	7.3%	12.1%	8.9%	8.1%	8.6%	8.5%	6.6%	7.8%
Percent of total revenue	100%	100%	84%	88%	91%	78%	81%	81%	86%	82%	76%	80%	79%	85%	81%
Cost of revenue	55,698	72,514	73,632	110,923	312,767	59,244	77,637	78,862	124,133	339,876	63,740	84,000	85,274	131,764	364,779
Gross profit	1,935	2,640	2,351	4,531	11,457	2,411	2,998	2,647	5,301	13,356	2,936	3,577	3,135	6,255	15,903
Gross margin	3.4%	3.5%	3.1%	3.9%	3.5%	3.9%	3.7%	3.2%	4.1%	3.8%	4.4%	4.1%	3.5%	4.5%	4.2%
Fintech															
Globe Topper			14,486	16,457	30,942	17,890	18,707	19,562	20,455	76,613	21,370	22,317	23,474	24,546	91,707
YoY grow th								35.0%	24.3%	147.6%	19.5%	19.3%	20.0%	20.0%	19.7%
Percent of total revenue			16%	12%	9%	22%	19%	19%	14%	18%	24%	20%	21%	15%	19%
Cost of revenue			14,341	16,292	30,633	17,711	18,520	19,327	20,210	75,767	21,114	22,049	23,192	24,252	90,607
Gross profit			145	165	309	179	187	235	245	846	256	268	282	295	1,100
Gross margin			1.0%	1.0%	1.0%	1.0%	1.0%	1.2%	1.2%	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%
Total Revenue	57,633	75,154	90,468	131,911	355,166	79,544	99,343	101,070	149,889	429,846	88,046	109,894	111,883	162,566	472,389
YoY grow th	12.1%	-4.4%	66.6%	33.4%	25.4%	38.0%	32.2%	11.7%	13.6%	21.0%	10.7%	10.6%	10.7%	8.5%	9.9%

Source: Company reports and Litchfield Hills Research



iQSTEL, Inc.

NASDAQ - IQST

iQSTEL Income Forecast

Dollars in thousands		2025E					2026E					2027E				
Fiscal years ended December 31		1QA	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
		March	June	September	December		March	June	September	December		March	June	September	December	
Revenue		57,633	75,154	90,468	131,911	355,166	79,544	99,343	101,070	149,889	429,846	88,046	109,894	111,883	162,566	472,389
YoY growth		12.1%	-4.4%	66.8%	33.4%	25.4%	38.0%	32.2%	11.7%	13.6%	21.0%	10.7%	10.6%	10.7%	8.5%	9.9%
Seq growth		-41.7%	30.4%	20.4%	45.8%		-39.7%	24.9%	1.7%	48.3%		-41.3%	24.8%	1.8%	45.3%	
Cost of revenue		55,698	72,514	87,973	127,215	343,400	76,955	96,157	98,189	144,343	415,643	84,854	106,049	108,467	156,016	455,385
As a percent of revenue		96.6%	96.5%	97.2%	96.4%	96.7%	96.7%	96.8%	97.1%	96.3%	96.7%	96.4%	96.5%	96.9%	96.0%	96.4%
Gross profit		1,935	2,640	2,496	4,696	11,766	2,589	3,185	2,881	5,546	14,202	3,193	3,845	3,417	6,550	17,004
Gross margin		3.4%	3.5%	2.8%	3.6%	3.3%	3.3%	3.2%	2.9%	3.7%	3.3%	3.6%	3.5%	3.1%	4.0%	3.6%
General and administration		2,539	3,382	3,166	3,957	13,045	2,267	2,831	2,527	4,796	12,421	2,553	3,187	2,797	5,690	14,227
As a percent of revenue		4.4%	4.5%	3.5%	3.0%	3.7%	2.9%	2.9%	2.5%	3.2%	2.9%	2.9%	2.9%	2.5%	3.5%	3.0%
Operating income		(604)	(742)	(671)	738	(1,279)	322	354	355	750	1,781	639	658	619	860	2,777
Operating margin		-1.0%	-1.0%	-0.7%	0.6%	-0.4%	0.4%	0.4%	0.4%	0.5%	0.4%	0.7%	0.6%	0.6%	0.5%	0.6%
Other Income																
Other income		23	20	20	20	83	20	20	20	20	80	20	20	20	20	80
Other expense		(11)	(10)	(10)	(10)	(41)	(10)	(10)	(10)	(100)	(130)	(10)	(10)	(10)	(200)	(230)
Interest expense		(532)	(500)	(500)	(500)	(2,032)	(500)	(500)	(500)	(500)	(2,000)	(500)	(500)	(500)	(500)	(2,000)
Change in fair value						-					-					-
Loss on debt settlement		-				-					-					-
Total Non-operating income		(520)	(490)	(490)	(490)	(1,990)	(490)	(490)	(490)	(580)	(2,050)	(490)	(490)	(490)	(680)	(2,150)
Profit before taxes		(1,124)	(1,232)	(1,161)	248	(3,268)	(168)	(136)	(135)	170	(269)	149	168	129	180	627
Income taxes		21	-	-	-	21	-	-	-	-	-	-	-	-	-	-
Tax rate		-1.8%	0.0%	0.0%	0.0%	-0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income		(1,144)	(1,232)	(1,161)	248	(3,289)	(168)	(136)	(135)	170	(269)	149	168	129	180	627
Non-controlling interests		13	100	100	100	313	100	100	100	100	400	100	100	100	100	400
Net income to iQSTEL Inc.		(1,158)	(1,332)	(1,261)	148	(3,602)	(268)	(236)	(235)	70	(669)	49	68	29	80	227
Diluted shares outstanding		2,630	2,730	2,830	2,930	2,780	3,030	3,130	3,230	3,330	3,180	3,430	3,530	3,630	3,730	3,580
Seq change		243	100	100	100		100	100	100	100		100	100	100	100	
EPS diluted		(\$0.44)	(\$0.49)	(\$0.45)	\$0.05	(\$1.30)	(\$0.09)	(\$0.08)	(\$0.07)	\$0.02	(\$0.21)	\$0.01	\$0.02	\$0.01	\$0.02	\$0.06
EBITDA																
Telcom		594	685	534	379	2,192	961	1,052	704	2,124	4,841	1,347	1,443	964	2,805	6,558
Fintec/ Other		(839)	(807)	(731)	433	(1,943)	302	354	375	780	1,811	399	438	419	680	1,937
EBITDA		(245)	(122)	(197)	812	249	1,264	1,406	1,079	2,904	6,652	1,746	1,880	1,383	3,485	8,495
YoY growth		-469.7%	-251.2%	-393.6%	-435.1%	-966.0%	-616.0%	-1257.0%	-648.9%	257.7%	2572.4%	38.2%	33.8%	28.2%	20.0%	27.7%
EBITDA margin		-0.4%	-0.2%	-0.2%	0.6%	0.1%	1.6%	1.4%	1.1%	1.9%	1.5%	2.0%	1.7%	1.2%	2.1%	1.8%

Source: Company reports and Litchfield Hills Research



iQSTEL, Inc.

NASDAQ - IQST

Comparables Trade at 9.0x EBITDA, implying an \$18 Valuation for IQST Shares

Ticker	Company	Price Last	Cap \$ millions	EV \$ millions	2024 EBITDA\$	Growth vs. 2023	EV/EBITDA 2024	2025E EBITDA\$	Growth vs. 2024	EV/EBITDA 2025	2026E EBITDA\$	EV/EBITDA 2026
IQST	iQSTEL, Inc.	\$9.88	28.12	32.87	(0.3)							
IQST	IQST at our price target	\$18.00	51.23	55.98	(0.33)							
Direct Comparables												
IDT	IDT Corporation Class B	\$69.00	1,724	1,399	89.7	2.1%	15.6x	130	44.9%	10.8x		
CCOI	Cogent Communications Holdings Inc	\$50.23	2,379	4,204	348.9	194.5%	12.0x	326	-6.5%	12.9x	399	10.5x
Average	direct comparables						13.8x			11.8x		10.5x
Telecom Comparables												
APTL	Alaska Power & Telephone Company	\$61.25	81	149	23.2	0.9%	6.4x					
ATNI	ATN International, Inc.	\$16.89	247	762	182.4	0.8%	4.2x	179	-2.1%	4.3x	185	4.1x
CXDO	Crexendo, Inc.	\$6.36	176	174	5.1	173.0%	33.9x	9	67.9%	20.2x	10	16.9x
FYBR	Frontier Communications Parent, Inc.	\$36.44	9,109	20,417	2,102.0	6.2%	9.7x	2,362	12.4%	8.6x	2,569	7.9x
LUMN	Lumen Technologies, Inc.	\$4.51	4,493	20,994	3,433.0	-18.6%	6.1x	3,326	-3.1%	6.3x	3,507	6.0x
SHEN	Shenandoah Telecommunications Cor	\$14.01	749	1,274	84.8	22.9%	15.0x	118	39.5%	10.8x	134	9.5x
Average	telecom comparables						12.6x			10.0x		8.9x
Average	all						12.9x			10.5x		9.2x

Source: Company reports and Litchfield Hills Research



iQSTEL, Inc. NASDAQ - IQST

Disclosures:

Analyst Certification

We, the Litchfield Hills Research Department, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company and the underlying securities.

FINRA Compliant Research Report

We, the Litchfield Hills Research Department, hereby certify that this report is compliant with FINRA research rules 2241, 3110.

MiFID II Compliant Research Report

Our research is classified as minor non-monetary benefit under MiFID II. This applies to all forms of transmission, including email, website, and financial platforms such as Bloomberg, FactSet, S&P Global, Refinitiv and 13 others. We do not seek payment from the asset management community and do not have any execution function. Investors can continue to receive our research under the MiFID II regime without the need for a contract for services to be put in place. This applies to all forms of transmission, including email, website, and financial platforms.

Litchfield Hills Research LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Other Disclosures

Litchfield Hills Research, LLC ("LHR") is not a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission nor a member of Financial Industry Regulatory Authority. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject LHR or any divisions, subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction.

All material presented in this report, unless specifically indicated otherwise, is under copyright to LHR and the subject company. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied, or distributed to any other party, without the prior express written permission of LHR or the subject company. All trademarks, service marks and logos used in this report are trademarks, service marks, registered trademarks, or service marks of LHR or its affiliates. The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. LHR may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable, appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. LHR does not offer advice on the tax consequences of investment, and you are advised to contact an independent tax adviser. LHR believes the information and opinions in the Disclosure Appendix of this report are accurate and complete. Information and opinions presented in this report were obtained or derived from sources LHR believes are reliable, but LHR makes no representations as to their accuracy or completeness.

Ownership and Material Conflicts of Interest

The analyst owns no shares of the subject company. The analyst and his family have no known material conflicts of interest in authoring this report.

Investment Banking and Fees for Services

Litchfield Hills Research has not received compensation for advisory or investment banking services from the Company in the past 12 months. Litchfield Hills Research LLC has received compensation from the subject company for distribution and investor targeting services.

Market Making

Litchfield Hills Research, LLC does not make a market in the subject company's securities.

Additional information is available upon request. LHR accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to LHR. This report is not to be relied upon in substitution for the exercise of independent judgment.