



NEWS RELEASE

SANGOMA REPORTS Q4 AND ANNUAL RESULTS FOR FISCAL 2015 Record Annual Revenues and Quarterly Sales Exceed \$5 million for the First Time

MARKHAM, ONTARIO, October 22, 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 fourth quarter financial results and audited consolidated financial statements for the full year of fiscal 2015, ended June 30, 2015.

For the fourth quarter of fiscal 2015, sales were \$5.34 million, 34% higher than the same quarter last year and 11% over the immediately preceding third quarter this year. For the full year of fiscal 2015, revenue was \$16.32 million, the highest in Sangoma’s history and 18% above that in the prior year. EBITDA was \$1.64 million for the year, up from \$1.3 million last year, and operating income was over \$0.9 million, consistent with 2014.

“I am pleased to see our financial year close with quarterly sales above \$5 million for the first time”, said Bill Wignall, President and CEO of Sangoma. “We continue to seek growth through a mix of organic and inorganic means, all while demanding reasonable profitability. This year we see the results of that strategy, with prudent growth driven by some insightful M&A activity, solid margins, and EBITDA at approximately 10% of revenue. During this challenging economic environment, when multiple competitors are struggling and our traditional business continues to exhibit softness, I’m satisfied with these results and very pleased with this year’s acquisitions, though management maintains its pursuit of further growth. Looking back on 2015 overall, I would like to acknowledge the new teams for their excellent contribution and to personally thank our customers for their loyalty, our employees for their incredibly hard work, and our investors for their support.”

	Q4 FY2015	Q4 FY2014	Change	FY2015	FY2014	Change
Sales	\$5.34 m	\$3.98 m	34%	\$16.32 m	\$13.83 m	18%
Gross profit	\$3.57 m	\$2.65 m	35%	\$10.97 m	\$9.25 m	19%
Operating Expense	\$3.07 m	\$2.04 m	50%	\$10.04 m	\$8.31 m	21%
Operating Income ¹	\$0.50 m	\$0.61 m		\$0.93 m	\$0.94 m	
Net income	\$0.15 m	\$0.52 m		\$0.25 m	\$0.74 m	
Net earnings per share (fully diluted)	\$0.005	\$0.018		\$0.008	\$0.026	
EBITDA ¹	\$0.75 m	\$0.54 m		\$1.64 m	\$1.30 m	

¹ 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.

Gross profit was \$3.57 million for the quarter and \$10.97 million for the year. Gross margin at 67% for both the quarter and year has remained stable and is essentially the same as fiscal 2014.

Operating expense for the fourth quarter was \$3.07 million, 50% higher than the same quarter in fiscal 2014 and expense for the year at \$10.04 million was 21% higher than in 2014, before one-time impacts. The higher expenses result primarily from the addition of staff and other spending in the companies acquired on January 1, 2015.

EBITDA was \$1.64 million for fiscal 2015, up from \$1.30 million in the prior year, and was \$0.75 million in the fourth quarter compared to \$0.54 million in the same quarter of 2014. Operating income in the fourth quarter was \$0.50 million, down from \$0.61 million in the fourth quarter of 2014, and for the fiscal year was a \$0.93 million, consistent with fiscal 2014.

Net income for the year ended June 30, 2015 was \$0.25 million (\$0.008 per share fully diluted), compared to a net profit of \$0.74 million (\$0.026 per share fully diluted) for the year ended June 30, 2014. In fiscal 2015 \$0.30 million was recorded for the one-time costs associated with the two acquisitions undertaken on January 1, 2015. There were no comparable costs in fiscal 2014.

Sangoma finished the year with a cash balance of \$2.52 million, down \$2.46 million for the year, and had working capital of \$6.36 million on June 30, 2015, as compared to \$11.35 million on June 30, 2014. After accounting for the acquisitions, Sangoma generated \$0.86 million in operating cash flow for the year.

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Tuesday October 27, 2015 at 12 noon Eastern Standard Time to discuss the quarterly and annual results. The dial-in number for the call is 1-800-319-4610 (International 1-604-638-5340). 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.

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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