



# INVESTOR DECK

December 2023

# Disclaimers

## General

This presentation is property of Sangoma Technologies Corporation (the “Company”, “Sangoma”, “us” or “we”). It cannot be circulated or forwarded without our consent. Any graphs, tables or other information demonstrating our historical performance or that of any other entity contained in this presentation are intended only to illustrate past performance and are not necessarily indicative of our future performance. The information contained in this presentation is accurate only as of the date of this presentation or the date indicated. No securities regulatory authority has expressed an opinion about the securities described herein and it is an offence to claim otherwise. This presentation also contains statistical data and estimates made by independent parties and by us relating to market size, opportunity and growth, as well as other data about our industry, business and customers. This data involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of this data. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk. All service marks, trademarks and trade names appearing in this presentation are the property of their respective owners. Solely for convenience, the trademarks and tradenames referred to in this presentation appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks and tradenames. This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. All references in this presentation to dollars or “\$” are to United States dollars. All references to “C\$” are to Canadian dollars.

## Cautionary Note Regarding Forward-Looking Information

This presentation contains forward-looking statements, including statements regarding the future success of our business, development strategies and future opportunities. Forward-looking statements are provided for the purpose of presenting information about management’s current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements include, but are not limited to, statements relating to expectations of revenue and Adjusted EBITDA, statements relating to expected inventory levels, statements relating to future lease and interest payments, statements relating to the impact of the continuing COVID-19 pandemic, 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. 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 herein include, but are not limited to, risks and uncertainties associated with changes in exchange rate between the Canadian dollar and other currencies (in particular the US dollar), changes in technology, changes in the business climate, changes to macroeconomic conditions, including (i) inflationary pressures and potential recessionary conditions, as well as actions taken by central banks and regulators across the world in an attempt to reduce, curtail and address such pressures and conditions, including any increases in interest rates, and (ii) the effects of adverse developments at financial institutions, including bank failures, that impact general sentiment regarding the stability and liquidity of banks, and the resulting impact on the stability of the global financial markets at large, risks related to the COVID-19 (coronavirus) pandemic and any resurgence thereof, our ability to identify and remediate material weaknesses and significant deficiencies in our internal controls, changes in the regulatory environment, the imposition of tariffs, the decline in the importance of the PSTN (as hereinafter defined), impairment of goodwill and new competitive pressures, and acts of terrorism and war, hostilities and conflicts, including, but not limited to, Russia’s invasion of Ukraine and the current conflict between Israel and Gaza (and associated changes in global trade policies and economic sanctions), and the other risk factors described in our most recently filed Annual Information Form for the fiscal year ended June 30, 2023. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement. Sangoma undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by law.

## Non-IFRS Measures and Industry Metrics

This presentation makes reference to non-IFRS measures, including “Free Cash Flow”, “Adjusted EBITDA” and other key performance indicators used by management and typically used by our competitors in the industry, such as [insert]. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore not necessarily comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures and key performance metrics are used to provide investors with supplemental measures of our operating performance and liquidity and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures, including industry metrics, in the evaluation of companies in our industry. Management also uses non-IFRS measures and industry metrics in order to facilitate operating performance comparisons from period to period, the preparation of annual operating budgets and forecasts and to determine components of executive compensation. Refer to the Appendix to this presentation for reconciliations of certain non-IFRS measures to the most comparable IFRS measure.



# BUSINESS OVERVIEW





**AFFORDABLE &  
RELIABLE**

- Globally recognized for reliability and affordable pricing
- Industry-low churn rates validate customer value proposition
- Opportunities to drive further efficiencies to maintain competitive pricing



**PARTNER  
ECOSYSTEM**

- A wide range of channel partners provides a broad coverage
- High-value partners enable larger deal creation
- Opportunity to enhance reach with larger partners and influencers



**CONSISTENT  
PROFITABILITY**

- Steady transition to a higher Services revenue mix
- Consistent track record of sustained profitability through M&A integration
- Balance sheet remains well positioned with healthy debt servicing metrics



**DIVERSE  
PORTFOLIO**

- Rich portfolio of prem and cloud-based communications capabilities and managed services
- Bundled, a-la-carte, or white labeled as needed through new channel opportunity
- Diversified revenue streams, over time, will support NRR growth



# How we're thinking about the business today...

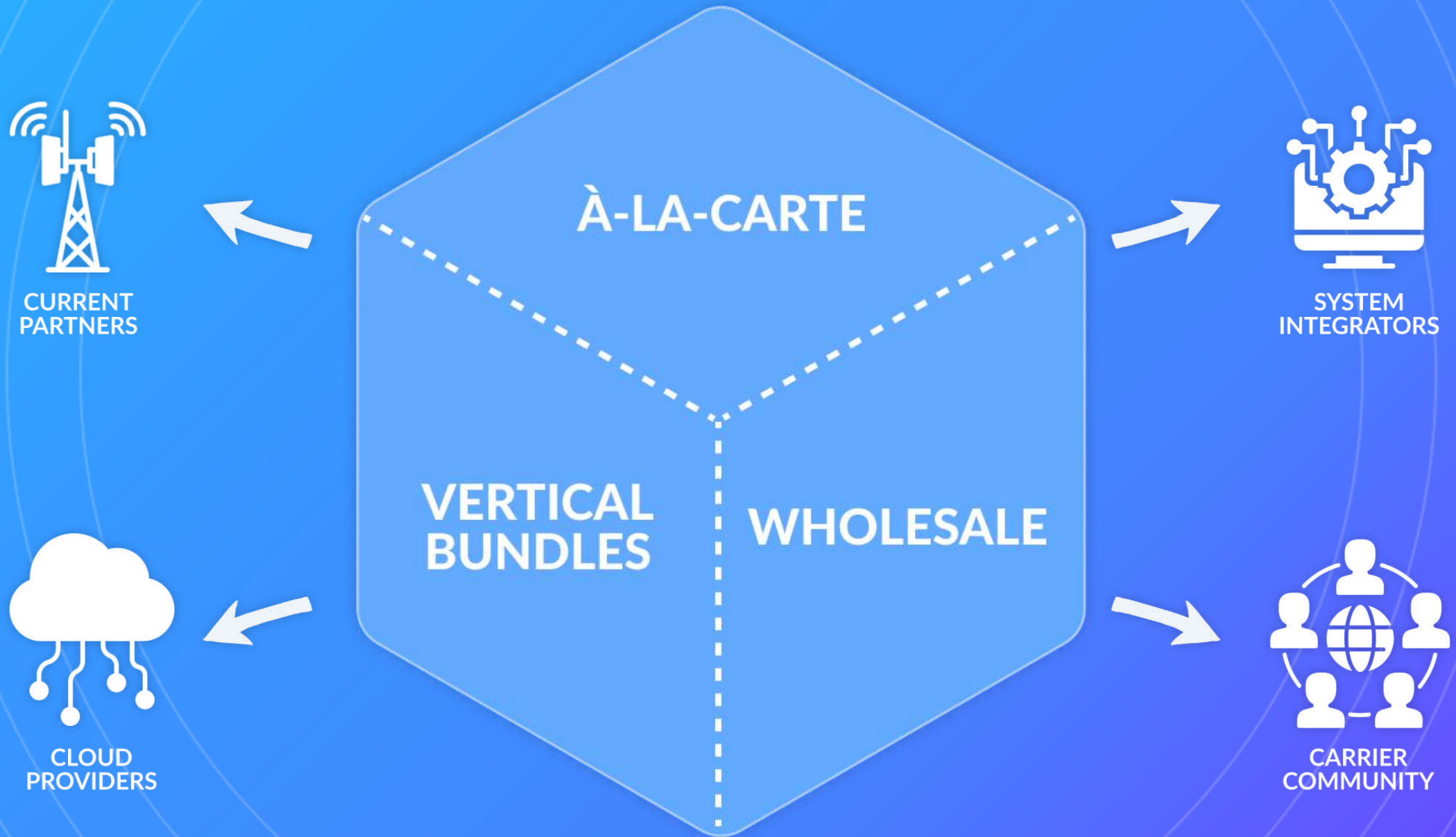




... how we envision it tomorrow ...



... and how we will distribute it to market.



# Opportunities



**EXPAND  
PARTNERS**



**MARKETING &  
BRANDING**



**DIGITAL TRANS-  
FORMATION**



**CONSOLIDATE  
PORTFOLIO**

- Focus on high quality partners and new routes to market
- Drive Pull strategy to end clients to increased inward demand.

- Improve the customer experience having a consistent approach across all of Sangoma's digital assets
- Focus Channel marketing directed to high quality partners – reduction in broad events and committed spends

- Savings through digital transformation, consolidation, and modernization
- CRM nearly fully implemented – rapid move to transformation business processes
- Comprehensive ERP program presales to cash underway

- Opportunities for consolidation and bundling to address needs of the SMB market
- Divest assets not producing
- Consolidating multiple best of breed communication platforms into a singular homogenous platform

**OUTWARD  
FOCUS**

**INWARD  
FOCUS**





# Sangoma's Transformation

Significant effort underway into transforming Sangoma



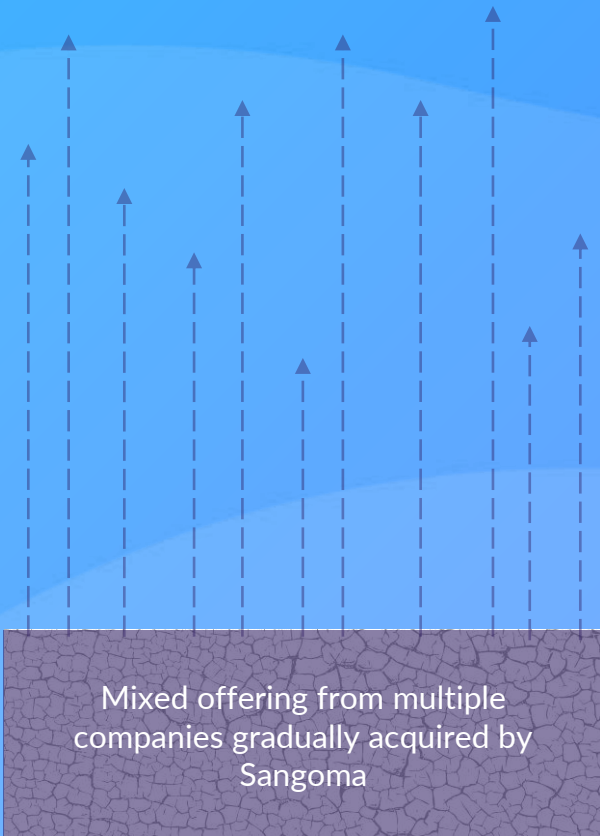
- 13 core workstreams, 30+ sub-workstreams
- ~230 people involved (30% of the organization)



# Aligning Assets to Drive Efficiency

**TODAY**

GTM conflicted by too many products



ALIGN

GTM

**TOMORROW**

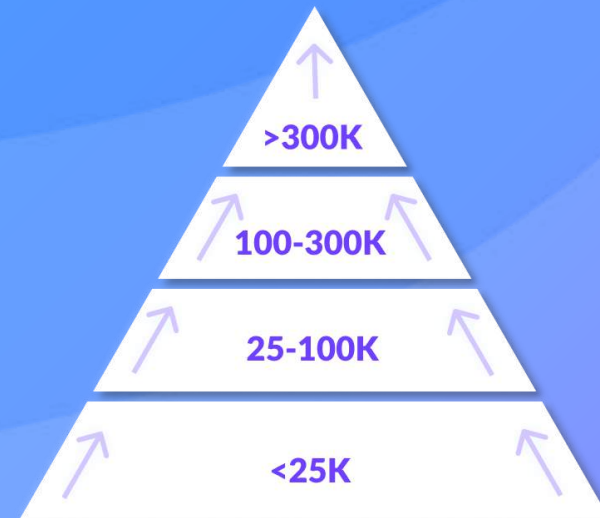
À-LA-CARTE

BUNDLES

WHOLESALE

ACCOUNT

SEGMENTATION



UCaaS

CCaaS

CPaaS

SD WAN

Cyber

Communications products and infrastructure

CONSOLIDATION

PORTFOLIO, PROCESS, PEOPLE

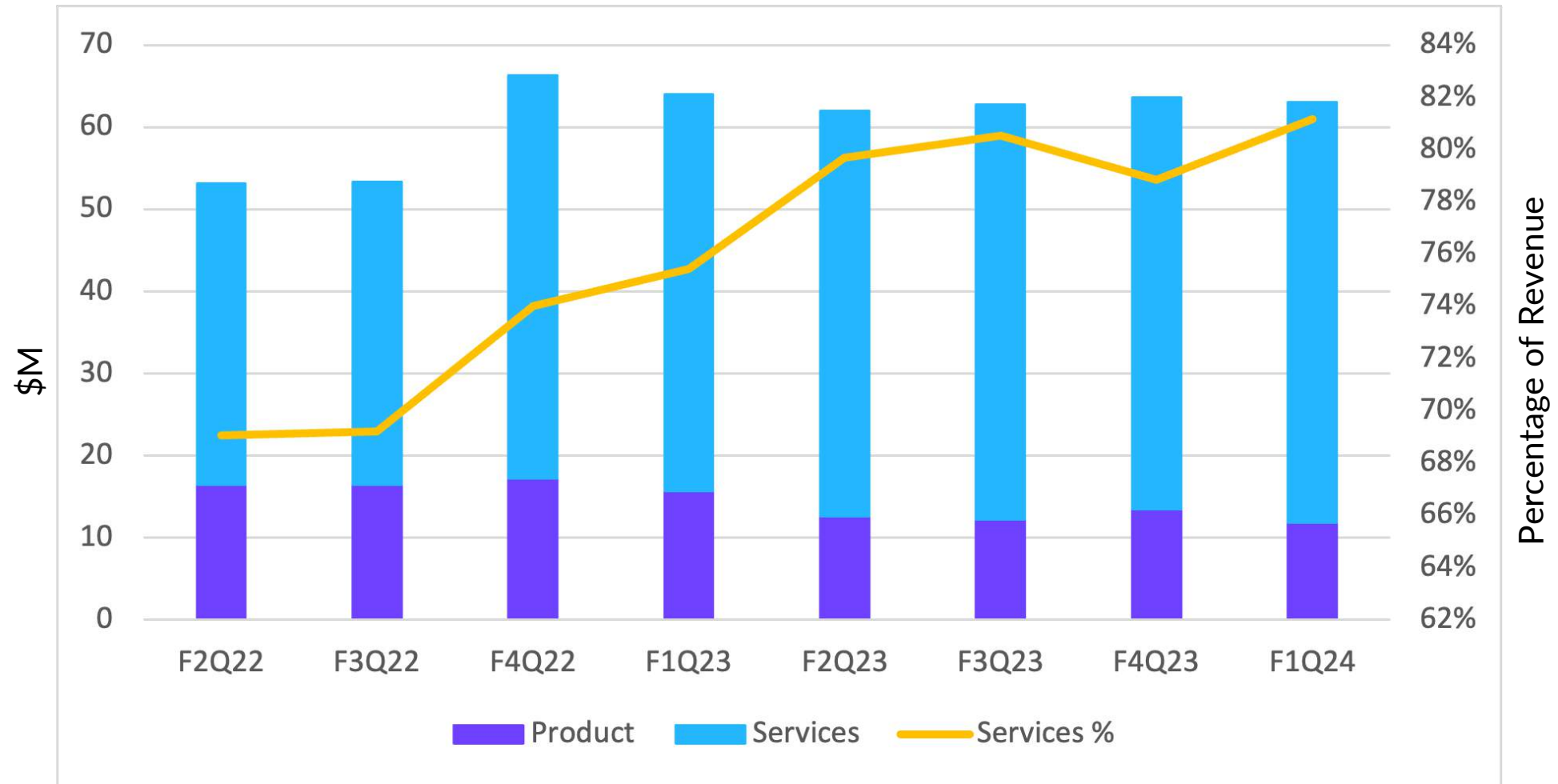
**STRATEGY – PROCESS – STRUCTURE – COMPETENCY**



# FINANCIAL OVERVIEW



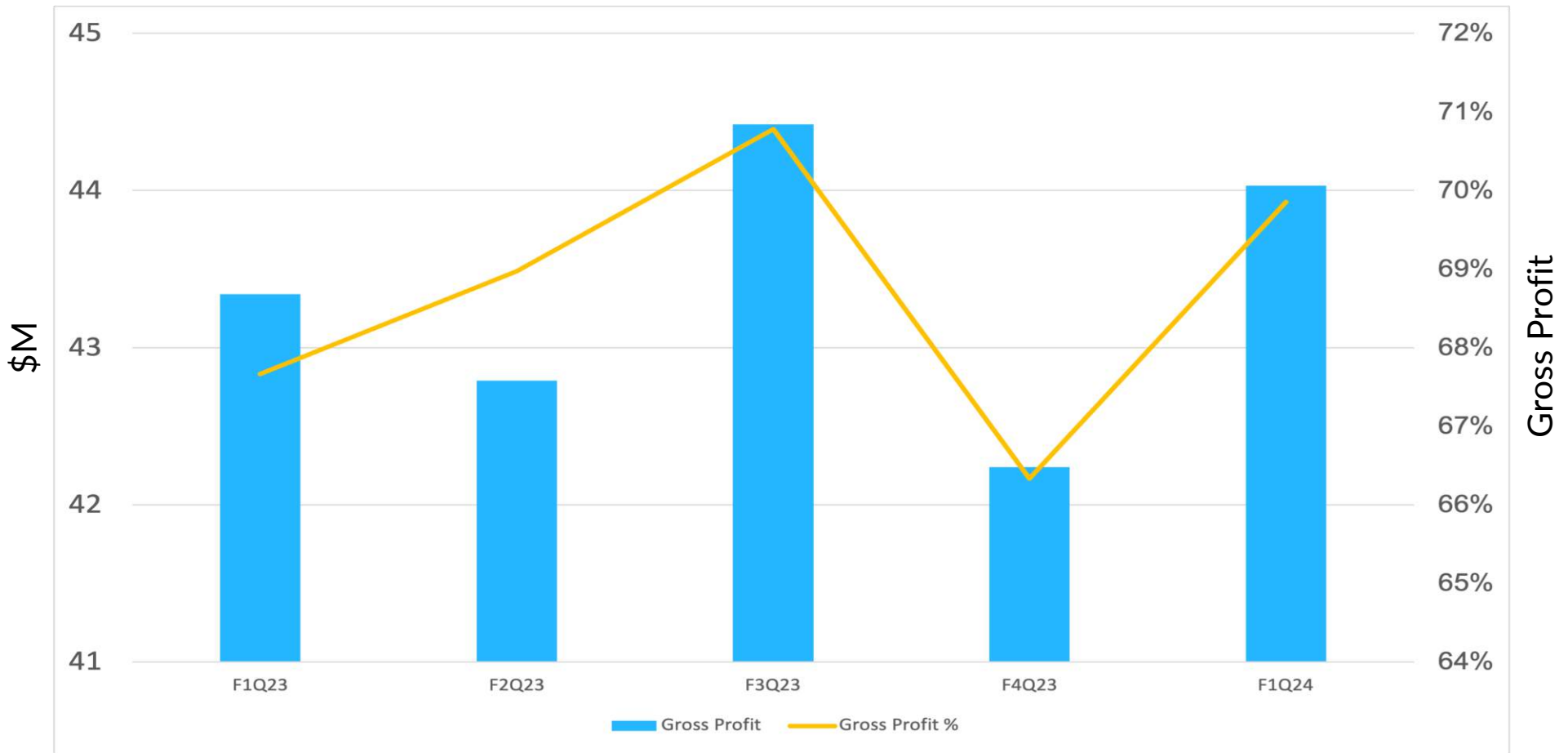
# Revenue Trend



- Top line driven by industry-best product breadth serving the evolving needs of the SMB market.
- Significant opportunity to leverage large SIs, carriers, hyperscalers, and national partners.
- Improve Services revenue marketability through more effective bundling and white-label solutions.



# Gross Profit

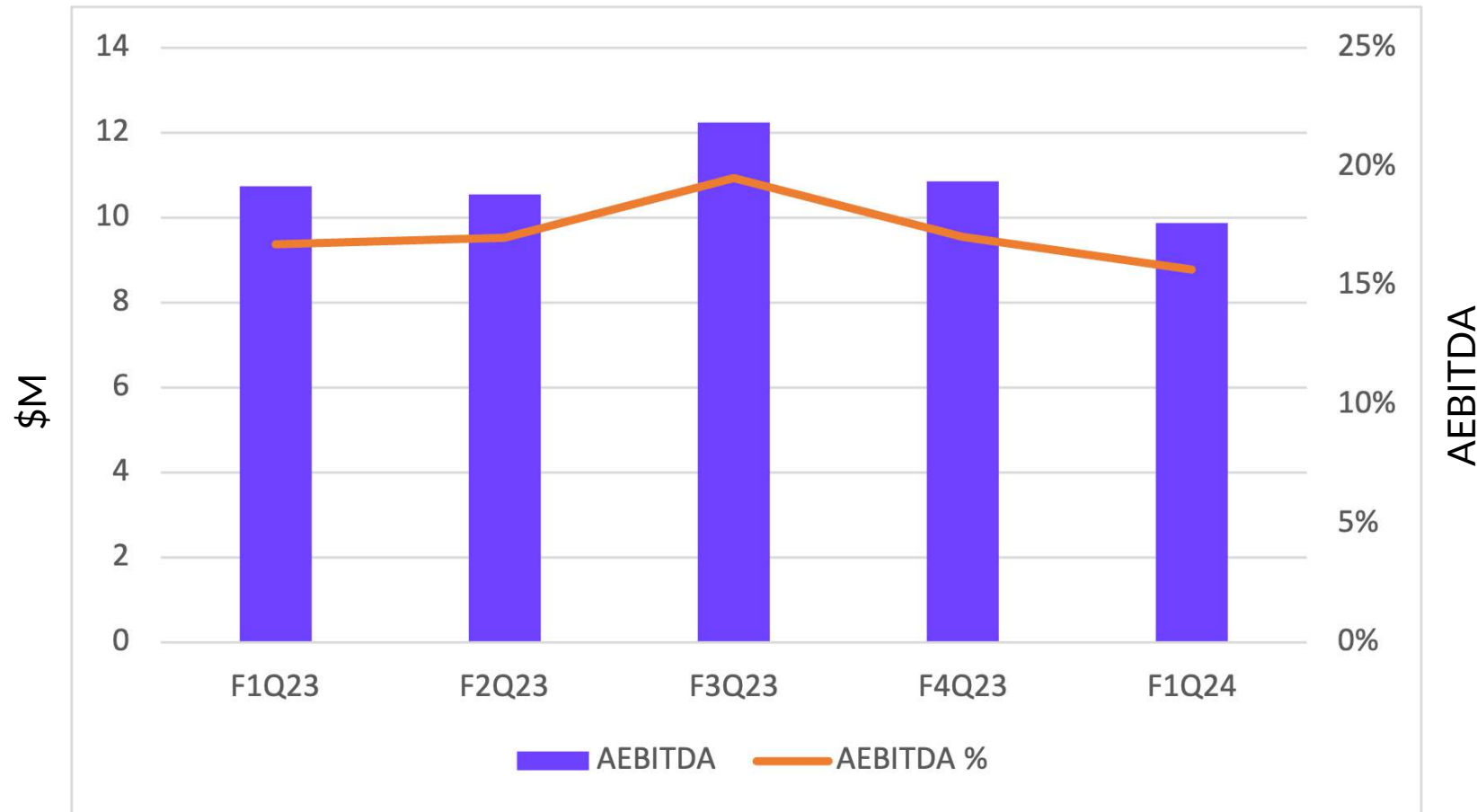


- Steady Services revenue contribution has sustained strong gross margins
- Macro Cloud Services trends provide a favorable long-term tailwind to gross margins





# Adjusted EBITDA \*

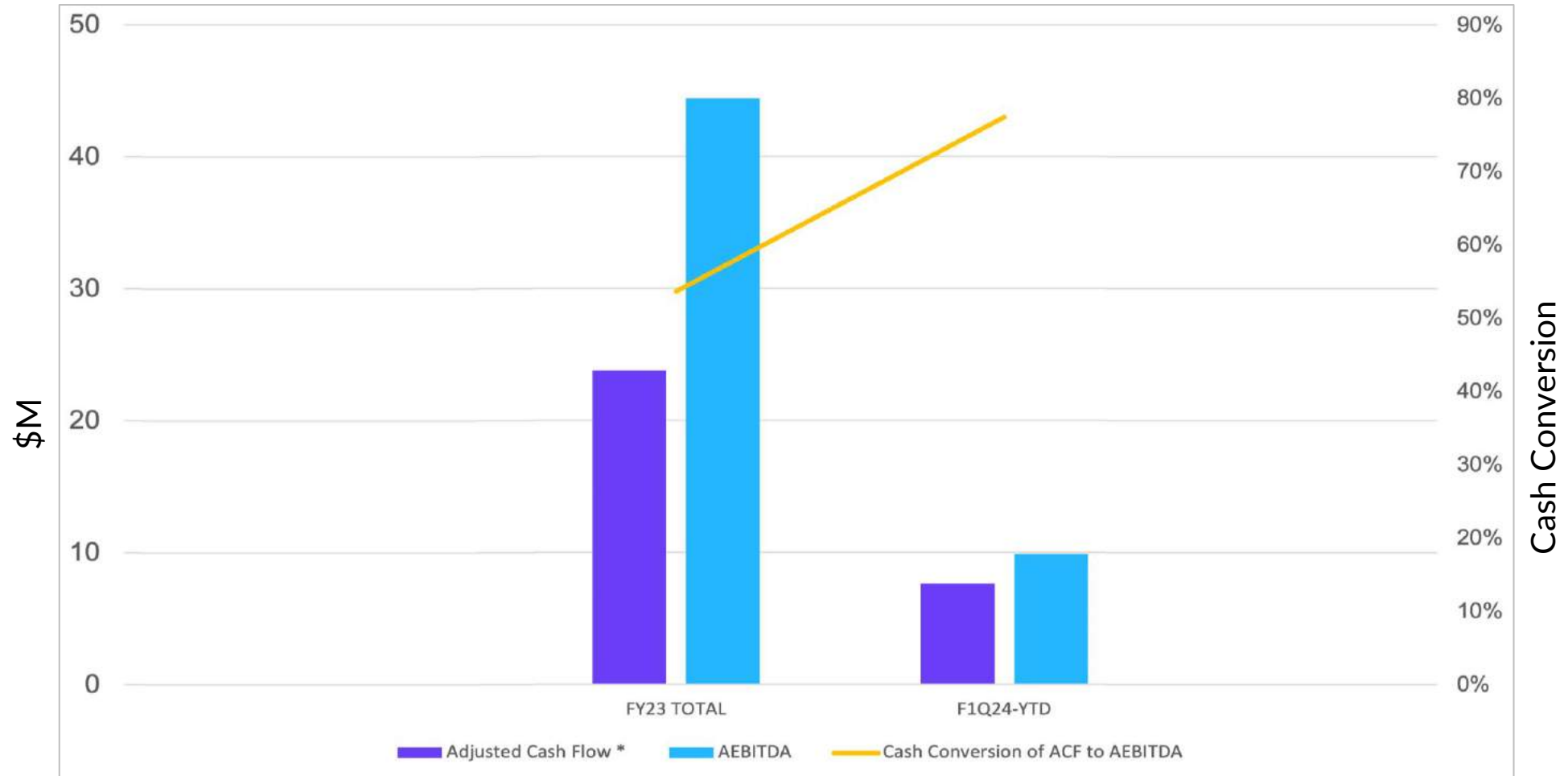


- Consistent track record of sustained profitability through M&A integration
- Evaluating all business segments based on strategic and financial contribution.

\*See "Non-IFRS Measures and Industry Metrics" in the disclaimer and refer to the Appendix to this presentation for details on how we calculate Adjusted EBITDA.



# Cash Conversion



- Strong cash conversion enables comfortable debt service while maintaining a favorable cash position.

\*See "Non-IFRS Measures and Industry Metrics" in the disclaimer and refer to the Appendix to this presentation for details on how we calculate Adjusted Cash Flow.



# Selected Balance Sheet Metrics for F1Q24

USD (in millions)	F1Q23	F2Q23	F3Q23	F4Q23	F1Q24
Cash on hand	\$8.29	\$6.80	\$8.01	\$11.16	\$11.14
Debt and Operating facility	\$100.20	\$98.78	\$96.65	\$100.83	\$96.40
Accounts receivable	\$17.22	\$16.67	\$16.99	\$16.06	\$15.75
Inventory	\$19.07	\$19.30	\$18.65	\$17.97	\$17.89
Accounts payable & accrued liabilities	\$27.63	\$23.82	\$23.54	\$24.08	\$20.14

Complete financial statements, as well as our MD&A, can be found on Sangoma's website at the following address,  
<https://www.sangoma.com/why-sangoma/investor-relations/financials/>



# Financial Market Ratios

All data as of 9/29/23

Shares Outstanding – 33,184,200

Share price CAD – 4.72

Share Price USD – 3.47

<b>Economic Value (EV)</b>	200,554,919
<b>EV to AEBITDA</b>	4.61X
<b>Debt to AEBITDA</b>	2.21X
<b>Net Debt to AEBITDA</b>	1.96X
<b>Price to Sales Ratio</b>	0.46X
<b>Price to AEBITDA Ratio</b>	2.56X
<b>Price to EV Ratio</b>	0.57X



# Executive Management



**Charles Salameh**  
Chief Executive Officer



**Jeremy Wubs**  
Chief Operating Officer



**Larry Stock**  
Chief Financial Officer



**Jamie Minner**  
Chief Revenue Officer



**Sam Reburn**  
Chief Legal Officer



**Roland Silverio**  
Chief People Officer









# Investor Deck Appendix

December 2023

# Adjusted EBITDA Reconciliations

	F1Q24	FY23 - Total	F4Q23	F3Q23	F2Q23	F1Q23
Net Loss	(2,444)	(29,026)	(23,630)	(685)	(2,735)	(1,976)
Tax	(347)	(2,932)	(3,160)	(259)	(371)	858
Interest expense (net)	1,662	6,767	1,891	1,666	1,632	1,578
Share-based compensation	662	3,100	362	541	1,282	915
Depreciation of property and equipment	1,073	4,729	1,095	1,135	1,193	1,306
Depreciation of right-of-use assets	759	3,778	861	939	982	996
Amortization on intangibles	8,361	33,932	8,205	8,572	8,578	8,577
Business acquisition costs	-	-	-	0		
Restructuring and business integration costs	156	2,710	115	2,188	355	52
Exchange listing expense	-	-	-	0		
Federal compliance cost relating to prior year position	-	1,804	1,804	-	-	-
Gain on change in fair value of consideration payable	-	(2,975)	810	(1,854)	(350)	(1,581)
Goodwill Impairment	-	22,507	22,507	0	0	0
<b>Adjusted EBITDA</b>	<b>9.882</b>	<b>44,394</b>	<b>10,860</b>	<b>12,243</b>	<b>10,566</b>	<b>10,725</b>

All amounts are in thousands of United States dollars except where otherwise indicated.



# Adjusted Cash Flow Reconciliations

	FY23 Total	F1Q24
Net cash flows from operating activities	26,487	7,849
Less capitalization of development costs	(7,250)	(1,915)
Interest expense on term loans and operating facility	5,856	1,554
Restructuring and business costs	2,710	156
<b>Adjusted cash flow from operations</b>	<b>27,803</b>	<b>7,644</b>

All amounts are in thousands of United States dollars except where otherwise indicated.

