



NEWS RELEASE

SANGOMA REPORTS RESULTS FOR SECOND QUARTER OF FISCAL 2016 Revenue Up 49% from Same Quarter in Previous Year

MARKHAM, ONTARIO, February 24, 2016 – 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 2016, ended December 31, 2015.

Sales for the second quarter of fiscal 2016 were \$5.08 million, 49% higher than the \$3.42 million in the second quarter of fiscal 2015 and 8% above the prior quarter.

“I am very pleased with our results this quarter, on both the revenue and EBITDA lines”, said Bill Wignall, President and CEO of Sangoma. “We have now had four complete quarters since the acquisitions in January of 2015, and it is most encouraging to see the integrated company progressing well. We are seeing larger portions of our sales come from new products, as well as from our expanding recurring revenue and services business. This is exactly what we’ve planned, as it provides some cushion against softer demand for our older products and support for maintaining our very strong gross margins. All in all, a really solid second quarter, one in which the company generated over \$1 million of cash from operations.”

	Q2 FY2016	Q2 FY2015	Change	Q1 FY2016	Change
Sales	\$5.08 m	\$3.42 m	49%	\$4.71 m	8%
Gross profit	\$3.67 m	\$2.16 m	70%	\$3.35 m	10%
Operating Expense	\$3.53 m	\$2.06 m	71%	\$3.20 m	10%
Operating Income ¹	\$0.14 m	\$0.10 m		\$0.15 m	
Net income	\$0.08 m	(\$0.16) m		\$0.09 m	
Net earnings per share (fully diluted)	\$0.002	(\$0.006)		\$0.003	
EBITDA ¹	\$0.41 m	\$0.21 m		\$0.38 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 \$3.67 million for the quarter, up 70% from last year and gross margin at 72% was slightly higher than expected.

Operating expense for the second quarter was \$3.53 million, 71% higher than the same quarter in fiscal 2015 and 10% higher than last quarter. The change year over year is mostly due to the expected spending in the two acquired businesses as well as a slight increase in resources necessary to prepare for the upcoming launch of the company's new IP phone business.

EBITDA was \$0.41 million for the second quarter of fiscal 2016, up from \$0.21 million in the same period last year. Operating income in the second quarter was \$0.14 million, up from \$0.10 million in the second quarter of fiscal 2015.

Net income for the second quarter ended December 31, 2015 was \$0.08 million (\$0.002 per share fully diluted), compared to a net loss of \$0.16 million (\$0.006 per share fully diluted) for the quarter ended December 31, 2014.

Sangoma had working capital of \$6.46 million on December 31, up from the \$6.36 million on June 30, 2015. The company generated positive cash flow from operations of \$1.12 million during the second quarter, resulting in a cash balance of \$2.92 million, as the company prepared to fund the earn-outs that were coming in January 2016.

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Monday February 29, 2016 at 12 noon Eastern Standard Time to discuss the quarterly 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, PBX, phone 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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