



NEWS RELEASE

SANGOMA REPORTS RECORD RESULTS FOR THE THIRD QUARTER OF 2017

Revenue grows by 29% Year-over-Year and EBITDA exceeds 10% of sales

MARKHAM, ONTARIO, May 17, 2017 – Sangoma Technologies Corporation (TSX VENTURE:STC), a trusted leader in delivering Unified Communications solutions for SMBs, Enterprises, OEMs, and Service Providers, both on-premises and in the cloud, today announced highlights of its unaudited consolidated financial statements in Canadian dollars for the third quarter of fiscal 2017, ended March 31, 2017.

For the third quarter of fiscal 2017, sales were a record \$6.81 million, 29% higher than in the same quarter last year making this the ninth quarter in a row that Sangoma has grown significantly and consistently, over the same quarter in the prior year.

	Q3 FY2017	Q3 FY2016	Change	Q2 FY2017	Change
Sales	\$6.81 m	\$5.30 m	28%	\$6.57 m	4%
Gross profit	\$4.48 m	\$3.63 m	23%	\$4.35 m	3%
Operating Expense	\$4.03 m	\$3.46 m	16%	\$3.86 m	4%
Operating Income ¹	\$0.45 m	\$0.18 m		\$0.49 m	
Net income	\$0.28 m	\$0.10 m		\$0.29 m	
Net earnings per share (fully diluted)	\$0.008	\$0.003		\$0.009	
EBITDA ¹	\$0.73 m	\$0.45 m	62%	\$0.76 m	(4%)

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.

“These solid results on both the top and bottom lines continue to build on the momentum of the last several quarters,” said Bill Wignall, President and CEO of Sangoma. “It is especially gratifying to see the extremely hard work from everyone on the Sangoma team over a long period of time, leading to increased success with our customers. And that success in the field, now delivering the trend in financial results that we’ve been planning for, as a part of our multi-year turnaround strategy. This is the impact we expected our business plan to deliver for our shareholders, so I’d like to thank our very talented team here for their continued commitment.”

Gross profit was \$4.48 million for the third quarter, 23% above that of the same quarter last year, with gross margin at 66% of sales, slightly above our expectations.

Operating expenses were \$4.03 million for the third quarter, 16% higher than in the same quarter of fiscal 2016, but growing at a slower rate than revenue.

EBITDA was \$0.72 million for third quarter of fiscal 2017, considerably higher the \$0.45 million earned in the same quarter last year.

Net income for the quarter ended March 31, 2017 was \$0.28 million (\$0.008 per share fully diluted), more than double the net income of \$0.10 million (\$0.003 per share fully diluted) for the same quarter ended March 31, 2016.

Outlook for fiscal years 2017 and 2018

In Sangoma's press release announcing financial results for our second quarter ended December 31, the company released limited forward guidance for the very first time. That guidance included revenue forecasted to be approximately \$25 million for fiscal 2017, with EBITDA of about \$2.4 million for the same period. Given that third quarter results were stronger than expected, both sales and EBITDA for the full year of fiscal 2017 should exceed those estimates. Sangoma will update guidance for fiscal 2018, at the time it releases financial results for the fourth quarter and full year of fiscal 2017.

Conference Call

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Thursday May 18, 2017 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 Technologies is a trusted leader in delivering Unified Communications solutions for SMBs, Enterprises, OEMs, Carriers and service providers. Sangoma's globally, scalable offerings include both on-premises and cloud-based phone systems, telephony services and industry leading Voice-Over-IP solutions, which together provide seamless connectivity between traditional infrastructure and new technologies. Sangoma's products and services are used in leading PBX, IVR, contact center, carrier networks and data-communication applications worldwide. Businesses can achieve enhanced levels of collaboration, productivity and ROI with Sangoma. Everything Connects, Connect with Sangoma!

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 future revenue, expected expenditures, 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.

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 are based on the opinions and estimates of management on the date that the statements are made and 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 or will differ materially from those expected. Although Sangoma believes that the expectations represented by such forward-looking statements are reasonable based on the current business environment, 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, the variability of sales between one reporting period and the next, changes in technology, changes in the business climate in one or more of the countries that Sangoma operates in, changes in the regulatory environment, the rate of adoption of the company's products in new markets, 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 and Sangoma undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by law.

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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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