



NEWS RELEASE

SANGOMA REPORTS RESULTS FOR THE THIRD QUARTER OF FISCAL 2018

Revenues exceeded \$16 million and EBITDA approaches \$2 million

MARKHAM, ONTARIO, May 15, 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 third quarter financial results and interim unaudited consolidated financial statements for the third quarter of fiscal 2018, ended March 31, 2018.

For the third quarter of fiscal 2018, sales were \$16.24 million, 138% more than in the same quarter last year and the thirteenth quarter in row of higher revenue versus the prior year.

	Q3 FY2018	Q3 FY2017	Change	Q2 FY2018	Change
Sales	\$16.24 m	\$6.81 m	138%	\$11.74 m	38%
Gross profit	\$8.90 m	\$4.48 m	99%	\$5.99 m	49%
Operating Expense	\$7.56 m	\$4.03 m	88%	\$5.08 m	49%
Operating Income ¹	\$1.41 m	\$0.45 m		\$0.91 m	
Net income	\$0.75 m	\$0.28 m		\$0.61 m	
Net earnings per share (fully diluted)	\$0.015	\$0.008		\$0.017	
EBITDA ¹	\$1.90 m	\$0.73 m	160%	\$1.27 m	49%

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 that the results of our third quarter, the first one since our latest acquisition, surpassed our expectations with strong revenue momentum and with EBITDA approaching \$2 million,” said Bill Wignall, President and CEO. “When acquiring a business via a ‘carve-out’, there is always a very significant integration effort. We have now transitioned the CCD customers and have mostly closed down the prior systems to move the business to Sangoma’s infrastructure. To have done so in short order was no small feat, and I’d like to personally thank all the people in the combined company who were involved in making that happen. And I’d also like to express my gratitude to all the CCD staff for a very positive contribution this quarter from the newly acquired business.”

Gross profit of \$8.90 million for the third quarter was double that of the third quarter of fiscal 2017, with gross margin percent at 55% of sales reflecting the addition of the newly acquired customer sales.

Operating expenses were \$7.56 million in the third quarter, up 88% from the same quarter in fiscal 2017, reflecting the addition of the two acquisitions and their associated staffs.

EBITDA was \$1.90 million for the quarter ended March 31, 2018 up 160% from the \$0.73 million in the same quarter of fiscal 2017 and at over 10% of revenue, was above our fiscal 2018 target.

Sangoma generated almost \$2 million in cash from operations in the quarter, boosting an already healthy balance sheet that was also strengthened by the approximately \$12 million from the recent private placement. The company finished the quarter with a cash balance of \$14.03 million and working capital of \$16.40 million.

Outlook for fiscal year 2018

Sangoma's Board of Directors considers that year-to-date performance indicates that we will exceed previously issued guidance. It is now anticipated that revenue for fiscal 2018 will exceed \$55 million, with approximately \$6 million of EBITDA.

Conference Call

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Friday, May 18, 2018 at 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. 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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