

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States of America, its territories, or possession, or the District of Columbia (the “United States”). Accordingly, subject to certain exceptions, these securities may not be offered or sold in the United States and this short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities offered hereby within the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act). See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada except Québec. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Sangoma Technologies Corporation at 100 Renfrew Drive, Suite 100, Markham, Ontario L3R 9R6, which is its head and registered office, telephone (905) 474-1990 extension 4107, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

July 8, 2019



Sangoma Technologies Corporation

\$20,010,500

12,910,000 Common Shares

\$1.55 per Common Share

This short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of 12,910,000 common shares (the “**Common Shares**”) in the capital of Sangoma Technologies Corporation (“**Sangoma**” or the “**Company**”) at a price of \$1.55 per Common Share (the “**Offering Price**”). The Company will use the net proceeds from the sale of the Common Shares as described in this Prospectus. See “Use of Proceeds”.

The Common Shares are being offered and sold pursuant to the terms of an underwriting agreement (the “**Underwriting Agreement**”) dated June 28, 2019 among Sangoma and the Underwriters (as defined below). See “Plan of Distribution”.

	Price to the Public⁽¹⁾	Underwriters’ Fee⁽²⁾	Net Proceeds to Sangoma⁽³⁾⁽⁴⁾
Per Common Share.....	\$1.55	\$0.093	\$1.457
Total Offering	\$20,010,500.00	\$1,200,630.00	\$18,809,870.00

(1) The Offering Price has been determined by negotiations between Acumen Capital Finance Partners Limited and Cormark Securities Inc. (the “**Co-Lead Underwriters**”) and the Company.

(2) In consideration of the services rendered by the Co-Lead Underwriters and INFOR Financial Inc., PI Financial Corp. and Beacon Securities Limited (collectively with the Co-Lead Underwriters, the “**Underwriters**” and each an “**Underwriter**”) in connection with the Offering, Sangoma will pay the Underwriters a fee equal to 6% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option (as defined below)) (the “**Underwriters’ Fee**”).

(3) After deducting the Underwriters’ Fee but before deducting the estimated expenses of \$450,000 relating to the Offering, which Sangoma will pay from the net proceeds of the Offering.

(4) Sangoma has granted to the Underwriters an over-allotment option (the “**Over-Allotment Option**”), exercisable in whole or in part at any time and from time to time until the date that is 30 days from and including the Closing Date (as defined below), to purchase up to an additional

1,936,500 Common Shares on the same terms as set forth above to cover over-allotments, if any, and for market stabilization purposes (for greater clarity, a maximum of 15% of the number of Common Shares sold pursuant to the base Offering may be issued pursuant to the Over-Allotment Option). If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' Fee and net proceeds to Sangoma before deducting estimated expenses of the Offering will be \$23,012,075.00, \$1,380,724.50 and \$21,631,350.50, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Common Shares issuable upon the exercise of the Over-Allotment Option. See "Plan of Distribution".

The following table sets out the maximum number of securities that may be issued by Sangoma to the Underwriters pursuant to the Over-Allotment Option.

	Maximum number of Common Shares available	Exercise Period	Exercise Price
Over-Allotment Option	Up to 1,936,500 Common Shares	Up to and including the 30 th day following the Closing Date	\$1.55 per Common Share

A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless otherwise indicated, all references to "Common Shares" in this Prospectus include any Common Shares issued upon any exercise of the Over-Allotment Option.

The Offering Price was established through arm's length negotiations between the Company and the Co-Lead Underwriters with reference to the prevailing market price of the Common Shares on the TSX Venture Exchange (the "TSXV"). The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by Sangoma and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters by Wildeboer Dellelce LLP on behalf of the Company and by Torys LLP on behalf of the Underwriters. See "Plan of Distribution". In connection with the Offering, the Underwriters may, subject to applicable laws, over-allot or effect transactions intended to stabilize or maintain the market price of the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Common Shares of Sangoma are listed on the TSXV under the symbol "STC". The closing price of the Common Shares of Sangoma on the TSXV on June 21, 2019, the last trading date before the announcement of the Offering, was \$1.66 per Common Share. The Company has received conditional acceptance from the TSXV to list the Common Shares to be distributed under this Prospectus on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

Investing in the Common Shares involves certain risks. The risk factors identified under the heading "Risk Factors" in this Prospectus should be carefully reviewed and evaluated by prospective purchasers before purchasing the securities being offered hereunder.

Owning Common Shares may subject a purchaser to tax consequences. Such tax consequences are not described in this Prospectus. Purchasers should consult their own tax advisors with respect to their own particular circumstances.

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about July 16, 2019 or such later date as the Company and the Underwriters may agree (the "Closing Date") but in any event no later than 42 days after the date of the receipt for this Prospectus. Except in certain limited circumstances, it is expected that the Company will arrange for an instant deposit of the Common Shares to or for the account of the Underwriters with CDS Clearing and Depository Services Inc. ("CDS") on the Closing Date, against payment of the aggregate purchase price for the Common Shares. A purchaser of Common Shares will receive only a customer confirmation from the registered dealer, which is a CDS participant, and from or through which Common Shares are purchased. No certificates will be issued unless specifically requested or required. See "Description of the Securities Being Distributed" and "Plan of Distribution".

The registered and head office of Sangoma is located at 100 Renfrew Drive, Suite 100, Markham, Ontario L3R 9R6.

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS	4
FORWARD-LOOKING STATEMENTS.....	4
DOCUMENTS INCORPORATED BY REFERENCE	5
CLARIFICATION OF CERTAIN INFORMATION IN THE 2018 AIF	6
ELIGIBILITY FOR INVESTMENT	6
MARKETING MATERIALS	6
THE COMPANY	6
SUMMARY DESCRIPTION OF BUSINESS	7
RECENT DEVELOPMENTS.....	8
DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED	9
USE OF PROCEEDS.....	9
CONSOLIDATED CAPITALIZATION	9
MARKET FOR SECURITIES.....	10
PRIOR SALES.....	10
PLAN OF DISTRIBUTION	11
RISK FACTORS.....	14
LEGAL MATTERS	17
AUDITORS.....	17
TRANSFER AGENT AND REGISTRAR	17
PURCHASERS' STATUTORY RIGHTS.....	18
CERTIFICATE OF THE COMPANY.....	C-1
CERTIFICATE OF THE UNDERWRITERS	C-2

ABOUT THIS PROSPECTUS

Readers should rely only on the information contained or incorporated by reference in this Prospectus. Neither Sangoma nor the Underwriters have authorized any person to provide different information. The information contained in this Prospectus is accurate only as of the date of this Prospectus and information contained in any document incorporated by reference herein is accurate only as of the date of that document, regardless of the time of delivery of this Prospectus or of any sale of any Common Shares. Sangoma's business, financial condition, results of operations and prospects may have changed since those respective dates. The Common Shares may be sold only in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of an offer to buy the Common Shares in any jurisdiction where it is unlawful.

Market data and certain industry forecasts used in this Prospectus and the documents incorporated by reference in this Prospectus were obtained from market research, publicly available information and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. Neither Sangoma nor the Underwriters have independently verified such information, and such parties do not make any representation as to the accuracy of such information.

This Prospectus and the documents incorporated herein by reference include references to the Company's trademarks including without limitation Asterisk® and FreePBX®, each of which are protected under applicable intellectual property laws and are the Company's property. The Company's trademarks and trade names referred to in this Prospectus may appear without the ® or ™ symbol, but references to the Company's trademarks and trade names in the absence of such symbols are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. All other trademarks and trade names used in this Prospectus or in documents incorporated herein by reference are the property of their respective owners.

All references in this Prospectus to "dollars" or "\$" are to Canadian dollars unless otherwise noted. The Company's consolidated financial statements incorporated herein by reference have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Sangoma publishes its consolidated financial statements in Canadian dollars.

Unless otherwise noted or the context otherwise requires, all references to "Sangoma", the "Company", "we", "us" and "our" refer to Sangoma Technologies Corporation, its predecessors and subsidiaries.

FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference herein, contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities legislation (collectively, the "forward-looking statements") that may not be based on historical fact, including, without limitation, statements containing the words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect" and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions made by the Company in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as the factors the Company believes are appropriate. Forward-looking statements in this Prospectus include but are not limited to statements relating to the Company's anticipated use of the net proceeds of the Offering, the Company's intentions to identify, evaluate and complete acquisitions, the completion and closing of the Offering and the timing thereof; and anticipated final approval of the TSXV for the listing of the Common Shares.

Such forward-looking statements reflect the Company's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies, many of which, with respect to future events, are subject to change. 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, changes in exchange rate between the Canadian dollar and other currencies (in particular the United States' ("US") dollar), changes in technology, changes in the business climate, changes in the regulatory environment, the imposition of tariffs, the decline in the importance of the Public Switched Telephone Network ("PSTN"), impairment of goodwill and new competitive pressures. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, events or developments, or industry results, to be materially different from any future results, events or developments expressed or implied by such forward-looking statements or information. In evaluating these forward-looking statements, prospective purchasers should specifically consider various factors, including the risks outlined herein under the headings "Risk Factors". Should one or more of these risks or uncertainties or a risk that is not currently known materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those

described herein. These forward-looking statements are made as of the date of this Prospectus or, in the case of documents incorporated by reference in this Prospectus, as of the date of such documents and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to their inherent uncertainty.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of these documents may be obtained on request without charge from the Chief Financial Officer of the Company at 100 Renfrew Drive, Suite 100, Markham, Ontario L3R 9R6, telephone (905) 474-1990 extension 4107, or by accessing the disclosure documents available through the Internet, on the System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed under the Company's profile at www.sedar.com.

The following documents of the Company filed with the securities commissions or similar regulatory authorities in each of the provinces of Canada other than Québec are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form of the Company dated May 30, 2019 for the year ended June 30, 2018 (the "**2018 AIF**") except for the portions modified in the following section;
- (b) the audited consolidated financial statements of the Company for the years ended June 30, 2018 and 2017, together with the notes thereto and the auditors' report thereon (the "**2018 Audited Financial Statements**");
- (c) management's discussion and analysis of the Company for the fiscal year ended June 30, 2018 (the "**2018 Annual MD&A**");
- (d) the unaudited condensed consolidated interim financial statements of the Company for the three months and nine month periods ended March 31, 2019, together with the notes thereto (the "**2019 Q3 Financial Statements**");
- (e) management's discussion and analysis of the Company for the three and nine month periods ended March 31, 2019 (the "**2019 Q3 MD&A**");
- (f) the management information circular of the Company dated November 21, 2018 (the "**2018 Circular**") prepared in connection with the annual meeting of shareholders of the Company held on December 20, 2018;
- (g) the material change report of the Company dated August 31, 2018 prepared in connection with the Company's entering into of a definitive agreement to acquire all the outstanding shares of Digium, Inc.;
- (h) "template version" (as defined in applicable Canadian securities laws) of the term sheet for the Offering dated June 24, 2019; and
- (i) the material change report of the Company dated July 3, 2019 prepared in respect of the Offering.

All documents of the type referred to in the preceding paragraphs (a) to (i), any material change report (other than any confidential material change report) and any business acquisition report subsequently filed by the Company with such securities commissions or similar regulatory authorities in Canada subsequent to the date of this Prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document that also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

CLARIFICATION OF CERTAIN INFORMATION IN THE 2018 AIF

The 2018 AIF, incorporated by reference herein, contains the below noted inadvertent typographical errors with respect to certain information that the Company considers to be material. For the sake of clarity, the Company wishes to provide the correct information in this Prospectus. Under the subheading “Recent Developments” on page 6 of the 2018 AIF, the US dollar equivalent of the value ascribed to the Common Shares issued to shareholders of Digium upon the completion of the Digium Acquisition should state US\$3,700,000 instead of US\$3,700. In respect of the risk factor relating to the Company’s debt contained on page 23 of the 2018 AIF, under clause (iv) the balance drawn against the third Term Loan Facility as of March 31, 2019 should state \$4,990,711 instead of \$5,232,013. In respect of the risk factor relating to the change in the value of the Canadian dollar as compared to currencies of other countries where the Company transacts business contained on page 33 of the 2018 AIF, the estimated negative impact to the Company’s revenue as a result of the Canadian dollar strengthening in Fiscal 2018 compared to the prior fiscal year should state \$2,100,000 instead of \$2,700,000. Defined terms contained in the sections being corrected above have the meanings ascribed to them in the 2018 AIF.

ELIGIBILITY FOR INVESTMENT

In the opinion of Wildeboer Dellelce LLP, counsel to the Company, and Torys LLP, counsel to the Underwriters, provided that the Common Shares are listed on a designated stock exchange (which includes the TSXV), the Common Shares will be a qualified investment under the *Income Tax Act* (Canada) (the “**Tax Act**”) for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered disability savings plan (“**RDSP**”), a deferred profit sharing plan, a registered education savings plan (“**RESP**”) or a tax-free savings account (“**TFSA**”) (each as defined in the Tax Act).

Notwithstanding the foregoing, if the Common Shares are a “prohibited investment” (as defined in the Tax Act) for a particular RRSP, RRIF, RESP, RDSP or TFSA, the annuitant of the RRSP or RRIF, the subscriber of the RESP or the holder of the RDSP or TFSA, as the case may be, will be subject to a penalty tax under the Tax Act. The Common Shares generally will not be a prohibited investment for these purposes provided that the annuitant of the RRSP or RRIF, the subscriber of the RESP or the holder of the RDSP or TFSA, as the case may be, (i) deals at arm’s length with the Company for purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in the Tax Act) in the Company. In addition, the Common Shares generally will not be a “prohibited investment” for a RRSP, RRIF, RESP, RDSP or TFSA if the Common Shares are “excluded property” (as defined in the Tax Act). Potential investors should consult their own tax advisors regarding whether the Common Shares would be a prohibited investment for their RRSP, RRIF, RDSP, RESP or TFSA in their particular circumstances.

MARKETING MATERIALS

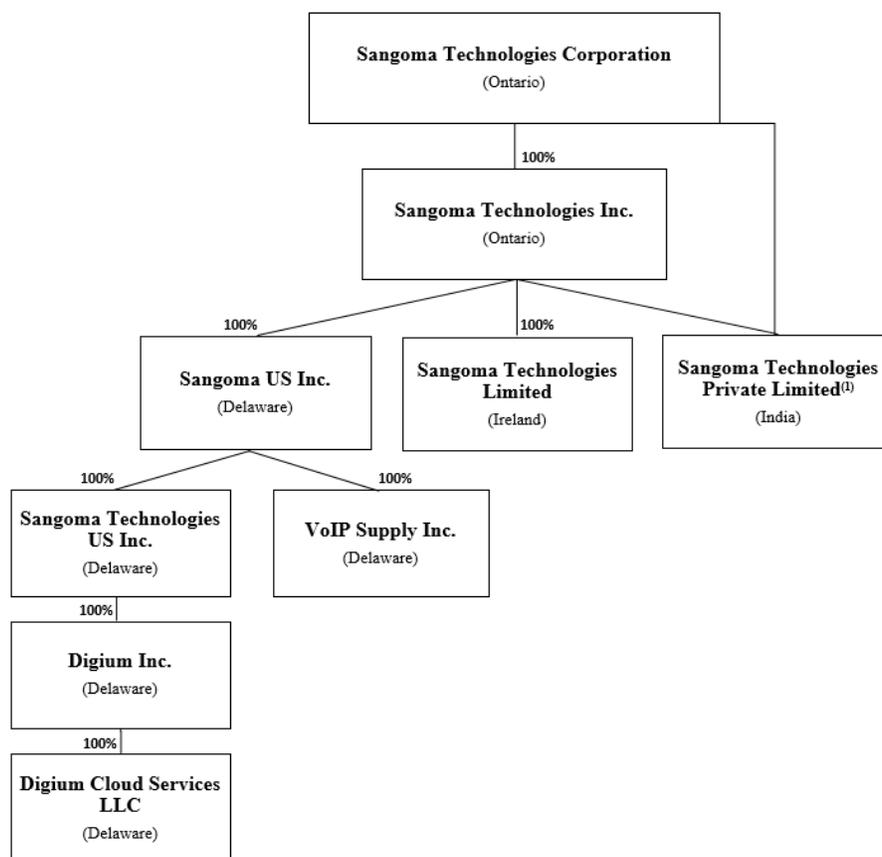
Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that is used by the Underwriters in connection with the Offering does not form a part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials that has been, or will be, filed under Sangoma’s profile on SEDAR at www.sedar.com after the date of the final short form prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this Prospectus.

THE COMPANY

The full corporate name of the Company is “Sangoma Technologies Corporation”. The Company was formed on July 1, 2001 by way of an a vertical short-form amalgamation among Sangoma.com Inc. and 1056574 Ontario Limited and 883750 Ontario Limited, each, a wholly-owned subsidiary of Sangoma.com Inc., pursuant to the *Business Corporations Act* (Ontario) (the “**Amalgamation**”). Pursuant to the Amalgamation, all of the shares in the capital of Sangoma.com Inc. converted into shares in the capital of the amalgamated corporation, then named “Sangoma.com Inc.” Subsequently, on October 18, 2001, the Company changed its name to “Sangoma Technologies Corporation”.

The registered and head office of Sangoma is located at 100 Renfrew Drive, Suite 100, Markham, Ontario L3R 9R6. The Company’s website address is: www.sangoma.com. The information on Sangoma’s website is not incorporated by reference in this Prospectus.

The following chart outlines Sangoma’s corporate structure and identifies the jurisdictions of each of the Company’s material subsidiaries as at the date of this Prospectus.



Notes:

- (1) 99% ownership interest held by Sangoma Technologies Inc., with remaining 1% ownership interest held by the Company.

SUMMARY DESCRIPTION OF BUSINESS

Sangoma is a publicly-listed corporation offering a complete range of value-based Unified Communications (“UC”) and UC as a Service (“UCaaS”) solutions for small to medium-sized businesses (“SMBs”), enterprises, original equipment manufacturers (“OEMs”), carriers and services providers. Sangoma’s globally scalable offerings include both On-premise and Cloud UC solutions, telephony services and industry leading Voice over IP (“VoIP”) solutions (such as internet protocol (“IP Phones”), as well as desktop and mobile UC clients), which together provide seamless connectivity between traditional infrastructure and new technologies.

As the enterprise communications landscape continues to grow in complexity, with more devices, networks, Clouds, and systems needing to interoperate, the Company’s solutions and services enable its customers, ranging from service providers, carriers, OEMs, and enterprises (from small to large) to leverage their existing infrastructure for maximum financial return, while still delivering the most advanced applications and services from the latest available technologies.

Sangoma’s solutions and services enable customers to upgrade and enhance their communications environments at their own pace, whether in the Cloud or On-premise. This allows the Company’s customers to continue to utilize their existing communications infrastructure, if they wish, and gives them the flexibility to choose from the Company’s solutions, based on current technology, that best address their individual business needs. Sangoma complements its communications solutions with support and professional services for the Company’s customers that range from planning and design through to implementation.

As a result of both of Sangoma's organic development and its acquisition activity, the Company believes that it is uniquely positioned to offer global customers a comprehensive portfolio of complementary and interoperable UC solutions for enterprises.

Sangoma is the primary developer and sponsor of Asterisk®, a widely used open source software for developing communication applications, and FreePBX®, a widely used open source PBX software, which together create an ecosystem of approximately over two million users of the Company's open source software, with an average of approximately 50,000 new installations per month.

The Company's open source software is provided free of charge, which the Company then leverages to offer revenue-generating products and services that add greater value to the Asterisk® or FreePBX® software that users have downloaded. The types of revenue-generating products and services that the Company offers include optional software add-ons modules, IP phones, Session Initiation Protocol ("SIP") trunking, Cloud-based fax, training, technical support, maintenance, PSTN cards, VoIP gateways, Session Border Controllers, and commercial licenses of the open source software they have downloaded. In addition to the Company's open source ecosystem, Sangoma also offers commercial UC solutions such as Switchvox® (available in the Cloud and On-premise), PBXact, IP Phones, UC client solutions (desktop and mobile), SIP trunking, Fax over IP service, training, technical support and maintenance as well as telephony cards, gateways and session border controllers associated with network connectivity.

RECENT DEVELOPMENTS

On September 5, 2018, Sangoma, through its indirect, wholly-owned subsidiary, Sangoma Technologies US Inc., acquired all of the issued and outstanding shares in the capital of Digium, Inc. ("**Digium**") pursuant to an amalgamation between Digium and a wholly-owned subsidiary of Sangoma Technologies US Inc., wherein Digium, Inc. was the surviving corporation in accordance with an agreement and plan of merger dated August 23, 2018, as amended (the "**Agreement and Plan of Merger**"). The aggregate consideration for the transaction was \$35,434,804 (US\$26,875,088) (the "**Digium Acquisition**") comprised of \$30,566,714 (US\$23,175,088) in cash after an initial working capital adjustment and the issuance of 3,943,041 Common Shares valued at \$4,868,090 (US\$3,700,000) based on a price of \$1.24 (US\$0.938) per Common Share. See Note 17 to the 2019 Q3 Financial Statements. Additionally, pursuant to the Agreement and Plan of Merger the following funds and Common Shares were placed into escrow pursuant to the escrow arrangements outlined below upon closing of the Digium Acquisition:

- (a) 1,691,074 Common Shares and US\$113,154.70 of cash were placed into a working capital escrow fund to be released after the final determination of the working capital in accordance with the Agreement and Plan of Merger. On March 1, 2019, Sangoma and the shareholders' representative, who was appointed to such role by Digium and its former shareholders, agreed to release 253,930 Common Shares and US\$15,797.60 to Sangoma as an agreed adjustment to the final net working capital in accordance with the Agreement and Plan of Merger, all of which Common Shares were subsequently cancelled. The remainder of the Common Shares and cash in escrow were released to the shareholders and former option holders of Digium in accordance with the Agreement and Plan of Merger; and
- (b) 1,989,499 Common Shares and US\$131,727.89 of cash were placed into an indemnification escrow fund to be released 16 months from the closing date of the Digium Acquisition in accordance with the Agreement and Plan of Merger if there were no claims for indemnification. On April 1, 2019, Sangoma and the shareholders' representative agreed to release 20,852 Common Shares and US\$1,395.29 to Sangoma in connection with certain employer tax payable by Digium, all of which Common Shares were subsequently cancelled.

The Digium Acquisition broadened Sangoma's suite of UC solutions to include Switchvox® to accelerate Sangoma's Cloud revenue, enabled the Company to leverage Digium's well developed channel in the US, strengthened Sangoma's engineering capabilities and overall employment talent and enabled the Company to acquire Asterisk® which, combined with FreePBX® creates an ecosystem of over approximately two million users of the Company's open source software, with an average of approximately 50,000 new installations per month. The Company intends to leverage its open source ecosystem to offer revenue-generating products and services beyond those products open source users have downloaded.

Contemporaneously with the closing of the Digium Acquisition, Sangoma drew down \$20,748,027 of additional new debt from its existing lender to pay a portion of the cash consideration required for the Digium Acquisition. See Note 19 to the 2018 Audited Financial Statements.

In connection with the integration of the Digium Acquisition, Sangoma is currently integrating and consolidating its supply chain operations to be based in Markham, Ontario with third party logistics providers in Ontario and the Netherlands as well as consolidating the Company's contract manufacturing relationships to improve efficiencies and economies of scale.

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

The Company is authorized to issue an unlimited number of Common Shares. As of the date of this Prospectus, there were 52,962,090 Common Shares issued and outstanding. A summary of the material attributes and characteristics of the Common Shares is provided in the 2018 AIF under the heading "Description of Capital Structure".

USE OF PROCEEDS

The net proceeds to the Company from the Offering, after deducting the Underwriters' Fee and expenses of the Offering, are estimated to be approximately \$18,359,870 (\$21,181,350.50 if the Over-Allotment Option is exercised in full). The Company will bear the expenses of the Offering which are estimated to be approximately \$450,000.

The Company intends to allocate the net proceeds from the Offering for future acquisitions, debt reduction and for general corporate purposes, with substantially all of the net proceeds initially being allocated for future acquisitions (the "Acquisition Funds"). At any given time, the Company may be engaged in discussions and activities in respect of potential acquisitions and while, as of the date of this Prospectus, the Company has identified and is evaluating certain potential acquisition targets, discussions with such targets are of a preliminary nature only and none of such potential acquisitions are "probable" or "significant" within the meaning of applicable Canadian securities laws. The Company has not executed any agreements to acquire any business and there can be no assurances that any such agreement will be entered into. The Company believes it to be in its best interests to have access to capital if, and when, acquisition opportunities arise. As such, given continuing favourable market conditions, the Company believes it is an opportune time to complete the Offering in order to increase the Company's cash on hand. Given that the Company identifies and evaluates potential acquisition opportunities on an ongoing basis, in the event the Company determines that such opportunities may be limited, the Company may from time to time reallocate a portion of the Acquisition Funds primarily for the purpose of debt reduction with the remainder for general corporate purposes having regard to the Company's circumstances at the relevant time. Additionally, if a portion of the Acquisition Funds are reallocated for the purpose of debt reduction, the Company will determine which particular indebtedness will be reduced at the relevant time having regard to the Company's circumstances.

Although the Company intends to use the net proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons that are dependent on a number of factors, a reallocation of funds may be deemed prudent or necessary, and may vary materially from that set forth above. See "Risk Factors".

CONSOLIDATED CAPITALIZATION

Other than as contemplated by the Offering, there have not been any material changes in the share or loan capital of the Company since March 31, 2019, the date of Sangoma's most recently filed condensed consolidated interim financial statements. The following table sets forth the consolidated capitalization of Sangoma: (i) as at March 31, 2019; and (ii) as at March 31, 2019, after giving effect to the Offering (assuming the Over-Allotment Option is not exercised). The table below should be read in conjunction with the 2019 Q3 Financial Statements.

As at March 31, 2019

Designation	Authorized	Actual	As Adjusted for the Offering
Share Capital	Unlimited Common Shares	\$34,857,145	\$53,217,015 ⁽¹⁾
		(51,617,901 Common Shares)	(64,527,901 Common Shares) ⁽²⁾
Loan Capital	-	\$23,989,961	\$23,989,961

Notes:

- (1) After deduction of the Underwriters' Fee and payment of the estimated expenses of \$450,000 relating to the Offering on a pre-tax basis.
- (2) Assumes that the Over-Allotment Option is not exercised. If the Over-Allotment Option is exercised in full, 66,464,401 Common Shares will be issued and outstanding following closing of the Offering.

MARKET FOR SECURITIES

The outstanding Common Shares trade on the TSXV under the symbol “STC”. On July 5, 2019, the last day of trading prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$1.56. The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the TSXV. The information presented below should not be viewed as an indication that the market price of the Common Shares will continue at such levels.

Month	Price per Common Share		Total Volume
	High	Low	
July 1 – 5, 2019	\$1.59	\$1.54	126,139
June, 2019	\$1.70	\$1.49	3,243,145
May 2019	\$1.76	\$1.51	1,124,272
April 2019	\$1.76	\$1.47	1,437,419
March 2019	\$1.64	\$1.42	842,952
February 2019	\$1.84	\$1.28	3,966,067
January 2019	\$1.29	\$1.10	1,096,284
December 2018	\$1.40	\$1.06	714,984
November 2018	\$1.34	\$1.20	1,266,974
October 2018	\$1.44	\$1.15	1,987,611
September 2018	\$1.27	\$1.10	2,919,703
August 2018	\$1.28	\$1.02	1,565,009
July 2018	\$1.23	\$1.11	714,608

PRIOR SALES

The following table summarizes the Common Shares or securities convertible into or exercisable for Common Shares, that have been issued by the Company during the 12 months prior to the date of this Prospectus:

Date of Issuance	Number of Securities Issued	Securities Issued	Price Per Common Share / Exercise Price
June 28, 2019	376	Common Shares ⁽¹⁾	\$0.30
June 28, 2019	938	Common Shares ⁽¹⁾	\$0.69
June 25, 2019	135,000	Common Shares ⁽¹⁾	\$0.35
June 24, 2019	47	Common Shares ⁽¹⁾	\$0.30
June 20, 2019	50,000	Common Shares ⁽¹⁾	\$0.35
June 18, 2019	28,125	Common Shares ⁽¹⁾	\$0.35
June 17, 2019	17,404	Common Shares ⁽¹⁾	\$0.35
June 14, 2019	221,854	Common Shares ⁽¹⁾	\$0.35
June 14, 2019	579	Common Shares ⁽¹⁾	\$0.30
June 13, 2019	1,000	Common Shares ⁽¹⁾	\$0.35
June 12, 2019	22,027	Common Shares ⁽¹⁾	\$0.35
June 11, 2019	1,000	Common Shares ⁽¹⁾	\$0.35
June 10, 2019	1,000	Common Shares ⁽¹⁾	\$0.35
June 7, 2019	26,093	Common Shares ⁽¹⁾	\$0.35
June 6, 2019	44,122	Common Shares ⁽¹⁾	\$0.35
June 5, 2019	1,938	Common Shares ⁽¹⁾	\$0.35
June 3, 2019	597,827	Common Shares ⁽¹⁾	\$0.35
May 31, 2019	25,000	Common Shares ⁽¹⁾	\$0.35
May 30, 2019	20,014	Common Shares ⁽¹⁾	\$0.35
May 30, 2019	220,000	Stock Options ⁽²⁾	\$1.60
May 23, 2019	137,949	Common Shares ⁽³⁾	\$1.00
May 14, 2019	137,949	Common Shares ⁽³⁾	\$1.00
May 10, 2019	13,408	Common Shares ⁽¹⁾	\$0.30
May 8, 2019	30,742	Common Shares ⁽¹⁾	\$0.30

Date of Issuance	Number of Securities Issued	Securities Issued	Price Per Common Share / Exercise Price
May 7, 2019	34,800	Common Shares ⁽¹⁾	\$0.30
May 6, 2019	1,200	Common Shares ⁽¹⁾	\$0.30
May 2, 2019	15,500	Common Shares ⁽¹⁾	\$0.30
April 29, 2019	1,796	Common Shares ⁽¹⁾	\$0.35
April 18, 2019	40,467	Common Shares ⁽¹⁾	\$0.30
April 18, 2019	4,454	Common Shares ⁽¹⁾	\$0.69
April 15, 2019	6,362	Common Shares ⁽¹⁾	\$0.30
March 28, 2019	12,273	Common Shares ⁽¹⁾	\$0.35
March 26, 2019	12,202	Common Shares ⁽¹⁾	\$0.35
March 25, 2019	2,000	Common Shares ⁽¹⁾	\$0.30
March 22, 2019	1,600	Common Shares ⁽¹⁾	\$0.35
March 18, 2019	7,025	Common Shares ⁽¹⁾	\$0.35
March 15, 2019	2,072	Common Shares ⁽¹⁾	\$0.35
March 14, 2019	5,300	Common Shares ⁽¹⁾	\$0.35
March 13, 2019	1,606	Common Shares ⁽¹⁾	\$0.35
March 11, 2019	2,692	Common Shares ⁽¹⁾	\$0.28
March 11, 2019	532	Common Shares ⁽¹⁾	\$0.30
March 6, 2019	1,900	Common Shares ⁽¹⁾	\$0.30
March 4, 2019	10,000	Common Shares ⁽¹⁾	\$0.30
February 26, 2019	28,900	Common Shares ⁽¹⁾	\$0.30
February 20, 2019	3,700	Common Shares ⁽¹⁾	\$0.30
February 19, 2019	140	Common Shares ⁽¹⁾	\$0.35
February 19, 2019	8,474	Common Shares ⁽¹⁾	\$0.30
February 19, 2019	2,500	Common Shares ⁽¹⁾	\$0.69
February 14, 2019	16,948	Common Shares ⁽³⁾	\$1.00
December 27, 2018	1,448,000	Stock Options ⁽²⁾	\$1.16
December 6, 2018	12,110	Common Shares ⁽¹⁾	\$0.30
December 3, 2018	25,000	Common Shares ⁽¹⁾	\$0.35
October 25, 2018	9,780	Common Shares ⁽¹⁾	\$0.35
October 24, 2018	564	Common Shares ⁽¹⁾	\$0.30
September 25, 2018	1,000	Common Shares ⁽¹⁾	\$0.35
September 5, 2018	3,943,041	Common Shares ⁽⁴⁾	\$1.24
August 16, 2018	2,186	Common Shares ⁽¹⁾	\$0.30
August 16, 2018	1,000	Common Shares ⁽¹⁾	\$0.35
August 15, 2018	3,601	Common Shares ⁽¹⁾	\$0.35
July 25, 2018	39,337	Common Shares ⁽³⁾	\$1.00

Notes:

- (1) Issued upon exercise of options granted under the Company's stock option plan.
- (2) Issued to certain officers and employees of the Company, pursuant to the Company's stock option plan.
- (3) Issued upon exercise of broker warrants granted in connection with the private placement offering of Common Shares completed by the Company on March 15, 2018.
- (4) Issued in connection with the Digium Acquisition, of which 253,930 Common Shares were subsequently returned to the Company for cancellation on March 1, 2019 as an adjustment to the final net working capital. 20,852 Common Shares were returned to the Company for cancellation on April 1, 2019 in respect of certain employer tax payable by Digium, and 1,968,647 Common Shares continue to be held in escrow, all in accordance with the Agreement and Plan of Merger.

PLAN OF DISTRIBUTION

Under the terms of the Underwriting Agreement, the Company has agreed to sell, and the Underwriters have severally (not jointly and not jointly and severally) agreed to purchase from the Company, on the Closing Date, subject to the terms and conditions contained in the Underwriting Agreement, 12,910,000 Common Shares at the Offering Price, payable in cash to the Company against delivery of the Common Shares. The Offering Price was determined by arm's length negotiations among the Company and the Co-Lead Underwriters with reference to the prevailing market price of the Common Shares on the TSXV. The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by Sangoma and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement.

The obligations of the Underwriters under the Underwriting Agreement are several, and not joint, nor joint and several, and may be terminated at their discretion on the basis of customary “litigation and regulatory out”, “disaster out”, “due diligence out”, “material change out” and “breach out” termination rights or may also be terminated upon the occurrence of certain stated events that would in the reasonable opinion of the Underwriters, operate to prevent, restrict or otherwise materially adversely affect or restrict the distribution or trading of the Common Shares. The Underwriters are, however, obligated to take up and pay for all of the Common Shares if any of the Common Shares are purchased under the Underwriting Agreement.

The Company has granted the Over-Allotment Option to the Underwriters, which is exercisable in whole or in part at any time and from time to time until the date that is 30 days from and including the Closing Date, to purchase up to an additional 1,936,500 Common Shares, on the same terms as set forth above to cover over-allotments, if any, and for market stabilization purposes. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Common Shares on the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters’ over-allocation position acquires those Common Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Underwriters propose to offer the Offered Shares initially at the Offering Price. After a reasonable effort has been made to sell all of the Offered Shares at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Offered Shares remaining unsold. In the event the offering price of the Offered Shares is reduced, the compensation received by the Underwriters will be decreased by the amount the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Corporation for the Offered Shares. Any such reduction will not affect the proceeds received by the Corporation.

Pursuant to the Underwriting Agreement, the Company has agreed to indemnify the Underwriters and their respective partners, directors, officers, employees and agents against certain liabilities, including liabilities under applicable Canadian securities legislation under certain circumstances, and expenses and to contribute to payments that the Underwriters may be required to make in respect thereof.

The expenses of the Offering, not including the Underwriters’ Fee, are estimated to be \$450,000 and are payable by the Company. In consideration for the services provided by the Underwriters in connection with the Offering, and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters the aggregate Underwriters’ Fee of \$1,200,630.00 (\$0.093 per Common Share or 6% of the gross proceeds, assuming no exercise of the Over-Allotment Option). If the Over-Allotment Option is exercised in full, the aggregate Underwriters’ Fee will be \$1,380,724.50.

The Company has also agreed to reimburse the Underwriters for their reasonable out-of-pocket fees and expenses whether or not the Offering is completed. All amounts payable to the Underwriters will be paid from the proceeds of the Offering.

Pursuant to the Underwriting Agreement, Sangoma has agreed that it will not issue nor announce the issuance of any of its Common Shares or other securities convertible or exchangeable into Common Shares for a period of 120 days following the Closing Date without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, which consent will not be unreasonably withheld, delayed or conditioned, provided that such restriction does not apply to the issuance of the Common Shares issued pursuant to the Offering, the granting of stock options and other similar issuances pursuant to the incentive plans of the Company and other share compensation arrangements, the issuance of Common Shares or other securities issued under the due vesting and/or exercise of such grants and the issuance of Common Shares pursuant to acquisitions with arms length third parties.

In addition, Sangoma has agreed to cause each of its executive officers and directors to each enter into an agreement on the Closing Date pursuant to which for a period of 120 days following the Closing Date each will agree, subject to certain exceptions, not to, directly or indirectly, offer, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter the economic exposure to or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Company, without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, which consent will not be unreasonably withheld, delayed or conditioned.

The Company has received conditional acceptance from the TSXV to list the Common Shares to be distributed under this Prospectus on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

Subscriptions for the Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about July 16, 2019 or such later date as the Company and the Underwriters may agree but in any event no later than 42 days after the date of the receipt for this Prospectus. Except as otherwise stated herein, the Common Shares will be issued in electronic form and it is expected that the Company will arrange for an instant deposit of the Common Shares to or for the account of the Underwriters with CDS on the Closing Date, against payment of the aggregate purchase price for the Common Shares. A purchaser of Common Shares will receive only a customer confirmation from the registered dealer, which is a CDS participant, and from or through which Common Shares are purchased. No certificates will be issued unless specifically requested or required.

The Offering is being made in each of the provinces of Canada, other than the province of Québec, and in the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act. No action has been taken in any jurisdiction by the Company or the Underwriters that would permit a public offering of the Common Shares, other than in the provinces of Canada, other than the province of Québec. No offer or sale of the Common Shares may be made in any jurisdiction except in compliance with the applicable laws thereof. Persons receiving this Prospectus are responsible for informing themselves about and observing any restrictions as to the Offering and the distribution of this Prospectus.

In connection with the Offering, certain of the Underwriters or securities dealers may distribute this Prospectus electronically.

The Common Shares offered hereby have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, subject to certain exceptions, may not be offered or sold within the United States except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act, and applicable state securities laws. Accordingly, except to the extent permitted by the Underwriting Agreement, the Common Shares may not be offered or sold within the United States. Each Underwriter has agreed that it will not offer, sell or deliver Common Shares within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement permits the Underwriters to offer and resell the Common Shares that they have purchased pursuant to the Underwriting Agreement to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act), in the United States, provided such offers and sales are made in transactions exempt from the registration requirement of the U.S. Securities Act in accordance with Rule 144A thereunder and exempt from registration under applicable state securities laws in reliance on similar exemptions from registration thereunder. The Underwriting Agreement also provides that the Underwriters will offer and sell the Common Shares outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer or sale is made pursuant to Rule 144A under the U.S. Securities Act.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period ending on the date the selling process for the Common Shares ends and all stabilization arrangements relating to the Common Shares are terminated, bid for or purchase Common Shares. The foregoing restrictions are subject to certain exceptions including: (i) a bid for or purchase of Common Shares if the bid or purchase is made through the facilities of the TSXV in accordance with the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; (ii) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client’s order was not solicited by the Underwriters or if the client’s order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. In connection with the Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including: short sales; purchases to cover positions created by short sales; imposition of penalty bids; syndicate covering transactions and stabilizing transactions.

RISK FACTORS

An investment in the Common Shares is subject to a number of risks that should be carefully considered by prospective purchasers. Before purchasing any Common Shares offered under this Prospectus, prospective investors should carefully consider the risks described below and incorporated by reference into this Prospectus, including, without limitation, those risk factors set out under the heading “Risk Factors” in the 2018 AIF.

The Common Shares are subject to market price volatility

The market price of the Common Shares may be adversely affected by a variety of factors relating to the Company’s business, including fluctuations in the Company’s operating and financial results, the results of any public announcements made by the Company and the Company’s failure to meet analysts’ expectations. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Company’s performance. Additionally, the value of the Common Shares is subject to market value fluctuations based upon factors that influence the Company’s operations, such as legislative or regulatory developments, competition, technological change and changes in interest rates or foreign exchange rates. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company’s performance.

Potential dilution

The Company’s articles of amalgamation and by-laws allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the board of directors of the Company and, in many cases, without the approval of the Company’s shareholders. As part of the Offering, the Company may issue up to 14,846,500 Common Shares (including the 1,936,500 Common Shares issuable upon full exercise of the Over-Allotment Option). Except as described under the heading “Plan of Distribution”, the Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and/or upon the exercise of stock options or other securities exercisable for Common Shares. The Company cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect the prevailing market price of the Common Shares. With any additional issuance of Common Shares, investors will experience dilution to their voting power and the Company may experience dilution in its earnings per share.

The Company will have broad discretion in the use of the net proceeds from the Common Shares of the Offering

The Company will have broad discretion over the use of the net proceeds from the sale of the Common Shares pursuant to the Offering. Because of the number and variability of factors that will determine the Company’s use of such proceeds, the ultimate use might vary from the Company’s currently planned use as set out in this Prospectus. The Company currently intends to use the net proceeds as set out above which may not result in an increase in the market value of the Common Shares.

The Company may have difficulties identifying, successfully completing or integrating acquisitions, or maintaining or growing its acquired businesses.

The Company remains committed to its dual faceted growth strategy of organically growing its business while pursuing selective acquisitions and, at the same, remaining consistently profitable. The Company completed the acquisition of VoIP Supply LLC on July 1, 2017 and the acquisition of the of the Converged Communications Division from Dialogic Corporation on January 9, 2018, which acquisitions were followed by the completion of the Digium Acquisition in September 2018. While the Company has the experience required to execute this strategy, it does not have control over the market conditions prevailing or likely to prevail in the future, which may impact the ability to execute this strategy. There can be no assurances that the Company will be able to identify suitable acquisition candidates available for sale at reasonable valuations, consummate any acquisition or successfully integrate any acquired business into its operations.

Moreover, although the Company is adequately financed at this stage of its growth strategy and will be upon completion of the Offering, there can be no assurance that it will be able to access further financial resources for other suitable acquisition opportunities that may become available to it. The Company will have and will likely continue to have competition for acquisition opportunities from other parties including those that have greater financial resources or are willing to pay higher valuation multiples.

Acquisitions involve significant risks and uncertainties, including:

- unanticipated costs and liabilities;
- difficulties in marketing and integrating new products, software, businesses, operations and technology infrastructure in an efficient, effective and secure manner, including the integration of businesses where a portion or all of the business is in an adjacent industry;
- the inability to achieve synergy and cost reduction targets assumed at the time of acquisition;
- difficulties in consolidating the Company's warehousing and logistics operations from the various locations of acquired businesses to its central facility in Markham, Ontario;
- difficulties in maintaining customer and key supplier relations, including changing contract manufacturers as a result of lower volumes of business;
- the potential loss of key employees of the acquired businesses, including as a result of cultural differences between the acquired company and Sangoma's;
- the diversion of the attention of the Company's senior management from the operation of Sangoma's daily business;
- the potential adverse effect on the Company's net debt and liquidity position as a result of all or a portion of an acquisition purchase price being paid in cash;
- the potential significant increase of the Company's interest expense, leverage and debt service requirements if the Company incurs additional debt to pay for an acquisition;
- the potential issuance of securities that would dilute the Company's shareholders' percentage ownership;
- the potential to incur restructuring and other related expenses, including significant transaction costs that may be incurred regardless of whether a potential strategic acquisition or investment is completed;
- the inability to maintain uniform standards, controls, policies and procedures, including the inability to establish and maintain adequate internal controls over financial reporting;
- difficulties in entering markets in which Sangoma has no or limited direct prior experience and where competitors in such markets have stronger market positions;
- potential impairment charges on higher levels of goodwill and intangible assets as a result of impairment testing performed on a regular basis;
- higher amortization expenses related to acquired definite-life intangible assets; and
- becoming subject to intellectual property or other litigation.

The Company has a significant amount of debt. This debt contains customary default clauses, a breach of which may result in acceleration of the repayment of some or all of this debt.

As at March 31, 2019, Sangoma had \$24.0 million outstanding under its senior secured credit facilities with the Toronto-Dominion Bank. The senior credit facilities consist of:

- (i) a demand operating line of credit of up to \$3,500,000 governed by a general security agreement and standard operating covenants. The demand operating line of credit carries an interest rate of prime plus 0.80% and as of June 30, 2018 and March 31, 2019, no part of this was outstanding;

- (ii) a term loan facility of up to \$1,297,700 governed by a general security agreement and standard operating covenants. The term loan facility has a maturity date of June 2022 and carries an interest rate of prime plus 1.25%. The balance drawn against this term loan facility as of June 30, 2018 and March 31, 2019 was \$773,620 and \$651,446, respectively;
- (iii) a second term loan facility of up to \$4,128,640 governed by a general security agreement and standard operating covenants. This second term loan facility has a maturity date of January 2023 and carries a fixed interest rate of 5.38%. The balance drawn against second term loan facility as of June 30, 2018 and March 31, 2019 was \$3,776,314 and \$3,376,817, respectively;
- (iv) a third term loan facility of up to \$5,178,000 governed by a general security agreement and standard operating covenants. This third term loan facility has a maturity date of August 2023 and carries a fixed interest rate of 6.25%. The balance drawn against this third term loan facility as of June 30, 2018 and March 31, 2019 was \$ nil and \$4,990,711, respectively; and
- (v) a fourth term loan facility of up to \$15,561,027 governed by a general security agreement and standard operating covenants. This fourth third term loan facility has a maturity date of August 2023 and carries a fixed interest rate of 6.18%. The balance drawn against this fourth term loan facility as of June 30, 2018 and March 31, 2019 was \$ nil and \$14,970,987, respectively.

The credit agreements relating to these facilities have customary default clauses. In the event Sangoma defaults on these credit agreements, and is unable to cure or obtain a waiver of such default, the repayment of the Company's debt owing under these credit agreements may be accelerated. If acceleration were to occur, the Company would be required to secure alternative sources of equity or debt financing to be able to repay the debt. Alternative financing may not be available on terms satisfactory to the Company, or at all. New debt financing may require the cooperation and agreement of the Company's existing lenders. If acceptable alternative financing were unavailable, Sangoma would have to consider alternatives to fund the repayment of the debt, including the sale of part or all of its business, which sale may occur at a distressed price.

The Company is dependent on certain technologies used in its products that are licensed on a non-exclusive basis from third parties.

Sangoma licenses certain technologies used in its products from third parties, generally on a non-exclusive basis. The termination of any of these licenses, or the failure of the licensors to adequately maintain or update their products, could delay the Company's ability to offer its solutions while it seeks to implement alternative technology offered by other sources and may require significant unplanned investments. In addition, alternative technology may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to obtain other third-party technology licenses relating to one or more of the Company's solutions or relating to current or future technologies. There is a risk that the Company will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all.

The Company's success and ability to compete depends upon its ability to secure and protect patents, trademarks, and other proprietary rights.

A number of competitors and other third parties have been issued patents and may have filed patent applications or obtain additional patents and proprietary rights for technologies similar to those used in the Company's solutions. Some of these patents may grant very broad protection to the owners of the patents. The Company cannot determine with certainty whether any existing third-party patents or the issuance of any third-party patents would require it to alter its technology, obtain licenses or cease certain activities. Sangoma may become subject to claims by third parties alleging the Company's technology infringes their property rights due to the growth of software products in the Company's target markets, the overlap in functionality of these products and the prevalence of software products. Sangoma provides its customers with a qualified indemnity against the infringement of third-party intellectual property rights. From time to time, various owners of patents and copyrighted works send the Company or its customers letters alleging that the Company's products infringe or might infringe upon the owner's intellectual property rights. The Company generally attempts to resolve any such matter by informing the owner of the Company's position concerning non-infringement or invalidity. Even though Sangoma attempts to resolve these matters without litigation, it is always possible that the owner of a patent or copyrighted work will bring an action against the Company.

The Company relies on a combination of copyright and trade secret laws and contractual provisions to establish and protect its rights in its software and proprietary technology. The Company generally enters into non-disclosure agreements with employees and customers and historically have restricted access to the Company's

software products' source code. Sangoma regards its source code as proprietary information, and attempts to protect the source code versions of its products as trade secrets and as unpublished copyrighted works. In a few cases, the Company has provided copies of source code for certain products to third-party escrow agents to be released on certain predefined terms. Despite the Company's precautions, it may be possible for unauthorized parties to copy or otherwise reverse engineer portions of the Company's products or otherwise obtain and use information that Sangoma regards as proprietary.

Existing copyright and trade secret laws offer only limited protection, and the laws of certain countries in which the Company's products may be used in the future may not protect the Company's products and intellectual property rights to the same extent as the laws of Canada and the US. Certain provisions of the license and strategic alliance agreements that may be entered into in the future by the Company, including provisions protecting against unauthorized use, transfer and disclosure, may be unenforceable under the laws of certain jurisdictions, and Sangoma is required to negotiate limits on these provisions from time to time.

Litigation may be necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish the Company's proprietary rights. Some competitors have substantially greater resources and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than the Company could. Regardless of their merit, any such claims could: be time consuming; be expensive to defend; divert management's attention and focus away from the business; cause product shipment delays or stoppages; subject the Company to significant liabilities; and require the Company to enter into costly royalty or licensing agreements or to modify or stop using the infringing technology, any of which may adversely affect Sangoma's revenue, financial condition and results of operations. There can be no assurance that the steps taken by the Company to protect its proprietary rights will be adequate to deter misappropriation of the Company's technology or independent development by others of technologies that are substantially equivalent or superior to the Company's technology.

From time to time, the Company may be subject to litigation or dispute resolution that could result in significant costs to the Company and damage its reputation.

In addition to being subject to litigation in the ordinary course of business, the Company may become subject to class actions, securities litigation or other actions, including anti-trust and anti-competitive actions. Any litigation may be time consuming, expensive and distracting from the conduct of Sangoma's day-to-day business. The adverse resolution of any specific lawsuit could have a material adverse effect on Sangoma's financial condition and liquidity. In addition, the resolution of those matters may require the Company to issue additional Common Shares, which could potentially result in dilution. Expenses incurred in connection with these matters (which include fees of lawyers and other professional advisors and potential obligations to indemnify officers and directors who may be parties to such actions) could adversely affect the Company's cash position.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon on behalf of the Company by Wildeboer Dellelce LLP, and on behalf of the Underwriters by Torys LLP. As at the date of this Prospectus, the partners and associates of Wildeboer Dellelce LLP and Torys LLP, as a group, beneficially own, directly or indirectly, less than one percent respectively, of the issued and outstanding Common Shares.

AUDITORS

The Company's auditor is MNP LLP, Chartered Professional Accountants, Toronto, Ontario who have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal transfer office in Toronto, Ontario.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: July 8, 2019

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except the province of Québec.

(Signed) WILLIAM WIGNALL
President and Chief Executive Officer

(Signed) DAVID MOORE
Chief Financial Officer

On behalf of the Board of Directors

(Signed) DAVID MANDELSTAM
Director

(Signed) YVES LALIBERTÉ
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: July 8, 2019

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except the province of Québec.

ACUMEN CAPITAL FINANCE PARTNERS
LIMITED

(Signed) KELLY HUGHES
Head of Investment Banking

CORMARK SECURITIES INC.

(Signed) JAMES AUSTEN
Director

INFOR FINANCIAL INC.

(Signed) BEN GOLDSTEIN
Principal

PI FINANCIAL CORP.

(Signed) BLAKE CORBET
Managing Director, Investment Banking

BEACON SECURITIES LIMITED

(Signed) STEPHEN J.A. DELANEY
Managing Director, Investment Banking

SANG**MA**