



## NEWS RELEASE

### **SANGOMA REPORTS RESULTS FOR THE FIRST QUARTER OF FISCAL 2018**

*Revenue doubles year-over-year and quarterly EBITDA exceeds \$1 million for the first time*

**MARKHAM, ONTARIO, November 16, 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 first quarter financial results and interim unaudited consolidated financial statements for the first quarter of fiscal 2018, ended September 30, 2017.

For the first quarter of fiscal 2018, sales were a record \$11.85 million, more than double that of the same quarter last year and more than 50% over the immediately preceding quarter.

	<b>Q1 FY2018</b>	<b>Q1 FY2017</b>	<b>Change</b>	<b>Q4 FY2017</b>	<b>Change</b>
Sales	\$11.85 m	\$5.82 m	104%	\$7.68 m	54%
Gross profit	\$6.12 m	\$3.77 m	62%	\$4.93 m	24%
Operating Expense	\$5.37 m	\$3.64 m	48%	\$4.52 m	19%
Operating Income <sup>1</sup>	\$0.75 m	\$0.13 m		\$0.41 m	
Net income	\$0.39 m	\$0.06 m		\$0.17 m	
Net earnings per share (fully diluted)	\$0.011	\$0.002		\$0.005	
EBITDA <sup>1</sup>	\$1.10 m	\$0.42 m	162%	\$0.70 m	57%

<sup>1</sup> 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](http://www.sedar.com).

“Our first quarter results provide a very good start to the year”, said Bill Wignall, President and CEO of Sangoma. “Revenue was strong, augmented by a large one-time order that will not recur next quarter, which helped offset the significant revenue impact of a substantially weakened US dollar and the seasonality exhibited in prior years. It is especially gratifying to see our quarterly EBITDA above \$1 million for the first time. I’m also really pleased with the positive contribution, as anticipated, from the VoIP Supply acquisition completed early in the quarter. I’d like to extend a warm welcome to that great group of talented people in Buffalo, who are now part of the growing Sangoma family.”

Gross profit was \$6.12 million for the first quarter, with gross margin percent at 52%.

Operating expenses were \$5.37 million in the first quarter, up 48% from the same quarter in fiscal 2017, primarily resulting from modest spending increases to support Sangoma's growth and from the acquisition of VoIP Supply.

EBITDA was \$1.10 million for the quarter ended September 30, 2017 up from \$0.42 in the same quarter of fiscal 2017 and also materially above the \$0.70 million earned in the immediately preceding fourth quarter, by over 50%.

Sangoma continues to maintain a healthy balance sheet and finished the quarter with a cash balance of \$3.00 million and working capital of \$4.32 million. Adjusted cash flow from operations was \$1.39 million this quarter, significantly up from the \$0.29 million generated in the first quarter of fiscal 2017.

### **Outlook for fiscal year 2018**

Sangoma's Board of Directors considers that the first quarter results are in line with the guidance already provided, and thus reaffirms forecasted revenue in fiscal 2018 of approximately \$46 million and associated EBITDA of about \$4 million.

### **Conference Call**

President and CEO, Bill Wignall, and CFO, David Moore will host a conference call on Monday November 20, 2017 at 12pm 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](http://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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