



SANGOMA TECHNOLOGIES

A Transformational Acquisition of Digium

Investor Presentation

August 24, 2018

Forward Looking Statements

Statements in this document that are not purely historical, are forward-looking statements regarding the company or management's intentions, hopes, beliefs, expectations and strategies for the future. Because such statements deal with future events, they are subject to various risks and uncertainties, and actual results might differ materially from those projected in the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements are discussed in the accompanying MD&A and in the company's annual audited financial statements. Except as required by law, Sangoma undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change.

Creating Scale & Market Leadership

- » Transformative transaction that creates a market leader in unified communications, allowing us to compete better
- » Provides real scale in a consolidating industry, with around 5 million users, and global scope
- » Combines the world's two largest open-source communication software suppliers, enabling us to better support/nurture those projects/communities



Transaction Terms & Structure

Transaction Summary	<ul style="list-style-type: none">» Acquisition of 100% of outstanding shares of Digium Inc.» Total consideration of US\$28 million
Consideration	<ul style="list-style-type: none">» US\$24.3 million in cash» Approximately 4 million of Sangoma common shares (subject to certain escrow conditions)
Pro Forma Leverage	<ul style="list-style-type: none">» New \$21 million credit facility with a Canadian bank» Total credit facilities to be about \$28 million, of which approximately \$25 million will be outstanding at closing» New credit facility expected to be repaid over 7 years and have an interest rate of 6.00% to 6.50% per annum
Closing Date	<ul style="list-style-type: none">» Excepted to close on August 31, 2018 (subject to customary closing conditions)

Digium Overview



- » Closest peer to Sangoma
- » One of the most recognized and respected brands in our industry
- » Digium is a true pioneer in the communications market, launching the open source segment of telecom
 - » Began with an open source software product, called Asterisk
- » Headquartered in Huntsville, Alabama (tech center), offices in San Diego & Atlanta
- » Founded almost 20 years ago
- » Approximately US\$30 million in revenue and 160 staff (75 engineers)
- » 70% gross margins

Digium Product Portfolio



- » A diversified product portfolio with significant similarities to Sangoma
- » Began with an open source software product called Asterisk, which remains a key asset for Digium
 - » One of two most widely used open-source communication software platforms in the world, along with Sangoma's FreePBX software (FreePBX is an application, not a development tool)
- » Portfolio includes several key product lines:
 - » On premise PBX called Switchvox delivering unified communications
 - » UCaaS (Unified Communications as a Service), with similar services as Sangoma such as SIP Trunks & Hosted PBX
 - » Connectivity products such as telephony cards & gateways
 - » Phones

Strategic Rationale

Highly Strategic, Increasing Scale

- » Increased scale matters a lot to Sangoma, helping unlock shareholder value and enabling multiple expansion
- » Will garner a lot of attention in our industry helping us to better compete for new customer wins
- » Important opportunity to acquire close peer, grow market share and gain competitive advantages

Complementary Products, Channels, Processes

- » Opportunity for optimized product portfolio with complementary strengths (Hosted PBX vs. SIP Trunks)
- » Dramatic acceleration of strategic cloud segment doubles recurring revenue. Recurring revenue equals 35% of sales.
- » Real improvement in channel coverage, significantly expanding reach in the United States
- » Digium invested heavily in advanced process/systems such as lead generation, CRM and marketing automation

Substantial Synergies

- » Significant opportunity for efficiencies between the two businesses
- » E.g. corp expenses (insurance, audit, etc.), duplicated marketing activities, supply chain, data center consolidation, etc.
- » About \$15m in tax NOLs

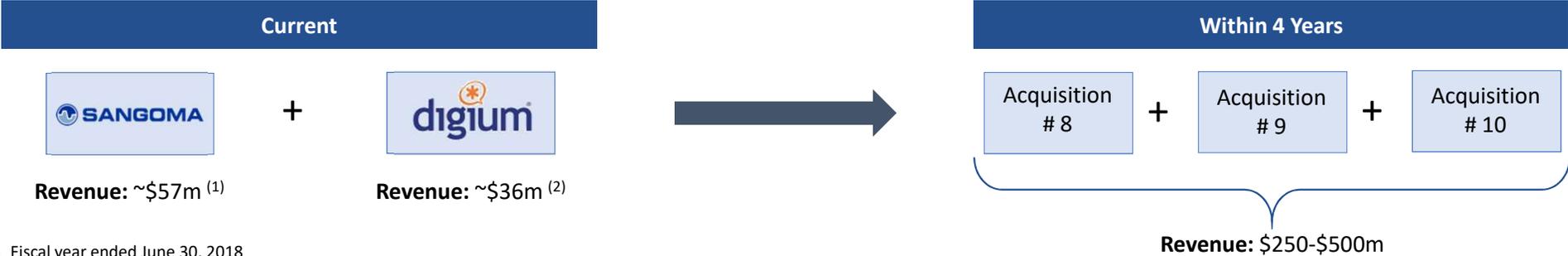
Customers and Channels

- » Customers in over 150 countries, up to 5 million users of the pro forma products
- » Customers of all sizes from SMB, to enterprise/F500 companies, to service providers
 - » Yet no customer concentration, with largest customers representing less than 5% of revenue
- » Go-to-market is now enhanced with an optimized mix of indirect and direct selling
 - » Sangoma has utilized a mix of direct and indirect channel strategies
 - > Larger customers (e.g. service providers, large enterprises, OEM) often prefer to buy directly
 - > Internationally, Sangoma has more market presence and a built-out distribution network, which could help expand the sales of Digium globally
 - » Digium has traditionally utilized an indirect channel model
 - > Rapidly grew their reseller network in North America from 400 to over 4,000 over the last few years, which will significantly help the pro forma company

Products and Technology

- » Great opportunity to optimize product portfolio
 - » Products often target different customer segments or have different market presence
 - » The combined company will be able to select the best technologies in order to enhance its product lines going forward
 - » No more writing the same feature/function twice in two different code bases
- » Cloud segment
 - » The combined entity will leverage the complimentary strength of each company's Cloud customer base
 - » Sangoma has a larger base of SIPtrunking users and Digium has a larger base of UCaaS users
- » Putting Asterisk and FreePBX, the world's two most widely used open source communication platforms under one roof
 - » Great opportunity to offer more products/services to this large user base that we understand/respect
 - » Sangoma is the natural home for Asterisk and the community
- » Telephony cards – undisputed market leader and better price realization
 - » The combined company will be the only serious player in this category around the world
 - » The three former leaders (Sangoma, Dialogic, and Digium) are now under one roof

Sangoma's Long Term Vision



(1) Fiscal year ended June 30, 2018
 (2) Fiscal year ended December 31, 2017 at Fx=1.2

Summary

- » Sangoma has signed a definitive agreement to purchase Digium
 - » Expected to close August 31 subject to regulatory approvals
- » **Transformative transaction** that creates **the market leader** in the enterprise value-based communication segment
 - » Increased scale enables even better success with customer wins
 - » More complete/optimized 'best of breed' product portfolio
 - » Puts the world's two largest open-source communication software platforms under one roof, enabling us to better support/nurture those projects/communities
 - > Base of approximately 5 million users to sell to
 - » Leverages complementary businesses and global channel coverage
 - » Doubles cloud revenue; Accelerates ability to drive more
- » Material financial impact
 - » Efficiencies/synergies and significant tax losses
 - » Enables further M&A and supportive financings
 - » Attracts interest of larger investors and enables multiple expansion



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