



NEWS RELEASE

SANGOMA ANNOUNCES FIRST QUARTER FISCAL 2022 RESULTS **Quarterly Revenue Double that of Last Year**

MARKHAM, ONTARIO, November 12, 2021 – Sangoma Technologies Corporation (TSX:STC), a trusted leader in delivering cloud-based Communications as a Service solutions for companies of all sizes, today announced highlights of its unaudited results for the first quarter of fiscal year 2022 ended September 30, 2021.

Sales for the first quarter of fiscal 2022 were a record \$52.48 million, twice that of the same quarter last year and 5% higher than in the last quarter of fiscal 2021. Please note that these results are being presented in United States dollars for the first time, and so all comparable numbers have been converted to US dollars.

US \$M	Q1 FY2022	Q1 FY2021	Change	Q4 FY2021	Change
Sales	\$52.48 m	\$26.22 m	100%	\$50.12 m	5%
Gross profit	\$37.85 m	\$17.31 m	119%	\$35.89 m	5%
Operating expense	\$38.71 m	\$14.77 m	162%	\$37.78 m	2%
Adjusted operating Income ¹ (loss)	(\$0.85) m	\$2.55 m		(\$1.89) m	
Net income (loss)	(\$2.30) m	\$1.58 m		(\$1.29) m	
Net earnings/(loss) per share (fully diluted)	\$(0.073)	\$0.109		\$(0.041)	
Adjusted EBITDA ¹	\$10.09 m	\$4.95 m	104%	\$9.62 m	5%

The Company undertook a seven for one share consolidation on November 2, 2021, so please note that in this press release, as well as the accompanying interim financial statements and MD&A (all of which have been filed on SEDAR), the share count, option count, exercise prices, and earnings per share reflect this share consolidation for all periods reported.

“I am very pleased with our performance in the first quarter,” said Bill Wignall, President and CEO of Sangoma. “Financially, both revenue and adjusted EBITDA were double that of the first quarter in fiscal 21, a testament to the ongoing growth and compounding of our services business. And from a strategic perspective, this was also the quarter in which we completed much of the integration of the Sangoma and Star2Star teams, along with the product portfolios, so that customers can choose from the combined suite of Sangoma offerings. As we have previously indicated, we expect spending as a percentage of revenue, to remain relatively consistent, as we reinvest the synergistic savings from the acquisition to help drive growth. Overall, I see this quarter as a very sound start to the year, one capped off by our up-listing from the Venture exchange to the TSX after quarter-end.”

Gross profit for the first quarter of fiscal 2022 was \$37.85 million, delivering gross margin of 72% of sales, up by 6 points over the 66% in the same quarter last year.

Operating expenses were \$38.71 million for the first fiscal quarter of 2022, up 2% sequentially over the most recent fourth quarter of fiscal 2021. When compared to last year, operating expenses are materially higher primarily because of the addition of the Star2Star teams and the non-cash intangible asset amortization arising from the acquisition.

Adjusted EBITDA¹ was \$10.09 million in the first quarter, more than twice that of last year, and at about 19% of revenue, is consistent with expectations for this point in the fiscal year.

Net loss for the first quarter ended September 30, 2021 was \$2.30 million, which includes the additional non-cash intangible asset amortization, together with \$0.84 million of one-time integration expense which is expected to cover all such costs associated with the Star2Star acquisition.

Sangoma continues to maintain a healthy balance sheet, finishing the quarter with a cash balance of \$19.13 million on September 30, 2021 and remains comfortably within its debt covenants. Adjusted Cash Flow from operations during the first quarter was \$5.16 million, compared to \$3.01 million in the same quarter of fiscal 2021.

Outlook for fiscal year 2022

Based upon these results for the first quarter, Sangoma continues to expect revenue of between \$209 and \$213 million, and Adjusted EBITDA in a range of \$41 to \$43 million, for fiscal 22. The company is not changing its fiscal 2022 guidance.

The above outlook is based on the Company's assessment of many material assumptions, including:

- The continuing recovery of the global economy from the effects of COVID-19
- The successful integration of the Star2Star business
- There is continuing growth in the global UCaaS and cloud communications markets more generally
- Demand and subscriber growth continues for the Company's cloud offerings
- Changes in global exchange rates do not disrupt demand for the Company's Products and Services
- The ability of the Company's customers to continue their business operations without any material impact on their requirements for the Company's Products and Services
- The Company's forecasted revenue from its internal sales teams and via channel partners meets expectations
- There is no material further increase to the Company's cost of goods sold
- The Company's manufacturers and supply chain deliver ongoing quantities of finished products on schedule
- That the Company can continue to secure electronic components and parts to support a largely uninterrupted supply chain
- That the Company is able to attract and keep the employees needed to maintain the current momentum
- The continued ability for the Company's operations employees to work at the Company's internal and outsourced facilities
- Other employees are able to work from home as required without any material impact on productivity

Full first quarter results and conference call

Sangoma will host a conference call on Friday, November 12, 2021 at 7.45 am EST to discuss these 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.

¹ Adjusted Operating Income, Adjusted EBITDA and Adjusted Cash Flow from Operations are metrics used by the Company to monitor its performance and definitions of these terms, as well as other important information on these results, may be found in the accompanying MD&A posted today at www.sedar.com.

About Sangoma Technologies Corporation

Sangoma Technologies is a trusted leader in delivering value-based Communications as a Service (CaaS) solutions for businesses of all sizes. Sangoma's cloud-based Services include Unified Communication (UCaaS) business communications, Contact Center as a Service (CCaaS), Video Meetings as a Service (MaaS), Collaboration as a Service (CollabaaS), Communications Platform as a Service (CPaaS), Trunking as a Service (TaaS), Fax as a Service (FaaS), Device as a Service (DaaS), and Access Control as a Service (ACaaS). In addition, Sangoma offers a full line of communications Products, including premise-based UC systems, a full line of desk phones and headsets, and a complete connectivity suite (gateways/SBCs/telephony cards). Sangoma's products and services are used in leading UC, PBX, IVR, contact center, carrier networks, office productivity, and data communication applications worldwide. Sangoma is also the primary developer and sponsor of Asterisk and FreePBX, the world's two most widely used open source communication software projects.

Sangoma Technologies Corporation is publicly traded on the Toronto Stock Exchange (TSX: 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 (including in respect of IT and security enhancements being implemented in response to the cyber attack), statements relating to expected future production and cash flows, statements relating to the ongoing investigation into and actions being undertaken in response to the cyber attack and the anticipated impact on our business, 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. Such risks and uncertainties include, but are not limited to, the outcome of our ongoing investigation into the cyber attack, costs related to our investigation and any resulting liabilities, our ability to recover any proceeds under our insurance policies, and costs related to and the effectiveness of our mitigation and remediation efforts. 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 its management's discussion and analysis, annual information form and management information circular relating the special meeting to approve the acquisition of StarBlue Inc. (each available on www.sedar.com) include, but are not limited to risks and uncertainties associated with the COVID-19 pandemic, changes in exchange rate between the United States 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 nor its Regulation Services Provider (as that term is defined in policies of the TSX Exchange) accepts responsibility for the adequacy or accuracy of this release.

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