



## ***NEWS RELEASE***

### ***SANGOMA REPORTS RESULTS FOR THE FIRST QUARTER OF FISCAL 2017***

***Revenue grows by 24% Year-over-Year***

**MARKHAM, ONTARIO, November 17, 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 first quarter unaudited consolidated financial statements for fiscal 2017, ended September 30, 2016.

For the first quarter of fiscal 2017, sales were \$5.82 million, 24% higher than in the same quarter last year. As in prior years, Sangoma’s revenue in the first quarter was slightly below that of the fourth quarter in the previous fiscal year, owing to seasonally lower demand during summer months, but this effect is less pronounced this year due to the increasing significance of the recurring revenue portion of sales which do not exhibit such seasonal fluctuations.

	<b>Q1 FY2017</b>	<b>Q1 FY2016</b>	<b>Change</b>	<b>Q4 FY2016</b>	<b>Change</b>
Sales	\$5.82 m	\$4.71 m	24%	\$6.10 m	(5%)
Gross profit	\$3.77 m	\$3.35 m	12%	\$3.75 m	0%
Operating Expense	\$3.64 m	\$3.20 m	14%	\$3.83 m	(5%)
Operating Income <sup>1</sup>	\$0.13 m	\$0.15 m		-\$0.08 m	
Net income	\$0.06 m	\$0.09 m		-\$0.16 m	
Net earnings per share (fully diluted)	\$0.002	\$0.003		(\$0.005)	
EBITDA <sup>1</sup>	\$0.42 m	\$0.38 m		\$0.19 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).

“This is a very strong start to Sangoma’s new fiscal year 2017”, said Bill Wignall, President and CEO of Sangoma. “In the past, Sangoma has seen a seasonal dip in sales of 10-20% in Q1. This is a secondary, but nevertheless a very nice benefit from the growth in our SaaS/Cloud based services and our software sales/support businesses, as we see that dip substantially lessened this year. It was also good to see some recovery in our international business this quarter, now that we’ve reduced our receivables exposure during the prior year. A first quarter with sales approaching \$6 million, EBITDA of over \$400 thousand, and cash flow of almost \$300 thousand is definitely encouraging.”

Gross profit was \$3.77 million for the first quarter, 12% above that of the same quarter last year, and gross margin was 65% of sales, slightly better than in the fourth quarter and in line with our expectations.

Operating expenses were \$3.64 million for the first quarter, 14% higher than in the same quarter of fiscal 2016, but at 62% of sales is somewhat lower than the 68% of sales in the first quarter of the prior year.

EBITDA was \$0.42 million for first quarter of fiscal 2017, up from \$0.38 million in the same quarter last year, and an increase from the \$0.19 million in the immediately preceding quarter. Operating income was \$0.13 million, slightly lower than the \$0.15 million recorded in fiscal 2016, and an improvement from the small operating loss in the prior fourth quarter.

Net income for the quarter ended September 30, 2016 was \$0.06 million (\$0.002 per share fully diluted), compared to net income of \$0.09 million (\$0.003 per share fully diluted) for the quarter ended September 30, 2015.

By generating \$0.28 million in cash flow, Sangoma finished the quarter with a cash balance of \$2.37 million, up from the \$2.09 million at the end of fiscal 2016, thereby providing the company with healthy working capital of \$6.7 million.

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Monday November 21, 2016 at 12pm 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](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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