



## NEWS RELEASE

### SANGOMA REPORTS RESULTS FOR SECOND QUARTER OF FISCAL 2015

**MARKHAM, ONTARIO, February 19, 2015** – Sangoma Technologies Corporation (TSX VENTURE:STC), a leading provider of hardware and software components that enable or enhance IP Communications Systems for both voice and data, today announced highlights of its unaudited consolidated interim financial statements for the second quarter of fiscal 2015, ended December 31, 2014.

Sales for the second quarter of fiscal 2015 were \$3.42 million, up 23% from the first quarter of fiscal 2015 ended September 30, 2014 and down slightly from the \$3.63 million in the second quarter of fiscal 2014.

“Given the amount of management attention that had to be dedicated to closing our two recent acquisitions during the second quarter, I view these results as satisfactory, if not exciting”, said Bill Wignall, President and CEO at Sangoma. “Revenues were a little below our expectations but we were careful with spending to maintain an acceptable level of Operating Income. Newly introduced products continue to approach 50% of revenue, consistent with our expectation, yet sales of some product categories have softened somewhat, requiring further focus. We are very excited about the FreePBX/Schmooze and RockBochs deals which closed on January 1, 2015. The results from these companies are not part of our second quarter’s results, but Sangoma’s third quarter of fiscal 2015 will include a full three months of results from both transactions, which are expected to be accretive.”

	<b>Q2 FY2015</b>	<b>Q2 FY2014</b>	<b>Change</b>	<b>Q1 FY2015</b>	<b>Change</b>
Sales	\$3.42 m	\$3.63 m	(6%)	\$2.77 m	23%
Gross profit	\$2.16 m	\$2.44 m	(11%)	\$1.83 m	18%
Operating Expense	\$2.06 m	\$2.13 m	(3%)	\$1.81 m	14%
Operating Income <sup>1</sup>	\$0.10 m	\$0.31 m		\$0.02 m	
Net income	(\$0.16) m	\$0.22 m		\$0.02 m	
Net earnings per share (fully diluted)	(\$0.006)	\$0.008		\$0.001	
EBITDA <sup>1</sup>	\$0.16 m	\$0.43 m		\$0.08 m	

<sup>1</sup> Operating Income and EBITDA are metrics used by the Company to monitor its performance and the definitions may be found in the accompanying MD&A posted today at [www.sedar.com](http://www.sedar.com).

Gross profit was \$2.16 million for the quarter or 63% of revenue, which is slightly lower than recent quarters due to the product mix sold this quarter.

Operating expense for the second quarter was \$2.06 million, 3% below that of the \$2.13m in the same quarter of fiscal 2014.

Operating Income was \$0.10 million for the quarter versus \$0.31 million in the same quarter last year, as a result of the slightly lower revenue and resulting margin noted above.

Net Loss for the quarter ended December 31, 2014 was \$0.16 million (-\$0.006 per share fully diluted) reflecting the \$0.29m of expense expected to be incurred for the closing of the two acquisitions on January 1, 2015, compared to a net profit of \$0.22 million (\$0.008 per share fully diluted) for the quarter ended December 31, 2013.

On December 31, 2014 Sangoma had a solid cash balance of \$6.14 million, representing \$4.80 million net of the \$1.34 million drawn from the operating line. This is down just slightly from \$4.98 million on June 30, 2014, due primarily to the purchases of inventory. Working capital was \$11.21 million as compared to \$11.35 million on June 30, 2014. The \$1.34 million draw against the \$2.5 million operating line of credit established on December 30, 2014, was undertaken to provide operational cash for use as necessary following the closing of the two transactions on January 1, 2015 for which \$4.7 million of cash was required.

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Tuesday February 24, 2015 at 11am EST to discuss these quarterly results. The dial-in number for the call is 1-800-319-4610. Investors are requested to dial in 5 to 10 minutes before the scheduled start time and ask to join the Sangoma call.

### **About Sangoma Technologies Corporation**

Sangoma is a leading provider of hardware and software components that enable or enhance IP Communications Systems for both telecom and datacom applications. Sangoma's data boards, voice boards, gateways and connectivity software are used in leading PBX, IVR, contact center and data-communication applications worldwide. The product line includes both hardware and software components that offer a comprehensive toolset for deploying cost-effective, powerful, and flexible communication solutions.

Founded in 1984, Sangoma Technologies Corporation is publicly traded on the TSX Venture Exchange (TSX VENTURE: STC). Additional information on Sangoma can be found at: [www.sangoma.com](http://www.sangoma.com).

### **Cautionary Statement Regarding Forward Looking Statements**

This press release contains forward-looking statements, including statements regarding the future success of our business, development strategies and future opportunities.

Forward-looking statements include, but are not limited to, statements concerning estimates of expected expenditures, statements relating to expected future production and cash flows, and other statements which are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions indicate forward-looking statements.

Although Sangoma believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Forward-looking statements are based on the opinions and estimates of management at the date that the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in forward-looking statements. Sangoma undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by law.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other events contemplated by the forward-looking statements will not occur. Although Sangoma believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct as these expectations are inherently subject to business, economic and competitive uncertainties and contingencies. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in the management's discussion and analysis include, but are not limited to changes in exchange rate between the Canadian Dollar and other currencies, changes in technology, changes in the business climate, changes in the regulatory environment, the decline in the importance of the PSTN and new competitive pressures. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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