



NEWS RELEASE

SANGOMA REPORTS RESULTS FOR THE SECOND QUARTER OF FISCAL 2018

Revenue remains strong and EBITDA exceeds \$1 million for the second time

MARKHAM, ONTARIO, February 13, 2018 – 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 second quarter financial results and interim unaudited consolidated financial statements for the second quarter of fiscal 2018, ended December 31, 2017.

For the second quarter of fiscal 2018, sales were \$11.74 million, 79% more than in the same quarter last year and the twelfth quarter in row of higher revenue versus the prior year.

	Q2 FY2018	Q2 FY2017	Change	Q1 FY2018	Change
Sales	\$11.74 m	\$6.57 m	79%	\$11.85 m	(1%)
Gross profit	\$5.99 m	\$4.35 m	38%	\$6.12 m	(2%)
Operating Expense	\$5.08 m	\$3.86 m	32%	\$5.37 m	(5%)
Operating Income ¹	\$0.91 m	\$0.49 m		\$0.75 m	
Net income	\$0.61 m	\$0.29 m		\$0.39 m	
Net earnings per share (fully diluted)	\$0.017	\$0.009		\$0.011	
EBITDA ¹	\$1.27 m	\$0.76 m	67%	\$1.10 m	15%

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.

“I am pleased with the continued revenue strength, as sales were well above last year and were in line with the first quarter, in spite of the first quarter having been positively impacted by a large one-time order,” said Bill Wignall, President and CEO. “Quarterly EBITDA was above our first quarter, exceeding \$1 million for the second time, and on a year-to-date basis Net Income has already exceeded 2017’s full year figure. I am also very encouraged by the performance and results from the newly added CCD team who joined the Sangoma family following the acquisition last month, so I look forward to reporting combined results at the end of this quarter.”

Gross profit of \$5.99 million for the second quarter was 38% higher than for the second quarter of fiscal 2017, with gross margin percent at 51% of sales.

Operating expenses were \$5.08 million in the second quarter, up 32% from the same quarter in fiscal 2017, reflecting normal expenses in the operation of VoIP Supply and controlled spending increases to invest in Sangoma's growth.

EBITDA was \$1.27 million for the quarter ended December 31, 2017 up 27% from the \$0.76 million in the same quarter of fiscal 2017 and at over 10% of revenue, was above our fiscal 2018 target.

Sangoma continues to maintain a healthy balance sheet and finished the quarter with a cash balance of \$3.34 million and working capital of \$5.38 million.

Outlook for fiscal year 2018

Sangoma's Board of Directors considers that the year-to-date results, along with expectations for the CCD business purchased in January, support the guidance previously provided for fiscal 2018. That guidance included revenue of about \$53 million and approximately \$5.5 million of EBITDA.

Conference Call

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Thursday, February 15, 2018 at 1pm 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. If you are unable to listen to the call a recording of the prepared remarks will be posted on Sangoma's website in the Investor Relations section.

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 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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